



Budget

2020-21

Portfolio Budget Statements 2020–21 **Budget Related Paper No. 1.4**

Education, Skills and Employment Portfolio

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

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The Hon Dan Tehan MP
Minister for Education

Senator the Hon Michaelia Cash
Minister for Employment, Skills,
Small and Family Business

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

The Hon Tony Smith MP
Speaker
Parliament House
CANBERRA ACT 2600

Dear Mr President and Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2020–21 Budget for the Education, Skills and Employment portfolio.

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

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

Yours sincerely

A blue ink signature of Dan Tehan, consisting of a large, stylized 'D' followed by several loops and a long horizontal stroke.

DAN TEHAN

A blue ink signature of Michaelia Cash, written in a cursive style with a prominent 'M' and 'C' and several loops.

MICHAELIA CASH

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

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

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

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the *2020–21 Portfolio Budget Statements* (PBS) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

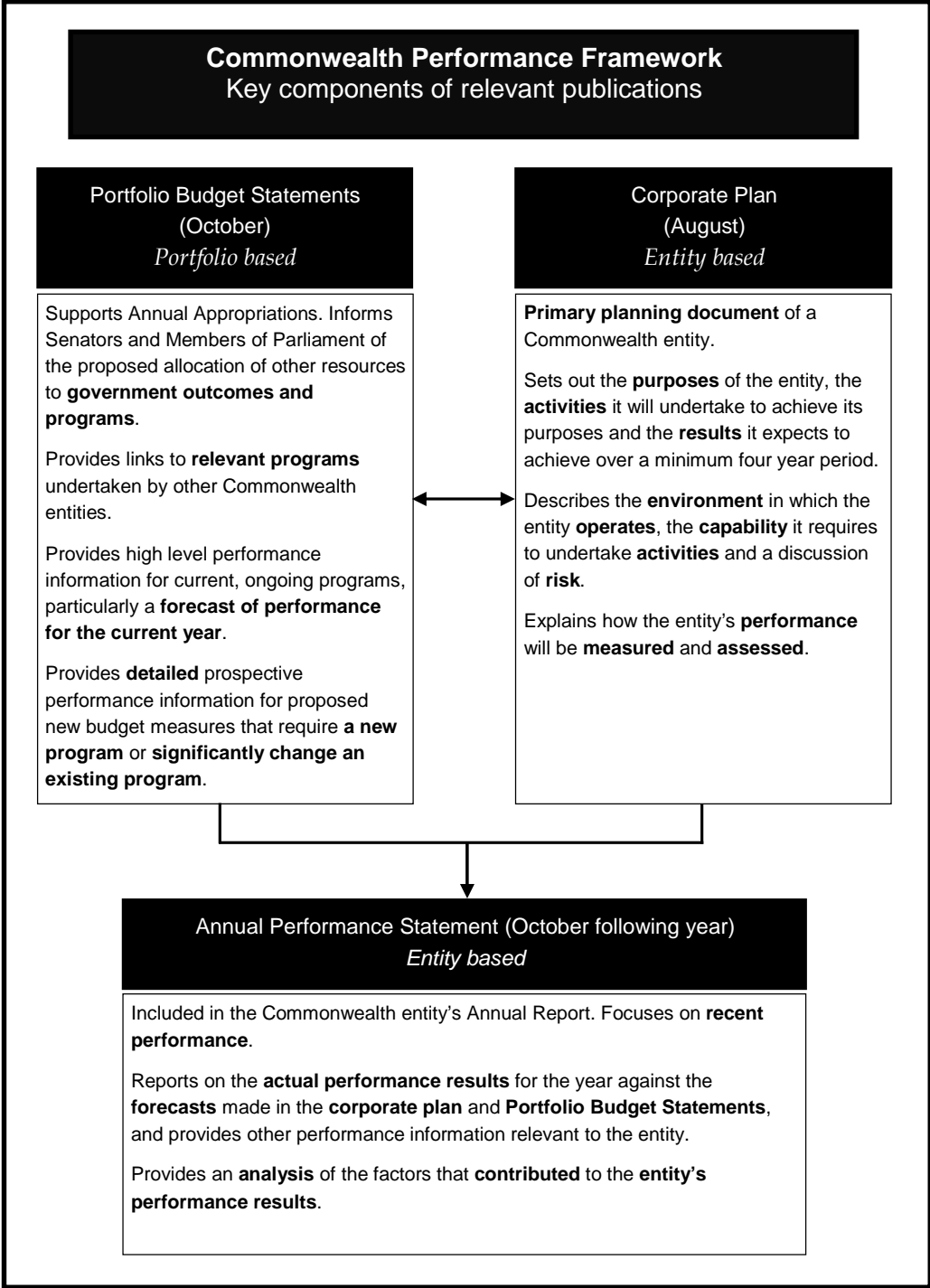
A key role of the PBS is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2020–21 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2020–21 for the parliamentary departments). In this sense, the Portfolio Budget Statements are Budget related papers and are declared by the Appropriation Acts to be ‘relevant documents’ to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

The Commonwealth Performance Framework

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



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PORTFOLIO OVERVIEW

EDUCATION, SKILLS AND EMPLOYMENT PORTFOLIO OVERVIEW

The Education, Skills and Employment portfolio's purpose is to help create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy and programs. We work to ensure Australians can experience the social wellbeing and economic benefits that quality education, training and employment provide.

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

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

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

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

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

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

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

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**DEPARTMENT OF EDUCATION,
SKILLS AND EMPLOYMENT**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

DEPARTMENT OF EDUCATION, SKILLS AND EMPLOYMENT

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DEPARTMENT OF EDUCATION, SKILLS AND EMPLOYMENT

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

Formed on 1 February 2020, the department brought together the policy domains of child care, education at all levels, skills and employment services. This provides a strong basis for better integration of the Government's education, skills and employment agenda for the benefit of Australians at all stages of their lives.

Over the coming year each area of the department will continue to have an essential role in supporting the formulation and delivery of targeted initiatives as part of the Australian Government's response to the COVID-19 pandemic and social and economic recovery.

The 2020-21 Budget will invest funding in the child care system of \$10.3 billion in 2020-21. This includes the continued easing of Child Care Subsidy (CCS) activity test requirements until 4 April 2021, to enable eligible families across Australia whose employment has been impacted by COVID-19 to receive up to 100 hours per fortnight of subsidised care. This will assist them to return to the level of work, study or training they were undertaking before the pandemic.

The Australian Government will also provide specific assistance to support Victorian Early Childhood Education and Care services to manage the impacts of the COVID-19 pandemic. Along with the CCS payments, these services will receive \$314.2 million to support them from 28 September 2020 to 31 January 2021, as restrictions ease. This is in addition to the \$51.7 million provided by the Government in 2020-21 for Victorian services during the stage four lockdown restrictions.

These measures build upon the *COVID-19 Response Package – child care* included in the Economic and Fiscal Update July 2020, with the Government investing \$2.6 billion over two years from 2019-20 through Business Continuity, Transition and Exceptional

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Circumstances payments to support the delivery and ongoing viability of Early Childhood Education and Care services throughout Australia during the pandemic.

This further builds upon the *Extension of the National Partnership Agreement on Universal Access to Early Childhood Education*, with \$458.3 million provided over two years from 2020–21 to extend the National Partnership for the 2021 calendar year and to undertake the related National Early Childhood Education and Care collection in early 2022.

The Government remains committed to supporting improved education outcomes for school students impacted by COVID-19, particularly vulnerable and disadvantaged students, Aboriginal and Torres Strait Islander students, and students in regional and remote areas.

The Australian Government will provide \$21.5 billion in 2020–21 for recurrent funding to Australian schools distributed on the basis of need.

The Government will provide a further \$146.3 million over five years from 2020–21 to improve school education outcomes of young Australians, particularly disadvantaged students, regional students and those most impacted by the COVID-19 pandemic, as well as contribute to social cohesion.

The projects to be supported include:

- \$39.8 million over four years from 2020–21 for the Clontarf Foundation to enhance the education and employment prospects of young Aboriginal and Torres Strait Islanders, with up to 12,500 participants in 2023. The National Indigenous Australians Agency will deliver increased funding in the 2021 and 2022 calendar years, and the department in the 2023 calendar year
- \$38.2 million over four years from 2020–21 for The Smith Family to extend support through its Learning for Life program to a further 76,000 disadvantaged young Australians as they complete secondary school and move into work, training or further study
- \$5.8 million over four years from 2020–21 to develop, implement and evaluate a pilot program by Good to Great Schools Australia to support up to 10 remote and very remote schools to expand their Direct Instruction literacy program to include numeracy and science
- \$27.3 million over five years from 2020–21 to foster science, technology, engineering and mathematics (STEM) skills in early learners and school students through a range of proven STEM programs, including the Australian Academy of Science’s STEM programs, The Smith Family’s Let’s Count program; CSIRO’s STEM Professionals in Schools, Froebel Australia’s Little Scientists, and the Early Learning STEM Australia (ELSA) program delivered by the University of Canberra
- \$6.0 million over four years from 2020–21 to support social cohesion, including funding for the expansion of the Anti-Defamation Commission’s Click Against

Hate program that will focus on digital Holocaust education, and expansion of the Islamic Museum of Australia's online education programs

- \$25.0 million, over five years from 2020–21 to enable the Government to respond flexibly and quickly with targeted responses to emerging education priorities arising from COVID-19.

This package also continues the Government's commitment to the Australian-American Fulbright Commission.

These measures build upon the *COVID-19 Response Package - support for non-government schools* and *School Funding – Additional Support for Students and Teachers* measures in the Economic and Fiscal Update July 2020.

