



Australian Government
Department of Education

2022-23 Annual Report





Australian Government
Department of Education

2022-23

Annual Report

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Letter of transmittal



Australian Government
Department of Education

Secretary
Tony Cook PSM

The Hon Jason Clare MP
Minister for Education

The Hon Dr Anne Aly MP
Minister for Early Childhood Education
Minister for Youth

Dear Ministers

I am pleased to present the Department of Education Annual Report 2022–23.

This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act) for presentation to the Parliament.

The report reflects the matters dealt with and the legislation administered by the department and includes the department's audited financial statements in accordance with sections 42 and 43 of the PGPA Act. The report also meets the requirements of the Public Governance, Performance and Accountability Rule 2014 (Cth) (PGPA Rule) in relation to annual reports for non-corporate Commonwealth entities and includes the department's audited annual performance statements.

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

- fraud risk assessments and fraud control plans have been prepared and are in place for the department
- appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the department are in place for the department
- all reasonable measures have been taken to deal appropriately with fraud relating to the department.

The report appendices also provide the following:

- Tuition Protection Service Annual Report 2022–23 as required under section 170B of the *Education Services for Overseas Students Act 2000* (Cth)
- information required under section 113 of the *Australian Education Act 2013* (Cth) in relation to recoverable payments.

Yours sincerely

Tony Cook
25 September 2023

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1.

Overview

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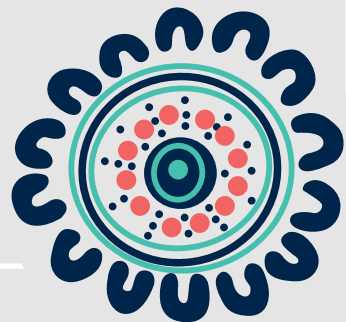


Acknowledgement of Country

The Department of Education acknowledges the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to them and their cultures, and Elders past and present.

***Guwanyi wingara yirabana* is our story. It means 'learning journey' in Dharug/Darug language.**

The artwork was commissioned by the Department of Education and created during 2023 NAIDOC Week celebrations. Staff contributed to the piece, which was designed and art-directed by Trevor Eastwood from Dalmarri. Trevor is a descendant of the Ngamba people on the Barwon River, part of Kamiloroi Country.





Secretary's review

A new beginning

On 1 July 2022 the Department of Education commenced in its current form following machinery of government changes.

Now focused on the education elements of lifelong learning – from early childhood, through schooling and into higher education and research – this enabled the department to concentrate its efforts on education policy, including major independent reviews to inform the future of education, applying a holistic approach to policy development and implementation.

We continued our national leadership role in education policy. We successfully delivered on Australian Government priorities and programs throughout the year to create opportunities and improved outcomes for people through access to quality education and learning.

Hallmarks of the year were the establishment and support of 3 major independent reviews – into early childhood education and care (ECEC), schools, and higher education – and increased and broader engagement. These reviews will assist the department with major policy thinking and development, and put us in a strong position to meet the challenges of education reform in Australia.

We supported our ministers, our assistant minister and the Australian Government's policy priorities with professionalism, guided in our work by the Australian Public Service (APS) values and behaviours. Our robust governance ensured we met our legal, accountability and policy obligations.

Our commitment to a safe, respectful, inclusive and diverse workplace for our more than 1,400 people – across Australia and some overseas – remained steadfast. We continued to increase the capability of our people and support their health and wellbeing throughout the year – from providing our people access to support services to facilitating flexible working arrangements.

Engaging with colleagues across the APS is a feature of our work and its effective implementation. For example, the Department of Social Services Grants Hub provided grants administration services, and Services Australia was responsible for the delivery of payments and services in child care programs. The department also had a joint initiative arrangement with Services Australia to improve the collection of data and to manage data exchange in relation to the Tertiary Collection of Student Information system – an essential element of service delivery to higher education students.

Increased access and equity

A significant achievement was the development of legislation and policy to support an increase to the Child Care Subsidy (CCS), improving and broadening access to and affordability of ECEC for families. A significant government priority, this initiative will also provide opportunities for parents, and particularly women, to return to work or increase their hours of work. Its underpinning legislation passed in November 2022, paving the way for increases to the CCS to begin from July 2023.

As part of this work, the minimum entitlement of First Nations children for subsidised ECEC services will also increase.

The Schools Upgrade Fund and the Capital Grants Program provided more equitable access to resources for schools. Capital projects to assist student learning and help keep students and school staff safe after disruptions caused by COVID-19 were supported.

The department is delivering the government's election commitment for 20,000 additional Commonwealth supported places (CSPs) commencing in 2023 and 2024, providing more opportunities for Australians to study in areas of national priority. These places focus on increasing participation for regional and remote students, those from low socio-economic backgrounds, students with disability, First Nations students, and those who are the first in their family to study at university.

The department's commitment to supporting improved outcomes for First Nations peoples is in line with the government's priority to work with First Nations people, communities and businesses to improve opportunities and build a better future.

Enhanced partnerships and engagement

This commitment is central to our policy and program development – for example, the Early Childhood Care and Development Policy Partnership (ECCPP).

The ECCPP meets a commitment under the National Agreement on Closing the Gap that all Australian governments work in formal partnership with First Nations representatives. A co-designed and co-developed forum between the department and the Secretariat of National Aboriginal and Islander Child Care – National Voice for our Children (SNAICC), it shares decision-making and discussion across early childhood care and development policy areas: early childhood education, maternal and child health, child safety, and children and families.

Another major achievement was the development and establishment of the Office for Youth to support the contribution of young people to advocacy, improve and harmonise government policy and ensure effective communication with young people.

Supported by a 15-member Youth Steering Committee, the work and directions of the Office for Youth are underpinned by a new Youth Engagement Model that provides young people with strong and formalised engagement in government and policymaking. It also has 5 youth advisory groups, which provide advice to APS agencies on policies and programs that affect young people.

The Australian Universities Accord is the Australian Government's major commitment to redefining the relationship between government and the higher education sector and to delivering lasting and transformative reforms to the benefit of students and the wider Australian community. The department supported the Australian Universities Accord Panel's development and release of a discussion paper that elicited more than 300 written submissions and led to the Australian Universities Accord Interim Report, delivered to the Minister for Education in June 2023. The final report is due at the end of 2023.

Partnerships are also a feature of the Trailblazer Universities Program, in which 6 university led projects are collaborating with more than 160 industry partners and government. This includes a focus on small and medium enterprises and regional impact.

Towards a better and fairer education system

A fundamental responsibility of the department is national policy leadership to improve student outcomes in Australian schools and manage financial support for government and non-government schools.

An expert panel was appointed by the Minister for Education to inform a better and fairer education system, including by advising on key targets and specific reforms that should be tied to funding in the next National School Reform Agreement (NSRA). With departmental support, the panel undertook broad consultations with the sector. Additionally, a survey of students, teachers, parents and guardians attracted more than 24,000 responses. These activities will inform the recommendations of the final report, due to education ministers by 31 October 2023.

A Teacher Education Expert Panel was formed to provide advice on how to enhance initial teacher education to better equip and prepare teachers at the very beginning of their careers.

Student wellbeing remained a key focus of the department, with the establishment of the National Student Wellbeing Program (NSWP). This program provides recurrent funding to states and territories and more choice to schools to hire either a student wellbeing officer or a chaplain to support school students and school communities.

The department reached agreement with all states and territories for the delivery of Student Wellbeing Boost one-off funding to help schools respond to the impact of COVID-19 and successive lockdowns on the mental health and wellbeing of their students.

Workforce skills and supply initiatives

An adequate supply of effective educators is key to lifting student outcomes. The department has commenced a number of initiatives to combat shortages.

A new Workforce Taskforce was formed to provide policy advice on the ECEC sector. It will also be responsible for the National Children's Education and Care Workforce Strategy and funding allocated for workforce measures.

The department also led the ongoing implementation of the National Teacher Workforce Action Plan, agreed by all education ministers, to attract, train and retain people in the profession.

The new National Industry PhD Program was implemented, with 32 successful industry-focused research projects announced covering health and medical research, agriculture and food production, environmental sustainability, technology, manufacturing and artificial intelligence. The program will support PhD candidates to better translate university research into commercialisation outcomes.

Strengthening the evidence base

The Australian Bureau of Statistics (ABS) delivered statistical, research and analysis services across several education-related programs covering ECEC, schools and higher education.

The new ECPP began commissioning research to build up an evidence base for its agreed priorities.

Implementation of the Schools Unique Student Identifier (USI) for school students began.

When complete, it will provide the means to build a better understanding of student progress through education.

Our portfolio

Ministers

As at 30 June 2023



The Hon Jason Clare MP
Minister for Education



The Hon Dr Anne Aly MP
Minister for Early Childhood Education and Minister for Youth



Senator the Hon Anthony Chisholm
Assistant Minister for Education

Department of Education

Purpose

The department'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.

Outcomes and programs

In 2022–23 the department achieved its purpose through the delivery of 2 outcomes and 12 programs.

Outcome 1

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

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

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
- **Program 2.2** Higher Education Superannuation Program
- **Program 2.3** Higher Education Support
- **Program 2.4** Higher Education Loan Program
- **Program 2.5** Investment in Higher Education Research
- **Program 2.6** Research Capacity
- **Program 2.7** International Education Support

Role and functions

As at 30 June 2023 the department was responsible for leading implementation of national policy and programs that help to build a strong future by supporting the ECEC and schooling systems, developing strong frameworks for Australia's young people, and enabling access to higher education, so that Australia can maximise personal, social and economic outcomes. In addition, enhancing Australia's role as a provider of international education and world-class research remained a priority.

We delivered on our purpose by advising our ministers, implementing Australian Government policies and programs and administering legislation. To achieve this we used research, evidence and data and worked collaboratively with industry, stakeholders, and state and territory governments.

Authority

Table 1.1: Details of the accountable authority during the reporting period, 2022–23

Name	Position title	Date of commencement	Date of cessation
Dr Michele Bruniges AM	Secretary	1 July 2022	3 April 2023
Mr Tony Cook PSM	Secretary	4 April 2023	-



Portfolio entities

As at 30 June 2023



Australian Curriculum, Assessment and Reporting Authority

Mr David de Carvalho,
Chief Executive Officer

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



Australian Institute for Teaching and School Leadership Limited

Mr Mark Grant PSM,
Chief Executive Officer

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



Australian Government
Australian Research Council

Australian Research Council

Ms Judith Zielke PSM,
Chief Executive Officer

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



Australian Government
Tertiary Education Quality
and Standards Agency

Tertiary Education Quality and Standards Agency

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

Outcome: Contribute to a high-quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.



**Australian
National
University**

Australian National University

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

The Australian National University (ANU) is a research intensive educational institute, established by the *Australian National University Act 1991* (Cth). The ANU is not part of the general government sector.



Our departmental structure

As at 30 June 2023

Tony Cook PSM, Secretary



Kylie Crane PSM
Deputy Secretary

EARLY CHILDHOOD AND YOUTH

Child Care

Early Learning Programs and Youth

Workforce Taskforce



Meg Brighton
Deputy Secretary

SCHOOLS

Funding and Data Collection

Teaching and Learning

National Reform

Improving Student Outcomes

Service Design and Integration



Ben Rimmer
Deputy Secretary

HIGHER EDUCATION, RESEARCH AND INTERNATIONAL

International

Higher Education

Research



Marcus Markovic
Deputy Secretary

CORPORATE AND ENABLING SERVICES

People, Parliamentary and Communications

Financial Management

Strategy, Data and Measurement

Legal

Tuition Protection Service

Statutory Office

Year in review

Early childhood and youth

Supporting Australian families with early childhood education and care

In 2022–23 the department continued to support the Australian Government’s commitment to improving the affordability of ECEC for Australian families. Two key inquiries were commissioned by the government, for which the department facilitated stakeholder engagement and provided data and policy information.

On 28 October 2022 the Australian Government commissioned the Australian Competition and Consumer Commission inquiry into the market for the supply of child care services. The inquiry is examining and considering matters including the costs and availability of labour, the use of land and related costs, finance and administrative costs, regulatory compliance costs, the costs of consumables, and the prices charged since 2018 and how these have changed following changes in child care policy settings. In February 2023 the Minister for Education and the Minister for Early Childhood Education also announced that Professor Emerita Deborah Brennan AM will co-lead a Productivity Commission inquiry into Australia’s ECEC system. This inquiry will include centre-based day care, preschools, family day care, outside school hours care and in-home care. The Productivity Commission will consider cost and availability barriers that affect access to ECEC services, and ways to support better outcomes for children and families.

In November 2022 legislation passed through parliament to enact the Budget measure Cheaper Child Care, which paved the way for increases to the CCS taper rate from July 2023. These changes help with cost-of-living pressures and support all Australian families to have access to affordable, accessible and quality ECEC, while making it easier for parents to return to paid work, or work more paid hours. Under the CCS reforms, the maximum subsidy rate of 85% increases to 90% for families on an income of \$80,000 or less. Subsidy rates decrease by 1 percentage point for every \$5,000 of additional income earned above \$80,000. The new upper income limit increases to \$530,000, when the subsidy rate hits 0%.

The Cheaper Child Care legislation that was passed in November 2022 also included amendments to increase the minimum entitlement of First Nations children for subsidised ECEC services to 36 hours per fortnight, regardless of activity levels.

Improved regulatory settings and outcomes

The department engaged broadly with the ECEC sector in 2022–23 to increase the quality and timeliness of information so that Australian families are better informed about where they enrol their children in care.

Through reforms progressed in 2022–23, the department has expanded its capacity to oversee the financial viability of large providers with a significant presence in the market. The department also partnered with the Australian Children’s Education and Care Quality Authority (ACECQA) to roll out enhancements to www.StartingBlocks.gov.au that will enable the online publication of more information and increase transparency in the ECEC sector.

Since 1 January 2023 ECEC providers have been banned from offering non-educational inducements to secure enrolments. Prohibiting enrolment inducements ensures the integrity of the CCS and supports a fairer market between small and large providers.

The department’s focus on CCS integrity had significant results during 2022–23. CCS payment accuracy in 2022–23 was 96.9% – an increase of 3.9% from 2021–22 and the highest annual rate recorded since the measure of child care payment accuracy was introduced in 2014–15.

Child safety

The National Quality Framework (NQF) is designed to support ECEC services in meeting their obligations to provide a child safe environment. In 2023 the department engaged ACECQA to undertake a review of child safety arrangements under the NQF to ensure that the NQF system remains contemporary and fit for purpose. ACECQA is due to provide a report to education ministers by the end of 2023. Additional information about the review and the terms of reference can be found at www.acecqa.gov.au.

Early Childhood Care and Development Policy Partnership

The ECPP was established in August 2022 as a commitment under the National Agreement on Closing the Gap for all Australian governments to work in formal partnership with First Nations representatives. Established through a co-development process between the department and First Nations partners, the ECPP is funded by the Commonwealth for \$10.2 million over 3 years, and is co-chaired by the Deputy Secretary of Early Childhood and Youth, Australian Government Department of Education and the Chief Executive Officer of the SNAICC.

As a shared decision-making forum, the ECPP fosters a joined-up approach across a broad spectrum of early childhood care and development policy areas, specifically early childhood education, maternal and child health, child safety, and children and families. The primary role of the ECPP is to drive action on the priority reforms in the National Agreement on Closing the Gap and make recommendations to the Joint Council on Closing the Gap to improve early childhood outcomes.

The ECPP has endorsed its first annual workplan with agreed strategic priorities for 2023. This includes commissioning research projects to develop the evidence base on agreed priorities, which will contribute to forthcoming national reform opportunities and inform the development of future recommendations to the Joint Council on Closing the Gap.

Strengthening the ECEC workforce

The department created a new Workforce Taskforce in early 2023 to provide policy advice on the ECEC workforce, including options to address any shortages. The Workforce Taskforce's scope includes implementation of ECEC workforce Budget measures and the National Children's Education and Care Workforce Strategy.

Since its conception the Workforce Taskforce has worked with the ECEC sector and governments to ensure that all 21 actions under the National Children's Education and Care Workforce Strategy are on track. Thirteen of these actions are due for completion by the end of 2024.

From July 2023 the Workforce Taskforce will implement the Australian Government's new ECEC workforce grants (representing a total investment of \$72.4 million over 5 years) to greater support the skills and training of the ECEC workforce. This includes supporting ECEC educators, teachers and centre managers to undertake professional development training and supporting teachers to undertake paid practicum placements or participate in a practicum exchange program. These initiatives will prioritise support for First Nations educators, and educators in regional and remote areas.

Establishing the Office for Youth and new Youth Engagement Model

The department established the Office for Youth in November 2022, supported by a 15-member Youth Steering Committee. The Office for Youth supports the contribution of young people and their advocates, improves and harmonises policy across the Australian Government, and ensures government agencies are communicating effectively with young people. As part of this work, 5 youth advisory groups were established in March 2023 to provide advice to agencies on policies or programs that affect young people. The advisory groups are working with the National Indigenous Australians Agency; the Department of Health and Aged Care and the National Mental Health Commission; the Department of Climate Change, Energy, the Environment and Water; the Department of Social Services and the Department of Industry, Science and Resources.

Preschool Reform Agreement

The Australian Government provided \$453.2 million to states and territories for the 2022 program year under the Preschool Reform Agreement 2022–2025, to support universal access to preschool in the year before full-time school. In 2022–23, the Australian Government and states and territories negotiated details of arrangements to collect preschool attendance data as a foundation to improving preschool participation; and made substantial progress on development of a new national preschool outcomes measure to be trialled in 2025.

Schools

In 2022–23 the department continued to provide national leadership on schools policy and support for improving schooling and student outcomes in Australia. This included delivering a range of headline programs such as the Student Wellbeing Boost and the NSW, as well as supporting the Expert Panel to Inform a Better and Fairer Education System, leading implementation of the National Teacher Workforce Action Plan and supporting implementation of the Schools USI. The department also managed financial support for schools, providing general funding for government and non-government schools as well as targeted support in areas such as capital investment and student wellbeing.

Review to Inform a Better and Fairer Education System

On 29 March 2023 the Minister for Education announced the Expert Panel to Inform a Better and Fairer Education System. The panel, led by Dr Lisa O'Brien AM, comprises experts with significant and diverse experience in school education, including Ms Dyonne Anderson, who is a current school principal. The panel will advise on the key targets and specific reforms that should be tied to funding in the next NSRA. The panel is supported by a secretariat from the department. It has undertaken consultations with numerous stakeholders including students, teachers, school leaders and support staff, education unions, national education agencies, non-government sector school stakeholders and parents' associations. It also commissioned a survey of students, teachers and parents/guardians, which attracted over 24,000 responses. Responses from the survey and further consultation processes will inform the recommendations of the final report, which is due to education ministers by 31 October 2023.

Funding for schools

In the 2022 calendar year the department delivered recurrent funding to support school education:

- \$9.9 billion to the states and territories for government schools
- \$15.6 billion to non-government education authorities for non-government schools.

The department determined annual capacity to contribute (CTC) scores for all eligible non-government schools to inform decisions on Commonwealth funding for the 2023 school year. A CTC score is a measure of a non-government school community's capacity to contribute to the ongoing costs of running the school. A school's CTC percentage affects the amount of base recurrent funding the school attracts from the Australian Government under the *Australian Education Act 2013* (Cth). This process was supported by annual data linkage and the continual data quality and validation framework developed in consultation with the ABS, to ensure scores are fit for purpose, reliable and robust.

Capital investment

In 2022–23 the department commenced implementation of the Australian Government's commitments to provide more equitable access to resources for schools and to help keep students and school staff safe after disruptions caused by COVID-19. The Schools Upgrade Fund and the Capital Grants Program (CGP) provide funding for small- and large-scale capital projects that support student learning in schools.

Schools Upgrade Fund

The department delivered around \$50 million through the Schools Upgrade Fund to help schools provide their students with improved learning facilities and learning environments in 2022–23:

- The Targeted Round supported 215 priority projects in 211 schools, announced as part of the Australian Government's 2022 election commitments. Projects included improved learning facilities, new or upgraded outdoor play and learning spaces, and classroom upgrades.
- The Open Round supported improvements to facilities in 1,337 schools, including upgrading ventilation systems, building outdoor learning spaces, refurbishing classrooms and purchasing ICT equipment.

Capital Grants Program funding

In the 2022 calendar year the department distributed \$194 million to block grant authorities for 210 projects at 198 schools under the CGP. The CGP provides funding to assist non-government primary and secondary schools to improve capital infrastructure where they otherwise may not have access to sufficient capital resources. CGP funding can be used for a wide range of infrastructure projects such as planning, fit-out, new construction or refurbishment of classrooms, libraries and science, technology, engineering and mathematics (STEM) facilities.

Teacher workforce

Having an adequate supply of effective teachers is key to lifting student outcomes. However, like many nations, Australia is experiencing a teacher shortage. This is a national problem, requiring a national solution. In recognition of this, education ministers agreed to a National Teacher Workforce Action Plan in December 2022 to help attract, train and retain people in the profession. The National Teacher Action Plan (www.education.gov.au/teaching-and-school-leadership/resources/national-teacher-workforce-action-plan) has 27 actions and sets out a clear pathway to addressing teacher shortages in schools across Australia.

The department is leading the implementation of the action plan, in collaboration with state and territory governments, the non-government sector, the Australian Institute for Teaching and School Leadership and the Australian Curriculum, Assessment and Reporting Authority.

The action plan arose from a Teacher Workforce Shortage Roundtable, held on 12 August 2022, where education ministers heard from teachers, principals, and other education experts about how to address the nationwide teacher shortage. One of the key messages arising from the roundtable was the need to further improve initial teacher education (ITE) to boost graduation rates and ensure graduating teachers are well prepared for the classroom.

On 22 September 2022 the Minister for Education announced the Teacher Education Expert Panel (TEEP). The TEEP, led by Professor Mark Scott AO, comprised experts with relevant and varied experience in the ITE sector, including Ms Rebecca West who is a current deputy school principal. The TEEP was engaged to provide advice on how to enhance ITE to better equip beginning teachers. The TEEP delivered its report to the Minister for Education on 30 June 2023, suggesting a series of reforms to strengthen ITE programs. The TEEP report, *Strong Beginnings: Report of the Teacher Education Expert Panel* (www.education.gov.au/quality-initial-teacher-education-review/resources/strong-beginnings-report-teacher-education-expert-panel) can be accessed on the department's website.

Student wellbeing

The Australian Government is committed to supporting the wellbeing of all young people and believes that all students have the right to an education and to be safe and happy at school. Student wellbeing is a dynamic state which is characterised by students experiencing the ability and opportunity to fulfil their personal and social goals within and outside the school community.

High levels of wellbeing are associated with superior outcomes for students, including greater school satisfaction, improved academic achievement, higher quality social relationships, prevention and reduction of the impact of mental illness, and better physical health. In addition, wellbeing is important in facilitating young people's effective participation in society.

The department amended the former National School Chaplaincy Program to establish the NSW, which commenced in January 2023. The new program provides states and territories ongoing funding of \$61.5 million per year to provide schools with more choice in hiring either a student wellbeing officer or a chaplain to support school students and school communities.

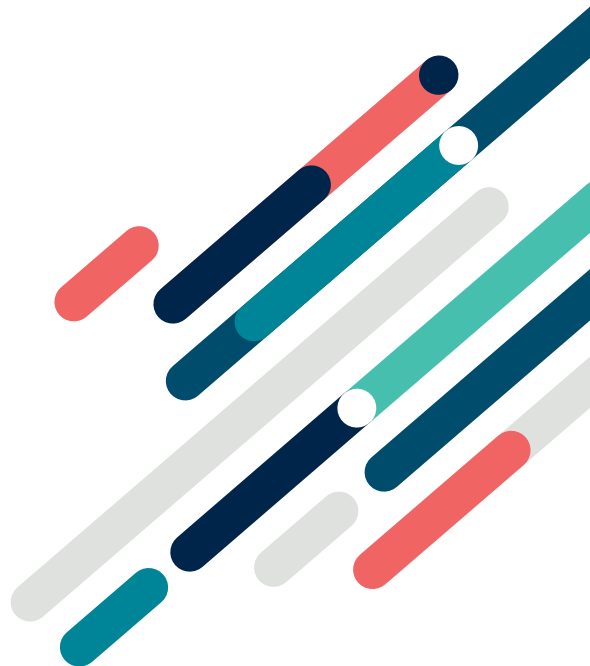
Additionally, in 2022–23 the department reached agreement with all states and territories to deliver \$192 million in one-off funding to assist every Australian school under the Student Wellbeing Boost election commitment. These additional funds help support schools to respond to the impact of COVID-19 and successive lockdowns on the mental health and wellbeing of their students. Schools have the discretion to choose how to best use these funds on mental health and wellbeing initiatives such as extra school mental health professionals, camps, excursions, and sporting and social activities that improve students' wellbeing, and on proven student wellbeing, student engagement and mental health initiatives.

Unique Student Identifier for school students

The Schools USI project is one of 8 national policy initiatives in the NSRA. The purpose of the Schools USI is to better understand student progression and improve the national evidence base. This initiative will provide every Australian school student with a USI number that will travel with them from kindergarten throughout school and into vocational education and training (VET) and higher education.

In December 2022 education ministers agreed on the operating model for the Schools USI, as well as a baseline use of the Schools USI to support the transfer of student information when individual students move between schools and systems. The agreed USI dataset will be included in the Student Data Transfer Protocol when it is operational. Ministers also agreed that no further uses will be considered until the initiative is fully implemented and every school student has a national USI.

The Australian Government is leading the implementation of the Schools USI project, in collaboration with state and territory governments and the non-government schooling sector.



Higher education, research and international

Australian Universities Accord

The department is supporting the work of the Australian Universities Accord Panel, chaired by Professor Mary O'Kane AC, to deliver lasting and transformative reform in the higher education system. The Australian Universities Accord Discussion Paper was released in February 2023, canvassing a broad range of questions about the future of the sector and drawing over 300 written submissions in response.

The panel delivered an interim report to the Minister for Education in June 2023. This report sets out 5 priority actions that address immediate problems, and the panel's initial views about larger issues that will be addressed in the final report, due at the end of 2023.

HELP debt reductions for doctors and nurse practitioners

In February 2023 the Australian Government passed legislation to enable the Higher Education Loan Program (HELP) debt reduction and indexation waiver measure for doctors and nurse practitioners who work in rural, remote and very remote locations of Australia.

This initiative addresses skill shortages. It provides incentives to doctors and nurse practitioners to live and work in places that need them by waiving or reducing their HELP debt.

Eligibility for the measures commenced on 1 January 2022. Specific work requirements are provided in the HELP Debtor (Health Practitioner) Guidelines 2023. Once doctors and nurse practitioners have spent the required time in a rural or remote area, and met other requirements, they will be eligible for a reduction in their HELP debt. Eligible health practitioners will also be able to get an indexation waiver for periods in which they live and work in a rural, remote or very remote area.

20,000 additional Commonwealth supported places

The department is delivering the Australian Government's commitment of \$485.5 million over the forward estimates to support an additional 20,000 commencing CSPs in 2023 and 2024.

The additional places will provide more opportunities for Australians to enrol to study in areas of skills shortage.

Higher education providers have been allocated places in education (4,036), nursing (2,600), IT (2,275), health professions (2,740) and engineering (1,738), with the remaining places being allocated in other areas of skills shortage.

The additional places will upskill Australians, helping to boost productivity and provide opportunity to groups of Australians who are currently under-represented at our universities. Higher education providers are required to allocate the additional places to people from low socio-economic backgrounds, people from rural and remote areas, First Nations people, people who are the first in their family to attend university, and people with disability.

Mechanism for the Mutual Recognition of Qualifications between Australia and India

In March 2023 the Minister for Education and his Indian counterpart signed the Mechanism for the Mutual Recognition of Qualifications between Australia and India. The mechanism secures the reciprocal recognition of school and post-secondary qualifications, giving new confidence to students, graduates and providers. It is the most comprehensive and forward-looking qualifications recognition agreement that India has made to date with any country and resolves longstanding barriers to the recognition of Australian qualifications, most notably qualifications delivered transnationally and online. The mechanism has opened the doors to new partnerships and transnational delivery models being progressed by Australian providers in India.

Ratification of global recognition of qualifications

Australia ratified the *UNESCO Global Convention on the Recognition of Qualifications concerning Higher Education 2019* in December 2022. The convention came into force in March 2023. This is the first United Nations treaty on higher education with a global scope. It is significant for Australia, as it positions Australia as a world leader in qualifications recognition and its implementation will drive global student mobility. The Global Convention on the Recognition of Qualifications allows us to champion best practices globally and secure recognition of Australian education providers and their qualifications, while minimising any barriers for graduates of the Australian education system. The department was closely involved in the development of the convention for more than a decade, including as chair of the drafting committee in 2017, and led international advocacy efforts to promote the convention's role in improving global access to and participation in quality higher education.

Trailblazer Universities Program

The Trailblazer Universities Program commenced in December 2022. The 6 university led projects are collaborating with over 160 industry partners with approximately \$1.3 billion investment from universities, partners and the Australian Government. The Trailblazer universities aim to attract small and medium enterprises and demonstrate regional impact. The projects have commenced regional training programs and are collaborating with regional VET institutions such as technical and further education (TAFE) providers.

National Industry PhD Program

The National Industry PhD Program was successfully implemented and its inaugural application round was held in March and April 2023. From this process 32 successful industry-focused research projects were announced, covering a broad range of topics including health and medical research, agriculture and food production, environmental sustainability, technology, manufacturing and artificial intelligence. This program will support PhD candidates to gain the knowledge and skills to better translate university research into commercialisation outcomes and be able to work at the interface of research and industry, and across the sectors in future.

Australian Research Council review

On 30 August 2022 the Minister for Education announced an independent review of the *Australian Research Council Act 2001* (Cth) (ARC Review) to consider the role and purpose of the Australian Research Council (ARC) within the university research system. The department supported Professor Margaret Sheil AO (Panel Chair), Professor Susan Dodds and Professor Mark Hutchinson in the conduct of the review process. The Minister for Education released the final report of the ARC Review on 20 April 2023. The ARC Review made 10 recommendations to improve the governance of the ARC and to enhance its role, its purpose and its budgetary arrangements. The key recommendation is the establishment of an ARC Board to provide independence and oversight of the peer review process for research grants. The Board would be responsible for the appointment of the ARC Chief Executive Officer and the approval of grants within the National Competitive Grants Program.

Highlights

Our purpose

To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes through access to quality education.

Outcomes

- Quality early learning and schooling**
 Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.
- Quality higher education, international education and international quality research**
 Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.

Our priorities

During 2022–23 the department administered 12 programs on behalf of the Australian Government with expenses including:

- 
\$11.1 billion
 in child care personal benefits
- 
\$37.9 billion
 in funding for schools national support and higher education institutions

Our people

1,497

People*

1,401 Ongoing	96 Non-ongoing	1,245 Full-time	252 Part-time	64 Contractors
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Diversity

67.5% Female • 32.2% Male • 2.6% First Nations • 6.1% Disability
 8.1% Non-English speaking background • 4.7% LGBTQIA+

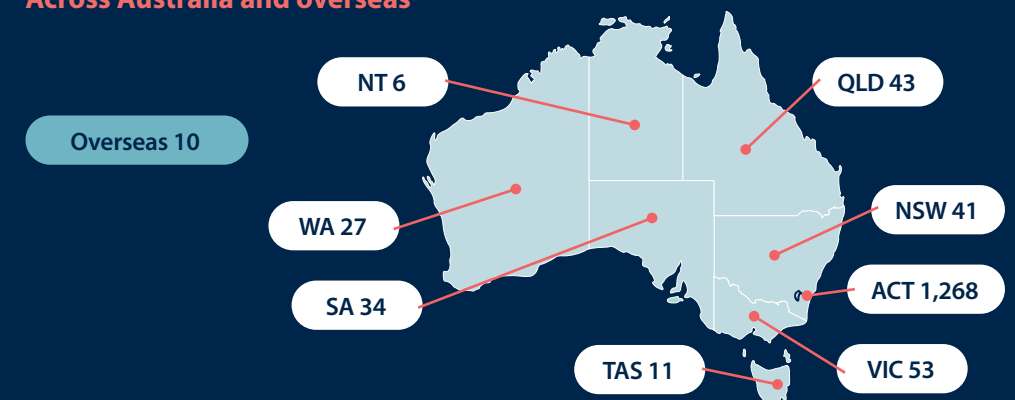
Women in leadership



Five employee-led networks

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

Across Australia and overseas



* Four employees use a different term. To protect their identification, they have been added to the total figure only, and not the map.

2.

Performance statements

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Statement by the accountable authority

I, as the Accountable Authority of the Department of Education, present the 2022–23 Annual Performance Statements as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the entity for 2022–23, and comply with section 39(2) of the PGPA Act.



Tony Cook PSM
13 September 2023

Changes to our performance measures

The Department of Education made amendments to the performance measures as published in the October 2022–23 Portfolio Budget Statements and the varied 2022–23 Corporate Plan. The amendments are summarised below.

Changes to Outcome 1

Performance measure PM008	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20 to 24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above
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The department has amended the data source to clarify that the Productivity Commission Closing the Gap Information Repository Dashboard is the source of the result for PM008.

Published data source	Australian Bureau of Statistics (ABS) Census of Population and Housing
Amended data source	Productivity Commission, Closing the Gap Information Repository Dashboard, with underlying data from ABS Census of Population and Housing

Changes to Outcome 2

Performance measure PM011 **Proportion of undergraduates who are employed within 4 to 6 months of completing a degree**

The department has amended the performance measure and methodology wording to clarify the time period to ensure alignment with the data source (Quality Indicators for Learning and Teaching (QILT), Graduate Outcomes Survey). The methodology wording has also been clarified to reflect that this measure relates to domestic undergraduates.

Published performance measure	Proportion of undergraduates who are employed within 4 months of completing a degree
Amended performance measure	Proportion of undergraduates who are employed within 4 to 6 months of completing a degree
Published methodology	Number of undergraduates employed within 4 months of completing a degree over the total number of graduates available for work in that 4 months
Amended methodology	Number of domestic undergraduates employed within 4 to 6 months of completing a degree over the total number of domestic undergraduates available for work in those 4 to 6 months

Performance measure PM016 **Proportion of undergraduate students who rate the teaching quality at their institution positively**

The methodology wording has been updated to clarify the cohort of students the measure is assessing.

Published methodology	Number of students rating the teaching received as positive over the total number of students with valid survey responses
Amended methodology	Number of domestic students rating the teaching received as positive over the total number of domestic students with valid survey responses

Performance measure PM018	The proportion of HELP debt not expected to be repaid on new debt
--------------------------------------	--

The performance measure wording has been revised to clarify the scope of the measure.

Published performance measure	The proportion of HELP debt not expected to be repaid
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Amended performance measure	The proportion of HELP debt not expected to be repaid on new debt
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Performance measure PM019	The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications
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The performance measure wording has been revised to align with the methodology.

Published performance measure	The proportion of research publications in Australia that are among the world's top 10% most-highly cited journals
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Amended performance measure	The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications
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Performance measure PM020	Proportion of research postgraduates who are employed within 4 to 6 months of completing their degree
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The department has amended the performance measure and methodology wording to clarify the time period to ensure alignment with the data source (QILT, Graduate Outcomes Survey).

Published performance measure	Proportion of research postgraduates who are employed within 4 months of completing their degree
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Amended performance measure	Proportion of research postgraduates who are employed within 4 to 6 months of completing their degree
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Published methodology	Number of research postgraduates employed within 4 months of completing their degree over the total number available for work in that 4 months
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Amended methodology	Number of research postgraduates employed within 4 to 6 months of completing their degree over the total number available for work in those 4 to 6 months
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Performance measure PM023	Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs
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In the course of the Australian National Audit Office (ANAO) audit of the then Department of Education, Skills and Employment (DESE) 2021–22 Annual Performance Statements, the ANAO identified that DESE had not verified the third-party survey data used to report on this measure. This was noted in the statement by the accountable authority in the former DESE 2021–22 Annual Performance Statements.

After further analysis the department determined that there were significant difficulties in verifying the data used in the measure. Accordingly, the department considers that the measure does not meet the requirements of section 16EA of the Public Governance, Performance and Accountability Rule 2014 (Cth) (PGPA Rule), and will no longer report on PM023.

The department is committed to improving the quality of its performance reporting. The department will use PM019 *'The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications'* to measure and assess its performance in respect of research infrastructure, reflecting that a key outcome sought by the national investment in research infrastructure is the creation of a high-quality research system, evidenced by published research.

These changes are reflected in the varied 2022–23 Corporate Plan (www.education.gov.au/about-department/resources/202223-varied-corporate-plan-department-education) and the 2023–24 Portfolio Budget Statements (www.education.gov.au/about-department/resources/2023-24-portfolio-budget-statements).

Performance measure PM026	Proportion of international students employed or enrolled in further study after graduation
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The department has amended the methodology wording to clarify the time period to ensure alignment with the data source (QILT, Graduate Outcomes Survey).

Published methodology	Number of international undergraduates employed or undertaking further study 4 months after completing a degree over the total number of international graduates
Amended methodology	Number of international undergraduates employed or undertaking further study 4 to 6 months after completing a degree over the total number of international graduates

Our purpose

Our purpose is to contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes through access to quality education. To do this our focus in 2022–23 was on:



Early childhood to prepare children for school through quality early education and care that supports and prepares children for their future, and through access to subsidised child care that supports parents and carers to work, study or volunteer.



Schooling to prepare children and young people for further study or work, through access to quality schooling that provides the knowledge, skills and values for every child to achieve their potential.



Higher education that maximises employment opportunities and supports participation in the workforce, community, and society.

Our outcomes

Outcome 1

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

The following programs support the delivery of this outcome:

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

Outcome 2

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

The following programs support the delivery of this outcome:

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

Our performance

Introduction

To reinforce the department's commitment to quality performance reporting, we have continued to raise our capabilities and capacity to improve reporting. Throughout 2022–23 we have focused on refining our performance reporting processes, particularly assurances to support data quality.

During 2022–23 we routinely reviewed our performance measures as part of the performance cycle to ensure they remained appropriate for measuring and assessing our performance in achieving our purpose – *We contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes through access to quality education.*

When reviewing our performance measures, we consider feedback from the ANAO as part of its annual performance statements audit program. The department expects that the number and composition of its performance measures may change each year as a result of changes to government priorities and programs.

Assessing our performance

When assessing our performance we considered the current operating environment, the methodology and data sources, and assessed the results against the criteria in Table 2.1. This assessment occurs as part of our processes to develop information for the Portfolio Budget Statements and for the annual performance statements included in the annual report. This has allowed a result rating to be assigned for each performance measure and supported an analysis of our achievement.

Table 2.1: Applying a result rating for 2022–23

Achieved	The target was met or exceeded.
On track	The target is on track to be achieved against future year targets.
Not achieved	The target was not met during 2022–23.
Not on track	Based on current information the performance measure is not on track to meet future year targets.

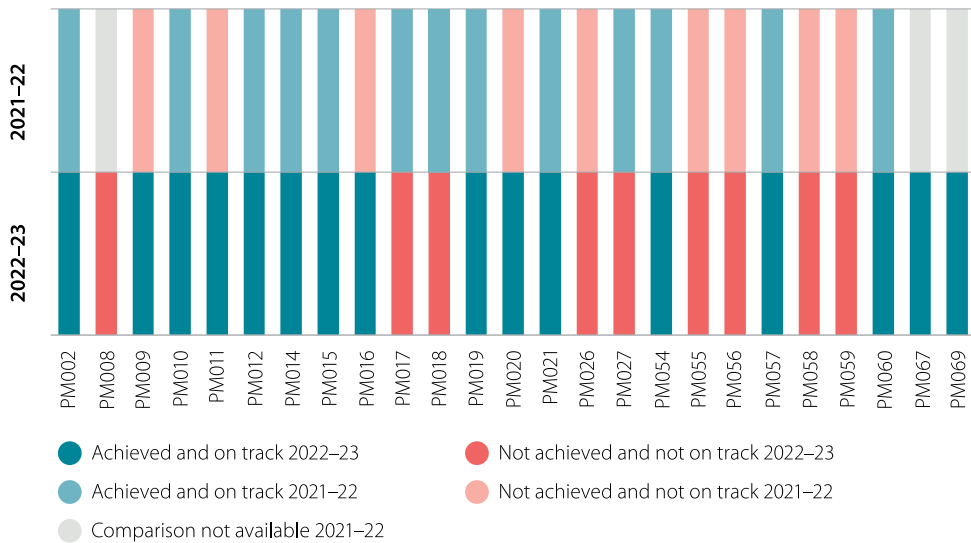
The department's 2022–23 Annual Performance Statements were audited for the second year by the ANAO, supported by dedicated internal resources.

Analysis of our performance

Overall, our performance improved in 2022–23, with 16 out of 25 (64%) performance measures achieved or on track in 2022–23, compared to 13 out of 22 (59%) measures in 2021–22. Additionally, 45% of actual result values improved in 2022–23 when compared to 2021–22 results.¹

Figure 2.1 summarises the result ratings for each performance measure for 2021–22 and 2022–23, showing how result ratings have changed in this reporting period from last year.

Figure 2.1: 2021–22 result ratings compared to 2022–23 result ratings¹



The 2022–23 results have been influenced by our environment, including a range of external factors outside the control of the department.

Our commitment to quality early childhood education and care is demonstrated by the increased support and funds for vulnerable and disadvantaged communities, with more than 95% of all children, including First Nations children and vulnerable children, enrolled in quality preschool programs the year before attending school. The department’s continued focus on integrity ensured that the already high rates of payment accuracy for the Child Care Subsidy (CCS) improved further in 2022–23.

¹ This analysis does not include PM023, as an assessment could not be made in 2021–22 and, as outlined on pages 31 and 73, the department no longer reports on this measure as it does not meet PGPA Rule requirements.

The 2021–22 result for PM021 is based on final results published on the department’s website and differs from the 2021–22 DESE Annual Report result, which used preliminary data.

Three measures – PM008, PM067 and PM069 – could not be compared to 2021–22 results as data was not available or they are new measures.

Attendance rates at schools and student outcomes have continued to be influenced by COVID-19, influenza, and natural disasters such as floods. The department supports students and teachers through a range of literacy and numeracy programs, assessment tools and resources. The new NAPLAN Online was fully implemented in 2022. It provides a more precise assessment of student ability through an adaptive assessment mechanism. We continue to work with the states and territories on initiatives that will help identify ways to improve student attendance and performance.

We have supported positive economic and social benefits to Australia by contributing to a strong labour market and economic conditions across the country through education and research activities. Increases in the proportion of 20 to 24 year olds obtaining a Year 12 certificate or higher qualification, such as vocational education or university credentials, provided opportunities for individuals to be more socially engaged, have higher employment rates and receive higher relative earnings. While the rate of First Nations students completing Year 12 or equivalent is increasing, there is more work required, in consultation with key stakeholders, to reach the Closing the Gap outcomes.

General economic factors and the changed labour market during 2021 and 2022, combined with easing COVID-19 restrictions in 2022, have shaped some of our results in the university sector. The rates of employment for graduates with bachelor degrees or postgraduate research qualifications have increased. Despite changes in the labour market the Higher Education Support program has sustained stable employment results for graduates and increased employer satisfaction with the skills available.

Our investment in research has continued to produce first-class research outcomes, with an increase in the percentage of high-quality research papers being published. Australia remains above the average for Organisation for Economic Co-operation and Development (OECD) countries in quality research publications.

Our performance shows that the department plays a significant role in supporting the lives of Australians, from early learning years through to higher education. The results show that, despite the influences from our operating environment, we are contributing to this success through our programs and working collaboratively with key stakeholders to understand, in some cases, the reason for our results.

The analysis above is a consolidation of the results reported for each individual performance measure. Further detail on the individual performance measures for Outcome 1 is provided on pages 42 to 59 and Outcome 2 is provided on pages 60 to 75.

Summary of 2022–23 performance measure results

Outcome 1					
Performance measure	PM#	Program	2021–22 result	2022–23 result	Page reference
Proportion of accurate child care payments to all services	PM002	1.2	Achieved	Achieved	42
Increase the proportion of Aboriginal and Torres Strait Islander people (age 20 to 24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	PM008	1.3, 1.4, 1.5	Data not available	Not on track	43
The proportion of Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) support granted to socio-economically vulnerable and disadvantaged communities	PM054	1.1	Achieved	Achieved	45
Lower the proportion of students in the bottom 2 bands in NAPLAN for reading for Year 3 students	PM055	1.3, 1.4, 1.5	Not on track	Not on track	46
Lower the proportion of students in the bottom 2 bands in NAPLAN for numeracy for Year 3 students	PM056	1.3, 1.4, 1.5	Not on track	Not on track	48

Outcome 1					
Performance measure	PM#	Program	2021–22 result	2022–23 result	Page reference
Increase the proportion of students in the top 2 bands in NAPLAN for reading for Year 3 students	PM057	1.3, 1.4, 1.5	On track	On track	50
Increase the proportion of students in the top 2 bands in NAPLAN for numeracy for Year 3 students	PM058	1,3, 1.4, 1.5	Not on track	Not on track	52
Increase the proportion of students attending school 90% or more of the time	PM059	1.3, 1.4, 1.5	Not on track	Not on track	54
Increase the proportion of people (age 20 to 24) who have completed Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	PM060	1.3, 1.4, 1.5	On track	On track	55
Average early childhood education and care hours attended by children that are supported by Additional Child Care Subsidy	PM067	1.2	n/a – this is a new measure for 2022–23	Achieved	57
Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year	PM069	1.5	n/a – this is a new measure for 2022–23	Achieved	58

Outcome 2					
Performance measure	PM#	Program	2021–22 result	2022–23 result	Page reference
The proportion of the 25 to 34 year-old population with a tertiary qualification	PM009	2.1	Not achieved	Achieved	60
The rate of attrition for domestic bachelor students	PM010	2.1	Achieved	Achieved	61
Proportion of undergraduates who are employed within 4 to 6 months of completing a degree	PM011	2.1	Not achieved	Achieved	62
Proportion of eligible universities able to meet specified superannuation expenses	PM012	2.2	Achieved	Achieved	63
Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1)	PM014	2.3	Achieved	Achieved	64
Proportion of higher education students who are Indigenous	PM015	2.3	Achieved	Achieved	65
Proportion of undergraduate students who rate the teaching quality at their institution positively	PM016	2.3	Not achieved	Achieved	66

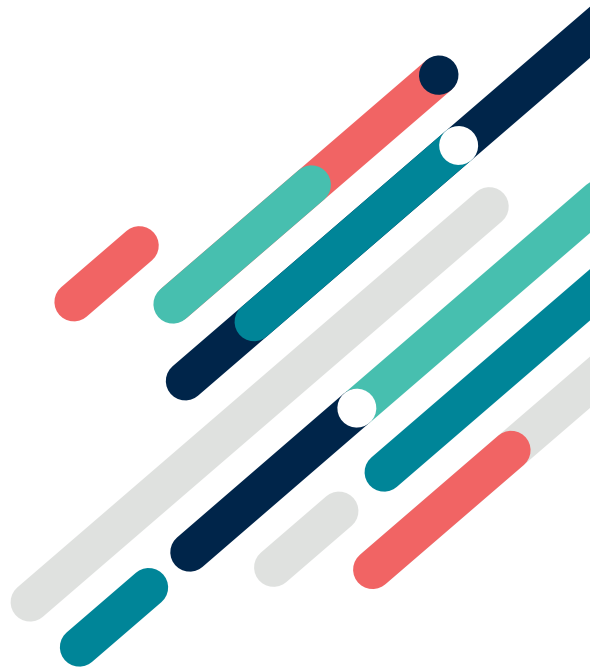
Outcome 2					
Performance measure	PM#	Program	2021–22 result	2022–23 result	Page reference
Proportion of employers who are satisfied with the skills of graduates (overall across all skills)	PM017	2.3	Achieved	Not achieved	67
The proportion of HELP debt not expected to be repaid on new debt	PM018	2.4	Achieved	Not achieved	68
The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications	PM019	2.5, 2.6	Achieved	Achieved	69
Proportion of research postgraduates who are employed within 4 to 6 months of completing their degree	PM020	2.5	Not achieved	Achieved	71
Indigenous Higher Degree by Research (HDR) completions	PM021	2.5	Achieved ²	Achieved	72
Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs	PM023	2.6	Unable to make an assessment	n/a ³	73
Proportion of international students employed or enrolled in further study after graduation	PM026	2.7	Not achieved	Not achieved	74

2 The 2021 result is based on final results published on the department's website and differs from the 2021–22 DESE Annual Report result, which used preliminary data.

3 The department no longer reports on this measure as it does not meet PGPA Rule requirements, as outlined on pages 31 and 73.

Outcome 2

Performance measure	PM#	Program	2021–22 result	2022–23 result	Page reference
Number of students enrolled in offshore and transnational education and training delivered by Australian providers	PM027	2.7	Achieved	Not achieved	75



Our 2022–23 individual performance measure results

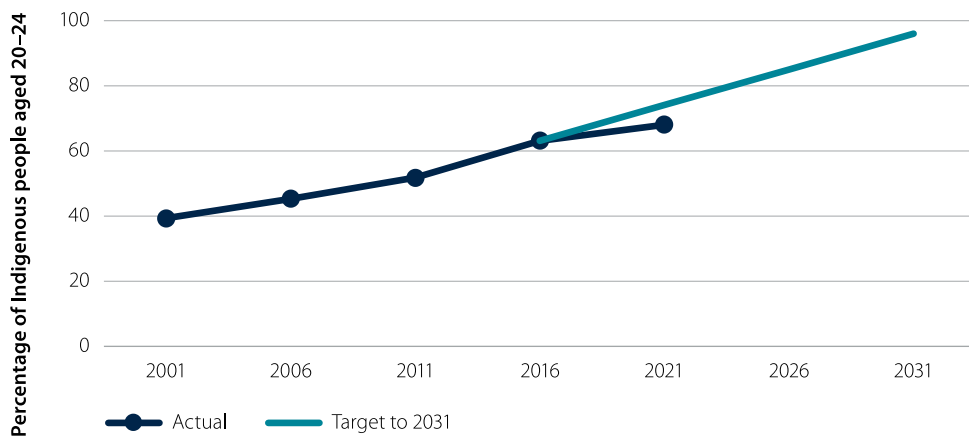
Outcome 1

Performance measure PM002	Proportion of accurate Child Care Subsidy payments to all services
Target	90% or higher
Result rating	Achieved
Result value	96.9%
Analysis	<p>CCS payment accuracy increased from 93.0% in 2021–22 to 96.9% in 2022–23.</p> <p>The 2022–23 CCS payment accuracy rate is the highest annual rate recorded since the measure of child care payment accuracy was introduced in 2014–15; this shows the department’s focus on child care payment integrity had a significant effect during 2022–23.</p> <p>The department’s focus on payment integrity was driven by measures in the October 2022–23 Budget that provided funding for the department to increase its payment integrity activities and introduced a new requirement for CCS gap fees to be paid electronically.</p>
Methodology	<p>The result is determined by comparing CCS payment data against the information provided by families in random sample parent check interviews.</p> <p>The child care attendance times reported by parents (primary data source) were compared with the session times reported by child care services via the CCS System (secondary data source).</p>
Source	<p>Accuracy estimates subject to independent actuarial assessment</p> <p>Note: This measure is assessed on 11 months of data.</p>
Contributing program	1.2 – Child Care Subsidy
Key activity	<ul style="list-style-type: none"> Support to families who rely on subsidised early childhood education and care to work, train, study or volunteer

Performance measure PM008	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20 to 24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above
Target	Increase to 96% by 2031 (from 63.2% in 2016)
Result rating	Not on track
Result value	68.1%
Analysis	<p>In 2021 over two-thirds (68.1%) of Indigenous youth aged 20 to 24 had a Year 12 or equivalent or a Certificate III or higher qualification, the highest ever achieved and a significant increase (28.7 percentage points) from 2001. The 2021 result improved by 4.9 percentage points over the 2016 result. However, the 2021 result was below the projected attainment rate for 2021 that would be required to achieve an attainment rate of 96% in 2031.</p> <p>A higher or increasing attainment rate indicates an improvement in educational outcomes. Students with Year 12 or equivalent or Certificate III or above qualifications tend to be more socially engaged and have higher employment rates and higher relative earnings. This level of educational attainment is also positively associated with greater participation in formal and non-formal adult education and training.</p> <p>In line with the Priority Reforms of the National Agreement on Closing the Gap, the department continues work to strengthen partnership with the National Aboriginal and Torres Strait Islander Education Council (NATSIEC), including supporting NATSIEC's full establishment. The department is also providing targeted support to a range of Closing the Gap education measures, as outlined in the Commonwealth's Closing the Gap Implementation Plan.</p>
Methodology	<p>Total proportion of the 20 to 24 year-old Indigenous population that has attained at least Year 12 or equivalent or AQF Certificate III or above over the total Indigenous population aged 20 to 24 years.</p> <p>Note: The target reflects Outcome 5 of the National Agreement on Closing the Gap and the National School Reform Agreement (NSRA).</p>
Source	Productivity Commission, Closing the Gap Information Repository Dashboard, with underlying data from ABS Census of Population and Housing

Performance measure PM008	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20 to 24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above
Contributing programs	1.3 – Government Schools National Support 1.4 – Non-Government Schools National Support 1.5 – Early Learning and Schools Support
Key activities	<ul style="list-style-type: none"> • Provide consistent, transparent and needs-based funding to government schools • Provide consistent, transparent and needs-based funding to non-government schools • Provide support for a range of curriculum, assessment, teaching and wellbeing programs • Provide national leadership and work with states on national policy reform

Figure 2.2: Aboriginal and Torres Strait Islander youth education attainment rate



Source: Productivity Commission, Closing the Gap Information Repository Dashboard.

Performance measure PM054	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
Result rating	Achieved
Result value	20.8%
Analysis	<p>The proportion has increased from 19.6% in 2021–22 to 20.8% in 2022–23.</p> <p>This measure is a combined analysis of CCCF and ISP programs. The increase in 2022–23 was mainly driven by ISP-funded services, as there were no new funding rounds for application under the CCCF program in 2022–23.</p> <p>In the 2022–23 financial year, 44.8% of the services supported under the CCCF were in the most disadvantaged areas. In the same period, 18.8% of the services supported through the ISP program were in the most disadvantaged areas.</p>
Methodology	<p>The number of services that have received CCCF or ISP support located in vulnerable and disadvantaged Statistical Area level 2 (SA2s) (as defined by the SA2s in the lowest 20% Socio-Economic Indexes for Areas (SEIFA) category), divided by the total number of services that have received CCCF or ISP support in all areas.</p> <p>The measurement only includes services that received financial support within the given financial year (12-month period).</p> <p>Note: CCCF services include CCCF open and CCCF restricted supported services only.</p>
Source	<p>(i) ABS SEIFA, Table 2 SA2 Index of Relative Socio-economic Disadvantage, 2021</p> <p>(ii) Department of Education, CCCF – administrative data report</p> <p>(iii) Department of Education, ISP – administrative data report</p> <p>(iv) Department of Education, Child Care Subsidy Eligible Services Report</p>
Contributing program	1.1 – Support for the Child Care System
Key activity	<ul style="list-style-type: none"> • Provide targeted support to families, children and early childhood education and care centres who need it

Performance measure PM055	Lower the proportion of students in the bottom 2 bands in NAPLAN for reading for Year 3 students
Target	Lower than 2018 (8.6%) by the end of 2023
Result rating	Not on track
Result value	11.2%
Analysis	<p>From 2008 to 2018 the proportion of Year 3 students in the bottom 2 bands of NAPLAN for reading had been declining. However, since 2019 the proportion has been above the target.</p> <p>Restrictions introduced to combat the COVID-19 pandemic and declining school attendance in 2022 may have impacted NAPLAN results.</p> <p>Attendance rates in Semester 1 2022 declined due to the impact of the COVID-19 Omicron variant and high seasonal influenza outbreaks experienced across Australia at that time, as well as floods in certain regions. Attendance may have also been affected by stronger public health advice that students with cold and flu symptoms should not attend school. Further, the same factors may have impacted the teacher workforce, which in turn may have influenced student performance.</p> <p>Full implementation of NAPLAN Online was achieved in 2022. The new online assessments are adaptive, matching questions to each student's level based on their prior answers and thus allowing for a more precise assessment of student ability.</p> <p>In addition to jurisdiction and school specific initiatives, the Australian Government supported literacy teaching by funding the Year 1 Phonics Check and Literacy Hub, which aims to ensure that students struggling with learning to read are identified early using evidence-based assessment tools and resources, and that teachers have the resources they need to act on results.</p>
Methodology	<p>Total percentage of students at or below the national minimum standard (bands 1 and 2), compared to all students.</p> <p>Note: The target reflects the NSRA.</p>
Source	Australian Curriculum, Assessment and Reporting Authority 2022, NAPLAN National Report for 2022, ACARA, Sydney

Performance measure PM055	Lower the proportion of students in the bottom 2 bands in NAPLAN for reading for Year 3 students
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Contributing programs	<p>1.3 – Government Schools National Support</p> <p>1.4 – Non-Government Schools National Support</p> <p>1.5 – Early Learning and Schools Support</p>
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Key activities	<ul style="list-style-type: none"> • Provide consistent, transparent and needs-based funding to government schools • Provide consistent, transparent and needs-based funding to non-government schools • Provide support for a range of curriculum, assessment, teaching and wellbeing programs • Provide national leadership and work with states on national policy reform
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Performance measure PM056	Lower the proportion of students in the bottom 2 bands in NAPLAN for numeracy for Year 3 students
Target	Lower than 2018 (11.5%) by the end of 2023
Result rating	Not on track
Result value	14.6%
Analysis	<p>Restrictions introduced to combat the COVID-19 pandemic and declining school attendance in 2022 may have impacted NAPLAN results.</p> <p>Attendance rates in Semester 1 2022 declined due to the impact of the COVID-19 Omicron variant and high seasonal influenza outbreaks experienced across Australia at that time, as well as floods in certain regions. Attendance may have also been affected by stronger public health advice that students with cold and flu symptoms should not attend school. Further, the same factors may have impacted the teacher workforce, which in turn may have influenced student performance.</p> <p>Full implementation of NAPLAN Online was achieved in 2022. The new online assessments are adaptive, matching questions to each student's level based on their prior answers and thus allowing for a more precise assessment of student ability.</p> <p>In addition to jurisdiction and school specific initiatives, the Australian Government supported numeracy learning by funding several early years and schools mathematics initiatives. The Mathematics Hub and Year 1 Number Check provide resources aligned to the Australian Curriculum for teachers, school leaders, carers and students. The Let's Count program is designed for children aged 3 to 5 years and aims to improve the mathematical capabilities of preschool children and support a successful transition to school. The reSolve Maths by Inquiry program provides online teaching and professional learning materials that support teaching mathematics from Foundation to Year 10 through inquiry-based methods, and helps students learn mathematics in fun and innovative ways.</p>
Methodology	<p>Total percentage of students at or below the national minimum standard (bands 1 and 2), compared to all students.</p> <p>Note: The target reflects the NSRA.</p>
Source	Australian Curriculum, Assessment and Reporting Authority 2022, NAPLAN National Report for 2022, ACARA, Sydney

Performance measure **Lower the proportion of students in the bottom 2 bands in NAPLAN for numeracy for Year 3 students**
PM056

Contributing programs

- 1.3 – Government Schools National Support
- 1.4 – Non-Government Schools National Support
- 1.5 – Early Learning and Schools Support

Key activities

- Provide consistent, transparent and needs-based funding to government schools
- Provide consistent, transparent and needs-based funding to non-government schools
- Provide support for a range of curriculum, assessment, teaching and wellbeing programs
- Provide national leadership and work with states on national policy reform



Performance measure PM057	Increase the proportion of students in the top 2 bands in NAPLAN for reading for Year 3 students
Target	Higher than 2018 (53.2%) by the end of 2023
Result rating	On track
Result value	53.8%
Analysis	<p>Since 2008 the proportion of Year 3 students in the top 2 bands of NAPLAN for reading had been generally increasing. It was above the target in 2021 and 2022.</p> <p>There are 6 NAPLAN bands for Year 3 Reading. The proportion of students in the top 2 bands and bottom 2 bands can change due to changes in the proportion of students in the middle 2 bands.</p> <p>Higher performing students tend to come from more advantaged family backgrounds. Students from more advantaged backgrounds do not appear to have been affected by the disruptions to schooling in recent years as much as students from less advantaged backgrounds. For example, students from more advantaged backgrounds had higher attendance. The gap in Year 3 reading achievement between the most and least advantaged students has widened in recent years.</p> <p>Full implementation of NAPLAN Online was achieved in 2022. The new online assessments are adaptive, matching questions to each student's level based on their prior answers and thus allowing for a more precise assessment of student ability.</p> <p>In addition to jurisdiction and school specific initiatives, the Australian Government supported literacy teaching by funding the Year 1 Phonics Check and Literacy Hub, which aims to ensure that students struggling with learning to read are identified early using evidence-based assessment tools and resources, and that teachers have the resources they need to act on results.</p>
Methodology	<p>Total percentage of students in the top 2 bands (bands 5 and 6), compared to all students.</p> <p>Note: The target reflects the NSRA.</p>
Source	<p>Australian Curriculum, Assessment and Reporting Authority 2022, NAPLAN National Report for 2022, ACARA, Sydney</p>

Performance measure PM057	Increase the proportion of students in the top 2 bands in NAPLAN for reading for Year 3 students
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Contributing programs	<p>1.3 – Government Schools National Support</p> <p>1.4 – Non-Government Schools National Support</p> <p>1.5 – Early Learning and Schools Support</p>
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Key activities	<ul style="list-style-type: none"> • Provide consistent, transparent and needs-based funding to government schools • Provide consistent, transparent and needs-based funding to non-government schools • Provide support for a range of curriculum, assessment, teaching and wellbeing programs • Provide national leadership and work with states on national policy reform
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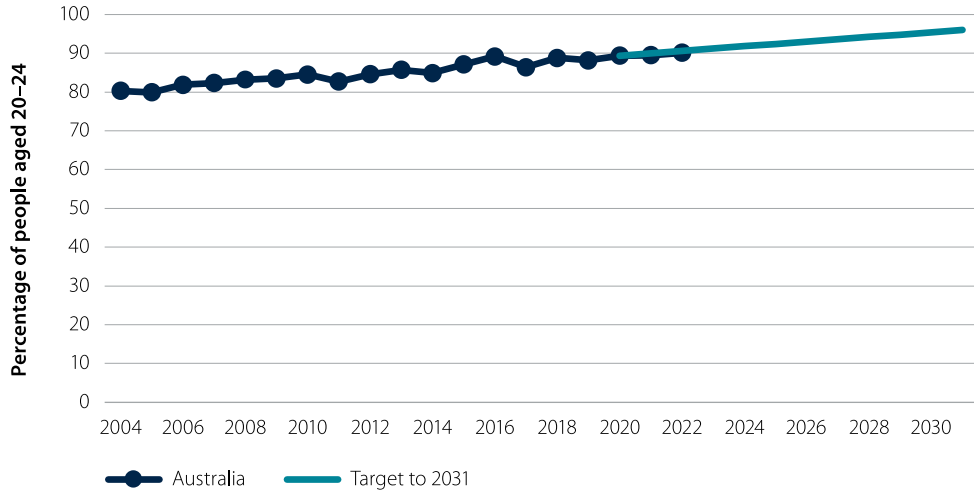
Performance measure PM058	Increase the proportion of students in the top 2 bands in NAPLAN for numeracy for Year 3 students
Target	Higher than 2018 (39.2%) by the end of 2023
Result rating	Not on track
Result value	34.1%
Analysis	<p>From 2008 to 2019 the proportion of Year 3 students in the top 2 bands of NAPLAN for numeracy had been generally increasing. However, in 2021 and 2022 the proportion dropped below the target.</p> <p>Public health measures introduced to manage the impact of the COVID-19 pandemic and declining school attendance in 2022 may have impacted NAPLAN results.</p> <p>Attendance rates in Semester 1 2022 declined due to the impact of the COVID-19 Omicron variant and high seasonal influenza outbreaks experienced across Australia at that time, as well as floods in certain regions. Attendance may have also been affected by stronger public health advice that students with cold and flu symptoms should not attend school. Further, the same factors may have impacted the teacher workforce, which in turn may have influenced student performance.</p> <p>Full implementation of NAPLAN Online was achieved in 2022. The new online assessments are adaptive, matching questions to each student's level based on their prior answers and thus allowing for a more precise assessment of student ability.</p> <p>In addition to jurisdiction and school specific initiatives, the Australian Government supported numeracy learning by funding several early years and schools mathematics initiatives. The Mathematics Hub and Year 1 Number Check provide resources aligned to the Australian Curriculum for teachers, school leaders, carers and students. The Let's Count program is designed for children aged 3 to 5 years and aims to improve the mathematical capabilities of preschool children and support a successful transition to school. The reSolve Maths by Inquiry program provides online teaching and professional learning materials that support teaching mathematics from Foundation to Year 10 through inquiry-based methods, and helps students learn mathematics in fun and innovative ways.</p>