The Government is also investing in higher education and research to strengthen the economy, support job-ready graduates, and support the economic recovery from the COVID-19 pandemic.

The Government will invest over \$1.0 billion in 2020–21 to safeguard Australia's research sector against the impacts of the COVID-19 pandemic, through measures that protect university research funding and better align research investments with Australia's future economic priorities, while continuing to support ground-breaking Australian research and the higher education sector.

New investments in university research and key research infrastructure include:

- an additional \$1 billion in 2020–21 through the Research Support Program to support universities to continue the delivery of world class research
- \$41.6 million over four years from 2020–21 to establish a Strategic University Reform Fund to bring together universities and local industries to partner on innovative reform projects
- \$20.0 million over four years from 2020–21 to establish a Centre for Augmented Reasoning at the University of Adelaide to improve the application of machine learning in Australia
- \$5.8 million in 2020–21 to undertake a scoping study of potential options to accelerate the translation and commercialisation of research, including through new partnerships between universities and industry and opportunities for investments.

The Government will also deliver the 2020 Research Infrastructure Investment Plan (RIIP 2020) to continue implementation of the 2016 National Collaborative Research Infrastructure Strategy (NCRIS) Roadmap. RIIP 2020 maintains the Government's \$1.9 billion, 12-year funding envelope for national research infrastructure (NRI) and provides funding for four new NRI projects in national research priority areas. These new projects will be met within the RIIP funding envelope, and include:

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- \$36.3 million over three years from 2020–21 for the early implementation of the Sea Simulator project to support the Great Barrier Reef Restoration and Adaption Program
- \$8.9 million over three years from 2020–21 to increase the capabilities of the Humanities, Arts, Social Sciences and Indigenous e-research platforms
- \$8.3 million over three years from 2020–21 to establish new synthetic biology research infrastructure to facilitate rapid responses to emerging disease and biosecurity risks and address critical gaps in technological platforms and informatics
- \$7.6 million over three years from 2020–21 to upgrade the Australian Community Climate and Earth System Simulator (ACCESS) to increase Australia’s capacity to respond to future climate disasters and emergencies.

This measure builds on the 2018-19 Budget measure: *National Research Infrastructure Investment Plan – implementation of Government response*, and the 2019-20 MYEFO measure: *Pilot Programs to Enhance Collaboration between Universities and Industry*; and complements the *Higher Education Reform – more job-ready graduates*; *Higher Education Reform – additional support for regional Australia*; and *Higher Education – Additional Support* measures.

The Government will provide \$903.5 million over four years from 2020–21 to provide more places and support for students, and to establish new quality protections for the higher education system as it recovers from the impacts of COVID-19. The funding includes measures such as:

- creating disciplines of Professional Pathway Psychology and Professional Pathway Social Work to reduce the student contribution amounts for students studying units as part of a pathway to professional qualifications
- \$251.9 million over two years from 2020–21 for an additional 50,000 subsidised higher education short course places across a range of discipline areas
- \$298.5 million over four years from 2020–21 for an additional 12,000 Commonwealth supported places in national priority areas to further meet demand for higher education
- \$19.2 million over four years from 2020–21 (and \$45.1 million over ten years to 2029–30), including service delivery, to revise the allocation method for the \$5,000 Tertiary Access Payment and to enable universities to administer the payment to eligible outer regional, rural and remote commencing students who relocate for their studies
- \$0.4 million over four years from 2020–21 (including \$0.3 million in capital funding and \$1.2 million over 10 years to 2029–30) to ensure students maintain a reasonable completion rate and do not take on excessive study loads and Higher Education Loan Program (HELP) debt

- extending exemptions for eligible students from paying loan fees under the FEE-HELP and VET Student Loans (VSL) programs to 30 June 2021
- expanding the Tuition Protection Service from 1 January 2021 to provide services to full fee paying domestic higher education students.

The Government will also guarantee Commonwealth Grant Scheme (CGS) payments for higher education providers from 2021 to 2023 as they transition to new funding arrangements as part of the job-ready graduates reforms, and will maintain CGS funding caps at or above previous years' levels from 2025 at a cost of \$238.9 million over four years from 2020–21 (\$2.0 billion over 10 years to 2029–30). This will support universities in managing the economic instabilities created by COVID-19.

This measure builds upon the *Higher Education Reform – more job-ready graduates* and *Higher Education Reform – additional support for regional Australia* measures in the Economic and Fiscal Update July 2020 and complements the *Research Package* measures in this Budget.

The Government is committing more than \$20 million for a new program commencing from 2021 to create pathways to STEM careers for up to 500 women through industry-sponsored advanced apprenticeship-style courses. Employers and universities will collaborate to provide sandwiched programs combining study and work in STEM fields. This four-year program will support women to gain career experience and earn a salary at the same time as studying towards an industry-relevant, higher education Advanced Diploma in a STEM field, boosting women's participation in both STEM-related learning and work.

The Government will also waive collection this year of the 2020 Higher Education Loan Program Tuition Protection Levy and VET Student Loans Tuition Protection Levy, providing significant relief for the tertiary sector in light of COVID-19 challenges. It will also provide an additional \$6.3 million in seed funding to ensure the Tuition Protection Service (TPS) has sufficient available funds to continue delivering tuition protection to students and the tertiary sector.

The COVID-19 pandemic has had a significant impact on Australia's economy and on the workforce in all states and territories. The Government is focused on supporting businesses to keep them operating and to keep people in work or to help them get into a new job or training pathway. This forms an essential element of the Australian Government's response to the COVID-19 pandemic and social and economic recovery.

The Government has introduced a 50 per cent wage subsidy for all businesses who take on new apprentices from 5 October 2020. The \$1.2 billion Boosting Apprenticeship Commencements wage subsidy will support 100,000 new apprentices and will apply for the period 5 October 2020 to 30 September 2021. This measure builds upon the Government's \$1.0 billion JobTrainer Fund and the \$2.8 billion *COVID-19 Response Package - supporting apprentices and trainees* measure published in the Economic and Fiscal Update July 2020.

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The \$1 billion JobTrainer Fund will be jointly established with states and territories, with the Australian Government to contribute \$500.0 million to provide up to 340,700 Australians with access to free, or low fee, training places in areas of skills need.

The Government is also helping businesses keep apprentices and trainees employed through the \$2.8 billion *Supporting Apprentices and Trainees* wage subsidy, which is expected to support 90,000 employers to keep 180,000 apprentices and trainees in employment and training.

The Government will create a new Apprenticeship Data Management System (ADMS) to replace the outdated Training Youth Information Management System. The new ADMS will be developed over four phases from 2020–21 to 2023–24 at a cost of \$91.7 million over four years from 2020–21. The new system will better support the needs of apprentices and employers as Australia works to recover from COVID-19 and get more people into apprenticeships and back to work.

The Government will ensure continued support for students and job seekers through amendments to the delivery of existing skills and training programs in response to the COVID-19 pandemic, including extending the termination date of the Foundation Skills for Your Future Remote Community Pilot by 12 months to 30 June 2023 to support adult language, literacy, numeracy and digital skills training in remote communities.

The Government will invest a further \$49.5 million over two years from 2020–21 for up to an additional 14,485 places in the Skills for Education and Employment program so that new job seekers have access to foundation level language, literacy and numeracy skills training, so that they can be competitive in the labour market.

The Government is providing \$29.6 million for the National Careers Institute (NCI) to support the ongoing work of the NCI. The NCI will provide people with access to authoritative and accurate careers information to enable them to actively manage their career pathways irrespective of their age or career stage. The NCI will also promote partnerships between industry and education and training providers through activities such as its Partnerships Grant Program.

The Government has also provided additional support to the NCI to deliver dedicated advice to school leavers about the training and employment options that suit their interests and prepares them for the jobs of the future.

The Government will provide a further \$11.9 million to extend the *VET FEE-HELP Student Redress Measure* until 31 December 2022, to allow eligible students to apply to have their debt re-credited.

In the 2020–21 Budget, the Government is providing funding of \$62.8 million to 30 June 2022 for the Local Jobs Program, which will be rolled out in 25 regions across Australia, including in regional areas. The program will focus on reskilling, upskilling and employment pathways to assist people back into the workforce as the economy

recovers. The Local Jobs Program puts in place local Employment Facilitators, creates Local Jobs and Skills Taskforces and provides Local Recovery Funds to support small scale projects in the 25 regions.

The Government will provide funding to support Australia's transition to a New Employment Services Model from July 2022. The Government will provide \$295.9 million over four years to develop and implement the digital system to support the New Employment Services Model.

The new model will allow the most job-ready job seekers to manage their job search requirements online and allow more resources to be directed to providing personal, tailored help to disadvantaged Australians who need access to vital skills and training to break into the workforce. For employers, the digital platform will streamline recruitment and decrease the time to fill vacancies by delivering better connections to job seekers and support improved matching, pre-screening and validation of job applications.

The Government is also investing \$183.1 million over three years from July 2020 to fast-track and expand the current Online Employment Services platform to ensure job-ready job seekers can gain access to the information and support they need to secure their own way back into work.

Further support will be delivered through the introduction of a more flexible approach to counting study and training courses of less than 12 months toward meeting mutual obligation requirements. Eligible courses will be in identified areas of skills needs and will include subsidised training in the Vocational Education and Training system, and courses delivered under the \$1.0 billion JobTrainer Fund as they become available.

To help young people connect with employment and skills opportunities, \$21.9 million will support initiatives over two years from early 2021 to connect more young Australians to youth specialist employment services and targeted assistance. This includes:

- reducing the waiting period for early school leavers who are not in receipt of income support to access the youth specialist Transition to Work service from 1 January 2021
- providing young people receiving online employment services up to three advisory sessions with a Transition to Work provider
- developing and delivering online learning modules for young people to help them develop job-ready skills and succeed in the labour market.

Other Budget measures to support stronger employment outcomes include:

- a further \$3.9 million to extend the Time to Work Employment Service by a further 12 months to help Aboriginal and Torres Strait Islander prisoners to gain access to

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the support they need to better prepare them to find employment and reintegrate into the community upon their release from prison

- \$24.7 million over four years from 2020–21 to streamline the successful ParentsNext program to better support parents – mainly women – to plan and prepare for a return to employment by the time their youngest child reaches school age
- \$35.8 million injection to the Employment Fund in 2021–22 to ensure all new job seekers continue to attract higher Employment Fund credits, as has been the case since July 2020
- \$5.7 million to assist more job seekers to start their own business, including in regional areas, the New Business Assistance with NEIS (New Enterprise Incentive Scheme) program eligibility is being expanded to individuals undertaking part-time work, study and/or with caring responsibilities. Changes will also allow existing micro-businesses impacted by COVID-19 to receive assistance to refocus their business to meet new areas of demand or to keep their business running.

These measures build upon \$159.5 million provided over three years from 2019–20, announced earlier this year in the Government’s COVID-19 Response, to support job seekers affected by the pandemic, including:

- \$115.1 million to ensure job seekers get the support they need and can be connected to employment services at the earliest opportunity
- \$41.7 million to the Career Transition Assistance program to enable jobactive providers to more readily refer mature-age job seekers to the program
- \$2.7 million to extend Regional Employment Trials by a further 12 months to 30 June 2021 to ensure approved projects continue in the selected regional areas.

The Government is also providing funding to support people to relocate for ongoing work or to relocate to a regional area to take up agricultural work and supporting the welfare of Pacific and Timor-Leste workers:

- \$9.0 million to support the Seasonal Worker Programme over three years from 2020–21, ensuring the welfare of Pacific and Timor-Leste workers is protected and that Australian farmers have access to the workforce they need
- \$17.4 million over two years from 2020–21 to assist individuals to relocate for employment opportunities, by funding modifications to the existing Relocation Assistance to Take Up a Job program. This will make it available to individuals who temporarily relocate to a regional area to take up short-term agricultural work of at least six weeks’ duration (of at least 120 hours). Modifications will also include temporarily removing the waiting period to provide all job seekers in employment services access to assistance to relocate to take up full-time ongoing employment in any industry.

Deregulation continues to be a priority for the Government to support Australia’s economic recovery.

From mid-2023, new applications by early childhood education and care providers will be streamlined into one digital application to support assessment and information sharing by both Australian Government and state and territory regulatory authorities. The new single application process will cut red tape and improve the ability of state, territory and Australian Government authorities to monitor child care compliance and fraud activities within the sector, including strengthening identity verification, which is a critical fraud control measure.

Regulatory requirements will also be reduced for education providers offering short supplementary courses, and vocational education and training in schools to international students.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: Department of Education, Skills and Employment resource statement — Budget estimates for 2020–21 as at Budget October 2020

	<i>2019–20 Estimated actual \$'000</i>	<i>2020–21 Estimate \$'000</i>
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	68,783	178,482
Departmental appropriation (b)	666,814	847,025
s74 External Revenue (c)	55,397	77,162
Departmental capital budget (d)	51,291	76,009
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available	17,541	31,679
Equity injection	51,965	123,050
Total departmental annual appropriations	<u>911,791</u>	<u>1,333,407</u>
Special accounts (f)		
Opening balance	4,112	4,307
Appropriation receipts (g)	1,168	-
Non-appropriation receipts	6,152	5,607
Total special accounts	<u>11,432</u>	<u>9,914</u>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>1,168</u>	<u>-</u>
Total departmental resourcing	<u>922,055</u>	<u>1,343,321</u>

**Table 1.1: Department of Education, Skills and Employment resource statement
— Budget estimates for 2020–21 as at Budget October 2020 (continued)**

	<i>2019–20 Estimated actual \$'000</i>	2020–21 Estimate \$'000
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	479,593	418,779
Outcome 2	258,509	344,842
Outcome 3	1,470,380	3,786,656
Outcome 4	2,246,465	2,076,029
Annual appropriations - other services - specific payments to States, ACT, NT and local government (e)		
Outcome 1 (h)	116,243	219,993
Total administered annual appropriations	<u>4,571,190</u>	<u>6,846,299</u>
Total administered special appropriations	<u>49,104,804</u>	<u>50,402,748</u>
Special accounts (f)		
Opening balance	83,924	83,824
Appropriation receipts (g)	4,500	9,376
Non-appropriation receipts	2,004	11,984
Total special account receipts	<u>90,428</u>	<u>105,184</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts (i)</i>	<u>10,652</u>	<u>14,983</u>
Total administered resourcing	<u>53,755,770</u>	<u>57,339,248</u>
Total resourcing for Department of Education, Skills and Employment	<u>54,677,825</u>	<u>58,682,569</u>
	<i>2019–20</i>	<i>2020–21</i>
Average staffing level (number)	<u>3,326</u>	<u>3,542</u>

**Table 1.1: Department of Education, Skills and Employment resource statement
— Budget estimates for 2020–21 as at Budget October 2020 (continued)
Third party payments from and on behalf of other entities**

	2019–20 Estimated actual \$'000	2020–21 Estimate \$'000
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)		
Payments made by other entities on behalf of Department of Education, Skills and Employment Services Australia	8,589,066	8,567,950
Payments made to other entities for the provision of services (disclosed above)		
Department of Social Services	7,449	4,942
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	31,858	69,740
Payments made to corporate entities within the Portfolio		
Australian Curriculum, Assessment and Reporting Authority (Annual Appropriation Act No.1)	17,651	12,221
Australian Institute for Teaching and School Leadership (Annual Appropriation Act No.1)	15,383	13,529

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

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

- (a) Appropriation Bill (No. 1) 2020–21.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2020–21.
- (f) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (g) Amounts credited to the special account(s) from Department of Education, Skills and Employment annual and special appropriations.
- (h) Relates to appropriations sought for payment to the States, ACT, NT and local governments in Appropriation Bill (No. 2) 2020–21. The Government continues to grow its investment in Australian Schools. This includes \$219.993 million for payments to states and territories in Appropriation Act (No. 2), for Program 1.3 - Additional Support for Northern Territory Schools (\$12.804 million), for Program 1.4 - Adjustment Assistance (\$9.131 million); Choice and Affordability Fund (\$156.045 million); Non-Government Representative Bodies (\$40.013 million); and for Program 1.5 - Literacy Support for Tasmanian Students (\$2.000 million). Funding for the Additional Support for Northern Territory Schools is for Northern Territory only. The distribution of the funding under the Non-Government Representative Bodies program is based on advice from the Independent Schools Council of Australia and the National Catholic Education Commission. The distribution of the Adjustment Assistance program will be determined following consideration of applications from eligible schools for national adjustment assistance funding and based on advice from the ACT Catholic system and ACT Association of Independent Schools for assistance to the ACT non-government sector. Funding under the Literacy Support for Tasmanian Students is for Tasmania only. Terms and conditions are made under the authority from the Australian Education Act 2013 and the Australian Education Regulation.
- (i) Includes amounts credited to Departmental Special Accounts - Unique Student Identifier (USI).

1.3 BUDGET MEASURES

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

Table 1.2: Department of Education, Skills and Employment 2020–21 Budget measures

Part 1: Measures announced after the Economic and Fiscal Update July 2020

Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Receipt measures				
JobMaker Plan — Higher Education — additional support for students and education providers	2.4, 3.2			
Administered receipt	(2,971)	4,452	1,059	(1,584)
Departmental receipt	-	-	-	-
Total	(2,971)	4,452	1,059	(1,584)
JobMaker Plan — Second Women's Economic Security Package (a)	2.4			
Administered receipt	-	-	5	12
Departmental receipt	-	-	-	-
Total	-	-	5	12
Total receipt measures				
Administered	(2,971)	4,452	1,064	(1,572)
Departmental	-	-	-	-
Total	(2,971)	4,452	1,064	(1,572)
Payment measures				
COVID-19 Response Package — child care — Victorian recovery payments and other support measures	1.1			
Administered payment	365,916	-	-	-
Departmental payment	-	-	-	-
Total	365,916	-	-	-
JobMaker Plan — Deregulation Package (a)	1.1,2.7			
Administered payment	365	3,236	4,738	1,437
Departmental payment	252	756	756	580
Total	617	3,992	5,494	2,017
Humanitarian Program 2020-21 (b)	1.2,1.3, 1.4,4.1			
Administered payment	(2,657)	(10,066)	(17,353)	(25,298)
Departmental payment	-	-	-	-
Total	(2,657)	(10,066)	(17,353)	(25,298)
Students Support Package	1.5, 2.7			
Administered payment	15,402	24,162	41,445	43,380
Departmental payment	1,212	826	581	576
Total	16,614	24,988	42,026	43,956

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**Part 1: Measures announced after the Economic and Fiscal Update July 2020
(continued)**