Performance measure PM058	Increase the proportion of students in the top 2 bands in NAPLAN for numeracy for Year 3 students
Methodology	Total percentage of students in the top two bands (bands 5 and 6), compared to all students. Note: The target reflects the NSRA.
Source	Australian Curriculum, Assessment and Reporting Authority 2022, NAPLAN National Report for 2022, ACARA, Sydney
Contributing programs	1.3 – Government Schools National Support 1.4 – Non-Government Schools National Support 1.5 – Early Learning and Schools Support
Key activities	<ul style="list-style-type: none"> • Provide consistent, transparent and needs-based funding to government schools • Provide consistent, transparent and needs-based funding to non-government schools • Provide support for a range of curriculum, assessment, teaching and wellbeing programs • Provide national leadership and work with states on national policy reform

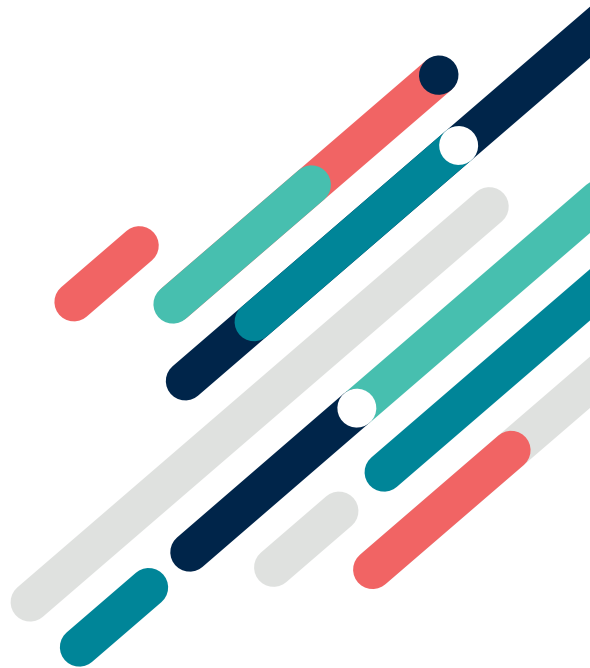
Performance measure PM059	Increase the proportion of students attending school 90% or more of the time
Target	Higher than 2018 (75.2%) by the end of 2023
Result rating	Not on track
Result value	49.9%
Analysis	<p>Student attendance declined 4 percentage points from 2018 to 2021 and declined a further 21 percentage points from 2021 to 2022.</p> <p>Attendance in Semester 1 2022 declined significantly due to the impact of the COVID-19 Omicron variant and high seasonal influenza outbreaks experienced across Australia at that time, as well as floods in certain regions. Attendance may have also been affected by stronger public health advice that students with cold and flu symptoms should not attend school. Further, the same factors may have impacted the teacher workforce, which in turn may have influenced student performance.</p> <p>The Australian Government took a successful proposal to the February 2023 Education Ministers Meeting requesting that the Australian Education Research Organisation investigate what is causing declining student attendance, and what evidence-based approaches may assist in reversing the trend.</p>
Methodology	<p>Total proportion of students whose attendance rate is equal to or greater than 90%. Attendance rate is calculated as the number of actual full-time equivalent student-days attended by full-time students in Years 1–10 in Semester 1 as a percentage of the total number of possible student-days attended in Semester 1.</p> <p>Note: The target reflects the NSRA.</p>
Source	ACARA National Student Attendance Data Collection, accessible through the National Report on Schooling in Australia Data Portal
Contributing programs	<p>1.3 – Government Schools National Support</p> <p>1.4 – Non-Government Schools National Support</p> <p>1.5 – Early Learning and Schools Support</p>
Key activities	<ul style="list-style-type: none"> • Provide consistent, transparent and needs-based funding to government schools • Provide consistent, transparent and needs-based funding to non-government schools • Provide support for a range of curriculum, assessment, teaching and wellbeing programs • Provide national leadership and work with states on national policy reform

Performance measure PM060	Increase the proportion of people (age 20 to 24) who have completed Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above
Target	Increase to 96% by 2031 (from 89.4% in 2020)
Result rating	On track
Result value	90.1%
Analysis	<p>In 2022, 90.1% of young people aged 20 to 24 in Australia had completed a qualification at Year 12 or equivalent or at Certificate III or higher. This is the highest rate ever achieved and is within the survey margin of error of the projected attainment rate for 2022 that would be required to achieve an attainment rate of 96% in 2031.</p> <p>Evidence shows that young people who complete Year 12 or equivalent or a Certificate III or higher qualification have significantly better employment outcomes compared with those who have less education. In recognition of the long-term economic and social benefits, all Australian governments have been working to increase student attainment, and educational attainment has been steadily increasing in Australia for several decades.</p>
Methodology	<p>Total proportion of the 20 to 24 year-old population that has attained at least Year 12 or equivalent or AQF Certificate III or above.</p> <p>Note: The target reflects the NSRA.</p>
Source	ABS, Survey of Education and Work, 2022
Contributing programs	<p>1.3 – Government Schools National Support</p> <p>1.4 – Non-Government Schools National Support</p> <p>1.5 – Early Learning and Schools Support</p>
Key activities	<ul style="list-style-type: none"> • Provide consistent, transparent and needs-based funding to government schools • Provide consistent, transparent and needs-based funding to non-government schools • Provide support for a range of curriculum, assessment, teaching and wellbeing programs • Provide national leadership and work with states on national policy reform

Figure 2.3: Youth education attainment rate



Source: ABS, Survey of Education and Work.



Performance measure PM067	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
Result rating	Achieved
Result value	19.6 hours per week compared to 16.2 hours per week
Analysis	<p>In 2022–23 children supported by the Additional Child Care Subsidy (ACCS) attended early childhood education and care for an average of 19.6 hours per week compared to 16.2 for children supported by the CCS.</p> <p>This result reflects the policy settings in place to ensure that children who receive ACCS have the same opportunity to access and participate in early education and care as children who do not receive ACCS.</p> <p>Evidence shows that access to, and participation in, early childhood education and care is important to children facing barriers.</p>
Methodology	Average number of hours of child care attended by children that are supported by the ACCS compared to the average number of hours of child care for all children that are supported by the CCS.
Source	Services Australia – CCS System, program administrative data
Contributing program	1.2 – Child Care Subsidy
Key activity	<ul style="list-style-type: none"> Support to families who rely on subsidised early childhood education and care to work, train, study or volunteer

Performance measure PM069	Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year
Target	(a) Overall: 95% or higher (b) Indigenous: 95% or higher (c) Vulnerable and disadvantaged: 95% or higher
Result rating	(a) Overall: Achieved (b) Indigenous: Achieved (c) Vulnerable and disadvantaged: Achieved
Result value	(a) Overall: 96.9% (b) Indigenous: 96.8% (c) Vulnerable and disadvantaged: 96.2%
Analysis	<p>In 2022 the proportion of all children enrolled in a quality preschool program in the year before full-time school who were enrolled for 600 hours per year was 96.9%.</p> <p>The proportion of First Nations children enrolled in quality preschool programs in the year before full-time school who were enrolled for 600 hours per year increased from 96.3% in 2021 to 96.8% in 2022.</p> <p>The proportion of vulnerable and disadvantaged children enrolled in quality preschool programs in the year before full-time school who were enrolled for 600 hours per year increased from 95.5% in 2021 to 96.2% in 2022.</p> <p>Through the Preschool Reform Agreement (PRA), the Australian Government provides a funding contribution to states and territories (states) to ensure all children have access to 600 hours of preschool in the year before full-time school. The targets for this performance measure are the same as targets under the PRA for 2022, which states needed to meet to receive full funding. The Commonwealth does not approve performance payments until evidence supporting attainment has been provided. Since the introduction of the first preschool national partnership in 2008, the proportion of children enrolled in 600 hours of a quality preschool program has risen from 12% to almost 97% in 2022.</p>

Performance measure PM069 **Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year**

Methodology The result is calculated using data from the ABS Preschool Education, Australia publication. Tables 1 to 4 from the Summary Release provides the data on the number of 4 and 5 year-old children, number of 4 and 5 year-old Aboriginal and Torres Strait Islander children, and number of 4 and 5 year-old disadvantaged children enrolled and enrolled for 600 hours in preschool programs.

Note: Disadvantage is measured by the ABS SEIFA index, which looks at relative advantage and disadvantage according to geographic location, based on the most recent Census data. In this context, children are counted as disadvantaged if they reside in an area for which the SEIFA score is in the bottom quintile (i.e. bottom 20% of scores across Australia). This does not reflect the actual socio-economic status, vulnerability and disadvantage of individual children and their families. Depending on state contexts, other measures of vulnerability may provide a better representation of disadvantage. For example, due to its small population size and a mixture of socio-economic status within all suburbs, the ABS SEIFA measure is not appropriate for measuring vulnerability and disadvantage in the ACT. Accordingly the ACT provides supplementary data, which is allowed under the PRA.

Source ABS, Preschool Education, Australia 2022 plus additional information approved by the Australian Government Department of Education when supplied by states and territories

Note: Additional information can be provided by the states to supplement the figures sourced from the ABS publication. This is in acknowledgement that the ABS Preschool Education data may not capture all children undertaking an early education program in their preschool year or may overstate the relevant population of children. The department assesses this data for its suitability. Additional numbers of children, including numbers for Indigenous or disadvantaged children, are then added into the numerator and/or denominator, and the result for Australia recalculated. This process is documented in the PRA, which is where this performance measure originates.

Contributing program 1.5 – Early Learning and Schools Support

Key activities

- Support children to have access to quality early learning, particularly in the year before reaching school
- Provide national leadership and work with states on national policy reform

Outcome 2

Performance measure PM009	The proportion of the 25 to 34 year-old population with a tertiary qualification
Target	Increase from previous year
Result rating	Achieved
Result value	76.5%
Analysis	<p>The proportion has increased to 76.5% in 2022 from the previous year's result of 75.4%, which was likely affected by COVID-19.</p> <p>There is a long-term trend towards higher educational attainment in Australia in response to the increased skill levels required in the economy. In recognition of the economic and social benefits of increasing levels of education, particularly labour market outcomes, a range of government programs encourage participation in both vocational and higher education. This includes the Skilled Migration Program, which favours settlement by migrants with tertiary qualifications.</p>
Methodology	Number of the 25 to 34 year-old population with a tertiary qualification over the total 25 to 34 year-old population compared to previous year.
Source	ABS, Education and Work Australia, Table 24, 2022
Contributing program	2.1 – Commonwealth Grant Scheme
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

Performance measure PM010	The rate of attrition for domestic bachelor students
Target	Lower than 15%
Result rating	Achieved
Result value	14.8% (result based on preliminary 2022 data)
Analysis	<p>The attrition rate in 2022 (14.8% based on preliminary data) was higher than the attrition rate in 2021 (12.7%).</p> <p>The change since 2021 is likely to be related to the stronger labour market conditions and gradual easing of COVID-19 restrictions, providing students who might otherwise stay in studies to pursue other opportunities. For example, students can take up employment opportunities rather than continue studies.</p> <p>The final result for 2022 will be published on the Department of Education website. The version of the 2022–23 Annual Report tabled in parliament and available on www.transparency.gov.au will remain unchanged.</p> <p>Note: The 2021 result stated here is based on final results published on the Department of Education website and differs from the 2021–22 DESE Annual Report result, which used preliminary data.</p>
Methodology	Number of commencing domestic students who do not complete or who do not return to study in year (x+1) over the total number of commencing domestic students enrolled in year (x).
Source	Department of Education, Higher Education Statistics Collection
Contributing program	2.1 – Commonwealth Grant Scheme
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

Performance measure PM011	Proportion of undergraduates who are employed within 4 to 6 months of completing a degree
Target	85% or higher
Result rating	Achieved
Result value	88.3%
Analysis	<p>The proportion has increased from 84.8% in 2021 to 88.3% in 2022.</p> <p>Graduate employment outcomes are highly dependent on general economic and labour market conditions. This result reflects the strong labour market conditions throughout the period covered by the 2022 Graduate Outcomes Survey, following the gradual lifting of restrictions to combat COVID-19 in previous years.</p>
Methodology	Number of domestic undergraduates employed within 4 to 6 months of completing a degree over the total number of domestic undergraduates available for work in those 4 to 6 months.
Source	QILT, Graduate Outcomes Survey
Contributing program	2.1 – Commonwealth Grant Scheme
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

Performance measure PM012	Proportion of eligible universities able to meet specific superannuation expenses
Target	100%
Result rating	Achieved
Result value	100%
Analysis	<p>This is a demand-driven program. Eligible universities report reconciled information in relation to superannuation expenses.</p> <p>Eligibility is outlined in the Higher Education Support (Other Grants) Guidelines 2022 (available on the Department of Education website).</p> <p>The department has provided funding based on information reported by the universities and their superannuation funds. This has allowed 100% of eligible universities to meet their specified superannuation expenses.</p> <p>Payments are made using determinations based on calendar years. Therefore, payments are spread across determinations for 2022 and 2023.</p>
Methodology	Number of eligible universities able to meet specific superannuation expenses over the total eligible universities that require funding.
Source	Department of Education, program administrative data
Contributing program	2.2 – Higher Education Superannuation Program
Key activity	<ul style="list-style-type: none"> Support eligible current and former university employees for certain superannuation expenses

Performance measure PM014	Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1)
Target	16% or higher
Result rating	Achieved
Result value	16.8% (result based on preliminary 2022 data)
Analysis	<p>In 2022 the proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1 (SA1)) (16.8% based on preliminary data) was higher than the proportion in 2021 (16.6%).</p> <p>While the target for this measure has been achieved, it still sits below the participation target of 20% set out in the 2008 Review of Australian Higher Education.</p> <p>Despite sustained efforts, students from low socio-economic backgrounds participate in higher education at far lower rates than they should. The Australian Universities Accord acknowledges that more ambitious targets are needed and is considering what new targets will support increased enrolment and attainment by people from historically under-represented groups.</p> <p>Final data will be published on the Department of Education website. The version of the 2022–23 Annual Report tabled in parliament and available on www.transparency.gov.au will remain unchanged.</p> <p>Note: The 2021 result stated here is based on final results published on the Department of Education website and is the same as the 2021–22 DESE Annual Report result, which used preliminary data.</p>
Methodology	The result is calculated using the number of undergraduates from a low socio-economic background over the total of domestic undergraduate students registered at the disaggregated survey level of SA1, as defined by the ABS.
Source	Department of Education, Higher Education Statistics Collection
Contributing program	2.3 – Higher Education Support
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

Performance measure PM015	Proportion of higher education students who are Indigenous
Target	2% or higher
Result rating	Achieved
Result value	2.1% (result based on preliminary 2022 data)
Analysis	<p>In 2022 the proportion of higher education students who identify as Indigenous (2.1% based on preliminary data) was the same as the proportion in 2021 (2.1%).</p> <p>Higher education participant rates are lower for First Nations students than they should be despite sustained efforts.</p> <p>The Australian Universities Accord aims to evolve the mission for higher education by putting First Nations at the heart of Australia's higher education system.</p> <p>The government has recently committed to ensuring all First Nations students are eligible for a funded place at university, by extending demand-driven funding to metropolitan First Nations students to increase participation.</p> <p>Final data will be published on the Department of Education website. The version of the 2022–23 Annual Report tabled in parliament and available on www.transparency.gov.au will remain unchanged.</p> <p>Note: The 2021 result stated here is based on final results published on the Department of Education website and is the same as the 2021–22 DESE Annual Report result, which used preliminary data.</p>
Methodology	The result is calculated using the number of students who identify as Indigenous in enrolment data over the total of domestic undergraduate students registered.
Source	Department of Education, Higher Education Statistics Collection
Contributing program	2.3 – Higher Education Support
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

Performance measure PM016	Proportion of undergraduate students who rate the teaching quality at their institution positively
Target	80% or higher
Result rating	Achieved
Result value	80%
Analysis	<p>In 2022, 80% of domestic undergraduate students rated the teaching quality at their institution positively, up from 79% in 2021. The rating of teaching quality has now broadly recovered to the range seen prior to the COVID-19 pandemic.</p> <p>The higher education sector, like many others, has been subject to substantial challenges arising from the ongoing effects of the COVID-19 pandemic. Students' ratings of their education experience, including teaching quality, have improved as institutions and students have adapted to changing teaching and learning environments.</p>
Methodology	Number of domestic students rating the teaching received as positive over the total number of domestic students with valid survey responses.
Source	QILT, Student Experience Survey
Contributing program	2.3 – Higher Education Support
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

Performance measure PM017	Proportion of employers who are satisfied with the skills of graduates (overall across all skills)
Target	85% or higher
Result rating	Not achieved
Result value	84%
Analysis	<p>Employers have high levels of overall satisfaction with graduates produced by the Australian higher education system, as reported through the Employer Satisfaction Survey (ESS). The result has been stable (ranging from 84% to 85%) since the inception of the ESS in 2016.</p> <p>Given the stable nature of the results, the employer views of recent graduates provide assurance of the quality of the Australian higher education system. The results demonstrate the aim of maintaining or improving the quality of the higher education system has been supported through the Higher Education Support program managed by the department. Despite overall employer satisfaction decreasing slightly in 2022, employer satisfaction with employability skills increased slightly compared to 2021.</p>
Methodology	Number of employers of graduates satisfied with the skills of the graduate over the number of employers who responded to the survey question.
Source	QILT, ESS
Contributing program	2.3 – Higher Education Support
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

Performance measure PM018	The proportion of HELP debt not expected to be repaid on new debt
Target	Equal to or lower than previous year
Result rating	Not achieved
Result value	15.4%
Analysis	<p>The result of 15.4% for debt not expected to be repaid (DNER) on new debt is an increase in comparison to last year's result of 11.8%.</p> <p>DNER increased this year due to higher indexation rates and bringing forward expected future repayments. Future expected repayments were brought forward due to a significant increase in voluntary repayments by HELP debtors.</p> <p>In 2022–23 pay as you go (PAYG) withheld amounts were included in the current year for the calculation for DNER. Consequently the result is not directly comparable with last year's result.</p>
Methodology	Estimated HELP 'debt not expected to be repaid' of the new HELP debt incurred in 2022–23. The Australian Government Actuary determined 'debt not expected to be repaid' and fair value of total HELP debt is based on modelling of longitudinal data including loan recipient age, repayment and default history.
Source	Australian Taxation Office, Australian Government Actuary 2023 HELP Receivable Advice
Contributing program	2.4 – Higher Education Loan Program
Key activity	<ul style="list-style-type: none"> • Support students' access to higher education and transition to employment

Performance measure PM019	The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications
Target	Above the OECD average
Result rating	Achieved
Result value	5.06%
Analysis	<p>This measure reflects the influence Australian research has on the world and reflects the quality of research being conducted.</p> <p>In 2022 the average share of the world's top 10% most highly cited research publications among OECD countries was 2.45%. Australia's share is above this average at 5.06%, which ranks Australia fourth behind the United States, the United Kingdom and Germany. Australia's ranking remains the same as in the previous year and has remained relatively stable over the past 5 years.</p> <p>Australia's National Research Infrastructure (NRI) investment contributes to the efficiency and effectiveness of the national research effort. Research publications increase monotonically with increases in research infrastructure, and the magnitude of this increase can be used to compare different countries. NRI provides the necessary equipment, services and data for Australia's cutting-edge research. Two case studies of how NRI enables research in the top 10% of journals are provided below.</p> <p>First NRI case study: AuScope</p> <p>In 2022 NCRIS-enabled research published in top 10% journal <i>Nature</i> suggested that the movement of tectonic plates, mountains, volcanoes and seabed sediments have played a balancing role in Earth's climate in the past. The research indicates that harnessing these processes may offer tools to help respond to climate change, including carbon dioxide storage methods, which are recommended by the Intergovernmental Panel on Climate Change if the world is to reach net-zero greenhouse gas emissions. The researchers used AuScope's Gplates platform, an open-source, cross-platform plate tectonic geographic information system, enabling the interactive manipulation of plate-tectonic reconstructions and the visualisation of geo-data through geological time.⁴</p>

⁴ Müller, R.D., Mather, B., Dutkiewicz, A. et al. Evolution of Earth's tectonic carbon conveyor belt. *Nature* 605, 629–639 (2022). doi.org/10.1038/s41586-022-04420-x

Performance measure PM019 **The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications**

Analysis (continued)	<p>Second NRI case study: Population Health Research Network (PHRN)</p> <p>PHRN sensitively and securely linked New South Wales ambulance and hospital data to support research into whether emergency medical service care differs between women and men admitted to hospital with stroke. This was a long-term population-based cohort study, analysing linked Admitted Patient Data Collection and NSW Ambulance data for people admitted to New South Wales hospitals with a principal diagnosis of stroke from 1 July 2005 to 31 December 2018. They found that of 202,231 people hospitalised with stroke, women were more likely than men to have been originally assessed by paramedics as having migraine, headache, anxiety, unconsciousness, hypertension or nausea. Women were therefore less likely than men to be managed according to pre-hospital stroke care protocol and may have experienced delays in receiving stroke care at the hospital on arrival, which both have long-term health impacts. This identified and evidenced sex differences in pre-hospital management, resulting in a recommendation that paramedics should receive training that improves the recognition of stroke symptoms in women. The research was published in the top 10% journal <i>Medical Journal of Australia</i>.⁵</p>
Methodology	The result is calculated using the number of Australian research publications in the top 10% most highly cited over the total number of publications in the top 10% most highly cited, compared to the average share of OECD countries.
Source	<p>SciVal/Scopus (bibliometric database)</p> <p>The data is sourced from https://scival.com, which is an online tool that provides access to research performance worldwide using bibliometrics (statistical methods to analyse books, articles and other publications). The underlying data used by SciVal is Scopus, which is the largest abstract and citation database of peer-reviewed literature: scientific journals, books and conference proceedings.</p>
Contributing programs	<p>2.5 – Investment in Higher Education Research</p> <p>2.6 – Research Capacity</p>
Key activity	<ul style="list-style-type: none"> Support the research sector, research training and national research infrastructure

⁵ Wang, X., Carcel, C., Hsu, B. et al. Differences in the pre-hospital management of women and men with stroke by emergency medical services in New South Wales. *Med J Aust*, 217 (2022). doi.org/10.5694/mja2.51652

Performance measure PM020	Proportion of research postgraduates who are employed within 4 to 6 months of completing their degree
Target	90% or higher
Result rating	Achieved
Result value	91.9%
Analysis	<p>The overall employment rate for research postgraduates within 4 to 6 months of completing their degree reached 91.9% in 2022, the highest rate since 2012. The 2022 results recovered strongly, after the impacts of COVID-19 on the result in 2021 (88.1%).</p> <p>Analysis of the previous 10 years' results indicates that the proportion of research postgraduates who are employed within 4 to 6 months of completing their degree has been relatively consistent, ranging between 88.1% and 93.6%.</p> <p>The target was not met in 2021, with 88.1% of research postgraduates employed, the lowest rate on record. This is attributed to the ongoing restrictions to combat the COVID-19 pandemic and the resulting downturn in the labour market.</p> <p>Note: The 2022 Graduate Outcomes Survey was released in February 2023. Data is based on surveys conducted annually across 3 rounds, in November 2021, February 2022 and May 2022.</p>
Methodology	Number of research postgraduates employed within 4 to 6 months of completing their degree over the total number available for work in those 4 to 6 months.
Source	QILT, Graduate Outcomes Survey
Contributing program	2.5 – Investment in Higher Education Research
Key activity	<ul style="list-style-type: none"> Support the research sector, research training and national research infrastructure

Performance measure PM021	Indigenous Higher Degree by Research (HDR) completions
Target	Increase from previous year
Result rating	Achieved
Result value	The number of Indigenous HDR completions reported in 2022 is 81, compared with 79 Indigenous HDR completions reported in 2021, ⁶ which represents an increase of 2 completions (result based on preliminary 2022 data).
Analysis	<p>The increase in Indigenous HDR completions for 2022 is consistent with an overall increase in all HDR completions from 2021 to 2022, from 9,799 in 2021 to 10,740 in 2022).</p> <p>The number of Indigenous HDR completions is small, which can lead to some fluctuation on year-by-year basis reporting. However, the number of Indigenous HDR completions is trending upwards over the longer term, with 43 Indigenous HDR completions reported in 2010 and 79 Indigenous HDR completions reported in 2021. The main reason for this longer-term growth is an increase in Indigenous HDR commencing students over the same period (102%). The Australian Government's Research Training Program includes financial incentives for higher education providers with Indigenous HDR completions.</p> <p>Final data will be published on the Department of Education website. The version of the 2022–23 Annual Report tabled in parliament and available on www.transparency.gov.au will remain unchanged.</p> <p>Note: The 2021 result stated here is based on final results published on the Department of Education website and differs from the 2021–22 DESE Annual Report result, which used preliminary data.</p>
Methodology	A comparison of the number of Indigenous higher degree by research completions to the previous year.
Source	Department of Education, Higher Education Statistics Collection
Contributing program	2.5 – Investment in Higher Education Research
Key activity	<ul style="list-style-type: none"> Support the research sector, research training and national research infrastructure

6 The result reported in the 2021–22 DESE Annual Report for 2021 Indigenous HDR completions was 69 (Not Achieved). This was based on the preliminary Higher Education Statistics Collection student data. Subsequently, following tabling of the 2021–22 DESE Annual Report, this value was finalised as 79 (Achieved) completions.

Performance measure PM023	Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs
Target	90% or higher
Result rating	Not applicable as the department no longer reports on this measure
Result value	n/a
Analysis	<p>In 2022–23 the department changed the way it measures and assesses its performance in supporting national research infrastructure. As outlined on page 31, the department no longer reports on this measure as it does not meet the requirements of section 16EA of the PGPA Rule.</p> <p>The department is assessing its performance in supporting national research infrastructure through PM019 <i>The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications</i>, reflecting that a key outcome sought by the national investment in research infrastructure is the creation of a high-quality research system. Further information on PM019 is provided on pages 69–70.</p>
Methodology	n/a
Source	n/a
Contributing program	2.6 – Research Capacity
Key activity	<ul style="list-style-type: none"> Support the research sector, research training and national research infrastructure

Performance measure PM026	Proportion of international students employed or enrolled in further study after graduation
Target	85% or higher
Result rating	Not achieved
Result value	76.2%
Analysis	<p>The proportion has improved from 72.3% in 2021 to 76.2% in 2022 but remains below the target of 85%.</p> <p>Student employment outcomes in 2021 were affected by the general weakness of the labour market associated with the COVID-19 pandemic. However, the 2022 results show promising signs of progress towards the target as the labour market conditions have since improved.</p>
Methodology	<p>Number of international undergraduates employed or undertaking further study 4 to 6 months after completing a degree over the total number of international graduates.</p> <p>Note: International students are identified by the citizenship indicator, which shows whether a student's citizenship or residence status is domestic or overseas.</p>
Source	QILT, Graduate Outcomes Survey
Contributing program	2.7 – International Education Support
Key activity	<ul style="list-style-type: none"> • Support a high-quality and sustainable international education sector

Performance measure PM027	Number of students enrolled in offshore and transnational education and training delivered by Australian providers
Target	Numbers stabilised
Result rating	Not achieved
Result value	-2.4% (result based on 2022 preliminary data)
Analysis	<p>In 2022 the number of students enrolled in offshore courses delivered by Australian providers was 178,219 (based on preliminary data), lower than in 2021, when it was 182,536, but higher than in 2020, when it was 147,859.</p> <p>Student numbers in 2022 are a 2.4% reduction on 2021 student numbers, which contrasts with the growth experienced in 2020 (26.7%) and 2021 (23.5%).</p> <p>The decrease in numbers in 2022 is related to the reopening of Australian international borders from December 2021, with students who were intending to study onshore being able to once again enter Australia.</p> <p>Offshore student numbers in 2020 and 2021 were temporarily inflated due to students studying offshore due to closed borders.</p> <p>The final result for 2022 will be published on the Department of Education website. The version of the 2022–23 Annual Report tabled in parliament and available on www.transparency.gov.au will remain unchanged.</p> <p>Note: The 2021 result stated here is based on final results published on the Department of Education website and differs from the 2021–22 DESE Annual Report result, which used preliminary data.</p>
Methodology	Number of overseas students studying Australian higher education offshore courses compared to previous year.
Source	Department of Education, Higher Education Statistics Collection
Contributing program	2.7 – International Education Support
Key activity	<ul style="list-style-type: none"> Support a high-quality and sustainable international education sector

3.

Management and accountability

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Corporate governance

Governance framework

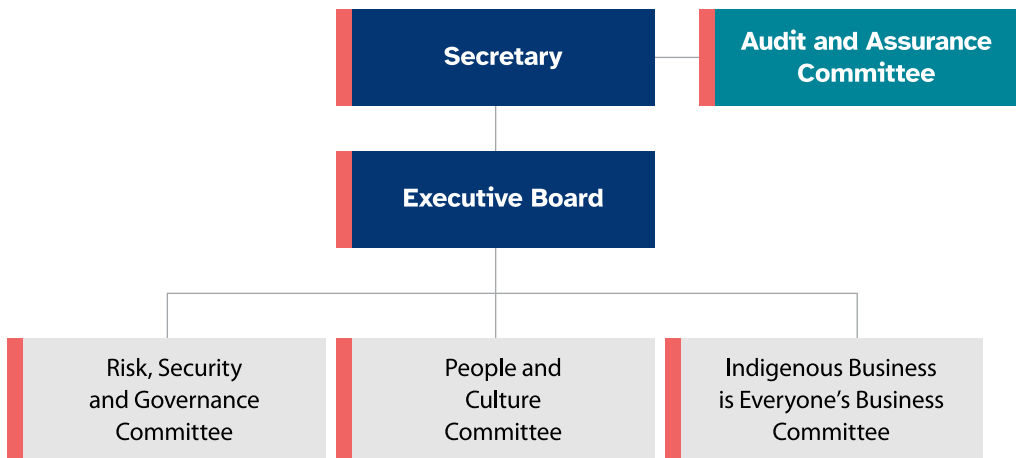
The department's governance arrangements assisted us in delivering on our purpose consistent with our legal, accountability and policy obligations.

The Executive Board, chaired by the Secretary, was responsible for setting the department's strategic direction, meeting the Australian Government's objectives and ensuring compliance with the department's obligations under the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act). Executive Board membership comprised the Secretary and Deputy Secretaries.

Following machinery of government changes on 1 July 2022, the department's committee structure was reviewed. Appropriate governance arrangements were maintained to support the Executive Board and its members to meet their accountabilities and obligations, and to support the department to meet its priorities and objectives. All of the department's governance committees are advisory bodies and report to the Executive Board or the Secretary.

A range of other committees and working groups provided advice, oversight and direction in relation to our work as required. These included senior management committees, senior officials network groups, and consultative and interdepartmental committees.

Figure 3.1: The department's governance structure as at 30 June 2023



Audit and assurance

The department's Audit and Assurance Committee (AAC) provided independent advice and assurance to the Secretary on the department's:

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

The AAC's roles and responsibilities are clearly set out in section 45 of the PGPA Act and section 17 of the Public Governance, Performance and Accountability Rule 2014 (Cth) (PGPA Rule). The Audit and Assurance Committee Charter is at www.education.gov.au/AAC.