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Migration Program — 2020-21 planning levels (b)	1.3,1.4, 4.1				
Administered payment		(227)	(767)	3,543	5,779
Departmental payment		-	-	-	-
Total		(227)	(767)	3,543	5,779
JobMaker Plan — higher education — additional support for students and education providers	2.1,2.3, 3.2				
Administered payment		168,709	229,681	172,337	323,665
Departmental payment		2,456	1,305	989	1,195
Total		171,165	230,986	173,326	324,860
JobMaker Plan — Second Women's Economic Security Package (a)	2.3, 2.4,4.1				
Administered payment		3,353	16,454	20,256	(501)
Departmental payment		2,883	587	978	798
Total		6,236	17,041	21,234	297
JobMaker Plan — Research Package	2.5, 2.6				
Administered payment		1,033,707	37,509	(89,292)	78,075
Departmental payment		6,186	341	540	343
Total		1,039,893	37,850	(88,752)	78,418
Ensuring International Education Sustainability Through Student Mobility	2.7				
Administered payment		(396)	(266)	(268)	(270)
Departmental payment		396	266	268	270
Total		-	-	-	-
JobMaker Plan — boosting apprenticeships wage subsidy	3.1				
Administered payment		405,521	819,047	(9,432)	(7,231)
Departmental payment		3,922	2,562	-	-
Total		409,443	821,609	(9,432)	(7,231)
JobMaker Plan — Skills Reform Package	3.1				
Administered payment		26,687	24,066	749	1,073
Departmental payment		49,086	64,018	39,515	32,764
Total		75,773	88,084	40,264	33,837
Employment Services	4.1				
Administered payment		(532,235)	(391,812)	(189,402)	(62,112)
Departmental payment		238,704	181,156	61,171	44,545
Total		(293,531)	(210,656)	(128,231)	(17,567)

**Part 1: Measures announced after the Economic and Fiscal Update July 2020
(continued)**

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
COVID-19 Response Package — recognising the impacts of COVID-19 for Youth Allowance and ABSTUDY independence (c)	4.1				
Administered payment		138	586	373	188
Departmental payment		-	-	-	-
Total		138	586	373	188
Broadening the Prime Minister's Veterans' Employment Program (d)	4.1				
Administered payment		-	227	227	197
Departmental payment		221	168	91	61
Total		221	395	318	258
Total payment measures					
Administered		1,484,283	752,057	(62,079)	358,382
Departmental		305,318	251,985	104,889	81,132
Total		1,789,601	1,004,042	42,810	439,514

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

- (a) The lead entity for the measure is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2 under the Prime Minister and Cabinet portfolio.
- (b) The lead entity for the measure is the Department of Home Affairs. The full measure description and package details appear in Budget Paper No. 2 under the Home Affairs portfolio.
- (c) The lead entity for the measure is the Department of Social Services. The full measure description and package details appear in Budget Paper No. 2 under the Social Services portfolio.
- (d) The lead entity for the measure is the Department of Veterans' Affairs. The full measure description and package details appear in Budget Paper No. 2 under the Veterans' Affairs portfolio.

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

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Receipt measures					
COVID-19 Response Package — higher education					
	2.4, 2.7				
	Administered receipt	(4,631)	21	37	59
	Departmental receipt	-	-	-	-
	Total	(4,631)	21	37	59
Higher Education Reform — additional support for regional Australia					
	2.4				
	Administered receipt	-	-	-	1
	Departmental receipt	-	-	-	-
	Total	-	-	-	1
Higher Education Reform — more job ready graduates					
	2.4				
	Administered receipt	(20,008)	(22,256)	14,384	49,649
	Departmental receipt	-	-	-	-
	Total	(20,008)	(22,256)	14,384	49,649
Total receipt measures					
	Administered	(24,639)	(22,235)	14,421	49,709
	Departmental	-	-	-	-
	Total	(24,639)	(22,235)	14,421	49,709
Payment measures					
New Arrangements for the Child Care Subsidy and the Additional Child Care Subsidy					
	1.1, 1.2				
	Administered payment	(5,574)	(5,852)	(6,144)	(6,450)
	Departmental payment	-	-	-	-
	Total	(5,574)	(5,852)	(6,144)	(6,450)
COVID-19 Response Package — child care					
	1.1, 1.2				
	Administered payment	206,552	-	-	-
	Departmental payment	-	-	-	-
	Total	206,552	-	-	-
COVID-19 Response Package — support for non-government schools (a)					
	1.2				
	Administered payment	(1,034,225)	-	-	-
	Departmental payment	-	-	-	-
	Total	(1,034,225)	-	-	-
National Bushfire Recovery Fund					
	1.2				
	Administered payment	26,232	1,472	130	98
	Departmental payment	-	-	-	-
	Total	26,232	1,472	130	98
School Funding — additional support for students and teachers					
	1.4, 1.5				
	Administered payment	-	-	-	-
	Departmental payment	-	-	-	-
	Total	-	-	-	-

**Part 2: Other measures not previously reported in a portfolio statement
(continued)**

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
National Partnership Agreement on Universal Access to Early Childhood Education — extension	1.5				
Administered payment		1,800	2,050	-	-
Departmental payment		1,291	-	-	-
Total		3,091	2,050	-	-
COVID-19 Response Package — higher education	2.1				
Administered payment		7,103	-	-	-
Departmental payment		477	-	-	-
Total		7,580	-	-	-
Higher Education Reform — additional support for regional Australia	2.1,2.3, 2.4,2.6				
Administered payment		9,180	10,500	12,521	(9,470)
Departmental payment		3,203	2,221	2,287	1,999
Total		12,383	12,721	14,808	(7,471)
Higher Education Reform — more job ready graduates	2.1,2.3, 2.4				
Administered payment		200,277	199,216	(118,220)	(322,803)
Departmental payment		4,426	3,021	1,650	1,244
Total		204,703	202,237	(116,570)	(321,559)
COVID-19 Response Package — supporting apprentices and trainees	3.1				
Administered payments		2,371,307	52,142	2,488	(6,824)
Departmental payments		20,110	3,508	652	(152)
Total		2,391,417	55,650	3,140	(6,976)
Skills Reform Package	3.1				
Administered payments		3,350	23,644	1,081	7,961
Departmental payments		17,450	14,929	16,976	19,605
Total		20,800	38,573	18,057	27,566
COVID-19 Response Package — JobTrainer Fund establishment	3.1				
Administered payments		2,142	11,028	13,641	3,925
Departmental payments		-	-	-	-
Total		2,142	11,028	13,641	3,925
COVID-19 Response Package — income support for individuals	4.1				
Administered payment		149,758	63,288	32,866	21,627
Departmental payment		868	-	-	-
Total		150,626	63,288	32,866	21,627
COVID-19 Response Package — JobSeeker Partner Income Test measure	4.1				
Administered payment		419,998	153,041	83,574	56,157
Departmental payment		-	-	-	-
Total		419,998	153,041	83,574	56,157

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**Part 2: Other measures not previously reported in a portfolio statement
(continued)**

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
COVID-19 Response Package — supporting job seekers	4.1				
Administered payment		19,706	14,363	-	-
Departmental payment		6,561	-	-	-
Total		26,267	14,363	-	-
PaTH Business Placement Partnerships — national industry associations	4.1				
Administered payment		125	150	-	-
Departmental payment		527	501	-	-
Total		652	651	-	-
Total payment measures					
Administered		2,377,731	525,042	21,937	(255,779)
Departmental		54,913	24,180	21,565	22,696
Total		2,432,644	549,222	43,502	(233,083)

Note: This measure table should be read in conjunction with the Economic and Fiscal Update July 2020, to see the full effect, as measures had a 2019–20 impact.

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

(a) In the *COVID-19 Response Package — support for non-government schools* measure the Government brought forward \$1.0 billion of recurrent funding payments from July 2020 to May and June 2020.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

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

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Linked programs

Services Australia
Programs <ul style="list-style-type: none">• Program 1.1 - Services to the Community - Social Security and Welfare
Contribution to Outcome 1 made by linked programs <p>The linked program contributes to Outcome 1 by administering child care payments to eligible families.</p>
Department of the Prime Minister and Cabinet
Programs <ul style="list-style-type: none">• Program 2.1 - Jobs, Land and Economy• Program 2.2 - Children and Schooling
Contribution to Outcome 1 made by linked programs <p>The linked programs contribute to Outcome 1 by supporting school attendance, improved educational outcomes and access to further education, training and employment for Indigenous students.</p>
Department of the Treasury
Programs <ul style="list-style-type: none">• Program 1.9 - National Partnership Payments to the states
Contribution to Outcome 1 made by linked programs <p>The linked program contributes to Outcome 1 by making National Partnership Payments to the states.</p>

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.					
Program 1.1: Support for the Child Care System					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	317,511	266,902	270,613	273,769	272,381
Special appropriations					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	-	1,074,119	138,465	149,755	159,300
Special accounts					
<i>Early Years Quality Fund Special Account Act 2013</i>	(230)	-	-	-	-
SOETM - Child Care	138	-	-	-	-
Total expenses for program 1.1	317,419	1,341,021	409,078	423,524	431,681
Program 1.2: Child Care Subsidy					
Special appropriations					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	8,049,485	8,978,491	9,330,766	9,843,269	10,291,939
Total expenses for program 1.2	8,049,485	8,978,491	9,330,766	9,843,269	10,291,939
Program 1.3: Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	3,358	12,804	14,242	12,263	10,035
Special appropriations					
<i>Australian Education Act 2013</i>	8,383,852	9,054,634	9,733,641	10,434,468	11,016,472
Total expenses for program 1.3	8,387,210	9,067,438	9,747,883	10,446,731	11,026,507
Program 1.4: Non-Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	74,639	205,189	149,371	125,407	114,240
Special appropriations					
<i>Australian Education Act 2013</i>	13,843,303	12,639,164	14,507,409	15,324,689	16,017,433
Total expenses for program 1.4	13,917,942	12,844,353	14,656,780	15,450,096	16,131,673

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Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.5: Early Learning and Schools Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	139,069	126,420	136,784	106,393	111,037
Other services (Appropriation Bill No. 2)	32,200	2,000	2,000	2,000	2,000
Special accounts					
SOETM - Students with Disabilities	203	-	-	-	-
SOETM - NSRA State Contributions	416	-	-	-	-
Total expenses for program 1.5	171,888	128,420	138,784	108,393	113,037
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	456,580	393,322	407,397	380,162	383,418
Other services (Appropriation Bill No. 2)	110,197	219,993	165,613	139,670	126,275
Special appropriations	30,276,640	31,746,408	33,710,281	35,752,181	37,485,144
Special accounts	527	-	-	-	-
Administered total	30,843,944	32,359,723	34,283,291	36,272,013	37,994,837
Departmental expenses					
Departmental appropriation	179,802	164,006	158,822	151,109	143,780
s74 External Revenue (a)	8,267	8,220	8,220	8,220	8,220
Expenses not requiring appropriation in the Budget year (b)	7,718	6,951	7,980	8,426	8,450
Departmental total	195,787	179,177	175,022	167,755	160,450
Total expenses for Outcome 1	31,039,731	32,538,900	34,458,313	36,439,768	38,155,287
Movement of administered funds between years (c)					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 1:					
English Language Learning for Indigenous Children	-	(1,084)	1,084	-	-
National Schools Reform	(2,251)	(1,612)	3,863	-	-
National Schools Resourcing Board	(424)	424	-	-	-
Total movement of administered funds	(2,675)	(2,272)	4,947	-	-
Average staffing level (number)					
	2019–20 930	2020–21 922			

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

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

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

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

Program 1.1 Support for the Child Care System

Objective	The program helps families to participate in the social and economic life of the community by promoting and supporting quality and affordable child care, and assisting services to improve access and inclusion for vulnerable or disadvantaged children and families, including children with disabilities and their families.
Delivery	<p>This program will be delivered through the following key activity and delivery strategies:</p> <p><u>Key Activity</u> Support to families who rely on subsidised child care to work, train, study or volunteer.</p> <p><u>Delivery Strategies</u></p> <ul style="list-style-type: none"> • Provide families with access to the Child Care Subsidy (CCS) and Additional Child Care Subsidy to improve access to care. • Provide support to vulnerable and disadvantaged families and communities through the Child Care Safety Net. • Through our monitoring and compliance frameworks, ensure the accuracy and integrity of CCS, transition and other program payments. • Remove unnecessary barriers and ensure Early Childhood Education and Care sector regulation is appropriate and fit for purpose. • Develop, maintain and improve early learning and child care policy frameworks, with a focus on improving outcomes for vulnerable, disadvantaged and Indigenous children. • Monitor the impact of COVID-19 on financial viability for the Early Childhood Education and Care sector.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 1.1:	
<ul style="list-style-type: none"> • COVID-19 Response Package — child care — Victorian recovery payments and other support measures • JobMaker Plan — Deregulation Package 	

Performance information 1.1 Support for the Child Care System

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Child care support is targeted to vulnerable and disadvantaged families and communities	100% of the Child Care Safety Net supports vulnerable and disadvantaged families and communities Target: 100% Program and payment design, including assessment and eligibility criteria, is designed to ensure that all funding and assistance is allocated to vulnerable and disadvantaged families and communities. The department has been unable to make an assessment and identified that the methodologies that underpin measurement and reporting of this measure should change for future reporting periods.
2020–21	Child care support is targeted to vulnerable and disadvantaged families and communities	Proportion of Child Care Safety Net that supports vulnerable and disadvantaged families and communities Target: 100% COVID-19 measure—Weekly average of the proportion of early childhood education and care services that are open Target: At least 90% COVID-19 measure—Proportion of accurate Relief Package and Transition Payments Target: At least 90%
2021–22 and beyond	Child care support is targeted to vulnerable and disadvantaged families and communities	Proportion of Child Care Safety Net that supports vulnerable and disadvantaged families and communities Target: 100%

Program expenses 1.1 Support for the Child Care System

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Child Care Services Support (a)	324,920	266,902	270,613	273,769	272,381
Jobs Education and Training, Child Care Fee Assistance (JETCCFA)	(7,409)	-	-	-	-
Special appropriations:					
A New Tax System (Family Assistance) (Administration) Act 1999 (a)	-	1,074,119	138,465	149,755	159,300
Special account expenses:					
Early Years Quality Fund Special Account Act 2013	(230)	-	-	-	-
SOETM - Child Care	138	-	-	-	-
	317,419	1,341,021	409,078	423,524	431,681

(a) The Additional Child Care Subsidy and the Community Childcare Fund – Special Circumstances programs were previously funded through Child Care Services Support Annual Appropriation and are now funded via Special appropriation.

Program 1.2 Child Care Subsidy

Objective	The Child Care Subsidy (CCS) aims to improve access to quality child care by providing assistance to meet the cost of child care for families engaged in work, training, study or other recognised activity.
Delivery	This program will be delivered through the following key activity and delivery strategies: <u>Key Activity</u> Support to families who rely on subsidised child care to work, train, study or volunteer. <u>Delivery Strategies</u> <ul style="list-style-type: none"> • Provide families with access to the CCS and Additional Child Care Subsidy to improve access to care. • Provide support to vulnerable and disadvantaged families and communities through the Child Care Safety Net. • Through our monitoring and compliance frameworks, ensure the accuracy and integrity of CCS, transition and other program payments. • Remove unnecessary barriers and ensure Early Childhood Education and Care sector regulation is appropriate and fit for purpose. • Develop, maintain and improve early learning and child care policy frameworks, with a focus on improving outcomes for vulnerable, disadvantaged and Indigenous children. • Monitor the impact of COVID-19 on financial viability for the Early Childhood Education and Care sector.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 1.2:	
<ul style="list-style-type: none"> • Humanitarian Program 2020–21 	

Performance information 1.2 Child Care Subsidy

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Ensuring accurate child care payments	Child care payments to all services are accurate Target: 90% or higher ² Achieved Result: The overall CCS payment accuracy in 2019–20 was 96.1%
2020–21	Ensuring accurate child care payments	Proportion of accurate child care payments to all services Target: At least 90% ² COVID-19 measure—Weekly average of the proportion of early childhood education and care services that are open Target: At least 90% COVID-19 measure—Proportion of accurate Relief Package and Transition Payments Target: At least 90%
2021–22 and beyond	Ensuring accurate child care payments	Proportion of accurate child care payments to all services Target: At least 90% ¹

² Payment accuracy is a defined measure based on independent actuarial assessment.

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Program expenses 1.2 Child Care Subsidy

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	8,049,485	8,978,491	9,330,766	9,843,269	10,291,939
Total program expenses	8,049,485	8,978,491	9,330,766	9,843,269	10,291,939

Program 1.3 Government Schools National Support

Objective	The program provides supplementary financial assistance to state and territory governments to facilitate the delivery of a quality education within government schools.
Delivery	<p>This program will be delivered through the following key activity and delivery strategies:</p> <p><u>Key Activity</u></p> <p>Provide consistent, transparent and needs-based funding to government and non-government schools.</p> <p><u>Delivery Strategies</u></p> <ul style="list-style-type: none"> • Administer recurrent funding entitlements under the <i>Australian Education Act 2013</i> (the Act) based on the Schooling Resourcing Standard that provides a base amount for every student and loadings to target disadvantage. • Monitor the compliance of approved authorities with requirements under the Act and ensure the accuracy and integrity of payments. • Continue to implement the new direct measure of capacity to contribute, including a process for the review of individual school scores and a program of further refinement work. • Support the National School Resourcing Board in undertaking reviews of the Australian Government's school funding model under the Act and implement the Australian Government's response to the board's reviews of the loading for students with a disability, reporting of section 22A obligations and the review of needs-based funding requirements.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 1.3:	
<ul style="list-style-type: none"> • Humanitarian Program 2020–21 • Migration Program — 2020–21 planning levels 	

Performance information 1.3 Government Schools National Support

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Lifting outcomes in Australian schools – student attainment	Lift the Year 12 (or equivalent) or Certificate III attainment rate by to 90% by 2020 (measured as trend towards target) Target: Annual increase to 90% by 2020 ³ Not Achieved Result: For the 2019 calendar year, the attainment rate for 20–24 year-olds that had attained at least Year 12 (or equivalent) or Certificate III was 88.2 %. This is a decrease from the 2018 calendar year attainment rate of 88.8%.
	Closing the Gap for Aboriginal and Torres Strait Islander students in schools	Reduce the gap for Indigenous students in Year 12 or equivalent attainment rate by 2020 Target: Increase in attainment rate ^{4 5} On Track Result: Based on the 2019 National Aboriginal and Torres Strait Islander Health survey, the Indigenous attainment rate increase marginally from 65 per cent in 2016 to 66 per cent. The gap has been progressively narrowing—from around 40 percentage points in 2008 to 25 percentage points in 2018–19.
2020–21	Lifting outcomes in Australian schools – student attainment	Increase the Year 12 (or equivalent) or Certificate Level III attainment rate by 2020 Target: Increased to 90% by 2020 and Maintained ^{6 7}
	Closing the Gap for Aboriginal and Torres Strait Islander students in schools	By 2031, increase the proportion of Aboriginal and Torres Strait Islander peoples (age 20–24) attaining Year 12 or equivalent qualification to 96% Target: Increase proportion to 96% by 2031 ^{4 5 7}
2021–22 and beyond	As per 2020–21	As per 2020–21

³ Target source: ABS Education and Work Australia 6227.0.

⁴ Target Source: Census of Population and Housing

⁵ Data also available from ABS National Aboriginal and Torres Strait Islander Health Survey and Aboriginal and Torres Strait Islander Social Survey. This data can be used as a supplementary data source to monitor progress, particularly in intercensal years.