The AAC met 7 times during the year.

At 30 June 2023 the AAC had 3 external members and 2 departmental advisors. Table 3.1 provides details of AAC members' roles on committees, their remuneration and their qualifications, skills and experience.

The Deputy Secretary, Corporate and Enabling Services (Chief Operating Officer), the Chief Financial Officer (CFO), the Chief Risk Officer (CRO), the Chief Internal Auditor, the Department of Employment and Workplace Relations (DEWR) Chief Information Officer, and representatives from the Australian National Audit Office (ANAO) also attended the AAC as observers.

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

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

Table 3.1: Audit and Assurance Committee member details

Member name, role and tenure during 2022–23	Qualifications, knowledge, skills or experience (formal and informal)	Number of AAC meetings attended during 2022–23/ total number of AAC meetings held during the period of membership in 2022–23	Total annual remuneration (GST inc.)
<p>Mr Darren Box</p> <p>Audit and Assurance Committee Chair (3 April 2023 – 30 June 2023)</p> <p>Audit and Assurance Committee Member (1 July 2022 – 2 April 2023)</p> <p>Performance Reporting Subcommittee Chair (1 October 2022 – 30 June 2023)</p> <p>Financial Statements Subcommittee Chair (1 July 2022 – 31 October 2022)</p>	<ul style="list-style-type: none"> • Fellow, CPA Australia • Bachelor of Business (Accounting), qualifications in professional coaching • A highly experienced senior executive with over 30 years' experience spanning national social service to national security across the Commonwealth and United Kingdom • Extensive financial management and organisational reform experience • Held the position of Acting Chief Operating Officer at the Australian Federal Police (AFP) from January 2020 to October 2020. Prior to that, held senior leadership roles within Commonwealth agencies such as AFP, Department of Defence and Department of Human Services 	7/7	\$46,227

Table 3.1: Audit and Assurance Committee member details (continued)

Member name, role and tenure during 2022–23	Qualifications, knowledge, skills or experience (formal and informal)	Number of AAC meetings attended during 2022–23/ total number of AAC meetings held during the period of membership in 2022–23	Total annual remuneration (GST inc.)
<p>Mr Richard Eccles</p> <p>Audit and Assurance Committee Member (1 July 2022 – 30 June 2023)</p> <p>Risk, Security and Governance Committee Observer (8 September 2022 – 30 June 2023)</p>	<ul style="list-style-type: none"> • Bachelor of Arts, Master of Arts • Former Deputy Secretary (2010–2020) in several departments, including Department of Health and Aged Care, Department of the Prime Minister and Cabinet, and Department of Communications and the Arts • Chair of Canberra Health Services Governance Committee • Current company directorships include the Copyright Agency Ltd, Bangarra Dance Theatre Pty Ltd and Public Interest Journalism Initiative Ltd • Advisory services to National Gallery of Australia 	7/7	\$33,703

Table 3.1: Audit and Assurance Committee member details (continued)

Member name, role and tenure during 2022–23	Qualifications, knowledge, skills or experience (formal and informal)	Number of AAC meetings attended during 2022–23/ total number of AAC meetings held during the period of membership in 2022–23	Total annual remuneration (GST inc.)
<p>Ms Cath Ingram</p> <p>Audit and Assurance Committee Member (1 November 2022 – 30 June 2023)</p> <p>Financial Statements Subcommittee Chair (1 November 2022 – 30 June 2023)</p>	<ul style="list-style-type: none"> • Bachelor of Arts in Accounting • Certificate IV – Commonwealth Fraud Control (Investigations) • Fellow of the Institute of Chartered Accountants • Fellow, Institute of Public Administration Australia • Member, Chief Executive Women • Roles held include Chair of Commonwealth audit and risk committees and financial statements subcommittees for large and small government entities • Highly experienced specialist in the domains of governance, risk and assurance in both the public and private sectors • Extensive experience in assurance over public sector reform programs, with significant IT implementation • Former KPMG partner, Chairman of Partners KPMG Canberra and lead partner Australian Government 	3/3	\$20,000

Table 3.1: Audit and Assurance Committee member details (continued)

Member name, role and tenure during 2022–23	Qualifications, knowledge, skills or experience (formal and informal)	Number of AAC meetings attended during 2022–23/ total number of AAC meetings held during the period of membership in 2022–23	Total annual remuneration (GST inc.)
<p>Mrs Jenny Morison AM</p> <p>Audit and Assurance Committee Chair (1 July 2022 – 31 March 2023)</p> <p>Performance Reporting Subcommittee Member (1 July 2022 – 31 March 2023)</p>	<ul style="list-style-type: none"> • Fellow, Chartered Accountant • Bachelor of Economics • Experience in accounting, commerce and government • Held senior positions in major international accounting firms and as a national board member of the Chartered Accountants of Australia and New Zealand • Held roles as chair of Commonwealth audit and risk committees and financial statements subcommittees for large and small government entities, including CFO of a public listed company 	6/6	\$70,416

Table 3.1: Audit and Assurance Committee member details (continued)

Member name, role and tenure during 2022–23	Qualifications, knowledge, skills or experience (formal and informal)	Number of AAC meetings attended during 2022–23/ total number of AAC meetings held during the period of membership in 2022–23	Total annual remuneration (GST inc.)
<p>Mr Jeff Lamond PSM</p> <p>Audit and Assurance Committee Member (1 July 2022 – 30 September 2022)</p> <p>Performance Reporting Subcommittee Chair (1 July 2022 – 30 September 2022)</p>	<ul style="list-style-type: none"> • Bachelor of Economics with formal economics and accounting qualifications, graduate qualification in legal studies • Experience in the government sector including employment, values and ethics, and personnel • Held senior positions, including as Australian Public Service (APS) Merit Protection Commissioner and internal ombudsman, in 2 agencies • Held roles as chair of Commonwealth audit and risk committees and financial statements subcommittees for large and small government entities 	4/4	\$8,727

Table 3.1: Audit and Assurance Committee member details (continued)

Member name, role and tenure during 2022–23	Qualifications, knowledge, skills or experience (formal and informal)	Number of AAC meetings attended during 2022–23/ total number of AAC meetings held during the period of membership in 2022–23	Total annual remuneration (GST inc.)
Dr David Bryant Audit and Assurance Committee Member (1 July 2022 – 30 September 2022)	<ul style="list-style-type: none"> Bachelor of Information Technology, Master of Business Administration in Technology Management, Doctor of Philosophy in Management Information Systems, Australian Computer Society Certified Professional and Certified Practising Project Director (Australian Institute of Project Management) ICT sector experience, including ICT governance, risk management, ICT projects and services in the public sector environment 	4/4	\$5,864

Risk management

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

The Accountable Authority Instruction for Risk Management, and the department’s Enterprise Risk Management Policy and Framework, set out how we identified, managed and communicated risk in line with our risk appetite and tolerance limits and governance arrangements.

The department’s Executive Board had overarching responsibility for the enterprise risk management arrangements. Supporting the Executive Board, the RSGC and the AAC provided oversight of the effectiveness and appropriateness of risk management arrangements, including systems of internal control. The RSGC had an independent external chair and focused on key risks, such as fraud, physical, personnel and cyber security risks, business continuity and privacy. The committees met regularly and provided ongoing reports to the Executive Board.

Deputy Secretaries were contributors to defining our risk appetite and tolerance limits and maintained stewardship of enterprise-wide risks and their associated mitigation strategies. The department's CRO supported these governance arrangements and was responsible for embedding the enterprise risk management arrangements and fostering a positive risk culture.

During the year, the department continued to make improvements to its enterprise risk management arrangements to ensure obligations under section 16 of the PGPA Act were met. This included embedding updates to the Commonwealth Risk Management Policy that took effect on 1 January 2023.

Fraud control

The department's governance framework and arrangements provided assurance to the accountable authority that public resources were used appropriately to achieve its purpose and promote financial sustainability.

In 2022–23 the department updated its Fraud Control Framework. The framework complements a suite of other arrangements in place to prevent, detect, investigate and report fraud against the department's programs and other interests.

The department continued to work collaboratively with other Commonwealth agencies to develop and apply better practices to effectively manage fraud risk and incidents of fraud. The department utilised a range of reporting channels for fraud tip-offs, including a dedicated phone line, email address and Whispli, an anonymous fraud reporting tool.

During the year, the department commenced the development of a new Child Care Financial Integrity Strategy. The strategy includes a range of measures to combat Child Care Subsidy (CCS) fraud and non-compliance. This includes a new requirement for CCS co-contributions to be paid via electronic funds transfer and an associated audit program.

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

- The Child Care Fraud Investigations and Tactical Operations Team in the Early Childhood and Youth Group performed criminal investigations into allegations of CCS fraud. The team also contributes to multi-agency collaboration with other Australian Government agencies to prevent fraud and non-compliance.
- The Fraud Team in the Corporate and Enabling Services Group was responsible for fraud investigations across the department's activities.

As well as fraud investigation activities, the Fraud Team:

- reviewed and updated the Fraud Control Framework, including the department's Enterprise Fraud Risk Assessment, Fraud Control Plan and Fraud Control Policy
- updated policies, processes and delegations and implemented an internal communications campaign to prepare for the establishment of the National Anti-Corruption Commission
- promoted awareness of individuals' roles and responsibilities to prevent, detect and respond to fraud, through targeted communication and mandatory training
- provided advice to business areas on fraud risks when designing, implementing and managing new policies and programs
- completed annual reporting against the Commonwealth Fraud Control Framework
- coordinated the department's response to the annual Institute of Criminology fraud census.

In addition to the department's centralised fraud functions, there were assurance and compliance frameworks across the department's programs. Where assurance and compliance activities led to the suspicion of fraud, this was referred to the relevant investigations team.

Shared services arrangements

The department had memoranda of understanding (MOUs) in place with several shared service providers:

- DEWR provided property, technology and other corporate services including application hosting, network access, end-user computing, service desk support, records management, learning and development application (Learnhub), accommodation and fit-out, security, mail and telecommunications across all the department's locations in Australia.
- The Department of Finance's Service Delivery Office provided transactional services such as payroll and payroll system administration, accounts payable and accounts receivable.
- The Department of Social Services Community Grants Hub provided grants administration services.
- Services Australia was responsible for the delivery of payments and services in child care programs. The department also had a joint initiative arrangement with Services Australia to improve the collection of data and to manage data exchange in relation to the Tertiary Collection of Student Information system.
- The Australian Bureau of Statistics delivered statistical, research and analysis services across several education-related programs covering early childhood, schools and higher education.

Significant non-compliance

The department has identified significant non-compliance relating to the Inclusion Support Program (ISP). Grant agreements were entered into by a third party under a contractual arrangement, but without appropriate delegations in place. This occurred from the commencement of the program in 2016 until 31 August 2023, involving payments totalling approximately \$541.5 million. The appropriate delegations and processes are now in place. This was reported to the responsible Minister.

People management

Our people

During 2022–23 the department employed more than 1,400 staff in locations around Australia and at overseas posts. The department continued to promote excellence by focusing on building capability through recruitment activities, staff mobility, succession planning, leadership development and training.

The department applied an integrated approach to the planning cycle that provided alignment between workforce requirements and organisational priorities. Operational workforce planning focused on determining critical job roles and capacity and skills required in the immediate future to achieve business plans, while identifying future business priorities and corresponding workforce needs.

We commenced development of the Enterprise Workforce Plan to inform how the department can attract and retain staff in response to a challenging and changing labour market. The plan will ensure the department has the capacity and capability to deliver against its current and future priorities by being an employer of choice.

Diversity and inclusion

The department recognises the importance of a workforce that reflects the community to help achieve its purpose. The department is currently developing a draft Inclusion Strategy that reinforces its commitment to inclusion and diversity.

The strategy's core focus will be engagement and representation, capability and connection, and alignment and reporting, aligned to deliverable outcomes under APS-wide Commonwealth diversity strategies. The department's progress against APS-wide diversity and inclusion targets will continue to be monitored through the:

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

Our employee networks formed an essential part of our inclusive and diverse workplace. They offered a way for employees to connect with others and find support. The networks helped drive and promote diversity and inclusion initiatives, celebrate days of significance, improve employment outcomes and improve the day-to-day lived experience of our people.

There were 5 active employee networks in the department, with Senior Executive Service (SES) level champions appointed to each:

- Ability and Carers Network
- Aboriginal and Torres Strait Islander Network
- Culturally and Linguistically Diverse Network
- Gender Equity Network
- Pride Network.

Memberships with peak diversity organisations were maintained including the Australian Network on Disability, the Diversity Council Australia and Pride in Diversity.

In 2022 the department was awarded Breastfeeding Friendly Workplace Best Practice standard by the Australian Breastfeeding Association.

The department continued its participation in the Australian Network on Disability's Stepping Into program, which provides paid work experience for university students with disability. We applied a diversity and inclusion lens to recruitment practices by implementing First Nations peoples and disability streams in entry-level programs and bulk recruitment exercises.

Indigenous business is everyone's business

The department continued its commitment to reconciliation through its Reconciliation Commitment Statement 2023–2024, which launched on 26 April 2023. The department supported the Australian Government's priority to work with First Nations peoples, communities and businesses to improve opportunities and build a better future.

The department's policies and programs were developed and delivered with the Closing the Gap reform priorities in mind, including working with First Nations peoples, respecting First Nations cultures and building our own cultural capability. Our employees were encouraged to embrace and value the important contribution First Nations peoples make to the department and wider Australian society. We supported opportunities and employment for First Nations peoples through recruitment activities, including SES recruitment, and our compliance with the Australian Government's Indigenous Procurement Policy.

The Indigenous Business is Everyone's Business Committee comprised senior leaders and representatives from across the department. The committee was primarily responsible for driving reconciliation activities, including the delivery of online and face-to-face cultural awareness training for employees, and supported a participant in the Jawun secondment program, to strengthen our overall cultural responsiveness.

Our people participated in NAIDOC Week (July 2022) and National Reconciliation Week (May 2023) activities, including learning how to deliver an Acknowledgement of Country in language and joining on-country cultural immersion tours in the Canberra area to build our cultural capability.

The department continues to work with Reconciliation Australia to finalise its new Reconciliation Action Plan.

Internal response to COVID-19

During 2022–23 the department continued a joint agency COVID-19 response with DEWR. The department remained committed to maintaining a safe workplace and monitoring the work environment to ensure health and safety and minimise impact to business continuity.

Our internal response to COVID-19 continued to ensure employees were provided with health and safety information and support. The department refreshed its communication campaign and materials in line with public health advice across all jurisdictions.

Work health and safety

The department is committed to providing its people with a supportive and respectful workplace focused on prioritising physical and mental health and safety in accordance with the *Work Health and Safety Act 2011* (Cth) (WHS Act) and the *Safety, Rehabilitation and Compensation Act 1988* (Cth). This includes physical and psychosocial hazards and adoption of the Respect@Work framework to effectively prevent and respond to workplace sexual harassment.

The department's principal consultative mechanism for health and safety matters, the Work Health and Safety Committee, met quarterly in 2022–23. The committee was consulted on a range of activities that aimed to improve the department's work health and safety management system. The department is proactively managing psychosocial risks in accordance with the amendment to the Model Work Health and Safety Regulations which took effect on 1 April 2023.

We engaged proactively with the Health and Safety Representative network to guide our activities supporting safety and the physical and mental health of our workforce. In 2022–23 we focused on:

- supporting staff health and wellbeing through:
 - our annual national influenza vaccination program
 - support to obtain COVID-19 vaccinations
 - our ergonomic workstation assessment program
 - our early intervention program
 - the CancerAid employee support program
 - flexible working arrangements, particularly in response to COVID-19
 - a refreshed Employee Support Officer network

- mental health services and training through:
 - our Employee Assistance Program, including confidential counselling services
 - the NewAccess Workplaces program
 - the Mental Health Hub, intranet information on managing mental health at work
 - annual R U OK Day promotion
 - Australian Public Service Commission Compassionate Foundations, Mental Health First Aid, and Black Dog Workplace Mental Health for Employees and Managers courses
- maturing the department’s safety system through:
 - the annual hazard identification program
 - our annual work health and safety due diligence training for SES staff
 - refreshed essential training programs to incorporate amendments to the Model Work Health and Safety Regulations
 - National Safe Work Month activities
 - the Psychosocial Safety Climate pilot program
 - development of an online psychosocial risk management product.

In 2022–23 the department reported one incident to Comcare in accordance with section 38 of the WHS Act. No enforcement measures were taken under Part 10 of the WHS Act.

Comcare initiated a regulatory activity with the department for the purpose of assessing compliance with the legislative requirements for consultation, communication and cooperation. No issues of non-conformance were identified.

Learning and development

We supported capability development activities aligned to our purpose, corporate plan, and leadership development priorities. Throughout the year a range of professional and personal development activities were offered to staff, with a continued focus on online and virtual activities. Delivery outcomes included:

- a cohesive approach to policy capability development with programs targeted across levels
- diagnostic tools and facilitated workshops to improve self-awareness and team cohesion
- continued delivery of the SES Masterclass series, with an emphasis on key leadership behaviours
- a structured mentoring program with a focus on career, connection, agility, and resilience
- revision of the essential training (induction, mandatory and role-specific modules).

The department continued to support general leadership development at the APS 6, EL 1, EL 2 and SES levels. The focus on leadership resulted in the implementation of a suite of tailored leadership programs (face to face and online) delivered to 136 employees (Table 3.2).

The department provided further targeted leadership development for senior leaders (EL 2 and SES employees) through a range of externally delivered talent and executive education programs. These high-calibre programs were aligned to individual development requirements and the department's vision to create a future-ready workforce. In 2022–23, 8 staff participated in these courses.

Across a range of professional and business topics, the department's learning and development programs (face to face and online) were delivered to 414 employees (Table 3.3).

Throughout 2022–23 the department continued to provide staff with professional development opportunities at the local level, supplementing the department-wide learning and development offering.

Table 3.2: Number of participants in the department's leadership programs, 2022–23

	2022–23
Number of participants	136
Number of programs (face to face)	2
Number of programs (virtual)	16

Table 3.3: Number of participants in the department's professional development programs, 2022–23

	2022–23
Number of participants	414
Number of programs (face to face)	8
Number of programs (virtual)	56

Note: This table only includes corporate-funded programs that were facilitated live and virtually via the department's learning management system, Learnhub.

Table 3.4: Completion of self-paced learning activities, 2022–23

	2022–23
Number of self-paced activities completed	10,535

Note: Self-paced learning was available to employees through Learnhub. The total number of online courses completed for 2022–23 includes LinkedIn Learning figures that cover both the Department of Education and DEWR, as the report cannot distinguish completions by department following machinery of government changes.

Entry-level programs

The department participated in several entry-level programs that provided pathways for people seeking a career in the APS. These programs aim to attract early talent and build capability for priority job roles. We worked collaboratively with lead agencies across multiple whole-of-government entry-level programs to recruit capable and talented individuals.

In addition to our recruitment for the 2023 generalist graduate cohort, the department participated in the Australian Government Graduate Program to recruit specialist graduates through the data, economist and legal streams. Our graduate program was open to those with higher education (university) qualifications and consisted of 2 work placements that combined on-the-job training and a structured learning and development schedule. The program includes career streams designed to give graduates the opportunity to be placed in areas relevant to their qualifications and career of choice.

Across the department's other entry-level programs, we participated in the whole-of-government Indigenous Australian Government Development Program (IAGDP), which is open to First Nations people with an interest in working for the APS, and the Australian Government Apprenticeship Program (AGAP) which is aimed at those who are looking to kickstart their career. As part of these 2022–23 programs, participants are undertaking a Diploma of Government. Participants are expected to complete their respective programs in October 2023.

In summary, 2023 saw 35 participants engaged as part of the Department of Education Graduate Program, consisting of 23 generalist, 7 data, 1 legal and 4 economist graduates. One participant was engaged as part of the IAGDP and another participant was engaged as part of the AGAP.

In 2022, 43 participants completed the department's graduate program, consisting of 30 generalist, 9 data, 1 finance, 1 human resources and 2 legal graduates. Across the department's other entry-level programs, 3 Career Starter Program participants completed their program in December 2022.

In 2023–24 the department is looking to increase its participation in additional entry-level programs including the Science Policy Fellowship Program, Indigenous Apprenticeships Program and HR School Leaver Program.

Remuneration

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

Remuneration and conditions for SES officers are covered by section 24(1) determinations made by the Secretary under the *Public Service Act 1999* (Cth). These determinations provide for a total remuneration approach to SES remuneration and conditions. Salary levels for SES employees were generally set at rates within a salary band applicable to each SES classification. SES arrangements do not provide for performance pay. Governance arrangements for SES remuneration include an annual review of performance overseen by the Executive Board, with movements in salary determined by the Secretary based on a range of criteria, including employee performance. In Appendix E, Table E.8 shows the number of SES employees covered by section 24(1) determinations, and Table E.9 shows the salary ranges for SES employees. Additional statistics on remuneration for key management personnel, senior executives and other highly paid employees are provided in tables B1, B2 and B3 in Appendix B.

On 23 February 2023, a section 24(1) determination was issued for non-SES employees. The determination provided a pay rise of 3% in 2023. All terms and conditions for employees of the department are provided under the Department of Education and Training Enterprise Agreement 2016–2019.

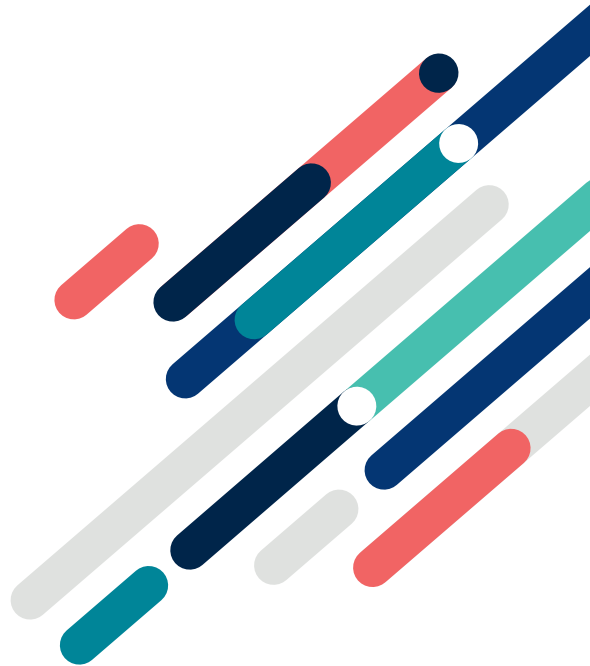
In Appendix E, Table E.8 shows the number of non-SES employees covered under the Enterprise Agreement as their primary employment instrument, and Table E.9 details their salary ranges under the section 24(1) determination. Non-SES arrangements do not provide for performance pay. The department also used individual flexibility arrangements to secure expertise or specialist skills that are critical to business needs. As at 30 June 2023, 29 employees had individual flexibility arrangements in place.

Information and communications technology

The department commenced development of a new information and communications technology (ICT) Strategy to support investment in technology solutions that transform the way we work and how we deliver on our purpose, build capability and meet user and business needs.

The department's technology capability is delivered in partnership with DEWR. This includes supporting the department's critical business systems, exploring new and emerging technologies, and strengthening our cyber security posture.

The security of our ICT systems and data holdings was a critical priority for the department. Maintaining the confidentiality, integrity and availability of information in accordance with the Protective Security Policy Framework and Information Security Manual continued as a key of focus and investment.



Financial performance

Departmental activities

Under the Administrative Arrangements Orders of 1 June 2022 and 23 June 2022, the former Department of Education, Skills and Employment was renamed the Department of Education.

Funding received by the department for 2022–23 included funding for child care measures, Student Wellbeing Boost, Schools Upgrade Fund and strengthening Australia's higher education sector. The department continued to operate in an environment of strong financial discipline even though it reported a net accounting loss of \$8.1 million (2021–22: surplus \$6.6 million) after adjusting for unfunded expenses. As at 30 June 2023 the department reported a net asset position of \$117.2 million, reflecting a sound financial position.

Administered activities

In 2022–23 the department administered 12 programs on behalf of government, with expenses including:

- \$11.1 billion in child care personal benefits
- \$37.9 billion in funding for schools national support and higher education institutions.

Administered income comprises interest from the Higher Education Loan Program and revenue from the Commonwealth Register of Institutions and Courses for Overseas Students for annual registrations.

As at 30 June 2023 administered assets were \$51.1 billion, which largely consists of concessional loans for higher education and investments. Assets decreased from 2021–22, mainly due to the decrease in the fair value of the higher education concessional loan resulting from changes in actuarial assumptions.

Administered liabilities were \$5.9 billion as at 30 June 2023, which largely consists of fair value of the higher education superannuation provision and CCS withholding provision.

Purchasing

Purchasing and procurement

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

The department published its procurement activities over \$10,000 (GST inclusive) and business opportunities of \$80,000 and above (GST inclusive) on the AusTender website (www.tenders.gov.au). No contracts were exempt from reporting on AusTender in 2022–23.

Procurement initiatives to support small business

The department supported small business participation in the Commonwealth procurement market. Small and medium enterprise (SME) and small enterprise participation statistics are available on the Department of Finance website at www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts.

The department's procurement practices were consistent with the CPRs and they provided opportunities for SMEs to compete. For example, the department used the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000, which simplified the process and made it easier for SMEs to bid for business opportunities.

The department recognises the importance of ensuring small businesses are paid on time. Electronic invoicing (e-invoicing) arrangements continued to support small businesses to reduce administration, create savings and improve the timeliness of payment. In 2022–23 the department paid 45 invoices to the value of \$418,564 (GST inclusive) through e-invoicing.

The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website (www.treasury.gov.au).

The department's procurement documents included the updated Payment Times Procurement Connected Policy, which requires that, from 1 October 2021, large businesses awarded Australian Government procurement contracts valued over \$4 million must pay their subcontracts valued up to \$1 million within 20 calendar days.

Ethical behaviour in procurements

In May 2023, following the release by the Department of Finance of a Procurement Policy Note, from 1 June 2023, when undertaking a procurement, the department and its officials must consider whether the reputation and behaviour of tenderers needs to be factored into the procurement process. In doing so, officials must consider the nature of the work to be conducted, sensitivities and risks arising from the reputation of the tenderer, the technical expertise of the tenderer, and market competition. The Procurement Policy Note is available on the Department of Finance website at www.finance.gov.au/government/procurement/procurement-policy-note.

Notification of significant event clauses

To strengthen the Commonwealth expectations regarding the ethical conduct of suppliers, the department updated its procurement-related templates to include notification of significant events clauses, available at www.finance.gov.au/government/procurement/clausebank/notification-significant-events. The clauses require a service provider to notify the entity managing the contract immediately upon becoming aware of any adverse findings made by a court, commission, tribunal or other statutory or professional body regarding the conduct of the service provider or its capacity to deliver the agreed services. The clauses provide the department with remediation measures, including the ability to terminate the contract. They allow a much broader response to a wider range of events, instead of being limited to events related to the individual contract.

Indigenous Procurement Policy

The department, through the Indigenous Procurement Policy, is committed to growing its engagement with First Nations businesses. For 2022–23 the department had 29 contracts in place with majority First Nations owned businesses, valued at \$10,690,414 (GST inclusive). This exceeded the Commonwealth First Nations procurement target of 9 contracts and \$1,803,001 in contracts value set for the department by the National Indigenous Australians Agency.

Contracts and consultancies

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

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

Each decision to engage a consultant was made in accordance with the PGPA Act and related Accountable Authority Instructions and with the required Deputy Secretary level approval.

The methods of selection for consultancies were open tender, limited tender and panel arrangement (initially selected through either an open tender or a prequalified tender process).

Consultants were typically engaged to provide:

- professional, independent and expert advice
- services that involve the development of independent intellectual output to assist the department in decision-making.

During 2022–23, 31 new reportable consultancy contracts were entered into, involving total actual expenditure of \$5,324,626 (GST inclusive). In addition, 25 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$9,007,945 (GST inclusive).

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of consultancy contracts is available on the AusTender website (www.tenders.gov.au).

Table 3.5: Expenditure on reportable consultancy contracts, 2022–23

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	31	5,324,626
Ongoing contracts entered into during a previous reporting period	25	9,007,945
Total	56	14,332,571

During 2022–23, 294 new reportable non-consultancy contracts were entered into, involving total actual expenditure of \$38,229,409 (GST inclusive). In addition, 424 ongoing reportable non-consultancy contracts were active during the period, involving total actual expenditure of \$143,497,846 (GST inclusive). Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website (www.tenders.gov.au).

Table 3.6: Expenditure on reportable non-consultancy contracts, 2022–23

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	294	38,229,409
Ongoing contracts entered into during a previous reporting period	424	143,497,846
Total	718	181,727,255

Table 3.7: Organisations receiving a share of reportable consultancy contract expenditure, 2022–23

Name of organisation	Australian Business Number (ABN)	Number	Expenditure \$ (GST inc.)
Accenture Australia Pty Ltd	49 096 776 895	1	1,293,625
Dandolo Partners	48 757 017 061	4	1,195,925
Deloitte Touche Tohmatsu	74 490 121 060	2	907,222
Inside Policy	86 137 290 718	1	1,119,990
Parkville Institute	64 652 510 506	1	1,980,000
PWC	20 607 773 295	3	983,592
SNAICC	42 513 562 148	1	1,786,722

Table 3.8: Organisations receiving a share of reportable non-consultancy contract expenditure, 2022–23

Name of organisation	Australian Business Number (ABN)	Number	Expenditure \$ (GST inc.)
Australian Children's Education and Care Quality Authority	59 372 786 746	10	8,605,221
Community Child Care Association	90 494 504 678	1	12,867,194
KU Children's Services	89 000 006 137	3	35,417,876
Macquarie University	90 952 801 237	1	7,975,000
Teach for Australia	27 133 833 762	1	18,247,400

Advertising and marketing

In 2022–23 the department delivered the CCS changes campaign and commenced research and development work for a campaign related to elevating the teaching profession. Information about the CCS changes campaign is available at www.education.gov.au/about-department/corporate-reporting/campaign-activities and in the reports on Australian Government advertising prepared by the Department of Finance, which are available on the Department of Finance's website.

Tables 3.9, 3.10 and 3.11 list payments of \$14,500 or more (GST inclusive) to advertising agencies and market research, polling and direct mail and media advertising organisations, as required under section 311A of the *Commonwealth Electoral Act 1918* (Cth).

Table 3.9: Payments to advertising agencies, 2022–23

Organisation	Service provided	Total paid in 2022–23 \$ (GST inc.)
Clemenger BBDO (Melbourne)	Commenced creative development work for a campaign to elevate the teaching profession	196,626
The Monkeys	Creative development and production for the CCS changes campaign	1,059,883

Table 3.10: Payments to market research and polling organisations, 2022–23

Organisation	Service provided	Total paid in 2022–23 \$ (GST inc.)
Family Day Care Australia Limited	Market research through undertaking surveys and analysis of the demographics of Family Day Care educators	46,449
Hall & Partners Pty Ltd	Benchmark, tracking and evaluation research for the CCS changes campaign	65,600
Indigenous Professional Services Pty Ltd	Market research and needs analysis of the early childhood education and care sector's compliance learning needs	121,000
Ipsos Public Affairs	Developmental research and concept testing for the CCS changes campaign	318,806
WhereTo Research Based Consulting	Developmental research for a campaign to elevate the teaching profession	275,419

Table 3.11: Payments to media advertising organisations, 2022–23

Organisation	Service provided	Total paid in 2022–23 \$ (GST inc.)
Universal McCann	Advertising for the CCS changes campaign	3,303,086

Grant programs

Information on grants awarded by the department in 2022–23 is available on the GrantConnect website (www.grants.gov.au).

Environmental sustainability and performance

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

Greenhouse gas emissions

APS Net Zero 2030 is the Australian Government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions. As part of this, non-corporate and corporate Commonwealth entities are required to report on their operational greenhouse gas emissions. The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2022–23 period. Results are presented on the basis of carbon dioxide equivalent (CO₂-e) emissions. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the whole-of-Australian Government approach as part of the APS Net Zero 2030 policy.