⁶ Target Source: ABS Education and Work Australia 6227.0.

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

Program expenses 1.3 Government Schools National Support

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Additional Support for Northern Territory (a)	3,358	12,804	14,242	12,263	10,035
Special appropriations:					
<i>Australian Education Act 2013</i>	8,383,852	9,054,634	9,733,641	10,434,468	11,016,472
Total program expenses	8,387,210	9,067,438	9,747,883	10,446,731	11,026,507

(a) In 2019-20, \$8.575 million was paid for the Additional Support for Northern Territory, with \$3.358 million from Administered funds and \$5.217 million from Departmental funds.

Program 1.4 Non-Government Schools National Support

Objective	The program provides financial assistance to approved authorities for non-government schools to facilitate the delivery of a quality education within non-government schools.
Delivery	<p>This program will be delivered through the following key activity and delivery strategies:</p> <p><u>Key Activity</u></p> <p>Provide consistent, transparent and needs-based funding to government and non-government schools</p> <p><u>Delivery Strategies</u></p> <ul style="list-style-type: none"> • Administer recurrent funding entitlements under the <i>Australian Education Act 2013</i> (the Act) based on the Schooling Resourcing Standard that provides a base amount for every student and loadings to target disadvantage. • Monitor the compliance of approved authorities with requirements under the Act and ensure the accuracy and integrity of payments. • Continue to implement the new direct measure of capacity to contribute, including a process for the review of individual school scores and a program of further refinement work. • Support the National School Resourcing Board in undertaking reviews of the Australian Government's school funding model under the Act and implement the Australian Government's response to the board's reviews of the loading for students with a disability, reporting of section 22A obligations and the review of needs-based funding requirements. • Provide funding for capital infrastructure for non-government schools, particularly for the most disadvantaged. • Provide funding under the Choice and Affordability Fund for non-government representative bodies as a flexible means of driving government priorities including supporting parental choice and affordability of schools and assisting schools in regional, remote and drought-affected areas. • Monitor the impact of COVID-19 on the financial viability of non-government schools. • Provide funding to non-government representative bodies to support implementation of national reforms in non-government schools.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 1.4:	
<ul style="list-style-type: none"> • Humanitarian Program 2020–21 • Migration Program — 2020–21 planning levels 	

Performance information 1.4 Non-Government Schools National Support

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	As per Program 1.3.	As per Program 1.3.
2020–21	As per Program 1.3.	As per Program 1.3.
2021–22 and beyond	As per 2020–21	As per 2020–21

Program expenses 1.4 Non-Government Schools National Support

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Non-Government Representative Bodies	40,013	40,013	40,013	14,004	-
Special Circumstances Funding (a)	31,511	-	-	-	-
Adjustment Assistance (b)	3,115	9,131	1,676	491	-
Choice and Affordability Fund	-	156,045	107,682	110,912	114,240
Special appropriations:					
<i>Australian Education Act 2013</i>	13,843,303	12,639,164	14,507,409	15,324,689	16,017,433
Total program expenses	13,917,942	12,844,353	14,656,780	15,450,096	16,131,673

- (a) Previously published as Short Term Emergency Assistance, known as Special Circumstances Funding as per the *Australian Education Act 2013*.
- (b) In 2019–20, \$12.458 million was paid for Adjustment Assistance, with \$3.115 million from Administered funds and \$9.343 million from Departmental funds.

Program 1.5 Early Learning and Schools Support

Objective	This program supports initiatives that contribute to improved access to high quality teaching and learning in early learning and school education for all Australian students.
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p><u>Key Activities</u></p> <ul style="list-style-type: none"> • Support children to have access to quality early learning, particularly in the year before reaching school. • Provide support for a range of curriculum, assessment, teaching and wellbeing programs. • Provide national leadership and work with states on national policy reform. <p><u>Delivery Strategies</u></p> <ul style="list-style-type: none"> • Continue to work with states, territories and stakeholders to: <ul style="list-style-type: none"> – support early learning in the year before school (i.e. preschool), with a focus on improving attendance of Indigenous, vulnerable, and disadvantaged children, and those in rural and remote areas, and provide funds through the Universal Access National Partnership to state and territory governments – maintain and improve the quality and safety of early learning and care, through the National Quality Framework, the Australian Children’s Education and Care Quality Authority and development of a national workforce strategy. • Provide funding and support to implement national and international assessments including the Programme for International Student Assessment and the transition to online delivery of the National Assessment Program–Literacy and Numeracy. • Deliver programs that supplement the Australian Curriculum and support teachers and school leaders to improve student learning, through the delivery of literacy and numeracy initiatives, science, technology, engineering and maths (STEM) initiatives, civics and citizenship and music and arts programs. • Deliver programs centred on teaching practice, teacher and principal wellbeing and that support alternative pathways into teaching. • Deliver programs supporting student participation, parent and community engagement and student wellbeing with focus areas that include mental health, students with disability, school education for Indigenous Australians and regional, rural and remote initiatives. • Work in partnership with state and territory governments, non-government education authorities, national education agencies and other key stakeholders to develop and implement the National Policy Initiatives under the National School Reform Agreement. • Track and report to Education Council on the progress of national policy initiatives. • Analyse data to inform policy advice.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
<p>Measures impacting program 1.5:</p> <ul style="list-style-type: none"> • Students Support Package 	

Performance information 1.5 Early Learning and Schools Support

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	<u>Preschool</u> Universal access to quality early childhood education	<p><u>Preschool</u></p> <p>95% of Indigenous children enrolled in early childhood education in the year before full-time school are enrolled for 600 hours per year</p> <p>Target: 95%⁸</p> <p>Achieved</p> <p>Result: In 2019, 96% of Indigenous children who were enrolled in early childhood education in the year before full-time school were enrolled for 600 hours a year.</p> <hr/> <p>95% of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours per year</p> <p>Target: 95%⁸</p> <p>Not Achieved</p> <p>Result: In 2019, 94.4% of vulnerable and disadvantaged children who were enrolled in the year before full-time school were enrolled for 600 hours a year.</p> <p>The result was less than one percentage point below the target of 95%.</p>
	<u>School</u> As per Program 1.3.	<u>School</u> As per Program 1.3.
2020–21	<u>Preschool</u> Universal access to quality early childhood education	<p><u>Preschool</u></p> <p>Proportion of Indigenous children enrolled in early childhood education in the year before full-time school are enrolled for 600 hours per year Target: 95%</p> <hr/> <p>Proportion of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours per year Target: 95%</p>
	<u>School</u> As per Program 1.3.	<u>School</u> As per Program 1.3.
2021–22 and beyond	As per 2020–21	As per 2020–21

⁸ Target as set under the National Partnership Agreement on Universal Access to Early Childhood Education.

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Program expenses 1.5 Early Learning and Schools Support

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Early Development Census	4,393	12,196	12,315	4,493	12,508
Boost the Learning for Life Program	21,400	-	-	-	-
Early Learning Languages Australia (ELLA)	5,021	1,470	-	-	-
English Language Learning for Indigenous Children (ELLIC)	2,030	-	1,084	-	-
Flexible Literacy Learning for Remote Primary Schools	1,740	750	-	-	-
Grants and Awards	1,339	1,393	1,402	1,422	1,443
Helping Children with Autism	5,982	6,072	6,115	6,200	6,293
High Achieving Teachers Program and Future Leaders Program	6,000	9,650	15,900	2,250	-
Inspiring all Australians in Digital Literacy and STEM	16,371	-	-	-	-
Mental Health Support for School Communities and Early Childhood Services	4,000	-	-	-	-
National Assessment Reform	2,200	2,200	2,200	2,200	2,200
National Schools Reform	17,233	22,279	25,859	9,841	9,840
National School Resourcing Board	512	1,374	958	968	982
Quality Outcomes	37,961	35,842	34,466	33,809	33,807
Quality Schools Communication	(31)	-	-	-	-
Science, Technology, Engineering and Mathematics (STEM)	625	617	550	550	700
Students Support Package	-	15,345	24,060	41,336	43,264
Teach for Australia	2,145	2,145	-	-	-
Universal Access	1,797	5,080	2,050	-	-
Delivering Respect Matters	363	500	500	-	-
Life Education - Being Healthy, Being Active	3,100	1,200	700	-	-
Attendance Strategies For Early Learning	642	275	-	-	-
Mathematics Massive Open Online Courses	1,046	1,732	2,825	2,824	-
Rural Inspire Initiative	500	1,000	500	-	-
National Phonics Check	2,200	4,300	4,300	-	-
Respectful Interfaith School Education	500	1,000	1,000	500	-
Other services (Appropriation Bill No. 2)					
Literacy Support for Tasmanian Students	2,000	2,000	2,000	2,000	2,000
Local School Community Fund	30,200	-	-	-	-
Special account expenses:					
SOETM - Students with Disabilities	203	-	-	-	-
SOETM - NSRA State Contributions	416	-	-	-	-
Total program expenses	171,888	128,420	138,784	108,393	113,037

2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

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

Linked programs

<p>Australian Trade and Investment Commission (Austrade)</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Promotion of Australia's export and other international economic interests <hr/> <p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by promoting the Australian education sector in international markets.</p>
<p>Department of Foreign Affairs and Trade</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.4 - New Colombo Plan - Transforming Regional Relationships • Program 1.7 - Public Information Services and Public Diplomacy <hr/> <p>Contribution to Outcome 2 made by linked programs</p> <p>The linked programs contribute to Outcome 2 by promoting international education through advocacy and coordination roles at overseas missions.</p>
<p>Department of Home Affairs</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 2.3 - Visas <hr/> <p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by supporting a sustainable international education sector through administering student visas.</p>
<p>Services Australia</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Services to the Community - Social Security and Welfare <hr/> <p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by making payments to eligible job seekers.</p>
<p>Department of Social Services</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.11 - Student Payments <hr/> <p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by providing financial support to individuals and families to undertake further education. This also includes enhancing educational outcomes for Australian Indigenous students by increasing their access and participation in further education.</p>

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Department of the Prime Minister and Cabinet
Programs
<ul style="list-style-type: none"> • Program 2.1 - Jobs, Land and Economy • Program 2.2 - Children and Schooling
Contribution to Outcome 2 made by linked programs
The linked programs contributes to Outcome 2 by supporting school attendance, improved educational outcomes and access to further education and employment for Indigenous students.
Department of the Treasury
Programs
<ul style="list-style-type: none"> • Program 1.9 - National Partnership Payments to the states
Contribution to Outcome 2 made by linked programs
The linked program contributes to Outcome 2 by making National Partnership Payments to the states.

Budgeted expenses for Outcome 2

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

Table 2.2.1: Budgeted expenses for Outcome 2

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 2.1: Commonwealth Grant Scheme					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	7,137,055	7,545,292	7,531,037	7,208,696	7,117,865
Total expenses for program 2.1	7,137,055	7,545,292	7,531,037	7,208,696	7,117,865
Program 2.2: Higher Education Superannuation Program					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	151,244	96,271	92,111	87,517	82,878
Total expenses for program 2.2	151,244	96,271	92,111	87,517	82,878
Program 2.3: Higher Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	34,226	56,177	74,879	64,233	60,076
Special appropriations					
<i>Higher Education Support Act 2003</i>	374,548	643,443	825,491	771,692	728,259
Total expenses for program 2.3	408,774	699,620	900,370	835,925	788,335

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 2.4: Higher Education Loan Program					
Administered expenses					
Special appropriations					
Higher Education Support Act 2003	2,592,222	1,050,772	1,145,465	1,260,978	1,338,991
Special accounts					
Tuition Protection Arrangements - Fee-HELP	72	2,571	2,680	2,783	2,893
Total expenses for program 2.4	2,592,294	1,053,343	1,148,145	1,263,761	1,341,884
Program 2.5: Investment in Higher Education Research					
Administered expenses					
Special appropriations					
Higher Education Support Act 2003	1,938,390	2,973,279	1,990,882	1,996,855	2,015,845
Total expenses for program 2.5	1,938,390	2,973,279	1,990,882	1,996,855	2,015,845
Program 2.6: Research Capacity					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	179,905	256,350	272,579	282,305	388,808
Special appropriations					
Higher Education Support Act 2003	7,845	28,774	30,784	35,585	38,419
Total expenses for program 2.6	187,750	285,124	303,363	317,890	427,227
Program 2.7: International Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	33,903	27,095	25,207	23,483	23,137
Special accounts					
Overseas Student Tuition Fund	3,889	7,633	8,015	8,416	8,837
SOETM - Cheung Kong	126	1,854	984	982	980
Total expenses for program 2.7	37,918	36,582	34,206	32,881	32,954
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	248,034	339,622	372,665	370,021	472,021
Special appropriations	12,201,304	12,337,831	11,615,770	11,361,323	11,322,257
Special accounts	4,087	12,058	11,679	12,181	12,710
Administered total	12,453,425	12,689,511	12,000,114	11,743,525	11,806,988
Departmental expenses					
Departmental appropriation	114,126	105,077	105,500	99,594	98,551
s74 External Revenue (a)	4,495	14,938	5,038	5,038	5,038
Expenses not requiring appropriation in the Budget year (b)	7,769	7,984	8,544	8,786	8,799
Departmental total	126,390	127,999	119,082	113,418	112,388
Total expenses for Outcome 2	12,579,815	12,817,510	12,119,196	11,856,943	11,919,376

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Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Movement of administered (c) funds between years					
Outcome 2:					
Rural and Regional Enterprise Scholarships	(7,505)	1,809	5,696	-	-
Total movement of administered funds	(7,505)	1,809	5,696	-	-

	2019–20	2020–21
Average staffing level (number)	480	507

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

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

Performance criteria for Outcome 2

This section details the performance criteria for each program associated with Outcome 2. It summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

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

Program 2.1 Commonwealth Grant Scheme

Objective	<p>A highly skilled workforce and educated community is important for economic productivity and social wellbeing. The Commonwealth Grant Scheme (CGS) contributes to achieving this objective through:</p> <ul style="list-style-type: none"> • making a direct contribution to the cost of educating Commonwealth supported students enrolled in undergraduate and postgraduate degrees • increasing the number of regional students participating in higher education by providing additional funding to regional universities to meet the higher costs associated with delivery of higher education in regional locations • supporting educationally disadvantaged students to prepare for and successfully complete higher education through funding for enabling courses • meeting medical workforce training needs through the provision of targeted support for initial-entry medical programs.
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p><u>Key Activities</u></p> <ul style="list-style-type: none"> • Enhance the quality of the higher education system. • Support students' access to higher education and transition to employment. <p><u>Delivery Strategies</u></p> <ul style="list-style-type: none"> • Implement the Job-ready Graduates reform package to: <ul style="list-style-type: none"> – rebase funding to align with cost and increase focus on the national interest – introduce a simpler funding system with improved incentives and accountability – incentivise students and universities to focus on work-relevant qualifications – deliver new provider standards, a better qualifications framework and a national repository of tertiary qualifications. • Publish nationally consistent provider performance data through the Quality Indicators for Learning and Teaching (QILT). • Provide grants to support the quality teaching of mathematics and science; and fund research-based industry internships in STEM fields. • Support universities to embed a Model Code in their institutional regulations or policies. • Provide grants, through the Commonwealth Grants Scheme, to subsidise costs for students enrolled in the undergraduate and selected postgraduate courses at public universities. • Support student places in priority areas at other higher education providers. • Provide financial assistance to students through income contingent loans under the Higher Education Loan Program (HELP). • Fund universities, through the Higher Education Participation and Partnerships Program, to undertake activities that improve access to, and completion of, undergraduate courses for people from low socio-economic status (SES) backgrounds, including Aboriginal and Torres Strait Islander peoples. • Assist people with disability to access and participate in tertiary education and subsequent employment through the National Disability Coordination Officer Program.

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	<ul style="list-style-type: none"> • Enable students in regional and remote Australia to access higher education without having to leave their community through the Regional University Centres. • Establish education facilities that build links with local industry, address skills needs and improve student employment outcomes. • Provide financial assistance to regional and remote students through the Rural and Regional Enterprise Scholarships Program. • Provide advance payments to higher education providers to cover the costs of tuition fees for students that have taken out HELP loans.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 2.1:	
<ul style="list-style-type: none"> • JobMaker Plan — higher education — additional support for students and education providers 	

Performance information 2.1 Commonwealth Grant Scheme

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Creating a highly skilled workforce and educated community	The proportion of the 20 to 34 year-old population with a tertiary qualification Target: Equal to or higher than 2018–19 Achieved Result: 66.7% of the population had a tertiary qualification compared to 65.6% in 2018
		The rate of attrition for domestic bachelor students is less than 15% Target: Lower than 15% Achieved Result: The rate of attrition for domestic bachelor students was 14.55%
		At least 85% of undergraduates who are employed within four months of completing a degree Target: Equal to or higher than 85% Achieved Result: 86.8% of undergraduates were employed within four months of completing degree
2020–21	Creating a highly skilled workforce and educated community	The proportion of the 25 to 34 year-old population with a tertiary qualification. Target: Increase from previous year
		The rate of attrition for domestic Bachelor students. Target: Lower than 15%
		Proportion of undergraduates who are employed within four months of completing a degree. Target: Equal to or higher than 85%
2021–22 and beyond	As per 2020–21	As per 2020–21

Program 2.1 Commonwealth Grant Scheme

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Cluster Fund and Place Loadings	7,062,629	7,321,001	7,250,538	7,083,956	7,086,878
Regional Loading	74,426	37,545	-	-	-
Transition Fund Loading	-	186,746	280,499	124,740	30,987
Total program expenses	7,137,055	7,545,292	7,531,037	7,208,696	7,117,865

Program 2.2 Higher Education Superannuation Program

Objective	<p>The program provides supplementary funding to assist eligible universities to meet certain superannuation expenses for eligible current and former university employees who are members of identified state government emerging cost superannuation schemes.</p> <p>Cost-share arrangements are in place with relevant state governments and a proportion of Higher Education Superannuation Program (HESP) funding is recovered from these states as a result of their historical responsibilities for funding higher education.</p> <p>These schemes have been closed to new members for some time but are still active for existing members.</p>
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p><u>Key Activity</u></p> <p>Funding is paid to eligible universities in instalments based on verified annual claims for payments.</p> <p><u>Delivery strategies</u></p> <ul style="list-style-type: none"> • University claims are based on the emerging costs charged by the identified state government emerging cost superannuation funds for payments to eligible retirees • Funding is administered in accordance with the <i>Higher Education Support Act 2003</i> Other Grants Guidelines (Education) 2012
Purposes	<p>We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.</p>

Performance information 2.2 Higher Education Superannuation Program

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Eligible current and former university employees receive support for certain superannuation expenses.	All 27 eligible universities are able to meet specified superannuation expenses. Target: 100% Achieved Result: All 27 eligible universities met specified superannuation expenses. ⁹
2020–21	Eligible current and former university employees receive support for certain superannuation expenses.	Proportion of eligible universities that are able to meet specified superannuation expenses. Target: 100%
2021–22 and beyond	As per 2020–21	As per 2020–21

Program expenses 2.2 Higher Education Superannuation Program

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Special appropriations: <i>Higher Education Support Act 2003</i> Higher Education Superannuation Program	151,244	96,271	92,111	87,517	82,878
Total program expenses	151,244	96,271	92,111	87,517	82,878

⁹ To be eligible to receive a grant for superannuation liabilities under the program, the university must be a Table A provider under the *Higher Education Support Act 2003* and have staff who are members of one of the emerging cost schemes identified in the guidelines.