The department receives property services from DEWR under an MOU. The MOU commenced on 1 July 2022 and expires on 30 June 2025.

Electricity and natural gas are provided to the department by DEWR as property services under an MOU. Please refer to the DEWR Annual Report 2022–23 for this information.

Table 3.12: Greenhouse gas emissions inventory (location based approach), 2022–23

Emission source	Scope 1 kg CO ₂ -e (Direct combustion)	Scope 2 kg CO ₂ -e (Indirect electricity combustion)	Scope 3 kg CO ₂ -e (Indirect emissions and supply chain sources)	Total kg CO ₂ -e
Electricity (location based approach)	-	n/a	n/a	n/a
Natural gas	-	-	-	-
Fleet vehicles	-	-	-	-
Domestic flights	-	-	537,003	537,003
Other energy	-	-	-	-
Total kg CO₂-e	-	-	537,003	537,003

Note: n/a – reflects a value reported in the DEWR Annual Report 2022–23.

Resource efficiency and waste

Landfill waste and recycling services are provided to the department by DEWR as a property service under an MoU. Please refer to the DEWR Annual Report 2022–23 for this information.

Table 3.13: Summary of resource efficiency, 2022–23

Indicator	Amount
Office paper purchased (A4 reams/FTE) ¹	1.8
Percentage of paper purchased with recycled content	50.2%

1 FTE – full-time equivalent



External scrutiny

Reports by the Auditor-General

In 2022–23 the Auditor-General tabled one audit report on the operations of the Department of Education – Auditor-General Report No. 42 for 2022–23: Access and participation programs for regional and remote students. This report and the department's response can be found on the ANAO website at www.anao.gov.au/work/performance-audit/access-and-participation-programs-regional-and-remote-students.

Reviews by the Joint Committee of Public Accounts and Audit

The department contributed to 2 inquiries by the Joint Committee of Public Accounts and Audit: Inquiry into Commonwealth Financial Statements 2021–22, and Inquiry into the Annual Performance Statements 2021–22.

Reports of parliamentary committees

The department provided evidence and/or submissions to a number of parliamentary committee inquiries in 2022–23, as outlined in Table 3.14.

Table 3.14: Evidence and/or submissions to parliamentary committee inquiries, 2022–23

Committee	Inquiry
House of Representatives Standing Committee on Employment, Education and Training	<ul style="list-style-type: none"> Inquiry into the perceptions and status of vocational education and training
Joint Standing Committee on Foreign Affairs, Defence and Trade	<ul style="list-style-type: none"> Inquiry into Australia's tourism and international education sectors
Joint Standing Committee on Treaties	<ul style="list-style-type: none"> Global Convention on the Recognition of Qualifications concerning Higher Education
Senate Select Committee on Work and Care	<ul style="list-style-type: none"> Inquiry into the impact that combining work and care responsibilities has on the wellbeing of workers, carers, and those they care for

Table 3.14: Evidence and/or submissions to parliamentary committee inquiries, 2022–23 (continued)

Committee	Inquiry
Senate Standing Committees on Community Affairs	<ul style="list-style-type: none"> • Assessment and support services for people with ADHD
Senate Standing Committees on Education and Employment	<ul style="list-style-type: none"> • Education and Other Legislation Amendment (Abolishing Indexation and Raising the Minimum Repayment Income for Education and Training Loans) Bill 2022 • Education Legislation Amendment (Startup Year and Other Measures) Bill 2023 • Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022 • The issue of increasing disruption in Australian school classrooms • The national trend of school refusal and related matters
Senate Standing Committees on Finance and Public Administration	<ul style="list-style-type: none"> • Inquiry into the management and assurance of integrity by consulting services
Senate Standing Committees on Legal and Constitutional Affairs	<ul style="list-style-type: none"> • Current and proposed sexual consent laws in Australia

Judicial decisions

In 2022–23 there were no decisions of any court that had, or may have had, a significant impact on the operations of the department.

Decisions of administrative tribunals

In 2022–23 there were no decisions of administrative tribunals that had, or may have had, a significant impact on the operations of the department.

Decisions by the Australian Information Commissioner

In 2022–23 there were no decisions by the Australian Information Commissioner that had, or may have had, a significant impact on the operations of the department.

Reports on the operations of the entity by the Commonwealth Ombudsman

In 2022–23 there were no reports by the Commonwealth Ombudsman on the operations of the department.

Information Publication Scheme

Agencies subject to the *Freedom of Information Act 1982* (Cth) are required to publish specified categories of information as part of the Information Publication Scheme. Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements. The department's plan is available at www.education.gov.au/about-department/corporate-reporting/information-publication-scheme-ips.

Disability reporting

Australia's Disability Strategy 2021–2031 is Australia's overarching framework for disability reform. The strategy is the main way Australia implements the United Nations Convention on the Rights of Persons with Disabilities. It will drive change over the next decade for people with disability, their families and carers. One of the ways the department is contributing to the goals of the strategy is through the implementation of the recommendations of the 2020 Review of the *Disability Standards for Education 2005*. The strategy is being jointly implemented by all Australian governments. Progress reports will be made available through Australia's Disability Strategy Hub (www.disabilitygateway.gov.au/ads).

Disability reporting is also included in the Australian Public Service Commission's State of the Service reports and the Australian Public Service Statistical Bulletin. These reports are available from www.apsc.gov.au.

4.

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Education

To the Minister for Early Childhood Education

To the Minister for Youth

Opinion

In my opinion, the financial statements of the Department of Education (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

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

Basis for opinion

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

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Key audit matters

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

Key audit matter	How the audit addressed the matter
<p>Completeness, accuracy and classification of transactions and balances resulting from machinery of government changes</p> <p><i>Refer to all departmental notes, and J2 'Restructuring'</i></p> <p>Under 1 Administrative Arrangements Orders, effective from 1 July 2022, the previously named Department of Education, Skills and Employment was renamed to the Department of Education. The Employment and Skills related functions and account balances were transferred to the newly created Department of Employment and Workplace Relations. The continued sharing of the financial management and human resources information systems by both entities for the duration of the 2022–23 year created complexities because of the shared control environment and transactions for both entities being recorded and processed in the one system.</p> <p>I focused on the completeness, accuracy and classification of the Entity's transactions and balances as a result of:</p> <ul style="list-style-type: none"> the judgement and assumptions applied in determination of opening balances split between the two departments; and significant risks identified for the completeness and accuracy of recognition of transactions which are representative of operations between the two departments. 	<p>To address this key audit matter, I:</p> <ul style="list-style-type: none"> evaluated the judgements and assumptions applied in determining the opening balances allocation for the Department of Education; evaluated the design, implementation and operating effectiveness of the key controls supporting payments and recognition of balances impacted by machinery of government changes; evaluated the design, implementation and operating effectiveness of key IT systems and controls; assessed the processes separating the Entity's transactions from the Department of Employment and Workplace Relations and whether related expenses are accurately reflected in the financial management information system. tested recognition of asset, liability and appropriation balances retained by the Entity.
<p>Key audit matter</p> <p>Valuation of the Higher Education Loan Program (HELP) receivable</p> <p><i>Refer to Note D1.6 'Fair value losses', and Note F1.2 'Receivables – Advances and Loans'</i></p> <p>I focused on the Entity's HELP receivable as a key audit matter as the valuation of the receivable involves significant and complex judgements about the timing and recoverability of HELP debts.</p> <p>These judgements include assumptions about discount factors, future employment and salary rates and future collectability of repayments that</p>	<p>How the audit addressed the matter</p> <p>To address this key audit matter, I:</p> <ul style="list-style-type: none"> evaluated the design, implementation and operating effectiveness of key actuarial controls, including data reconciliations and the Entity's review and approval of the estimate; evaluated the reasonableness of the Entity's actuarial methodology. This included considering the work and findings of the external actuarial expert engaged by the

contain a significant degree of uncertainty and are influenced by the economic environment.

The receivable is subject to an actuarial assessment and relies on the completeness and accuracy of taxation data and information provided by a number of universities.

For the year ended 30 June 2023, the Entity recognised a HELP receivable of \$46.6 billion, and fair value losses of \$970.8 million.

Entity; and

- assessed the reasonableness of key actuarial assumptions by comparing them with accepted industry benchmarks for discount rates and salary growth rates in a range of occupations.

Key audit matter

Valuation of Higher Education Superannuation Program (HESP) provision

Refer to Note D1.6 'Fair Value losses', and Note F3 'Provisions'

I focused on the HESP liability as a key audit matter as the valuation of the provision is complex and involves significant judgement about the value of the Commonwealth's superannuation liability in respect of current and former university employees. These judgements include the selection of discount rates and estimation of salary growth rates.

The provision is subject to an actuarial assessment and relies on the completeness and accuracy of data provided by a number of universities and their individual actuaries.

A cost sharing arrangement that includes recovery of a proportion of funds from participating States underpins the proportion of the provision that is reported by the Entity which adds to the complexity of the calculation.

For the year ended 30 June 2023, the provision was reported as \$5.1 billion, and the fair value losses were \$84.1 million.

How the audit addressed the matter

To address this key audit matter, I:

- Evaluated the design, implementation and operating effectiveness of key actuarial controls, including data reconciliations and the Entity's review and approval of the estimate;
- evaluated the appropriateness of the Entity's actuarial methodology. This included review of the model underpinning the valuation used by Entity's actuaries;
- assessed the reasonableness of key actuarial inputs including, demographic inputs and discount rates by comparing them against accepted industry benchmarks; and
- assessed the reasonableness of the allocation of the total unfunded liability against the funding agreements between the Commonwealth and participating States. This included reviewing the underlying methodology and parameters used for allocation of the total unfunded liability.

Key audit matter

Accuracy of 'Assistance to families with children' personal benefit expenses.

Refer to Note D1.2 'Personal benefits – Assistance to families with children'

I focused on the personal benefit expenses as a key audit matter as the expenses are based on information provided by the payment recipients and the accurate recording of expenses may be significantly impacted by the provision of inaccurate information.

For the year ended 30 June 2023, the Entity recognised personal benefit expenses of \$11.055 billion.

How the audit addressed the matter

To address this key audit matter, I:

- assessed the design, implementation and operating effectiveness of key internal controls related to the accreditation and registration of child care providers that submit claims for personal benefit payments;
- assessed, on a sample basis, the registration and eligibility of parents for child care fee assistance; and
- assessed the compliance framework, including testing a sample of attendance checks to verify information provided to the Entity that is used as a basis for payment calculations.

Accountable Authority's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Australian National Audit Office




Rahul Tejani
Executive Director
Delegate of the Auditor-General

Canberra
15 September 2023

Department of Education
STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

Signed.....
Tony Cook PSM
Secretary
13 September 2023

Signed.....
Craig Boyd FCPA
Chief Financial Officer
13 September 2023

Department of Education**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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Department of Education
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2023

Departmental Primary Statements

		2023	2022	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	C1.1	184,085	479,058	180,144
Supplier	C1.2	110,499	385,428	120,752
Grants		350	302	-
Interest on lease liabilities		-	3,771	-
Depreciation and amortisation	E2.1	14,383	145,557	5,407
Impairment loss on financial assets	I2.2	122	242	-
Write-down and impairment of other assets	E2.1	15,372	5,012	-
Losses from asset sales		-	27	-
Total expenses		324,811	1,019,397	306,303
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers	C2.1	4,012	24,727	6,232
Rental income	C2.2	-	4,052	-
Resources received free of charge	C2.3	2,172	2,949	1,254
Total own-source revenue		6,184	31,728	7,486
Gains				
Other gains		1,546	6	-
Total gains		1,546	6	-
Total own-source income		7,730	31,734	7,486
Net cost of services		(317,081)	(987,663)	(298,817)
Revenue from Government	C2.4	294,605	910,175	293,410
Deficit on continuing operations		(22,476)	(77,488)	(5,407)
Total comprehensive loss	B1	(22,476)	(77,488)	(5,407)

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

Department of Education
STATEMENT OF FINANCIAL POSITION
as at 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget 2023 \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	E1.1	930	8,205	13,055
Trade and other receivables	E1.2	171,642	428,656	112,141
Total financial assets		172,572	436,861	125,196
Non-financial assets				
Buildings ¹	E2.1	-	289,581	-
Leasehold improvements	E2.1	-	40,594	-
Infrastructure, plant and equipment	E2.1	-	65,644	-
Computer software	E2.1	39,548	322,528	124,985
Prepayments		420	32,787	11,098
Total non-financial assets		39,968	751,134	136,083
Total assets		212,540	1,187,995	261,279
LIABILITIES				
Payables				
Supplier payables		30,639	61,756	20,828
Other payables	E3.1	7,478	16,766	873
Total payables		38,117	78,522	21,701
Interest bearing liabilities				
Leases	E4.1	-	313,324	-
Total interest bearing liabilities		-	313,324	-
Provisions				
Employee provisions	H1.1	57,269	162,792	60,074
Total provisions		57,269	162,792	60,074
Total liabilities		95,386	554,638	81,775
Net assets		117,154	633,357	179,504
EQUITY				
Contributed equity		378,037	871,764	377,626
Reserves		-	1,379	1,379
Accumulated deficit		(260,883)	(239,786)	(199,501)
Total equity		117,154	633,357	179,504

¹ Right-of-use (ROU) assets are included in the 'Buildings' line item.

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

Department of Education
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget 2023 \$'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		871,764	710,573	876,850
Adjusted opening balance		871,764	710,573	876,850
Transactions with owners				
Distribution to owners				
Equity return ¹		(8,702)	(6,857)	-
Contributions by owners				
Equity injection - appropriations		7,393	102,851	5,555
Departmental capital budget		9,600	65,044	9,962
Restructuring	J2.1	(502,018)	153	(514,741)
Total transactions with owners		(493,727)	161,191	(499,224)
Closing balance as at 30 June		378,037	871,764	377,626
ACCUMULATED DEFICIT				
Opening balance				
Balance carried forward from previous period		(239,786)	(162,298)	(244,636)
Adjusted opening balance		(239,786)	(162,298)	(244,636)
Comprehensive income				
Deficit on continuing operations		(22,476)	(77,488)	(5,407)
Total comprehensive income		(22,476)	(77,488)	(5,407)
Restructuring		-	-	50,542
Transfers between equity components		1,379	-	-
Closing balance as at 30 June		(260,883)	(239,786)	(199,501)
ASSET REVALUATION RESERVES				
Opening balance				
Balance carried forward from previous period		1,379	1,379	1,379
Adjusted opening balance		1,379	1,379	1,379
Comprehensive income				
Transfers between equity components		(1,379)	-	-
Total comprehensive income		(1,379)	-	-
Closing balance as at 30 June		-	1,379	1,379
Total equity as at 30 June		117,154	633,357	179,504

Accounting Policy

Equity Injections

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

Restructuring of Administrative Arrangements

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

¹ Equity return relates to \$8.7 million in appropriations repealed on 1 July 2023 (2021-22 \$6.9 million).

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

Department of Education
STATEMENT OF CASH FLOWS
for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget 2023 \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		297,081	928,016	304,636
Sale of goods and rendering of services		9,491	27,913	6,232
Net GST received		11,127	53,623	8,226
Special Account		-	9,354	-
Other		-	3,805	-
Total cash received		317,699	1,022,711	319,094
Cash used				
Employee benefits		188,644	480,001	179,539
Suppliers		119,705	443,299	127,724
Grants		350	302	-
Interest payments on lease liabilities		-	3,771	-
Section 74 receipts transferred to the OPA		9,394	31,735	-
Total cash used		318,093	959,108	307,263
Net cash from operating activities		(394)	63,603	11,831
INVESTING ACTIVITIES				
Cash received				
Proceeds from sales of infrastructure, plant and equipment		-	78	-
Total cash received		-	78	-
Cash used				
Purchase of infrastructure, plant and equipment		-	14,985	-
Purchase of leasehold improvements		-	8,327	-
Purchase/development of intangibles		10,040	156,062	22,498
Total cash used		10,040	179,374	22,498
Net cash used by investing activities		(10,040)	(179,296)	(22,498)
FINANCING ACTIVITIES				
Cash received				
Contributed equity - equity injection		3,106	103,696	5,555
Contributed equity - departmental capital budget		6,945	75,870	9,962
Total cash received		10,051	179,566	15,517
Cash used				
Principal payments of lease liabilities		-	61,409	-
Restructure - Special Account		6,892	-	-
Total cash used		6,892	61,409	-
Net cash from financing activities		3,159	118,157	15,517
Net increase/(decrease) in cash held		(7,275)	2,464	4,850
Cash and cash equivalents at the beginning of the reporting period		8,205	5,741	8,205
Cash and cash equivalents at the end of the reporting period	E1.1	930	8,205	13,055

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

Department of Education
BUDGET VARIANCES COMMENTARY
for the year ended 30 June 2023

<p>Departmental Budget Variance Commentary: The below table provides commentary for significant variances between the department's October budget estimates, as published in the 2022-23 October Portfolio Budget Statements, and the final financial outcome in the 2022-23 financial statements. Significant variances are those relevant to an analysis of the department's performance, not merely on numerical differences between actual amounts and budget. Unless otherwise individually significant, no additional commentary has been included.</p>	
Explanation of major variances	Affected line items (and statement)
<p>Agreement as to the separation of assets and liabilities between the department and DEWR had not been finalised at the time the Portfolio Budget Statements were published.</p>	<p>Cash and Cash Equivalents (Statement of financial position) Trade and Other Receivables (Statement of financial position) Computer Software (Statement of financial position) Prepayments (Statement of financial position) Other Payables (Statement of financial position) Equity (Statement of financial position) Supplier Payables (Statement of financial position)</p>

Department of Education
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
as at 30 June 2023

Administered Schedules				Original Budget 2023 \$'000
	Notes	2023 \$'000	2022 \$'000	
NET COST OF SERVICES				
Expenses				
Grants	D1.1	37,942,186	36,089,078	38,124,112
Personal benefits	D1.2	11,070,724	9,929,824	10,690,871
Supplier	D1.3	234,604	2,202,458	216,211
Subsidies	D1.4	100,808	4,135,599	179,640
Interest	D1.5	182,000	102,000	218,696
Impairment loss on financial assets		32,349	184,010	-
Finance costs		321,214	28,064	781,092
Depreciation	F2.1	97	97	92
Write-down and impairment of assets		37,216	-	-
Fair value losses	D1.6	1,054,944	6,685,532	3,235,321
Employee benefits		170	321	-
Total expenses		50,976,312	59,356,983	53,446,035
Income				
Revenue				
Taxation revenue				
Levies		6,417	17	6,100
Total taxation revenue		6,417	17	6,100
Non-taxation revenue				
Revenue from contracts with customers	D2.1	3,688	34,820	-
Interest	D2.2	1,664,353	953,593	3,201,824
Other	D2.3	64,359	139,900	61,541
Total non-taxation revenue		1,732,400	1,128,313	3,263,365
Total revenue		1,738,817	1,128,330	3,269,465
Gains				
Fair value gains	D2.4	-	899,745	-
Total gains		-	899,745	-
Total income		1,738,817	2,028,075	3,269,465
Net cost of services		(49,237,495)	(57,328,908)	(50,176,570)
OTHER COMPREHENSIVE INCOME				
Change in asset revaluation reserve		642,752	19,896	-
Total other comprehensive income		642,752	19,896	-
Total comprehensive loss		(48,594,743)	(57,309,012)	(50,176,570)

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

Department of Education
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget 2023 \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	F1.1	101,923	103,466	95,072
Trade and other receivables	F1.2	47,429,088	51,832,847	49,914,847
Investments	F1.3	3,563,936	2,921,184	2,921,184
Total financial assets		51,094,947	54,857,497	52,931,103
Non-financial assets				
Buildings	F2.1	736	995	983
Prepayments		-	758	-
Total non-financial assets		736	1,753	983
Total assets administered on behalf of Government		51,095,683	54,859,250	52,932,086
LIABILITIES				
Payables				
Personal benefits		153,516	30,511	60,185
Supplier		62,756	167,456	15,211
Subsidies		-	49,013	-
Grants		8,854	8,229	7,385
GST payable		1,952	3,864	3,864
Total payables		227,078	259,073	86,645
Interest bearing liabilities				
Leases - buildings		796	1,014	1,014
Total interest bearing liabilities		796	1,014	1,014
Provisions				
Higher Education Superannuation Program	F3	5,106,500	5,176,000	5,019,266
Personal benefits	F3	591,662	526,228	583,275
Total provisions		5,698,162	5,702,228	5,602,541
Total liabilities administered on behalf of Government		5,926,036	5,962,315	5,690,200
Net assets		45,169,647	48,896,935	47,241,886

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

Department of Education
ADMINISTERED RECONCILIATION SCHEDULE
for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Opening assets less liabilities as at 1 July		48,896,935	51,012,132
Net cost of services			
Income		1,738,817	2,028,075
Expenses			
Other than corporate Commonwealth entities		(50,976,312)	(59,356,983)
Other comprehensive income			
Revaluations transferred to reserves		642,752	19,896
Transfers (to) from the Australian Government			
Appropriation transfers from the OPA			
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		1,145,844	7,229,960
Payments to entities other than corporate Commonwealth entities - GST		69,172	285,757
Special appropriations (unlimited)			
Payments to entities other than corporate Commonwealth entities		55,353,285	53,374,018
Payments to entities other than corporate Commonwealth entities - GST		1,684,879	1,549,707
Special Accounts		12,823	3,957
Appropriation transfers to the OPA			
Transfers to the OPA		(9,877,283)	(7,221,995)
Transfers to the OPA (withholdings)		(49,286)	(25,764)
Restructuring	J2.2	(3,468,938)	-
Other movements		(3,041)	(1,825)
Closing assets less liabilities as at 30 June		45,169,647	48,896,935

Administered Cash Transfers to and from the Official Public Account

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

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

Department of Education
ADMINISTERED CASH FLOW STATEMENT
for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
OPERATING ACTIVITIES			
Cash received			
Net GST refunds		1,749,825	1,841,092
Levies		6,416	17
Other revenue		110,317	53,107
Total cash received		<u>1,866,558</u>	<u>1,894,216</u>
Cash used			
Suppliers		200,505	2,341,907
Subsidies		88,644	4,149,396
Personal benefits		10,925,374	9,110,673
Grants		40,030,500	39,085,122
Total cash used		<u>51,245,023</u>	<u>54,687,098</u>
Net cash used by operating activities		<u>(49,378,465)</u>	<u>(52,792,882)</u>
INVESTING ACTIVITIES			
Cash received			
Repayments of loans		7,722,709	5,198,096
Total cash received		<u>7,722,709</u>	<u>5,198,096</u>
Cash used			
Loans provided		6,734,507	7,627,471
Total cash used		<u>6,734,507</u>	<u>7,627,471</u>
Net cash used by investing activities		<u>988,202</u>	<u>(2,429,375)</u>
Net decrease in cash held		<u>(48,390,263)</u>	<u>(55,222,257)</u>
Cash from the OPA			
Appropriations		58,266,003	62,443,399
Total cash from the OPA		<u>58,266,003</u>	<u>62,443,399</u>
Cash to the OPA			
Administered Receipts		(9,877,283)	(7,221,995)
Total cash to the OPA		<u>(9,877,283)</u>	<u>(7,221,995)</u>
Net increase/(decrease) in cash held		(1,543)	(853)
Cash and cash equivalents at the beginning of the reporting period		103,466	104,319
Cash at the end of the reporting period	F1.1	<u>101,923</u>	<u>103,466</u>

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

Department of Education
BUDGET VARIANCES COMMENTARY
for the year ended 30 June 2023

Administered Budget Variance Commentary:

The table below provides commentary for significant major variances between the original budget estimates, as published in the 2022-23 October Portfolio budget statements, and the final financial outcome in the 2022-23 financial statements. Unless otherwise individually significant, no additional commentary has been included.

Explanation of major variances	Affected line items (and statement)
The variance to budget is due to the changes in net assets of the entities comprising investments. Further details are at note F1.3.	Investments (Administered Schedule of Assets and Liabilities)
The fair values of the Higher Education Superannuation Program (HESP) provision and Higher Education Loan Program (HELP) are based on actuarial assumptions. Any changes in the actuary's assessment, economic factors and the Government bond rates used to discount future cash flows will cause the balance to vary when compared to the original budget.	Fair value losses (Administered Schedule of Comprehensive Income) Interest Expense (Administered Schedule of Comprehensive Income) Interest Revenue (Administered Schedule of Comprehensive Income) Receivables (Administered Schedule of Assets and Liabilities) Provisions (Administered Schedule of Assets and Liabilities)
Further information in relation to the year-on-year change in the HESP and HELP balances are at note D1.6.	

Department of Education NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Notes to the Financial Statements

A. About This Report

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

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

The focus of the department includes:

- Preparing children for school and their futures by supporting high quality early learning and care that is affordable, accessible and supports parents and carers to work, study or volunteer. Additionally, focusing on vulnerable and disadvantaged children to ensure they benefit from these reforms.
- Providing avenues for younger Australians to directly engage with government and contribute to policy development.
- Preparing children and young people for further study and employment through access to quality schooling that provides the knowledge, skills and values for every student to achieve their potential.
- Continue to support access to higher education through funding increases in national priority courses.
- Continue our commitment to Closing the Gap, by focusing on the 5 socio-economic targets for which the department has full or shared responsibility.
- Ensuring the provision of high-quality international education and world class research to enhance Australia's international reputation, competitiveness and resilience.

Prior to 1 July 2022, the department operated as the Department of Education, Skills and Employment (DESE). Following the announcement of the Prime Ministers' Ministry and the release of the 1 June 2022 and 23 June 2022 Administrative Arrangements Orders, the department was renamed the Department of Education and a new entity was created, the Department of Employment and Workplace Relations (DEWR) with effect from 1 July 2022. The skills and employment functions for which DESE had responsibility for were transferred to DEWR and are reflected in the comparatives.

Details of planned activities for the year can be found in the department's October 2022-23 Portfolio Budget Statements which have been tabled in Parliament.

The continued existence of the department in its present form is dependent on Government policy and on continuing funding by Parliament.

The Basis of Preparation

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

The financial statements have been prepared in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) and the Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Reporting of Administered activities

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

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

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

Significant Accounting Judgements and Estimates

During the 2022-23 financial year, the department made a number of judgements and applied estimates that had an impact on the amounts recorded in the financial statements. Judgements and estimates that are material to the financial statements are found in the following notes:

- Employee Provisions (H1)
- Non-Financial Assets (E2)
- Personal benefits – Child Care Subsidy program (F1.2 and F3)
- Higher Education Loan Program (HELP) (D1.6 and F1.2)
- Higher Education Superannuation Program (HESP) (D2.4, F1.2 and F3).

New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard (as outlined below). These amending standards have been adopted for the 2022-23 reporting period.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	The department assessed its accounting policy disclosure. No material changes were made to the amounts reported or accounting policies disclosed as a result of these amendments.

Taxation

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

Shared Service Arrangements

The department has an established memorandum of understanding with the Department of Finance, Service Delivery Office (SDO), for the provision of shared services arrangements. The department receives core transactional services from SDO. The department receives ICT, property and other services from DEWR via a memorandum of understanding. The department also receives grant hub support from the Department of Social Services (DSS), and childcare debt management and payment support from Services Australia.

Comparative balances

In reporting the balance of the HELP debt (Notes D1.6 and F1.2), the department is required to estimate the portion of new HELP debt incurred up to and including 30 June each financial year that would be reported to the Australian Taxation Office after this date. In reviewing the estimate used for 30 June 2022 against updated data from the Australian Taxation Office it was found that there was a prior period error.

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

While it is expected that differences will occur and those differences will diminish as better information becomes available, the department investigated to determine if the estimate process needed to be adjusted to provide a more accurate estimate in subsequent years. The department identified that an error was made in the extraction of the estimate's supporting data from the higher education information management system.

Due to the nature of the data in the system, the methodology for obtaining the most accurate estimate as at 30 June relies upon the information being extracted as soon as possible after the end of the financial year. The further beyond this date, the data changes and an unreasonable effort would be required to determine a revised estimate that was not influenced by the benefit of hindsight. The impact between the estimate and actual figure would likely be considered immaterial on the HELP debt balance but it is impractical for the department to retrospectively recalculate the comparative balance of HELP as at 30 June 2022. There is no impact on the balance of HELP debt as at 30 June 2023.

There has also been a minor reclassification in the Administered Reconciliation Schedule and Notes C2.1, F1.2, G1.4, I2.3, I2.4 and I3.1, and a material reclassification in Note C1.1, where comparatives have been updated to conform with current financial reporting requirements.

An update has been adopted to correctly reflect the timing of supplementary and lapsed departmental appropriations in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*. This change has resulted in:

- An increase to 'Revenue from Government' (\$4.9 million) in the Statement of Comprehensive Income;
- A decrease to 'Trade and Other Receivables' (\$0.2 million) in the Statement of Financial Position;
- An increase in 'Equity return' (\$5.1 million) in the Statement of Changes in Equity; and
- Corresponding revisions to Notes B1, C2.4, E1.2 and J1.1

Section 83 of the Constitution

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

The department has primary responsibility for administering legislation related to Education. In 2022-23 payments totalling approximately \$55.4 billion were authorised against Special Appropriations, including special accounts, by the department in accordance with a range of complex legislations. Payments are administered by the department through the Service Delivery Office for the *Australian Education Act 2013* and *Higher Education Support Act 2003* and via Services Australia for payments under *A New Tax System (Family Assistance) Administration Act 1999*.

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

The department has assessed the following categories of payments as a risk of non-compliance with the requirements of Section 83:

- Additional Child Care Subsidy (Transition to Work) was incorrectly paid to a number of recipients under the Family Assistance Law, as the individuals in question did not meet a mandatory condition for payment. In August 2023, the Family Assistance Law was retrospectively amended to remove the requirement in question.
- Six payments totalling \$0.7 million were made from the Overseas Students Tuition Fund special account rather than Services for Other Entities and Trust Moneys special account. These payments will be corrected in 2023-24.

The department is committed to implementing measures to ensure that the possibility of unintentional breaches of section 83 has as low a financial risk and impact as possible. The department will continue to review legislation and New Policy Proposals that create or modify payment eligibility and to ensure that business rules and processes are in place to minimise the risk of breaches of section 83 of the Constitution.

Events after the Reporting Period

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

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

B. Departmental Operating Result Reconciliation

B1: Net Cash Appropriation Arrangements

	2023 \$'000	2022 \$'000
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income¹	(22,476)	(77,488)
Plus: depreciation/amortisation of assets funded through appropriations (Departmental Capital Budget funding and/or equity injections)	14,383	87,913
Plus: depreciation of right-of-use assets ²	-	57,644
Less: lease principal repayments	-	<u>(61,409)</u>
Net cash operating loss	<u>(8,093)</u>	<u>6,660</u>

¹ From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

² AASB 16 *Leases* requires the inclusion of depreciation/amortisation expenses related to Right-of-Use (ROU) leased assets and the lease liability principal repayment amount. These do not directly reflect a change in appropriation arrangements. In 2022-23, the department did not have any departmental leases.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

C. Departmental Financial Performance

C1: Expenses

	2023	2022
	\$'000	\$'000
C1.1: Employee benefits		
Salaries and entitlements ¹	130,684	333,400
Superannuation:		
Defined benefit plans	13,658	31,514
Defined contribution plans	14,978	40,850
Leave and other entitlements ¹	21,597	65,117
Separations and redundancies	766	4,302
Other	2,402	3,875
Total employee benefits	184,085	479,058

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

¹ The comparatives have been reclassified to correctly reflect the allocation of leave and other entitlements.

C1.2: Supplier

Goods and services supplied or rendered		
IT services	34,983	72,684
Consultants and contractors	25,714	237,610
Property	21,438	12,273
Managed services	11,902	26,930
Travel	2,255	2,311
Resources received free of charge	1,272	1,649
Audit fees	900	1,300
Other	9,917	28,438
Total goods and services supplied or rendered	108,381	383,195
Goods supplied	940	21,218
Services rendered	107,441	361,977
Total goods and services supplied or rendered	108,381	383,195
Other supplier expenses		
Workers compensation expenses	2,118	2,233
Total other supplier expenses	2,118	2,233
Total supplier expenses	110,499	385,428

The department does not recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000 per asset).

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

C2: Income		
	2023	2022
	\$'000	\$'000
C2.1: Revenue from contracts with customers		
Sale of goods	497	499
Rendering of services	3,515	24,228
Total revenue from contract with customers	4,012	24,727
Disaggregation of revenue from contracts with customers		
Revenue from services	112	2,436
Corporate services	2,774	18,091
Publications	497	480
IT services	-	3,192
Other	629	528
Total	4,012	24,727

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

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

Revenue from contracts with customers is recognised either:

- At a point in time, where the ownership or control of the goods or services is passed to the customer at a specific time; or
- Over time where the services are provided and consumed simultaneously, or the department has an enforceable right to payment for performance completed to date.
- Contract liabilities associated with customers are recognised in unearned revenue, refer note E3.1.

	2023	2022
	\$'000	\$'000
C2.2: Rental income		
Subleasing right-of-use assets	-	4,052
Total rental income	-	4,052

In 2021-22, the department had sub-leases for commercial properties with other government agencies. Responsibility for these arrangements was transferred to the newly established DEWR on 1 July 2022 as a result of changes to the Administrative Arrangements Orders.

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

Maturity analysis of operating lease income receivables		
Within 1 year	-	4,525
One to two years	-	4,694
Two to three years	-	3,526
Total undiscounted operating lease payments receivable	-	12,745

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

C2.3: Resources received free of charge

Australian Taxation Office collection of revenues on behalf of the department	1,272	1,649
Australian National Audit Office financial statement audit fee	<u>900</u>	<u>1,300</u>
Total resources received free of charge	<u>2,172</u>	<u>2,949</u>

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

C2.4: Revenue from Government

Appropriations		
Departmental appropriations	299,455	900,336
Supplementation	(4,850)	4,316
Special Account	<u>-</u>	<u>5,523</u>
Total revenue from Government	<u>294,605</u>	<u>910,175</u>

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

Appropriated amounts that are designated as equity injections (less any formal reductions) and the Departmental Capital Budget are recognised directly in contributed equity in that year.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

D. Administered Financial Performance

D1: Expenses

	2023	2022
	\$'000	\$'000
D1.1: Grants		
Public sector		
Australian Government entities	63,839	75,099
State and Territory Governments	27,102,761	25,042,128
Private sector		
Not-for-profit organisations	210,920	168,058
Multi-jurisdictional sector	10,394,259	10,603,371
Other	170,407	200,422
Total grants	<u>37,942,186</u>	<u>36,089,078</u>

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

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

D1.2: Personal benefits

Assistance to families with children	11,055,910	9,801,476
Trade support loans discount	-	20,911
Student assistance	14,814	8,283
Vocational and industry training	-	8,733
Labour market assistance to job seekers and industry	-	90,421
Total personal benefits	<u>11,070,724</u>	<u>9,929,824</u>

The department administers personal benefit programs on behalf of the Government that provide entitlements to individuals. Total personal benefits are represented by:

- direct personal benefits of \$12.6 million (2021-22: \$123.0 million), and
- indirect personal benefits of \$11.0 billion (2021-22: \$9.8 billion).

D1.3: Supplier

Services rendered		
Provider services	3,015	1,513,218
Vocational and industry training	-	508,334
School education – specific funding	100,419	74,063
Assistance to families with children	114,761	78,635
Higher education	13,261	23,864
General research	961	1,256
Other	2,187	3,088
Total services rendered	<u>234,604</u>	<u>2,202,458</u>
Total supplier expenses	<u>234,604</u>	<u>2,202,458</u>

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2023	2022
	\$'000	\$'000
<u>D1.4: Subsidies</u>		
Vocational and industry training	-	3,782,841
Assistance to families with children	100,808	90,118
Labour market assistance to job seekers and industry	-	262,640
Total subsidies	100,808	4,135,599
<u>D1.5: Interest</u>		
HESP	182,000	102,000
Total interest	182,000	102,000
<u>D1.6: Fair value losses</u>		
HELP	970,797	5,336,193
Vocational Student Loans (VSL)	-	1,156,248
HESP	84,147	-
Trade support loans	-	193,091
Total fair value losses	1,054,944	6,685,532

As at 30 June 2023, the Australian Government Actuary (AGA) estimated the fair value of the HELP loans to be \$46.8 billion (Note F1.2 refers), applying a discount rate of 4.2% (2021-22: 3.7%).

The decrease in the estimated fair value of HELP was largely driven by movements in the yield curve that also takes into account a net movement of new loans and repayments made in 2022-23; unwinding of the concessional loan discount and actuarial impairment / fair value adjustments. The net actuarial assessment resulted in a fair value loss in 2022-23 of \$970.8 million (2021-22: \$5.3 billion fair value loss).

HESP provides supplementary funding to eligible higher education providers to cover certain superannuation expenses incurred for staff who are members of identified State government emerging cost superannuation schemes. A portion of the funding is recovered from the relevant States under cost-sharing arrangements. The AGA estimates the provision and receivable balances relying upon data provided by the State superannuation schemes, adjusting for the differing valuation dates and economic basis underpinning the estimates of the liabilities. The actuarial assessment resulted in a fair value loss of \$84.1 million in 2022-23 (2021-22: \$899.7 million fair value gain).

VSL and Trade support loans transferred to DEWR with effect from 1 July 2022.

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

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

D2: Income

	2023	2022
	\$'000	\$'000
D2.1: Revenue from contracts with customers		
Rendering of services	3,688	34,820
Total revenue from contracts with customers	3,688	34,820

Disaggregation of revenue from contracts with customers

Major product / service line:

Cost Recovery	3,688	34,820
Total	3,688	34,820

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

Administered revenue recognised is primarily from Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) annual registrations. CRICOS fees were waived in 2021-22 and reinstated from March 2023. Administered revenue for 2021-22 consisted primarily of CRICOS and Trades Recognition Australia (TRA).

TRA transferred to DEWR effective from 1 July 2022.

D2.2: Interest

HELP	1,664,353	869,863
VSL	-	71,735
Trade support loans	-	11,995
Total interest	1,664,353	953,593

Interest revenue is recognised using the effective interest method.

D2.3: Other revenue

HELP Loan fee revenue	44,919	1,062
Refunds of prior year payments	17,993	132,106
Special accounts	1,447	1,586
VSL	-	5,146
Total other revenue	64,359	139,900

Refunds of prior year payments are recognised under AASB 1058 *Income of Not-for-Profit Entities*. Refunds of prior year payments may include items such as repayments of grants that were not spent by the grantee. These amounts are recognised when received, however are then returned to the Consolidated Revenue Fund.

VSL transferred to DEWR effective from 1 July 2022.

D2.4: Fair value gains

HESP	-	899,745
Total fair value gains	-	899,745

The actuarial assessment resulted in a fair value loss of \$84.1 million in 2022-23 (2021-22: \$899.7 million fair value gain).

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

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

E. Departmental Financial Position

E1: Financial Assets

	2023	2022
	\$'000	\$'000
E1.1: Cash and cash equivalents		
Cash on hand or on deposit	930	1,313
Cash held in the OPA - special account	-	6,892
Total cash and cash equivalents	<u>930</u>	<u>8,205</u>

Cash is recognised at its nominal amount. Cash includes demand deposits in bank accounts, and cash in special accounts.

E1.2: Trade and Other Receivables

Goods and services receivable		
Goods and services	3,865	23,392
Total goods and services receivable	<u>3,865</u>	<u>23,392</u>
Appropriations receivable		
Operating annual appropriations	146,411	315,643
Departmental capital budget	13,526	34,959
Equity injections	7,393	47,252
Total appropriations receivable	<u>167,330</u>	<u>397,854</u>
Other receivables		
GST receivable from the Australian Taxation Office	569	7,652
Total other receivables	<u>569</u>	<u>7,652</u>
Total trade and other receivables (gross)	<u>171,764</u>	<u>428,898</u>
Less impairment loss allowance	<u>(122)</u>	<u>(242)</u>
Total trade and other receivables (net)	<u>171,642</u>	<u>428,656</u>

Receivables for goods and services, which have 30 day (2021-22: 30 day) terms, are recognised at the nominal amounts due, less any impairment allowance account.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

E2: Non-Financial Assets

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

	Buildings \$'000	Leasehold improvements \$'000	Infrastructure, plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2022					
Gross book value	446,418	49,633	80,814	630,101	1,206,966
Accumulated depreciation, impairment and amortisation	(156,837)	(9,039)	(15,170)	(307,573)	(488,619)
Net value as at 1 July 2022	289,581	40,594	65,644	322,528	718,347
Additions					
By development	-	-	-	11,750	11,750
Assets first found	-	-	-	1,837	1,837
Write-down and impairment recognised in net cost of services	-	-	-	(15,372)	(15,372)
Depreciation and amortisation	-	-	-	(14,383)	(14,383)
Restructuring	(289,581)	(40,594)	(65,644)	(266,812)	(662,631)
Net value as at 30 June 2023	-	-	-	39,548	39,548
Net value as at 30 June 2023 represented by					
Gross book value	-	-	-	131,313	131,313
Accumulated depreciation, impairment and amortisation	-	-	-	(91,765)	(91,765)
Net value as at 30 June 2023	-	-	-	39,548	39,548

Asset Recognition Threshold

Purchases of non-financial assets are recognised initially at cost in the statement of financial position, except for purchases costing less than the asset capitalisation thresholds. Purchases below the threshold are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

The asset thresholds and useful lives for infrastructure, plant and equipment and computer software remain unchanged from 2022.

Asset class	2023 Useful life	2023 Threshold
Infrastructure, plant and equipment	3-25 years	\$5,000
Computer software	2-15 years	\$200,000

Impairment

All assets were assessed for impairment at 30 June 2023. Where indications of impairment exist, the assets recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Depreciation

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

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

Department of Education**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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

Intangibles

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

All computer software assets are assessed for impairment, and this resulted in impairment expenses of \$15.4 million in 2022-23 (2021-22: \$5.0 million).

Acquisition of Assets

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

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

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

As at 30 June 2023, contractual commitments for the acquisition of property, plant and equipment, and intangible assets amounted to \$34.4 million (2021-22: \$5.7 million).

The department did not enter into leases in 2022-23. Property balances relate to 2021-22 comparatives only.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

E3: Payables		
	2023	2022
E3.1: Other payables	\$'000	\$'000
Separations and redundancies	99	1,086
Wages and salaries	4,644	11,162
Unearned revenue from contracts with customers	1,084	1,111
Superannuation	716	1,692
Other employee benefits	935	1,715
Total other payables	7,478	16,766

E4: Interest Bearing Liabilities		
	2023	2022
E4.1: Leases	\$'000	\$'000
Lease Liabilities	-	313,324
Total leases	-	313,324

There is no cash outflow for leases for the year ended 30 June 2023 (2022: \$65.2 million).

Maturity analysis - contractual undiscounted cash flows

Within 1 year	-	62,753
Between 1 to 5 years	-	201,616
More than 5 years	-	61,069
Total leases	-	325,438

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

The department did not have any departmental leases in 2022-23.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

F. Assets and Liabilities Administered on behalf of Government

F1: Administered – Financial Assets

	2023	2022
	\$'000	\$'000
F1.1: Cash and cash equivalents		
Cash on hand or on deposit	367	48
Cash held in the OPA – special accounts	101,556	103,418
Total cash	101,923	103,466

Cash is recognised at its nominal amount. Cash includes demand deposits in bank accounts, and cash in special accounts.

F1.2: Trade and Other Receivables

Goods and services receivable		
Goods and services receivable	16,360	276,308
Total goods and services receivable	16,360	276,308
Advances and loans		
HELP - students	46,586,621	47,180,398
HELP - providers	185,579	216,258
VSL	-	2,921,411
Trade Support Loans	-	723,938
Child care loans	-	8
Total advances and loans	46,772,200	51,042,013
Other receivables		
HESP receivable	246,100	262,000
Personal benefits receivable	590,806	620,046
GST receivable	42,124	34,334
Total other receivables	879,030	916,380
Total receivables (gross)	47,667,590	52,234,701
Less impairment allowance		
Goods and services receivable	(4,451)	(218,654)
HELP – provider	(33,227)	-
Personal benefits receivable	(200,824)	(183,200)
Total impairment allowance	(238,502)	(401,854)
Total receivables (net)	47,429,088	51,832,847

Where receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through the Administered Schedule of Comprehensive Income.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2023	2022
	\$'000	\$'000
Concessional loans		
HELP – student		
Nominal value	71,920,715	67,747,053
Unexpired discount	(4,926,391)	(2,659,710)
Impairment	(20,407,703)	(17,906,945)
Carrying amount	46,586,621	47,180,398
HELP – provider		
Nominal value	210,969	244,308
Unexpired discount	(25,390)	(28,050)
Impairment	(33,227)	-
Carrying amount	152,352	216,258
VSL		
Nominal value	-	7,435,555
Unexpired discount	-	(990,315)
Impairment	-	(3,523,829)
Carrying amount	-	2,921,411
Trade support loans		
Nominal value	-	1,069,024
Unexpired discount	-	(73,881)
Impairment	-	(271,205)
Carrying amount	-	723,938
Child care loans		
Nominal value	-	8
Carrying amount	-	8
Total concessional loans	46,738,973	51,042,013

In the determination of the fair value of these loans, consideration is given to projections of future income of debtors; pattern and timing of repayments; changes in legislation; the recoverability of concessional debt; and the discounting of future cash flows to a present value. This discounting is based on a yield curve derived from Commonwealth securities on issue as at 30 June 2023. The outcome of discounting based on the 30 June 2023 yield curve is equivalent to the use of a single valuation discount rate of 4.2%. Only measures that have been legislated are incorporated into the estimates for financial statement reporting purposes.

HELP - student is an income contingent loan program that assists eligible higher education students with the cost of tuition. It is administered under the *Higher Education Support Act 2003*. The HELP debt, recognised as an administered receivable, comprises: HECS-HELP, FEE-HELP, SA-HELP and OS-HELP programs.

The Australian Taxation Office collects repayment of these debts through the taxation system.

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

In 2021-22 concessional loans were made to Higher Education providers (HELP – providers) due to the impact of COVID-19. Providers received 8-year interest free loans with the first instalments due in 2021-22 and the final instalments due in 2028-29.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2023	2022
F1.3: Investments	\$'000	\$'000
Australian National University	3,548,669	2,908,727
Australian Institute for Teaching and School Leadership	9,351	8,392
Australian Curriculum, Assessment and Reporting Authority	5,916	4,065
Total investments	3,563,936	2,921,184

The principal activities of each of the entity's administered investments were as follows:

- Australian National University – provision of research and teaching services.
- Australian Institute for Teaching and School Leadership Ltd – supports and enhances the teaching profession for the benefit of all Australians.
- Australian Curriculum, Assessment and Reporting Authority – executes the policy directions that are determined by the Ministerial Council for Education, Early Childhood Development and Youth Affairs regarding curriculum, assessment, data collection and reporting at a national level.

Administered investments are measured at their fair value as at 30 June 2023. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities.

Movements between years are recognised at fair value through other comprehensive income. The current year movement is a \$642.8 million increase (2021-22: \$19.9 million).

F2: Administered – Non-Financial Assets

F2.1: Reconciliation of the opening and closing balances of buildings		
	Buildings	Total
	\$'000	\$'000
As at 1 July 2022		
Gross book value	1,285	1,285
Accumulated depreciation and impairment	(290)	(290)
Net value 1 July 2022	995	995
Impairments on right-of-use assets recognised in net cost of services	(162)	(162)
Depreciation on right-of-use assets	(97)	(97)
Net book value 30 June 2023	736	736
Net book value as of 30 June 2023 represented by		
Gross book value	1,057	1,057
Accumulated depreciation and impairment	(321)	(321)
Net book value 30 June 2023	736	736
Carrying amount of right-of-use assets	736	736

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

F3: Provisions

	HESP 2023	Personal benefits 2023
	\$'000	\$'000
Opening balance as at 1 July	5,176,000	526,228
Amounts used	(348,768)	(1,869)
Increase (decrease) recognised in net cost of services	279,268	67,303
Total as at 30 June	5,106,500	591,662

HESP

HESP provides supplementary funding to eligible higher education providers to cover certain superannuation expenses incurred for staff who are members of identified State government emerging cost superannuation schemes. The level of supplementary funding is demand driven with assessment of claims from institutions occurring annually.

As at 30 June 2023, the AGA estimated the Commonwealth's liability under HESP as the present value of the Commonwealth's future obligation in respect of current and former university employees who are members of State superannuation schemes. The timing of the cash flows that represent the future obligation are impacted by rates of retirement, death, mortality improvements, invalidity, resignation, and take up rates of pensions. The rate used to discount future benefits is determined by matching the weighted duration of the liabilities with the corresponding duration on a zero-coupon yield curve based on Government bond rates. Based on a calculated average liability duration of 8.9 years, a discount rate of 4.1% was applied (2021-22: 3.7%).

A portion of the funding is recovered from the relevant States under cost-sharing arrangements. The current cost share arrangements are based on allocating the emerging cost of benefits between the States and the Commonwealth based on the split of responsibility at the time the benefits accrued.

Personal benefits

Prior to any Child Care Subsidy payment being made, a withholding percentage (default is 5% of entitlement) is applied. Withheld amounts are used to offset potential debts generated when families lodge their tax with the Australian Taxation Office, triggering the reconciliation process. The personal benefits provision represents the balance of Child Care Subsidy withholding amounts as at 30 June 2023.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

G. Funding
G1: Appropriations

G1.1: Annual appropriations ('recoverable GST exclusive')

Annual Appropriations for 2023

	Annual Appropriation \$'000	Adjustments to appropriation - s75 transfers ³ \$'000	Adjustments to appropriation - s74 receipts \$'000	Total appropriation \$'000	Appropriation applied in 2023 (current and prior years) \$'000	Variance ¹ \$'000
Departmental						
Ordinary annual services	525,868	(226,017)	9,394	309,245	(304,547)	4,698
Capital Budget ²	32,302	(22,340)	-	9,962	(6,945)	3,017
Other services	16,644	(9,251)	-	7,393	(3,106)	4,287
Total departmental	574,814	(257,608)	9,394	326,600	(314,598)	12,002
Administered						
Ordinary annual services						
Administered items	3,145,405	(2,061,592)	666	1,084,479	(908,195)	176,284
Other services						
States, ACT, NT and Local government	466,608	-	-	466,608	(238,316)	228,292
Total administered	3,612,013	(2,061,592)	666	1,551,087	(1,146,511)	404,576

¹ The variance in departmental is made up of the movement in cash, GST receivable and appropriation receivable. A Section 51 quarantine is in place for \$0.396 million of current year annual operating appropriations. A Section 51 quarantine is in place for \$0.362 million of current year DCB operating appropriations. The administered variance represents the movement in the balance of appropriations, quarantining of current year appropriations, and cash spent from the balance of prior year appropriations.

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

³ As part of Machinery of Government changes, current year annual appropriation amounts were transferred to DEWR. Prior year departmental Section 75 transfers were made from operating appropriations (\$176.150 million). Departmental Capital Budget appropriation (\$24,088 million) and equity appropriation (\$35.445 million). Prior year Administered annual appropriation of \$3.229 billion was transferred via Section 75 to DEWR.

**Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Annual Appropriations for 2022

	Annual Appropriation \$'000	Adjustments to appropriation - s75 transfers ³ \$'000	Adjustments to appropriation - s74 receipts \$'000	Total appropriation \$'000	Appropriation applied in 2022 (current and prior years) \$'000	Variance ¹ \$'000
Departmental						
Ordinary annual services	904,242	(3,906)	31,735	932,071	(927,139)	4,932
Capital Budget ²	65,044	-	-	65,044	(75,870)	(10,826)
Other services	102,851	-	-	102,851	(103,696)	(845)
Equity Injections	1,072,137	(3,906)	31,735	1,099,966	(1,106,705)	(6,739)
Total departmental						
Administered						
Ordinary annual services						
Administered items	8,103,331	-	21,230	8,124,561	(7,076,679)	1,047,882
Other services						
States, ACT, NT and Local government	168,188	-	-	168,188	(170,554)	(2,366)
Total administered	8,271,519	-	21,230	8,292,749	(7,247,233)	1,045,516

¹ The variance in departmental is made up of movement in cash, GST receivable and appropriations receivable. The administered variance represent the movement in the balance of appropriations. Section 75 transfers of prior year appropriation, quarantining of current year appropriations, and cash spent from the balance of prior year appropriations.

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

³ As part of Machinery of Government changes, annual appropriation amounts were transferred from the department to the Department of Foreign Affairs and Trade. Section 75 transfers amounting to \$3.9 million of current year (2021-22) appropriation were transferred.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2023	2022
	\$'000	\$'000
G1.2: Departmental - Unspent annual appropriations ('recoverable GST exclusive')		
<i>Appropriation Act (No. 1) Operating 2019-20¹</i>	-	5,157
<i>Coronavirus Economic Response Package Act (No. 1) 2019-20¹</i>	-	5,086
<i>Appropriation Act (No. 1) Departmental Capital Budget 2020-21²</i>	1,771	1,771
<i>Appropriation Act (No. 2) Equity Injection 2020-21³</i>	12,247	43,321
<i>Appropriation Act (No. 4) Equity Injection 2020-21</i>	-	158
<i>Appropriation Act (No. 1) Operating 2021-22</i>	2,482	310,793
<i>Appropriation Act (No. 1) Departmental Capital Budget 2021-22</i>	3,926	31,731
<i>Appropriation Act (No. 2) Equity Injection 2021-22</i>	-	7,319
<i>Appropriation Act (No. 3) Departmental Capital Budget 2021-22</i>	-	3,228
<i>Appropriation Act (No. 1) Operating 2022-23⁴</i>	36,150	-
<i>Appropriation Act (No. 1) Departmental Capital Budget 2022-23⁵</i>	4,284	-
<i>Appropriation Act (No. 3) Operating 2022-23</i>	1,591	-
<i>Supply Act (No. 1) Operating 2022-23</i>	24,690	-
<i>Supply Act (No. 1) Departmental Capital Budget 2022-23</i>	5,678	-
<i>Supply Act (No. 3) Operating 2022-23</i>	81,894	-
<i>Supply Act (No. 2) Equity Injections 2022-23</i>	2,315	-
<i>Supply Act (No. 4) Equity Injections 2022-23</i>	3,240	-
<i>Appropriation Act (No. 4) Equity Injection 2022-23</i>	1,838	-
<i>Cash at bank</i>	930	1,313
Total unspent annual appropriations	183,036	409,877

¹ This appropriation lapsed on 1 July 2022.

² This appropriation includes \$1.771 million in quarantine and will lapse on 1 July 2023.

³ This appropriation includes \$3.546 million in quarantine, but legally available at 30 June 2023 and will lapse on 1 July 2023.

⁴ This appropriation includes \$0.396 million in quarantine, but legally available at 30 June 2023.

⁵ This appropriation includes \$0.362 million in quarantine, but legally available at 30 June 2023.

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2023 \$'000	2022 \$'000
G1.3: Administered – Unspent annual appropriations ('recoverable GST exclusive')		
<i>Appropriation Act (No. 1) 2019-20¹</i>	-	159,041
<i>Supply Act (No. 2) 2019-20²</i>	-	97
<i>Appropriation Act (No. 3) 2019-20²</i>	-	11,955
<i>Appropriation Act (No. 4) 2019-20²</i>	-	2,649
<i>Appropriation Act (No. 5) 2019-20²</i>	-	19,335
<i>Coronavirus Economic Response Package Act (No. 1) 2019-20³</i>	-	85,000
<i>Appropriation Act (No. 1) 2020-21⁴</i>	75,411	1,941,317
<i>Supply Act (No. 1) 2020-21⁵</i>	130,898	132,451
<i>Appropriation Act (No. 3) 2020-21⁶</i>	938	231,497
<i>Appropriation Act (No. 1) 2021-22⁷</i>	225,851	1,268,204
<i>Appropriation Act (No. 2) 2021-22</i>	59	59
<i>Appropriation Act (No. 4) 2021-22⁸</i>	2,575	2,575
<i>Appropriation Act (No. 1) 2022-23⁹</i>	121,483	-
<i>Appropriation Act (No. 3) 2022-23</i>	27,058	-
<i>Supply Act (No. 1) 2022-23</i>	419	-
<i>Supply Act (No. 3) 2022-23</i>	27,882	-
<i>Appropriation Act (No. 2) 2022-23¹⁰</i>	218,432	-
<i>Supply Act (No. 2) 2022-23</i>	2,612	-
<i>Supply Act (No. 4) 2022-23</i>	7,248	-
Cash at bank	364	47
Total unspent annual appropriations	841,230	3,854,227

¹ Appropriation includes a quarantine of \$49.887 million and lapsed on 1 July 2022.

² Appropriation lapsed on 1 July 2022.

³ Appropriation includes a quarantine of \$15.070 million and lapsed on 1 July 2022.

⁴ The appropriation includes \$59.770 million in quarantine, but legally available at 30 June 2023, and will lapse on 1 July 2023.

⁵ The appropriation includes \$87.877 million in quarantine, but legally available at 30 June 2023 and will lapse on 1 July 2023.

⁶ The appropriation will lapse on 1 July 2023.

⁷ The appropriation includes \$186.901 million in quarantine, but legally available at 30 June 2023.

⁸ The appropriation includes \$2.575 million in quarantine, but legally available at 30 June 2023.

⁹ The appropriation includes \$102.159 million in quarantine, but legally available at 30 June 2023.

¹⁰ The appropriation includes \$194.0 million in quarantine, but legally available at 30 June 2023.

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

<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	11,201,966	10,112,605
<i>Australian Education Act 2013¹</i>	26,826,371	24,823,884
<i>Higher Education Support Act 2003, section 238-12</i>	17,324,948	17,999,588
<i>Trade Support Loans Act 2014, section 104</i>	-	201,422
<i>VET Student Loans Act 2016, section 115</i>	-	236,512
<i>Public Governance, Performance and Accountability Act 2013, section 77²</i>	-	7
Total special appropriations applied	55,353,285	53,374,018

¹ The comparatives have been adjusted to exclude GST incorrectly disclosed.

² Section 77 payments (2021-22) include 2 items amounting to \$7,259.30.

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

In 2021-22, the department had drawing rights for the National Indigenous Australians Agency (NIAA) administered annual appropriation for the community development program (2021-22: \$430.5 million). The NIAA drawing rights functions were transferred to the newly established DEWR on 1 July 2022 following changes to the Administrative Arrangements Orders.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

G2: Special Accounts

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

	Student Identifiers Special Account ¹	
	2023	2022
	\$'000	\$'000
Balance as at 1 July (represented by cash held in the OPA)	6,892	4,717
Balance transferred to DEWR (1 July 2022)	(6,892)	-
Increases		
Appropriations credited to special account	-	5,523
Other receipts	-	3,831
Total increases	<u>-</u>	<u>9,354</u>
Available for payments	<u>-</u>	<u>14,071</u>
Decreases		
Payments made	-	(7,179)
Total decreases	<u>-</u>	<u>(7,179)</u>
Balance as at 30 June 2022 (represented by cash held in the OPA)	<u>-</u>	<u>6,892</u>

Special Account	Establishing Instrument	Purpose
'Student Identifiers Special Account	Student Identifiers Act 2014; subsection 48(1).	For paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Registrar's functions, paying any remuneration and allowances payable to any person under the Act and meeting the expenses of administering the account.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
G2.2: Administered – Special Accounts (Recoverable GST exclusive¹)

	Services for Other Entities and Trust Moneys ¹		VSL Tuition Protection Fund ²		Early Years Quality Fund Special Accounts ³	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July (represented by cash held in the OPA)	1,540	2,417	7,884	7,012	42,135	42,135
Balance transferred to DEWR (1 July 2022) Increases	-	-	(7,884)	0	-	-
Appropriation credited to special account	-	-	-	1,031	-	-
Receipts	4,623	783	-	-	-	-
Total increases	4,623	783	-	1,031	-	-
Available for payments	6,163	3,200	-	8,043	42,135	42,135
Decreases						
Payments made	(2,564)	(1,660)	-	(159)	-	-
Total decreases	(2,564)	(1,660)	-	(159)	-	-
Balance as at 30 June (represented by cash held in the OPA)	3,599	1,540	-	7,884	42,135	42,135
	Overseas Students Tuition Fund ⁴		Higher Education Tuition Protection Funds ⁵			
	2023	2022	2023	2022		
	\$'000	\$'000	\$'000	\$'000		
Balance as at 1 July (represented by cash held in the OPA)	44,651	46,355	7,208	6,381		
Increases						
Appropriation credited to special account	-	-	-	1,000		
Receipts	3,466	261	2,872	-		
Total increases	3,466	261	2,872	1,000		
Available for payments	48,117	46,616	10,080	7,381		
Decreases						
Payments made	(2,218)	(1,965)	(157)	(173)		
Total decreases	(2,218)	(1,965)	(157)	(173)		
Balance as at 30 June (represented by cash held in the OPA)	45,899	44,651	9,923	7,208		

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Special Account	Establishing Instrument	Purpose
¹ Services for Other Entities and Trust Moneys Special Account	<i>PGPA Act Determination (Education SOETM Special Account 2018)</i> , section 5.	To disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth; in connection with services performed for a corporate Commonwealth entity, Commonwealth company or other government; in connection with joint activities performed on behalf of another government, organisation or person; with an agreement between the Commonwealth and another government; and to repay amounts where a court order, Act or other law requires or permits the repayment of an amount received.
² VET Student Loans (VSL) Tuition Protection Fund Special Account	<i>Education Legislation Amendment (Tuition Protection and Other Measures) Act 2019</i> , section 66J, commenced 1 January 2020.	The purposes of the VSL Tuition Protection Fund are as follows: a) making payments in connection with tuition protection; b) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the VSL Tuition Protection Director's functions, including in managing the VSL Tuition Protection Fund; c) paying any remuneration and allowances payable to the VSL Tuition Protection Director; d) paying any remuneration and allowances payable to the members of the VSL Tuition Protection Fund Advisory Board; e) paying any amount that is required or permitted to be repaid; and f) reducing the balance of the Fund (and therefore the available appropriation for the Fund) without making a real or notional payment.
³ Early Years Quality Fund Special Account	<i>Early Years Quality Fund Special Account Act 2013</i> , section 5.	To provide funding to approved centre based long day care services to be used exclusively for paying remuneration and other employment-related costs and expenses in relation to employees in the early childhood education and care sector. This amount has been subject to quarantine pending return to the OPA since 1 July 2018.
⁴ Overseas Students Tuition Fund	<i>Education Services for Overseas Students Act 2000</i> , taking into account amendments to <i>Education Services for Overseas Students Legislation Amendment (Tuition Protection Services and Other Measures) Act 2012</i> , section 52A.	For expenditure in connection with assisting international students whose education providers are unable to deliver their course of study in full.
⁵ Higher Education Tuition Protection Fund	<i>Higher Education Support Act 2003</i> , Compilation No. 78, section 167 1, commenced 28 May 2021. This instrument continues the existence of the HELP Tuition Protection Fund established under the <i>Higher Education Support Act 2003</i> , Compilation No. 71, section 167 1, with a new name.	The purposes of the Higher Education Tuition Protection Fund are as follows: a) making payments in connection with tuition protection under this Act and the Higher Education Provider Guidelines; b) making payments in connection with tuition protection under the TEQSA Act and the Up-front Payments Guidelines; c) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Higher Education Tuition Protection Director's functions, including in managing the Fund; d) paying any remuneration and allowances payable to the Higher Education Tuition Protection Director; e) paying any remuneration and allowances payable to the members of the Higher Education Tuition Protection Fund Advisory Board; f) paying any amount that is required or permitted to be repaid; and g) reducing the balance of the Fund (and therefore the available appropriation for the Fund) without making a real or notional payment.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

G3: Regulatory charging

	2023	2022
	\$'000	\$'000
G3.1: Regulatory charging summary		
Amounts applied		
Annual appropriation	7,028	26,320
Total amounts applied	<u>7,028</u>	<u>26,320</u>
Expenses		
Employee benefits	5,314	17,504
Supplier	1,714	8,816
Total expenses	<u>7,028</u>	<u>26,320</u>

G3.2: Administered – regulatory charging summary

Expenses		
Suppliers	-	26,551
Total expenses	<u>-</u>	<u>26,551</u>
External revenue		
Cost recovery	3,688	35,849
Total external revenue	<u>3,688</u>	<u>35,849</u>
Write-down and impairment	-	(5)

The department undertakes regulatory charging activities relating to:

- The CRICOS; and
- HELP.

In 2021-22, the department also undertook regulatory charging activities relating to:

- Certain programs managed by Trades Recognition Australia (TRA); and
- The VSL program.

Responsibilities for these activities were transferred to DEWR on 1 July 2022.

Further information on the above activities is available at:

- CRICOS: www.internationaleducation.gov.au
- TRA: www.tradesrecognitionaustralia.gov.au
- VSL: www.education.gov.au
- HELP: www.studyassist.gov.au

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

H. People and Relationships

H1: Employee Provisions

	2023	2022
	\$'000	\$'000
H1.1: Employee provisions		
Annual and long service leave provisions	57,269	162,792
Total employee provisions	57,269	162,792

As required by AASB 119 *Employee Benefits*, the estimate of future cash outflows considers estimated attrition, probability factors, future salary rates and ancillary costs. In 2022-23, the AGA undertook an assessment of leave provisions considering the likely tenure of existing staff, patterns of leave claims and payouts, future salary movements and discount rates. The AGA confirmed their assessment on 22 June 2023.

Liabilities for short-term employee benefits expected to be paid within 12 months of the end of reporting period are measured at the two-year Commonwealth Government bond rate of 4.18 per cent (2022: 2.34 per cent). Liabilities for long term employee benefits are discounted using the 10-year Commonwealth Government bond rate of 4.03 per cent (2022: 3.66 per cent).

Provision is made for separation and redundancy benefit payments. The department recognises a provision for separation and redundancy based on AASB 119 for those employees affected.

Employees of the department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other elected defined contribution schemes. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance administered financial statements. The department makes employer contributions to defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The department accounts for the contributions as if they were contributions to defined contribution plans. The payable for superannuation recognised at 30 June 2023 represents outstanding contributions owed by the department to the superannuation schemes.

H2: Key management personnel remuneration (KMP)

H2.1: KMP remuneration the Department for the period 1 July 2022 to 30 June 2023

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the department. The department has determined the KMP to be the Portfolio Ministers, the Secretary, and the Deputy Secretaries. Other senior executives may at times act in one of these positions for a short period of time during the year. These officers are not reported as KMP unless they have acted in the position for more than three consecutive months.

	2023	2022
	\$'000	\$'000
Short-term employee benefits	2,542	3,516
Post-employment benefits	373	585
Other long-term employee benefits ¹	63	64
Total key management personnel remuneration expenses	2,978	4,165

¹ Includes motor vehicle allowances, other allowances and reportable fringe benefits.

The above table includes the remuneration for nine officers (two for the full period and seven for part of the period) occupying KMP positions for the department during the year (2021-22: ten officers (six for the full period and four for part of the period)). The remuneration and benefits for the Portfolio minister are excluded from the table as they are set by the Remuneration Tribunal and are not paid by the department.

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

H3: Related party disclosures

The department is an Australian Government controlled entity. Related parties to the department are KMP as described in note H2, and other Australian Government Entities.

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of child care subsidies or higher education loans which are not included in this note.

Transactions with entities where KMP have an interest.

Several of the department's KMP are members of the board of directors for a number of educational institutions and councils as required by their respective roles in the department. During 2022-23 and 2021-22, the department purchased services from these entities in relation to the:

- Support of quality teaching and school leadership
- Collection of data, development and delivery of research studies, questionnaires and assessments.

All purchases were conducted under normal terms and conditions and were paid to multiple entities.

	2023	2022
H3.1: Related party disclosures	\$'000	\$'000
Expenses		
Supplier expenses	<u>307</u>	<u>1,345</u>
Total expenses	<u>307</u>	<u>1,345</u>

H3.2: Administered – Related Party Disclosures

Expenses		
Supplier expenses	<u>3,285</u>	<u>2,894</u>
Total expenses	<u>3,285</u>	<u>2,894</u>

Department of Education**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****I. Managing Uncertainties****I1: Contingent Assets and Liabilities****I1.1: Departmental contingent assets and liabilities**

Departmental contingent assets and liabilities are not recognised in the statement of financial position. They may arise from uncertainty as to the existence of an asset or liability or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Quantifiable contingencies

As at 30 June 2023, there are no departmental quantifiable contingent assets or liabilities (2022: \$1.1 million).

Unquantifiable contingencies

As at 30 June 2023, there are no departmental unquantifiable contingent assets or liabilities (2022: nil).

I1.2: Administered contingent assets and liabilities

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

Quantifiable contingencies

As at 30 June 2023, there are two administered quantifiable contingent assets amounting to \$0.55 million (2022: \$1.7 million), in respect of litigation matters with an Education provider and a Childcare provider.

As at 30 June 2023, there are no administered quantifiable contingent liabilities (2022: \$129.0 million).

Unquantifiable contingencies

As at 30 June 2023, there is one administered unquantifiable contingent asset in respect of the Child Care Subsidy program.

As at 30 June 2023, there are three unquantifiable contingent liabilities; two administered unquantifiable contingent liabilities in respect of the Child Care Subsidy program and one administered unquantifiable contingent liability in respect of Support for the Child Care System program.

Child Care Subsidy:

Child Care Subsidy program payments are subject to eligibility requirements including a year-end reconciliation.

Contingent assets and liabilities predominantly arise from the Child Care Subsidy program's reconciliation process. The reconciliation process is dependent on the lodgement of the recipients' income tax return which occurs after 30 June each year. The estimate of all reconciliation payable and debt outcomes that have not yet been established due to the income tax returns not yet lodged are treated as unquantifiable contingencies as at 30 June 2023.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

12: Financial Instruments

Financial assets

The department classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'. Supplier and Grant payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

	2023	2022
	\$'000	\$'000
12.1: Categories of Financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	930	8,205
Goods and services receivable	<u>3,743</u>	<u>23,150</u>
Total financial assets at amortised cost	<u>4,673</u>	<u>31,355</u>
Total financial assets	<u>4,673</u>	<u>31,355</u>
Financial liabilities measured at amortised cost		
Supplier payables	<u>30,639</u>	<u>61,756</u>
Total financial liabilities measured at amortised cost	<u>30,639</u>	<u>61,756</u>
Total financial liabilities	<u>30,639</u>	<u>61,756</u>

The department has adopted the simplified approach for measuring the impairment loss allowance for these financial assets. This approach measures the loss allowance as the amount equal to the lifetime expected credit losses. Any amounts written off have been recognised as a reduction to the financial asset.

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

All payables are expected to be settled within 12 months except where indicated.

12.2: Net Gains or Losses on Financial Assets

Financial assets at amortised cost		
Impairment of receivables - goods and services	(122)	(242)
Net gains/(losses) on financial assets at amortised cost	<u>(122)</u>	<u>(242)</u>
Net gains/(losses) on financial assets	<u>(122)</u>	<u>(242)</u>

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2023	2022
<u>I2.3: Categories of financial instruments</u>	<u>\$'000</u>	<u>\$'000</u>
FINANCIAL ASSETS		
Financial assets at amortised cost		
Cash	101,923	103,466
Goods and services receivable	11,909	57,654
HELP – provider	152,352	216,258
Total financial assets at amortised cost	266,184	377,378
Financial assets at fair value through other comprehensive income		
Investments	3,563,936	2,921,184
Total financial assets at fair value through other comprehensive income	3,563,936	2,921,184
Financial assets at fair value through profit or loss (designated)		
Concessional loans		
HELP - students	46,586,621	47,180,398
VSL	-	2,921,411
Trade support loans	-	723,938
Child care loans	-	8
Total financial assets at fair value through profit or loss (designated)	46,586,621	50,825,755
Total financial assets	50,416,741	54,124,317
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Supplier payables	62,756	167,456
Grants payable	8,854	8,229
Total financial liabilities measured at amortised cost	71,610	175,685
Total financial liabilities	71,610	175,685
<u>I2.4: Net gains or losses on financial assets</u>		
Financial assets at amortised cost		
Interest revenue / expense	2,659	-
Write-down and impairment / reversal	(32,349)	(200,230)
Net gains/(losses) on financial assets at amortised cost	(29,690)	(200,230)
Investments in equity instruments at fair value through other comprehensive income (designated)		
Gains/(losses) recognised in equity	642,752	19,896
Net gains/(losses) on investments in equity instruments at fair value through other comprehensive income (designated)	642,752	19,896
Financial assets at fair value through profit or loss		
Interest revenue	1,661,694	953,593
Loan fee revenue	44,919	1,062
Concessional loan discount	(321,214)	-
Trade support loan discount	-	(20,911)
Fair value (losses)	(970,797)	(6,685,532)
Fair value gains	-	899,745
Net gains/(losses) at fair value through profit or loss	414,602	(4,852,043)
Net gains/(losses) on financial assets	1,027,664	(5,032,377)

The financial assets measured at amortised cost are impaired according to AASB 9 *Financial Instruments*, wherein the lifetime expected credit losses are measured using the simplified approach.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2023 \$'000	2022 \$'000
<u>12.5: Financial instruments designated at fair value through profit or loss</u>		
FINANCIAL ASSETS		
Fair value changes due to credit risk		
During the period	(945,923)	(836,814)
Prior periods	<u>(18,916,350)</u>	<u>(16,069,463)</u>
Cumulative change	<u>(19,862,273)</u>	<u>(16,906,277)</u>
<u>12.6: Credit risk</u>		
<p>The financial assets measured at amortised cost are not exposed to a high level of credit risk and the department manages this risk by applying debt recovery policies and procedures. The risk of default on payments has been assessed and an impairment provision brought to account. Note F1.2 refers.</p> <p>The financial assets at fair value through other comprehensive income represent the Government's proportional interest in the net assets of the entities which are not exposed to a high level of credit risk. Note F1.3 refers.</p> <p>The financial assets at fair value through profit or loss are subject to annual fair value actuarial assessments which take into account the future income projections, pattern and timing of repayments and debt not expected to be repaid. Note F1.2 refers.</p>		
<u>12.7: Liquidity risk</u>		
<p>The department is exposed to minimal liquidity risk and is appropriated funding from the Australian Government. The department manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.</p>		
<u>12.8: Market risk</u>		
<p>The value of concessional loans held at fair value, such as HELP, are also impacted by changes in market interest rates. For example, if the interest rates were to increase by 0.1%, the fair value of these loans would decrease by approximately 1%. However, interest rate changes will have no impact on the future cash flows or principal amounts at maturity.</p>		

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

13: Fair Value

13.1: Fair value measurement of level 3 financial instruments

Fair value measurement as at 30 June

	2023	2022			
	\$'000	\$'000	Level ²	Valuation technique ³	Inputs used
Financial assets					
Concessional loans					
HELP - students	46,586,621	47,180,398	3	Loan conditions	Principal due
VSL	-	2,921,411	3	Loan conditions	Principal due
Trade support loans	-	723,938	3	Loan conditions	Principal due
Child care loans	-	8	3	Loan conditions	Principal due
Investments	3,563,936	2,921,184	3	Net assets of the entity	Net assets of the entity
Total¹	50,150,557	53,746,939			

¹ The book value of these assets equals the fair value.

² There has been no transfer between levels during the period.

³ The methods and valuation techniques used for the purpose of measuring fair value of assets in 2023 are unchanged from the previous reporting period.

13.2: Movement in level 3 fair value measurement

	Financial assets			
	Concessional loans		Investments	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
As at 1 July	50,825,755	54,384,145	2,921,184	2,901,288
Total gains/(losses) recognised in net cost of services	414,602	(5,084,346)	-	-
Total gains/(losses) recognised in comprehensive income	-	-	642,752	19,896
Total restructure recognised	(3,645,349)	-	-	-
Issues	6,714,329	6,885,594	-	-
Settlements	(7,722,716)	(5,359,638)	-	-
As at 30 June	46,586,621	50,825,755	3,563,936	2,921,184

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

J. Other Information

J1: Current/non-current distinction for assets and liabilities

	2023	2022
<u>J1.1: Current/non-current distinction for assets and liabilities</u>	<u>\$'000</u>	<u>\$'000</u>
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	930	8,205
Trade receivables	171,642	428,656
Prepayments	319	21,724
Total no more than 12 months	172,891	458,585
More than 12 months		
Leasehold improvements	-	40,594
Buildings	-	289,581
Infrastructure, plant and equipment	-	65,644
Computer software	39,548	322,528
Prepayments	101	11,063
Total more than 12 months	39,649	729,410
Total assets	212,540	1,187,995
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	30,639	61,756
Other payables	7,478	16,766
Leases	-	40,771
Employee provisions	17,560	41,776
Total no more than 12 months	55,677	161,069
More than 12 months		
Leases	-	272,553
Employee provisions	39,709	121,016
Total more than 12 months	39,709	393,569
Total liabilities	95,386	554,638

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

J1.2: Administered - Current/non-current distinction for assets and liabilities		
	2023	2022
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash	101,923	103,466
Receivables	6,435,655	5,381,863
Prepayments (all current assets)	-	758
Total no more than 12 months	6,537,578	5,486,087
More than 12 months		
Receivables	40,993,433	46,450,984
Investments	3,563,936	2,921,184
Buildings	736	995
Total more than 12 months	44,558,105	49,373,163
Total assets	51,095,683	54,859,250
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	62,756	167,456
Subsidies	-	49,013
Grants	8,854	8,229
Personal benefits	29,516	30,511
GST payable	1,952	3,864
Leases - buildings	218	91
Provision for HESP	403,693	337,000
Total no more than 12 months	506,989	596,164
More than 12 months		
Leases - buildings	578	923
Provision for Personal Benefits	715,662	526,228
Provision for HESP	4,702,807	4,839,000
Total more than 12 months	5,419,047	5,366,151
Total liabilities	5,926,036	5,962,315

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

J2: Restructuring

J2.1: Departmental restructuring

Function Entity	2023	2022
	Skills and Employment DEWR ¹ \$'000	Seasonal Worker Programme DFAT ² \$'000
FUNCTIONS RELINQUISHED		
Assets Relinquished		
Cash and cash equivalents	6,892	-
Trade and Other receivables	254,648	1,255
Buildings	289,581	-
Leasehold improvements	40,594	-
Infrastructure, plant and equipment	65,644	-
Computer software	266,812	-
Prepayments	30,477	-
Total assets relinquished	954,648	1,255
Liabilities Relinquished		
Payables	31,016	-
Leases	313,324	-
Employee provisions	108,290	1,408
Total liabilities relinquished	452,630	1,408
Net assets relinquished	502,018	(153)

¹ Skills and employment functions were relinquished to DEWR following the 1 June 2022 and 23 June 2022 Administrative Arrangements Orders, with an effective date of 1 July 2022.

² Seasonal Worker Programme functions were relinquished to the Department of Foreign Affairs and Trade (DFAT) portfolio due to the Machinery of Government change announced on 23 November 2021, with an effective date of 31 January 2022. There were no transfers of assets or liabilities as a result of this restructure.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

J2.2: Administered restructuring

	2023
Function	Skills and Employment
Entity	DEWR ¹
	\$'000
FUNCTIONS RELINQUISHED	
Assets relinquished	
Cash and cash equivalents	7,884
Trade and other receivables	3,655,582
Prepayments	758
Total assets relinquished	3,664,224
Liabilities relinquished	
Payables	195,286
Total liabilities relinquished	195,286
Net assets relinquished	3,468,938

¹ Skills and employment functions were relinquished to DEWR following the 1 June 2022 and 23 June 2022 Administrative Arrangements Orders, with an effective date of 1 July 2022.



5.

Appendices

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Appendix A: Agency resource statement and expenses for outcomes

Further information on the department's 2022–23 financial performance, including variance analysis, is available in Part 4 Financial Statements of this report.

Table A.1: Agency Resource Statement, 2022–23

	Actual available appropriations for 2022–23 \$'000	Payments made 2022–23 \$'000	Balance remaining \$'000
Ordinary annual services			
Departmental appropriation			
Annual appropriations – ordinary annual services ^{1,2}	474,888	311,492	163,396
Annual appropriations – other services – non-operating ³	22,746	3,106	19,640
Total	497,634	314,598	183,036
Administered expenses			
Outcome 1	607,409	565,839	
Outcome 2	374,245	342,356	
Total	981,654	908,195	
Total ordinary annual services	1,479,288	1,222,793	

Table A.1: Agency Resource Statement, 2022–23 (continued)

	Actual available appropriations for 2022–23 \$'000	Payments made 2022–23 \$'000	Balance remaining \$'000
Other services			
Administered expenses			
Specific payments to States, ACT, NT and local government⁴			
Outcome 1	272,608	238,316	
Total	272,608	238,316	
Total other services	272,608	238,316	
Total available annual appropriations	1,751,896	1,461,109	
Special appropriations			
Special appropriations limited by criteria/entitlement			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>		11,201,966	
<i>Australian Education Act 2013</i>		26,826,371	
<i>Higher Education Support Act 2003</i>		17,324,948	
Total special appropriations		55,353,285	

Table A.1: Agency Resource Statement, 2022–23 (continued)

	Actual available appropriations for 2022–23 \$'000	Payments made 2022–23 \$'000	Balance remaining \$'000
Special accounts			
Opening balance	110,310		
Appropriation receipts	-		
Non-appropriation receipts to special accounts	10,961		
Payments made (through restructuring)		14,776	
Payments made		4,939	
Closing balance			101,556
Total net resourcing and payments for Education	1,873,167	56,834,109	

1 *Appropriation Act (No. 1) 2022–23, Appropriation Act (No. 3) 2022–23, Supply Act (No. 1) 2022–23 and Supply Act (No. 3) 2022–23.* This also includes prior-year departmental appropriation and section 74 external revenue.

2 Departmental capital budgets are not separately identified in Appropriation Bill (Nos.1, 3, 5) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

3 *Appropriation Act (No. 2) 2022–23, Appropriation Act (No. 4) 2022–23, Supply Act (No. 2) 2022–23 and Supply Act (No. 4) 2022–23.* This also includes prior-year available appropriations.

4 *Appropriation Act (No. 2) 2022–23 and Appropriation Act (No. 4) 2022–23.*

Table A.2: Expenses for Outcome 1, 2022–23

Outcome 1	Budget ¹ (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
	\$'000	\$'000	\$'000
	A	B	A-B
Administered expenses			
Program 1.1: Support for the Child Care System			
Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)			
Jobs, Education and Training, Child Care Fee Assistance (JETCCFA) ²	-	(115)	115
Child Care Services Support	347,323	329,439	17,884
Special appropriations			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	7,700	6,214	1,486
Special account expenses			
<i>Early Years Quality Fund Special Account Act 2013²</i>	-	(72)	72
Total for Program 1.1	355,023	335,465	19,557
Program 1.2: Child Care Subsidy			
Special appropriations			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	10,625,963	11,092,920	(466,957)
Total for Program 1.2	10,625,963	11,092,920	(466,957)
Program 1.3: Government Schools National Support			
Other services (Appropriation Act Nos. 2 and 4)			
Additional Support for Northern Territory	12,263	12,263	-
Special appropriations			
<i>Australian Education Act 2013</i>	10,251,595	10,280,148	(28,553)
Total for Program 1.3	10,263,858	10,292,411	(28,553)

Table A.2: Expenses for Outcome 1, 2022–23 (continued)

Outcome 1	Budget ¹ (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
	\$'000	\$'000	\$'000
	A	B	A-B
Program 1.4: Non-Government Schools National Support			
Other services (Appropriation Act Nos. 2 and 4)			
National Plan for School Improvement – Association of Independent Schools	17,851	17,851	-
Catholic Education Commission	24,162	24,127	35
Adjustment Assistance	491	491	-
Choice and Affordability Fund	111,716	111,715	1
Special appropriations			
Capital Grants – <i>Australian Education Act 2013</i> – Non-Government	201,605	207,943	(6,338)
National Education Reform Agreement – <i>Australian Education Act 2013</i> – Non-Government	16,289,788	16,342,899	(53,111)
Total for Program 1.4	16,645,613	16,705,026	(59,413)
Program 1.5: Early Learning and Schools Support			
Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)			
Australian Early Development Census	4,496	4,652	(156)
Preschools Data Framework	9,110	3,270	5,840
Universal Access	417	346	71
Total Early Learning Support	14,023	8,268	5,755
Australian Education Research Organisation	10,000	10,000	-
Engaged Classrooms	1,750	1,750	-
First Nations Languages in Schools	1,000	-	1,000
Grants and Awards	1,430	1,313	117
Helping Children with Autism	6,237	6,237	-
High Achieving Teachers Program and Future Leaders Program	2,250	2,147	103

Table A.2: Expenses for Outcome 1, 2022–23 (continued)

Outcome 1	Budget ¹ (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
	\$'000 A	\$'000 B	\$'000 A-B
Life Education – Being Healthy, Being Active	900	900	-
National Assessment Reform	2,200	2,200	-
National Consent Survey	4,130	3,990	140
National Schools Reform	19,854	30,222	(10,368)
National Schools Resourcing Board	500	185	315
National Teacher Workforce Action Plan	9,580	8,319	1,261
Online Teaching and Learning Courses to Support Mathematics	2,824	2,824	-
Quality Outcomes	35,611	29,909	5,702
Respectful Interfaith School Education	500	500	-
School Education Support	26,615	26,615	-
Schools Support Closing the Gap Initiatives	24,994	24,992	2
Science, Technology, Engineering and Mathematics (STEM)	550	550	-
Students Support Package	59,282	58,999	283
Student Wellbeing Boost	7,250	7,250	-
Supporting Australia's Teacher Workforce	3,162	3,150	12
Youth Support	732	705	27
Other services (Appropriation Bill Nos. 2 and 4)			
Literacy Support for Tasmanian Students	2,000	2,000	-
Schools Support Closing the Gap Initiatives	54,125	54,125	-
Schools Upgrade Fund	50,000	49,126	874
Services for Other Entities and Trust Moneys (SOETM)	-	306	(306)
Total Schools Support	327,476	328,314	(838)
Total for Program 1.5	341,499	336,582	4,917

Table A.2: Expenses for Outcome 1, 2022–23 (continued)

Outcome 1	Budget¹ (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
	\$'000	\$'000	\$'000
	A	B	A-B
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)	582,697	560,349	22,348
Other services (Appropriation Act Nos. 2 and 4)	272,608	271,698	910
Special appropriations	37,376,651	37,930,124	(553,473)
Special accounts	-	233	(233)
Departmental expenses			
Departmental appropriations	184,123	178,392	5,731
Expenses not requiring appropriation in current year ³	4,751	16,791	(12,041)
Total for Outcome 1	38,420,829	38,957,588	(536,759)
Average staffing level (number)	799	768	31

1 Full-year budget, including any subsequent adjustments made since the October 2022–23 Budget.

2 Amounts are related to recoveries of prior year expenses or movement in provision for doubtful debts.

3 Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

Table A.3: Expenses for Outcome 2, 2022–23

Outcome 2	Budget¹ (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
	\$'000	\$'000	\$'000
	A	B	A-B
Administered expenses			
Program 2.1: Commonwealth Grant Scheme			
Special appropriations			
<i>Higher Education Support Act 2003</i>			
Cluster Fund and Place Loadings	7,160,221	7,086,999	73,222
Transition Fund Loading	154,245	154,244	1
Total for Program 2.1	7,314,466	7,241,243	73,223
Program 2.2: Higher Education Superannuation Program			
Special appropriations			
<i>Higher Education Support Act 2003</i>			
	218,671	268,722	(50,051)
Total for Program 2.2	218,671	268,722	(50,051)
Program 2.3: Higher Education Support			
Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)			
National Disability Coordination Officer	4,556	4,452	104
National Microcredentials Marketplace	530	530	-
Quality Indicators for Learning and Teaching	7,281	4,918	2,363
Rural and Regional Enterprise Scholarships	4,500	4,500	-
Tertiary Access Payment	40,298	14,814	25,484
Special appropriations			
<i>Higher Education Support Act 2003</i>			
Central Coast Health and Wellbeing Precinct	2,500	2,500	-

Table A.3: Expenses for Outcome 2, 2022–23 (continued)

Outcome 2	Budget ¹ (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
	\$'000 A	\$'000 B	\$'000 A-B
Central Queensland School of Mining and Manufacturing	6,400	6,400	-
Collaboration Pilots – Industry 4.0	4,986	1,984	3,002
Disability Support Program	7,994	7,993	1
Higher Education and Offshore Microcredentials	6,000	649	5,351
Higher Education Relief Program	82,419	81,291	1,128
Improved Support for Regional Universities	17,046	12,045	5,001
Indigenous, Regional and Low SES Attainment Fund	264,104	263,297	807
Jobs and Growth in Tasmania	25,000	25,000	-
National Institutes	239,055	239,052	3
National Priorities and Industry Linkage Fund	237,686	237,684	2
Women in STEM	4,880	3,144	1,736
Total for Program 2.3	955,235	910,253	44,982
Program 2.4: Higher Education Loan Program			
Special appropriations			
<i>Higher Education Support Act 2003</i>	3,346,662	1,329,407	2,017,255
Special account expenses			
Higher Education Tuition Protection Fund	3,133	167	2,966
Total for Program 2.4	3,349,795	1,329,574	2,020,221

Table A.3: Expenses for Outcome 2, 2022–23 (continued)

Outcome 2	Budget ¹	Actual	Variation
	(2022–23)	expenses	(2022–23)
	\$'000	\$'000	\$'000
	A	B	A-B
Program 2.5: Investment in Higher Education Research			
Special appropriations			
<i>Higher Education Support Act 2003</i>			
Research Support Program	951,188	951,188	-
Research Training Program	1,092,766	1,092,766	-
Total for Program 2.5	2,043,954	2,043,954	-
Program 2.6: Research Capacity			
Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)			
National Collaborative Research Infrastructure Strategy	286,043	286,043	-
Increase Workforce Mobility (Training programs)	3,119	2,836	283
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	11,614	8,695
Higher Education Research Promotion	5,923	5,871	52
Strategic University Reform Fund	8,244	7,674	570
Launch Australia's Economic Accelerator	10,172	-	10,172
Trailblazer Universities Program	76,100	76,100	-
Total for Program 2.6	414,910	395,138	19,772

Table A.3: Expenses for Outcome 2, 2022–23 (continued)

Outcome 2	Budget¹ (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
	\$'000	\$'000	\$'000
	A	B	A-B
Program 2.7: International Education Support			
Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)			
International Education Support	26,686	21,951	4,735
Special account expenses			
Overseas Students Tuition Fund	3,809	1,995	1,814
SOETM – Cheung Kong	2,000	1,081	919
Total for Program 2.7	32,495	25,027	7,468
Outcome 2 Totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)	373,013	340,043	32,970
Special appropriations	13,947,571	11,870,623	3,076,947
Special accounts	8,942	3,243	5,699
Departmental expenses			
Departmental appropriations	114,778	114,370	407
Expenses not requiring appropriation in current year ²	2,961	15,258	(12,297)
Total for Outcome 2	14,447,265	12,343,536	2,103,729
Average staffing level (number)	493	480	13

1 Full-year budget, including any subsequent adjustments made since the October 2022–23 Budget.

2 Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

Appendix B: Executive remuneration

Table B.1: Remuneration for key management personnel, 2022–23

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration ⁵	Term as KMP ⁶
		Base salary ¹	Bonuses	Other benefits and allowances ²	Superannuation contributions ³	Long service leave ⁴	Other long-term benefits			
		\$	\$	\$	\$	\$	\$	\$	\$	
Michele Bruniges	Secretary	572,324	0	61,443	82,793	13,765	0	0	730,325	Part term until 3 April 2023
Tony Cook	Secretary	556,932	0	2,588	59,659	14,326	0	0	633,505	Full term – Deputy Secretary until 3 April 2023 / Secretary from 4 April 2023
Marcus Markovic	Deputy Secretary	392,378	0	1,932	76,053	11,411	0	0	481,774	Full term
Brenton Philp	Deputy Secretary	245,291	0	1,276	43,154	5,980	0	0	295,701	Part term until 26 February 2023
Roslyn Baxter	Deputy Secretary	270,918	0	1,382	53,138	7,046	0	0	332,484	Part term until 17 March 2023
Kylie Crane	Deputy Secretary	117,242	0	619	20,686	2,998	0	0	141,545	Part term from 6 March 2023
Meg Brighton	Deputy Secretary	100,079	0	508	16,355	2,559	0	0	119,501	Part term from 27 March 2023
Benjamin Rimmer	Deputy Secretary	96,758	0	11,902	5,096	1,856	0	0	115,612	Part term from 17 April 2023
Julie Birmingham	A/g Deputy Secretary	107,909	0	593	15,692	3,075	0	0	127,269	Part term 5 December 2022 to 27 March 2023

1 Base salary includes salary paid and accrued, salary paid while on leave, annual leave accrued and temporary performance allowances.

2 Other benefits and allowances includes monetary and non-monetary benefits such as provision of a car park.

3 Accumulation superannuation schemes (for example PSSap and super choice) include employer superannuation contribution amounts. Defined benefit schemes (for example CSS and PSS), include the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.

4 Long service leave comprises the amount of leave accrued and taken in the period. It is subject to on-costs and discount factors in line with Australian Accounting Standards Board (AASB) 119 Employee Benefits.

5 Total remuneration is calculated on an accrual basis in accordance with AASB 119 Employee Benefits. This means there is a difference between the total remuneration included on an individual's annual payment summary and the remuneration disclosed in the table. This will also result in differences between the Remuneration Tribunal determination and the accrued total remuneration.

6 The full term for Key Management Personnel (KMP) in the Department of Education was 1 July 2022 to 30 June 2023.

Table B.2: Remuneration for senior executives, 2022–23

Total remuneration bands \$	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration ¹
		Average base salary ² \$	Average bonuses \$	Average other benefits and allowances ³ \$	Average superannuation contributions ⁴ \$	Average long service leave ⁵ \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$0 – \$220,000	23	79,678	0	1,729	13,561	2,162	0	0	97,130
\$220,001 – \$245,000	2	200,261	0	1,879	23,272	5,263	0	0	230,675
\$245,001 – \$270,000	14	217,749	0	3,806	33,384	5,840	0	0	260,779
\$270,001 – \$295,000	12	228,479	0	3,935	41,512	6,370	0	0	280,296
\$295,001 – \$320,000	2	245,801	0	7,095	44,468	6,658	0	0	304,022
\$320,001 – \$345,000	6	271,762	0	4,819	50,636	7,735	0	0	334,952
\$345,001 – \$370,000	4	288,851	0	8,081	52,977	7,969	0	0	357,878
\$370,001 – \$395,000	2	261,786	0	73,653	46,364	7,367	0	0	389,170
\$395,001 – \$420,000	3	327,117	0	8,799	59,248	8,892	0	0	404,056
\$520,001 – \$545,000	1	203,132	0	285,438	40,859	5,998	0	0	535,427

Note: This table includes all substantive SES employed by the department during the period and those employees acting in SES positions for 3 months or longer.

1 Total remuneration is calculated on an accrual basis in accordance with AASB 119 Employee Benefits. This means there is a difference between the remuneration determined by the Remuneration Tribunal and the remuneration disclosed in this table.

2 Base salary includes salary paid and accrued, salary paid while on leave, annual leave accrued and temporary performance allowances.

3 Other benefits and allowances include monetary benefits and non-monetary benefits such as provision of a car park, overseas posting allowances, such as cost of overseas living adjustment (COLA), cost of overseas posting allowance (COPA), provision of housing, and associated reportable fringe benefits tax (RFBT) and departmental FBT.

4 Accumulation superannuation schemes (for example PSSap and Super Choice), superannuation includes superannuation contribution amounts. Defined benefits scheme (for example CSS and PSS), superannuation includes the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.

5 Long service leave comprises the amount of leave accrued and taken for the period. It is subject to on-costs and discount factors in line with AASB 119 Employee Benefits.

Table B.3: Remuneration for other highly paid employees, 2022–23

Total remuneration bands \$	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration ¹
		Average base salary ² \$	Average bonuses \$	Average other benefits and allowances ³ \$	Average superannuation contributions ⁴ \$	Average long service leave ⁵ \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$245,001 – \$270,000	1	222,624	0	1,461	40,104	4,604	0	0	268,793
\$345,001 – \$370,000	1	161,744	0	155,332	27,665	4,455	0	0	349,196
\$370,001 – \$395,000	1	132,486	0	222,284	25,159	642	0	0	380,570
\$395,001 – \$420,000	4	139,779	0	195,039	25,902	4,007	0	40,894	405,621
\$445,001 – \$470,000	1	159,641	0	268,332	29,906	3,074	0	0	460,953
\$545,001 – \$570,000	1	155,943	0	329,460	57,322	4,455	0	0	547,181

Note: This table includes holders of public office paid by the department.

1 Total remuneration is calculated on an accrual basis in accordance with AASB 119 Employee Benefits. This means there is a difference between the remuneration determined by the Remuneration Tribunal and the remuneration disclosed in this table.

2 Base salary includes salary paid and accrued, salary paid while on leave, annual leave accrued and temporary performance allowances.

3 Other benefits and allowances include monetary benefits and non-monetary benefits such as provision of a car park, overseas posting allowances, such as COLA, COPA, provision of housing, and associated RFBT and departmental FBT.

4 Accumulation superannuation schemes (for example PSSap and Super Choice), superannuation includes superannuation contribution amounts. Defined benefits scheme (for example CSS and PSS), superannuation includes the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.

5 Long service leave comprises the amount of leave accrued and taken for the period. It is subject to on-costs and discount factors in line with AASB 119.

Appendix C: Annual Report of the Tuition Protection Service

Background

Since 2012 the Tuition Protection Service (TPS) has assisted international students affected by the closure of education providers. From 1 January 2020 the program has also supported domestic students in receipt of income contingent loans through the Vocational and Educational Training (VET) Student Loans (VSL) program or the Higher Education Loans Program (HELP). On 1 January 2021 the responsibilities of the TPS were further expanded to cover domestic higher education up-front fee paying students at non-government providers.

The TPS assists eligible students when their education provider defaults by closing or ceasing courses and fails to meet the obligations to the students. The TPS then supports students by placing them into a similar course with an alternative institution, by providing a refund on tuition fees paid in advance for parts of the course that were not delivered, or by arranging the re-credit of a student's VSL or HELP balance.

The TPS assists eligible domestic and international students if they experience a student default. A domestic student default occurs if a student who is enrolled in an eligible course using a VSL or HELP loan or who is a higher education student paying up-front fees, is unable to complete the requirements of their unit or course of study and where special circumstances apply, in accordance with the *VET Student Loans Act 2016* (Cth) or the *Higher Education Support Act 2003* (Cth). An international student default involves circumstances where a student visa is refused and the student has paid fees that their provider fails to refund, including where the provider fails to enter into a compliant written agreement about student defaults, in accordance with the *Education Services for Overseas Students Act 2000* (Cth) (ESOS Act). These safeguards are in place to ensure that eligible students can receive a refund of paid fees or loan re-credit in circumstances outside of the student's control.

This report summarises the activities of the TPS from 1 July 2022 to 30 June 2023, in compliance with section 170B of the ESOS Act. It includes an assessment of issues affecting TPS operations and an overview of program activity and improvements, including a snapshot of the Overseas Students Tuition Fund (OSTF), the Higher Education Tuition Protection (HETP) Fund and the VSL Tuition Protection Fund.

The TPS started the 2022–23 financial year prepared for significant education closures across the higher education, VET and English language intensive courses for overseas students (ELICOS) sectors given the continued COVID-related disruption to education markets. However, a combination of ongoing financial support from the government and prudent management on the part of education providers meant the expected closure activity did not require TPS support as anticipated. While a number of VET/ELICOS providers closed, the sector continued to manage any ongoing effects of COVID-19, and the TPS was only required to support students affected by a small number of education provider closures.

Tuition protection levies

The TPS manages 4 annual levy collections from education providers, one each for international and VSL, and 2 for higher education. The levies are used to administer the TPS and to build reserves in the OSTF, the VSL Tuition Protection Fund and the HETP Fund to be available for student replacement fees, student refunds, and student loan recredits. The 3 funds are maintained as distinctly separate special purpose accounts.

Institutions delivering education services to international students and education providers offering VSL and HELP loans or charging up-front fees to domestic higher education students pay these annual tuition protection levies.

The 2022 domestic tuition protection levy collection invoiced 178 VSL providers with 12,048 VSL students, 89 HELP providers with 60,441 HELP students, and 140 higher education providers that charged up-front fees to 28,101 students.

The 2023 international TPS levy collection invoiced 1,305 international education providers with 553,856 international students.

In formulating TPS levy settings, the TPS Advisory Board and the TPS Director aim for an appropriate balance between ensuring there are sufficient reserves in the relevant funds to meet potential demand, ensuring the accumulated reserves are not excessive, and ensuring the levy collected is reasonable for education providers.

In finding this balance, the TPS Advisory Board consults with stakeholders across the sector, including industry peak bodies, the regulators, the Australian Government Actuary and education and training providers.

On 30 June 2023 the balance in the OSTF was \$45.8 million, which is within the TPS Advisory Board's strategic reserve target of \$35 million to \$60 million.

Based on actuarial advice, the TPS Advisory Board set the strategic reserve target for the VSL Tuition Protection Fund in the range of \$6.8 million to \$9.5 million, and that of the HETP Fund between \$21 million and \$25 million. The balance of the VSL Tuition Protection Fund on 30 June 2023 was \$9.7 million. The balance of the HETP Fund on 30 June 2023 was \$9.9 million.

The TPS Advisory Board reviews the fund targets each year and adjusts them as necessary.

The TPS Advisory Board provides advice to the TPS Director in relation to the risk-rated premium and special tuition protection components of the 4 levies. Final advice was provided on the 2022 domestic TPS levies in June for the levy collection in November 2022. Final advice was provided in October 2022 for the 2023 international TPS levy collection in May 2023.

The VSL and higher education domestic levies were collected for the first time in 2022, as they had been waived since their inception in 2020 and 2021 as part of the Australian Government's COVID-19 support measures.

Tables C.1, C.2 and C.3 show the opening and closing balances and the revenue and expenditure of the 3 funds.

Table C.1: Financial status of the Overseas Students Tuition Fund, 2022–23

	\$,000
Opening balance at 1 July 2022	44,651
Annual and initial TPS levy collected	3,318
Other revenue collected	150
Total revenue	3,467
Student and education provider payments	(1,128)
TPS administrator and contractor services	(713)
Other operational/administrative expenses	(450)
Total expenditure	(2,291)
Closing balance at 30 June 2023	45,827

Note: The financial status of the OSTF is reported on a cash basis.

Table C.2: Financial status of the VET Student Loans Tuition Protection Fund, 2022–23

	\$,000
Opening balance at 1 July 2022	7,884
Annual VSL levy collected	903
Appropriation credited to special account (repayable seed funding)	500
Appropriation credited to special account (government funding)	531
Total revenue	1,934
TPS administrator services	(24)
Other operational/administrative expenses	(79)
Total expenditure	(103)
Closing balance at 30 June 2023	9,715

Note: The financial status of the VSL Tuition Protection Fund is reported on a cash basis.

Table C.3: Financial status of the Higher Education Tuition Protection Fund, 2022–23

	\$,000
Opening balance at 1 July 2022	7,208
Annual HELP and up-front payments levies collected	2,872
Appropriation credited to special account (repayable seed funding)	0
Total revenue	2,872
TPS administrator services	(31)
Other operational/administrative expenses	(125)
Total expenditure	(157)
Closing balance at 30 June 2023	9,923

Note: The financial status of the HETP Fund is reported on a cash basis.

TPS governance

A statutorily appointed director manages the TPS. The TPS Advisory Board, comprising education and training sector members and government representatives, provides the TPS Director with advice regarding levy targets and settings. The TPS Director is also the Higher Education Tuition Protection Director (established under the *Higher Education Support Act 2003* (Cth) and the *Tertiary Education Quality Standards Agency Act 2011* (Cth)) and the VSL Tuition Protection Director (established under the *VET Student Loans Act 2016* (Cth)). Members of the TPS Advisory Board are also members of the Higher Education Tuition Protection Fund Advisory Board and the VSL Tuition Protection Fund Advisory Board established under the same Acts of parliament.

In the 2022–23 financial year, Gloria Yu of the Australian Prudential Regulatory Agency (APRA), Daniel Frewer of the Department of Finance and Matthew Hardy of the Department of Employment and Workplace Relations (DEWR) were appointed as representatives to the TPS Advisory Board. On 12 May 2023 the Minister for Education approved the appointment of Sharon Robertson from the Manufacturing Skills Alliance to the TPS Advisory Board.

The TPS Advisory Board farewelled departing members Elizabeth Deane, Warren Bebbington AM and Stephen Moir in October 2022, and former APRA representative Peter Kohlhagen and Department of Finance representative Libor Pelecky in March 2023.

A small branch of departmental officers supports the TPS Director to deliver the TPS and provides secretariat support to the TPS Advisory Board. The TPS is also supported by a contracted service provider for student claim management services following an education provider closure.

Working with stakeholders

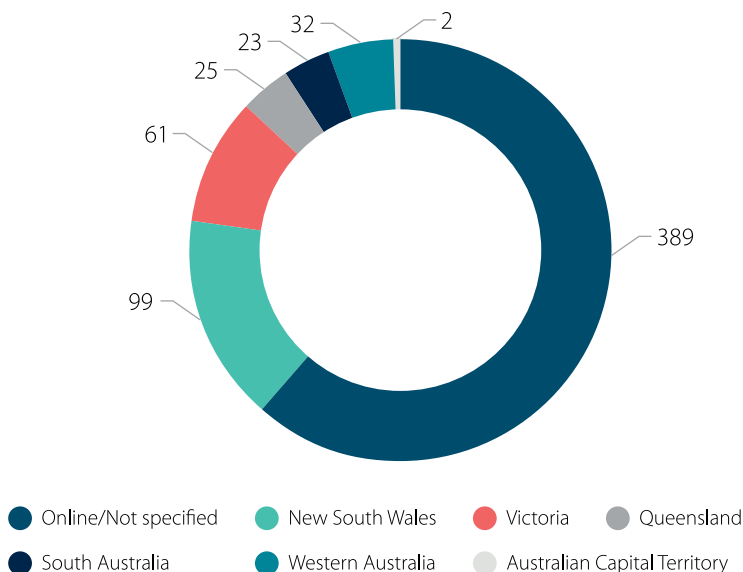
The TPS continues to maintain strong working relationships with education providers, regulators and peak bodies to achieve the best outcomes for students.

Twice a year the TPS Director engages in nationwide consultations regarding the tuition protection levies, meeting with representatives from peak bodies and education and training providers. Meetings and consultation sessions are held online and in major capital cities.

From September to October 2022 the TPS Director consulted on the international TPS levy, meeting with 399 provider representatives.

Consultation on the 2023 domestic levies was held from late April to early June, with 226 representatives from 176 education providers participating in online and face-to-face information and consultation sessions.

Figure C.1: Number of providers that attended an information session on domestic and international TPS levies by state/territory, 2022–23



The TPS also continues to work closely with the Office of the Commonwealth Ombudsman to resolve disputes between education providers and international students over the payment of tuition fee refunds, as well as tuition protection related complaints from domestic VSL students.

The TPS collaborates with the relevant international and higher education policy areas in the Department of Education and with the VSL policy teams in DEWR, providing feedback on the implementation of each of the tuition protection services to inform future policy development.

Tuition Protection Service placement and payment activity

There were no VSL or domestic higher education provider defaults in 2022–23. Consequently there have been no VSL or higher education provider closures requiring TPS support since the TPS coverage was expanded. The TPS has been monitoring several education providers whose VSL approvals ceased or were revoked, to ensure students continue to be supported to the completion of their course and that providers meet their obligations to place or refund students.

Over the 12 months to 30 June 2023, 4 education providers with international students closed requiring TPS support, displacing 725 international students. All closures were due to business failure.

In 2022–23 the TPS made 628 placements of or refunds to international students because of these 4 provider defaults. Tables C.4 and C.5 show the time taken by the TPS to place students and make payments from the OSTF in 2022–23. The time taken by the TPS to place and refund students has improved on past performance, demonstrating the efficiencies and improvements of the in-house case management model.

Table C.4: Time taken by the Tuition Protection Service to place students, 2022–23

Number of students placed	Within 30 days	Over 30 days	Total
International	29	1	30

Note: Placement payments were made more quickly during 2022–23 than during the previous year, though more students opted for a refund, so fewer placements were made.

Table C.5: Time taken to make payments from the Overseas Students Tuition Fund, 2022–23

Payments made during 2022–23	Refunds to students		Placement payments to providers		Total paid \$'000
	Within 30 days	Over 30 days	Within 30 days	Over 30 days	
International	259	337	5	14	1,128

Note: There were 49% more refunds paid in 2022–23 compared to the previous year, and more than twice as many were made within 30 days.

Program improvements

In February 2022 the Tuition Protection Service Review identified the high cost of outsourcing the TPS Administrator function and noted duplications of activity between the TPS and the TPS Administrator as opportunities to improve the design, effectiveness and efficiency of the TPS.

In response to this recommendation, as well as concerns relating to existing service delivery performance, the TPS conducted a case management pilot from September 2022 to June 2023. The TPS engaged 3 labour hire contractors to establish an in-house case management team for call line and email contact with students and assessment of student refunds.

This pilot demonstrated that in-house assessments could deliver cost-effective benefits, lower risk mitigation costs, enable nimble policy and program decisions, result in more effective stakeholder engagement, and develop team capacity and capability. As the existing contract with the TPS Administrator came to an end in June 2023, the success of the pilot meant that the in-house case management model will continue, complemented when required for surge capacity with 2 services contracts for student financial assessments only and phone and email support only.

Other cost savings have been delivered through better use of online meeting platforms, and using no-cost venues at universities, government offices and Study Australia locations for TPS levy consultations.

The TPS has seen better engagement with both providers and students given the convenience and access advantages of online meeting platforms, although we receive consistent feedback that many appreciate the face-to-face meetings resuming post COVID-19. The added benefit of the online meeting platforms is their recording functionality, which provides on-demand access to many levy and student information sessions through the TPS website.

Further cost savings have been realised through the TPS Advisory Board using the online meeting platform twice a year for its meetings. The TPS Advisory Board continues to hold 2 face-to-face meetings at the beginning and end of the calendar year.

The TPS continues to explore better ways to maximise the effectiveness of the program for students and education providers as well as ensuring the best use of the funds.

Melinda Hatton

Director

Tuition Protection Service

Appendix D: Annual Child Safety Statement

Commitment to child safety

The department undertook a review and revision of its Child Safe Policy in 2023. The revised policy, which includes a clarification of the escalation process for managing child safety complaints and incidents, was published on the department's intranet.

Under the department's Child Safe Policy, the following strategies and practices were implemented to support and embed an organisational culture of child safety:

- Departmental staff were required to complete a mandatory Child Safe Framework e-learning module to build whole-of-department capability.
- Contract managers were required to consider child safety when entering into and managing procurement and grant agreements.
- When carrying out recruitment activities, staff were required to decide if the position should be classified as a child safe position.
- The department maintained a register of child safe positions and Working with Children Checks.
- Staff were required to report child safety complaints made about the department or an individual staff member in accordance with the established processes.

The department revised the information available on its website to support reporting and managing complaints, including child safety complaints.

The department maintained regular communication with all staff on the policy, their responsibilities, and the mandatory learning requirements.

The department also put in place measures to implement the child safety requirements in relation to third parties delivering services or activities that relate to or may impact children and young people.

Child safety training

The department's suite of essential training includes the Commonwealth Child Safe Framework course as a mandatory training requirement that must be completed every 2 years. The training module is reviewed regularly by the department for currency.

Child safety risk assessment

The department evaluates risks to child safety annually both corporately and in relation to its specific programs and activities, and monitors the actions taken to manage identified risks. The department's review of the Child Safe Policy in 2023 included a review of the core risk management plan, which found that reasonable mitigation strategies are in place. The management of child safety risks in individual programs remains part of the risk plan for those programs as applicable.

Compliance with the Commonwealth Child Safe Framework

The review of the Child Safe Policy in 2023 provided an opportunity to confirm the department's compliance with the requirements of the Commonwealth Child Safe Framework. Throughout 2022–23 the department continued to be fully compliant with the Child Safe Framework's focus on reinforcing the importance and relevance of child safety when developing policies, delivering programs and funding research through third-party providers.

Appendix E: Workforce statistics

Table E.1: All ongoing employees by location, 2022–23

	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	20	-	20	12	8	20	-	-	-	40
Qld	10	-	10	26	6	32	-	-	-	42
SA	8	2	10	14	8	22	-	-	-	32
Tas	2	-	2	8	1	9	-	-	-	11
Vic	15	-	15	22	9	31	-	-	-	46
WA	7	1	8	16	2	18	-	-	-	26
ACT	350	25	375	660	149	809	-	-	-	1,184
NT	-	-	-	5	1	6	-	-	-	6
External territories	-	-	-	-	-	-	-	-	-	-
Overseas	3	-	3	7	-	7	-	-	-	10
Total¹	415	28	443	770	184	954	-	-	4	1,401

Note: Includes employees on leave without pay. Excludes inactive employees and the Secretary.

¹ Four employees use a different term. To protect their identification, they have been added to the total figure only.

Table E.2: All non-ongoing employees by location, 2022–23

	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	-	-	-	-	1	1	-	-	-	1
Qld	-	1	1	-	-	-	-	-	-	1
SA	-	-	-	1	1	2	-	-	-	2
Tas	-	-	-	-	-	-	-	-	-	-
Vic	3	-	3	3	1	4	-	-	-	7
WA	-	-	-	1	-	1	-	-	-	1
ACT	21	14	35	29	20	49	-	-	-	84
NT	-	-	-	-	-	-	-	-	-	-
External territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	24	15	39	34	23	57	-	-	-	96

Note: Includes employees on leave without pay. Excludes inactive employees and the Secretary.

Table E.3: APS ongoing employees by classification, 2022–23

	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	2	-	2	2	-	2	-	-	-	4
SES 2	7	-	7	5	-	5	-	-	-	12
SES 1	11	-	11	26	1	27	-	-	-	38
EL 2	61	2	63	104	16	120	-	-	-	183
EL 1	131	16	147	258	80	338	-	-	-	485
APS 6	93	7	100	180	51	231	-	-	-	331
APS 5	44	1	45	105	24	129	-	-	-	174
APS 4	43	1	44	68	11	79	-	-	-	123
APS 3	23	-	23	19	1	20	-	-	-	43
APS 2	-	1	1	3	-	3	-	-	-	4
APS 1	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total¹	415	28	443	770	184	954	-	-	4	1,401

Note: Includes employees on leave without pay. Excludes inactive employees and the Secretary.

1 Four employees use a different term. To protect their identification, they have been added to the total figure only.

Table E.4: APS non-ongoing employees by classification, 2022–23

	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	-	-	-	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-	-	-	-
SES 1	1	-	1	-	-	-	-	-	-	1
EL 2	1	1	2	-	-	-	-	-	-	2
EL 1	3	-	3	1	1	2	-	-	-	5
APS 6	4	-	4	7	2	9	-	-	-	13
APS 5	1	1	2	9	4	13	-	-	-	15
APS 4	1	1	2	10	2	12	-	-	-	14
APS 3	7	6	13	4	5	9	-	-	-	22
APS 2	6	6	12	3	9	12	-	-	-	24
APS 1	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	24	15	39	34	23	57	-	-	-	96

Note: Includes employees on leave without pay. Excludes inactive employees and the Secretary.

Table E.5: APS employees by classification and employment status, 2022–23

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	4	-	4	-	-	-	4
SES 2	12	-	12	-	-	-	12
SES 1	37	1	38	1	-	1	39
EL 2	165	18	183	1	1	2	185
EL 1	389	96	485	4	1	5	490
APS 6	273	58	331	11	2	13	344
APS 5	149	25	174	10	5	15	189
APS 4	111	12	123	11	3	14	137
APS 3	42	1	43	11	11	22	65
APS 2	3	1	4	9	15	24	28
APS 1	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total¹	1,185	212	1,401	58	38	96	1,497

Note: Includes employees on leave without pay. Excludes inactive employees and the Secretary.

1 Four employees use a different term. To protect their identification, they have been added to the total figure only.

Table E.6: APS ongoing and non-ongoing employees by location, 2022–23

	Ongoing	Non-ongoing	Total
NSW	40	1	41
Qld	42	1	43
SA	32	2	34
Tas	11	-	11
Vic	46	7	53
WA	26	1	27
ACT	1,184	84	1,268
NT	6	-	6
External territories	-	-	-
Overseas	10	-	10
Total¹	1,401	96	1,497

Note: Includes employees on leave without pay. Excludes inactive employees and the Secretary.

1 Four employees use a different term. To protect their identification, they have been added to the total figure only.

Table E.7: APS ongoing and non-ongoing employees by First Nations status, 2022–23

	Total
Ongoing	38
Non-ongoing	1
Total	39

Table E.8: Primary employment arrangements of SES and non-SES employees, 2022–23

	SES	Non-SES	Total
Enterprise agreement	-	1,442	1,442
Section 24(1) determinations	55	-	55
Total	55	1,442	1,497

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

Table E.9: APS salary ranges by classification level (minimum/maximum), 2022–23

	Minimum salary \$	Maximum salary \$
SES 3	347,190	489,784
SES 2	267,873	328,792
SES 1	207,605	311,853
EL 2	136,498	167,945
EL 1	115,996	142,094
APS 6	94,332	103,731
APS 5	83,908	89,706
APS 4	75,996	81,274
APS 3	69,863	72,767
APS 2	62,558	66,664
APS 1	53,262	58,237
Other ¹	31,958	48,469
Minimum/maximum range	31,958	489,784

¹ 'Other' category are employees aged 20 or below who are not included in the standard APS classifications as per the Public Service (s24(1) Department of Education Non-SES Employees) Amendment Determination 23-004.

Appendix F: Recoverable payments

The department is responsible for administering payments made to approved authorities for schools under section 69A(1) of the *Australian Education Act 2013* (Cth) (the Act).

Section 113 of the Act requires the department to report recoverable payments for the purposes of section 11 of the Act (see Table F.1).

Table F.1: Recoverable payments under the *Australian Education Act 2013* (Cth)

Legislation	2022–23	
	Number of payments	Amount paid \$
Section 69A(1) of the <i>Australian Education Act 2013</i> (Cth)	4	100,000

Appendix G: Corrigendum

Pursuant to section 1062D of the *Social Security Act 1991* (Cth), the Department of Education, Skills and Employment Annual Report 2021–22 (Appendix H, Table H.1) reported on the amounts paid under employment programs, and the total number of new employment program arrangements and grants made, during the period 2 April 2022 to 30 June 2022. Appendix H should also have included information on the High Achieving Teachers Program.

Table G.1: Information in relation to the High Achieving Teachers Program

Program	Recipient of payment	Payment amount (GST exclusive)	Payment amount (GST inclusive, if applicable)	Payment date ¹
High Achieving Teachers Program	Teach For Australia	\$5,941,320	\$6,535,452	7 April 2022
High Achieving Teachers Program	La Trobe University	\$616,180	\$677,798	22 June 2022

¹ No new arrangements or grants were made under the High Achieving Teachers Program during the reporting period. These payments were made under existing arrangements.

The Department of Education and the Secretary, Department of Education do not have reporting obligations under section 1062D of the *Social Security Act 1991* (Cth) for the 2022–23 reporting period.



6.

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List of requirements

The table below contains a list of annual report requirements prepared in accordance with 17AJ(d) of the PGPA Rule and set out in Schedule 2.

PGPA Rule Reference	Description	Requirement	Page
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	iii
17AD(h)	Aids to access		
17AJ(a)	Table of contents	Mandatory	iv–v
17AJ(b)	Alphabetical index	Mandatory	218–223
17AJ(c)	Glossary of abbreviations and acronyms	Mandatory	211–215
17AJ(d)	List of requirements	Mandatory	201–210
17AJ(e)	Details of contact officer	Mandatory	ii
17AJ(f)	Entity's website address	Mandatory	ii
17AJ(g)	Electronic address of report	Mandatory	ii
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity	Mandatory	2–5
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity	Mandatory	8
17AE(1)(a)(ii)	A description of the organisational structure of the entity	Mandatory	12–13

PGPA Rule Reference	Description	Requirement	Page
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity	Mandatory	7
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan	Mandatory	7
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory	8
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory	8
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	8
17AE(1)(b)	An outline of the structure of the portfolio of the entity	Portfolio departments – mandatory	10–11
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, mandatory	n/a
17AD(c)	Report on the performance of the entity		
	Annual Performance Statements		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory	27–75
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance	Mandatory	95
17AF(1)(b)	A table summarising the total resources and total payments of the entity	Mandatory	163–173

PGPA Rule Reference	Description	Requirement	Page
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory	n/a
17AD(d)	Management and accountability		
	Corporate governance		
17AG(2)(a)	Information on compliance with section 10 (fraud systems)	Mandatory	85–86
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	iii (Letter of Transmittal)
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory	iii (Letter of Transmittal)
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory	iii (Letter of Transmittal)
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	77–86
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	If applicable, mandatory	n/a

PGPA Rule Reference	Description	Requirement	Page
Audit committee			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	78
17AG(2A)(b)	The name of each member of the entity's audit committee	Mandatory	79–84
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	79–84
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	79–84
17AG(2A)(e)	The remuneration of each member of the entity's audit committee	Mandatory	79–84
External scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	103–105
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory	104–105
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman	If applicable, mandatory	103–105
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period	If applicable, mandatory	n/a

PGPA Rule Reference	Description	Requirement	Page
Management of human resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	87–93
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location	Mandatory	190–195
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> • Statistics on staffing – classification level • Statistics on full-time employees • Statistics on part-time employees • Statistics on gender • Statistics on staff location • Statistics on employees who identify as Indigenous 	Mandatory	190–195
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory	93, 196
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c)	Mandatory	93, 196
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level	Mandatory	196
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees	Mandatory	87–93

PGPA Rule Reference	Description	Requirement	Page
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory	n/a
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory	n/a
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory	n/a
17AG(4)(d)(iv)	Information on aggregate amount of performance payments	If applicable, mandatory	n/a
Assets management			
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	n/a
Purchasing			
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules	Mandatory	96–97
Reportable consultancy contracts			
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	97–98
17AG(7)(b)	A statement that <i>“During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”</i> .	Mandatory	97

PGPA Rule Reference	Description	Requirement	Page
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	97
17AG(7)(d)	A statement that <i>"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."</i>	Mandatory	97
Reportable non-consultancy contracts			
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	98
17AG(7A)(b)	A statement that <i>"Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."</i>	Mandatory	98
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory	98–99

PGPA Rule Reference	Description	Requirement	Page
Australian National Audit Office access clauses			
17AG(8)	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory	n/a
Exempt contracts			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory	n/a
Small business			
17AG(10)(a)	A statement that " <i>[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.</i> "	Mandatory	96
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	96

PGPA Rule Reference	Description	Requirement	Page
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory	96
Financial statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory	107–160
Executive remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule	Mandatory	174–179
17AD(f) Other mandatory information			
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, mandatory	99
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory	n/a
17AH(1)(b)	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, mandatory	100

PGPA Rule Reference	Description	Requirement	Page
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory	105
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory	105
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	198
17AH(2)	Information required by other legislation	Mandatory	89–90; 99–100; 101–102; 180–187

Abbreviations and acronyms

Abbreviation	Description
AAC	Audit and Assurance Committee
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACCS	Additional Child Care Subsidy
ACECQA	Australian Children's Education and Care Quality Authority
ACT	Australian Capital Territory
AFP	Australian Federal Police
AGA	Australian Government Actuary
AGAP	Australian Government Apprenticeship Program
ANAO	Australian National Audit Office
ANU	Australian National University
APRA	Australian Prudential Regulation Authority
APS	Australian Public Service
AQF	Australian Qualification Framework
ARC	Australian Research Council
ARC Review	independent review of the <i>Australian Research Council Act 2001</i> (Cth)
CALD	Culturally and Linguistically Diverse
CCCF	Community Child Care Fund
CCS	Child Care Subsidy
CFO	Chief Financial Officer
CGP	Capital Grants Program
COLO	cost of overseas living adjustment

Abbreviation	Description
COPA	cost of overseas posting allowance
CO₂-e	carbon dioxide equivalent
CPA	Certified Practising Accountant
CPRs	Commonwealth Procurement Rules
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
CRO	Chief Risk Officer
CSPs	Commonwealth supported places
CSS	Commonwealth Superannuation Scheme
CTC	capacity to contribute
Cth	Commonwealth
DCBs	Departmental Capital Budgets
DESE	Department of Education, Skills and Employment
DEWR	Department of Employment and Workplace Relations
DFAT	Department of Foreign Affairs and Trade
DNER	debt not expected to be repaid
DSS	Department of Social Services
ECEC	early childhood education and care
ECPP	Early Childhood Care and Development Policy Partnership
EL	Executive Level
ELICOS	English language intensive courses for overseas students
ESOS Act	<i>Education Services for Overseas Students Act 2000</i> (Cth)
ESS	Employer Satisfaction Survey
FBT	Fringe Benefit Tax
FEE-HELP	loan scheme for eligible higher education students to pay tuition fees
FRR	Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (Cth)

Abbreviation	Description
FTE	full-time equivalent
GST	goods and services tax
HDR	Higher Degree by Research
HECs-HELP	Higher Education Contribution Scheme – Higher Education Loan Program
HELP	Higher Education Loan Program
HESP	Higher Education Superannuation Program
HETP	Higher Education Tuition Protection
HR	human resources
IAGDP	Indigenous Australian Government Development Program
ICT	information and communications technology
ISP	Inclusion Support Program
IT	information technology
ITE	initial teacher education
JETCCFA	Jobs, Education and Training, Child Care Fee Assistance
KMP	Key Management Personnel
MOU	memorandum of understanding
NAPLAN	National Assessment Program – Literacy and Numeracy
NATSIEC	National Aboriginal and Torres Strait Islander Education Council
NCRIS	National Collaborative Research Infrastructure Strategy
NIAA	National Indigenous Australians Agency
NQF	National Quality Framework
NRI	National Research Infrastructure
NSRA	National School Reform Agreement
NSW	New South Wales
NSWP	National Student Wellbeing Program

Abbreviation	Description
NT	Northern Territory
OECD	Organisation for Economic Co-operation and Development
OPA	Official Public Account
OSTF	Overseas Students Tuition Fund
OS-HELP	loan scheme for eligible students based in Australia to undertake some of their study overseas
PAYG	pay as you go
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013 (Cth)</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014 (Cth)
PHRN	Population Health Research Network
PRA	Preschool Reform Agreement
PSS	Public Sector Superannuation Scheme
PSSap	Public Sector Superannuation Scheme accumulation plan
QILT	Quality Indicators for Learning and Teaching
QLD	Queensland
RFBT	reportable fringe benefits tax
ROU	right-of-use
RSGC	Risk, Security and Governance Committee
SA	South Australia
SA1	Statistical Area level 1
SA2	Statistical Area level 2
SA-HELP	loan that helps eligible higher education students pay their student services and amenities fee
SDO	Service Delivery Office
SEIFA	Socio-Economic Indexes for Areas
SES	Senior Executive Service
SME	Small and medium enterprises

Abbreviation	Description
SNAICC	Secretariat of National Aboriginal and Islander Child Care – National Voice for our Children
SOETM	Services for Other Entities and Trust Moneys
STEM	science, technology, engineering and mathematics
TAFE	technical and further education
TAS	Tasmania
TEEP	Teacher Education Expert Panel
TEQSA	Tertiary Education Quality and Standards Agency
TPS	Tuition Protection Service
TRA	Trades Recognition Australia
UNESCO	United Nations Educational, Scientific and Cultural Organization
USI	Unique Student Identifier
VET	vocational education and training
VIC	Victoria
VSL	VET Student Loans
WA	Western Australia
WHS Act	<i>Work Health and Safety Act 2011 (Cth)</i>

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