Program 2.3 Higher Education Support

Objective	The program aims to ensure the quality of our higher education system is maintained and improved, including improving the quality of training for teachers of mathematics and science. The program also aims to improve access to, and the education outcomes for, students from disadvantaged backgrounds.
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p><u>Key Activities</u></p> <ul style="list-style-type: none"> • Enhance the quality of the higher education system. • Support students' access to higher education and transition to employment. <p><u>Delivery Strategies</u></p> <ul style="list-style-type: none"> • Implement the Job-ready Graduates reform package to: <ul style="list-style-type: none"> – rebase funding to align with cost and increase focus on the national interest – introduce a simpler funding system with improved incentives and accountability – incentivise students and universities to focus on work-relevant qualifications – deliver new provider standards, a better qualifications framework and a national repository of tertiary qualifications. • Publish nationally consistent provider performance data through the Quality Indicators for Learning and Teaching (QILT). • Provide grants to support the quality teaching of mathematics and science; and fund research-based industry internships in STEM fields. • Support universities to embed a Model Code in their institutional regulations or policies. • Provide grants, through the Commonwealth Grants Scheme, to subsidise costs for students enrolled in the undergraduate and selected postgraduate courses at public universities. • Support student places in priority areas at other higher education providers. • Provide financial assistance to students through income contingent loans under the Higher Education Loan Program (HELP). • Fund universities, through the Higher Education Participation and Partnerships Program, to undertake activities that improve access to, and completion of, undergraduate courses for people from low socio-economic status (SES) backgrounds, including Aboriginal and Torres Strait Islander peoples. • Assist people with disability to access and participate in tertiary education and subsequent employment through the National Disability Coordination Officer Program. • Enable students in regional and remote Australia to access higher education without having to leave their community through the Regional University Centres. • Establish education facilities that build links with local industry, address skills needs and improve student employment outcomes. • Provide financial assistance to regional and remote students through the Rural and Regional Enterprise Scholarships Program. • Provide advance payments to higher education providers to cover the costs of tuition fees for students that have taken out HELP loans.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
<p>Measures impacting program 2.3:</p> <ul style="list-style-type: none"> • JobMaker Plan — higher education — additional support for students and education providers • JobMaker Plan — Second Women's Economic Security Package 	

Performance information 2.3 Higher Education Support

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Improving participation in higher education for students from previously disadvantaged groups.	<p>At least 18% of domestic undergraduates are from a low socioeconomic background (based on postcode)¹⁰</p> <p>Target: Equal to or higher than 18%</p> <p>Achieved</p> <p>Result: The result has remained steady at 18.6% in 2019 calendar year with a marginal (0.1%) decrease in the proportion of students from low socioeconomic backgrounds based on postcode in the 2018 calendar year (18.7%).</p>
		<p>At least 16% of domestic undergraduates are from a low socioeconomic background (based on Statistical Area level 1)¹¹</p> <p>Target: Equal to or higher than 16%</p> <p>Achieved</p> <p>Result: The proportion of undergraduate students from low socioeconomic backgrounds (based on Statistical Area level 1 (SA1)) has remained steady in 2019 at 16.8%, with a slight (0.2%) decrease in the proportion of students from low socioeconomic backgrounds based on SA1 from 2018 (17.0%)</p>
		<p>At least 2% of higher education students are Indigenous</p> <p>Target: 2%</p> <p>Achieved</p> <p>Result: The result of 2.0% is a marginal increase from 1.9% in the 2018 calendar year</p>
	Maintaining the quality of higher education	<p>At least 80% of undergraduate students rate the teaching quality at their institution positively</p> <p>Target: 80%</p> <p>Achieved</p> <p>Result: 81% of undergraduate students rated the teaching quality at their institution positively</p>

¹⁰ Measured at the postcode level, as defined by the ABS.
<http://www.abs.gov.au/ausstats/abs@.nsf/mf/2033.0.55.001>

¹¹ Measured at the Statistical Area Level 1, as defined by the ABS.
<http://www.abs.gov.au/ausstats/abs@.nsf/mf/1270.0.55.001>

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Year	Performance criteria	2019–20 Actual Achievement/Targets
		<p>At least 85% of employers are satisfied with the skills of graduates (overall across all skills)</p> <p>Target: 85%</p> <p>Not Achieved</p> <p>Result: 84% of employers were satisfied with the skills of graduates (overall across all skills).</p>
2020–21	Improving participation in higher education for students from previously disadvantaged groups.	Proportion of domestic undergraduates who are from a low socio-economic background (based on postcode). ¹⁰ Target: Equal to or higher than 18%
		Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1). ¹⁰ Target: Equal to or higher than 16%
		Proportion of higher education students who are Indigenous. Target: 2%
	Maintaining the quality of higher education	<p>Proportion of undergraduate students who rate the teaching quality at their institution positively. Target: At least 80%</p> <p>Proportion of employers who are satisfied with the skills of graduates (overall across all skills). Target: 85%</p>
2021–22 and beyond	As per 2020–21	As per 2020–21

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Program expenses 2.3 Higher Education Support

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
General Sir John Monash Foundation	10,000	-	-	-	-
National Disability Coordination Officer	4,343	4,431	4,475	4,529	4,592
Quality Indicators for Learning and Teaching	7,772	9,026	9,117	9,226	9,355
Rural and Regional Enterprise Scholarships	10,248	15,562	15,449	4,500	-
Tertiary Learning Repository	1,863	-	-	-	-
National Microcredentials Marketplace	-	530	1,060	530	-
Tertiary Access Payment	-	26,628	44,778	45,448	46,129
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Central Coast Health and Wellbeing Precinct					
	500	2,500	2,500	2,500	750
Collaboration Pilots - Naval Shipbuilding	1,001	1,041	-	-	-
Collaboration Pilots - Industry 4.0	-	1,907	3,545	1,738	-
Disability Support Program	7,648	7,926	7,921	7,945	8,020
Higher Education Partnerships and Participation Program	112,543	169,420	146,397	146,864	119,929
Improved Support for Regional Universities	7,316	12,731	12,595	12,423	8,931
Jobs and Growth in Tasmania	8,000	30,000	65,000	25,000	12,000
National Institutes	226,712	230,789	232,847	233,546	235,767
Quality Initiatives	512	521	526	528	533
Supporting more women into STEM					
Careers (AMSI Intern)	7,216	2,985	-	-	-
Teaching Awards - Universities Australia	600	600	600	600	600
Hellenic Chair in Global Diasporas	2,500	-	-	-	-
Central Queensland School of Mining and Manufacturing	-	13,500	14,850	1,461	-
National Priorities and Industry Linkage Fund	-	111,000	222,000	222,666	224,784
Indigenous, Regional and Low SES Attainment Fund	-	55,170	110,339	110,670	111,722
Women in STEM	-	3,353	6,371	5,751	5,223
Total program expenses	408,774	699,620	900,370	835,925	788,335

Program 2.4 Higher Education Loan Program

Objective	The program aims to remove the up-front cost barriers to tertiary education in order to increase access and participation. This is achieved through the provision of income contingent loans for students undertaking higher education courses.
Delivery	This program will be delivered through the following key activities and delivery strategies: <u>Key Activities</u> <ul style="list-style-type: none"> Enhance the quality of the higher education system. Support students' access to higher education and transition to employment. <u>Delivery Strategies</u> <ul style="list-style-type: none"> Implement the Job-ready Graduates reform package to: <ul style="list-style-type: none"> rebase funding to align with cost and increase focus on the national interest introduce a simpler funding system with improved incentives and accountability incentivise students and universities to focus on work-relevant qualifications

	<ul style="list-style-type: none"> - deliver new provider standards, a better qualifications framework and a national repository of tertiary qualifications. • Publish nationally consistent provider performance data through the Quality Indicators for Learning and Teaching (QILT). • Provide grants to support the quality teaching of mathematics and science; and fund research-based industry internships in STEM fields. • Support universities to embed a Model Code in their institutional regulations or policies. • Provide grants, through the Commonwealth Grants Scheme, to subsidise costs for students enrolled in the undergraduate and selected postgraduate courses at public universities. • Support student places in priority areas at other higher education providers. • Provide financial assistance to students through income contingent loans under the Higher Education Loan Program (HELP). • Fund universities, through the Higher Education Participation and Partnerships Program, to undertake activities that improve access to, and completion of, undergraduate courses for people from low socio-economic status (SES) backgrounds, including Aboriginal and Torres Strait Islander peoples. • Assist people with disability to access and participate in tertiary education and subsequent employment through the National Disability Coordination Officer Program. • Enable students in regional and remote Australia to access higher education without having to leave their community through the Regional University Centres. • Establish education facilities that build links with local industry, address skills needs and improve student employment outcomes. • Provide financial assistance to regional and remote students through the Rural and Regional Enterprise Scholarships Program. • Provide advance payments to higher education providers to cover the costs of tuition fees for students that have taken out HELP loans.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 2.4:	
<ul style="list-style-type: none"> • JobMaker Plan — Higher Education — additional support for students and education providers • JobMaker Plan — Second Women's Economic Security Package 	

Performance information 2.4 Higher Education Loan Program

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Tertiary education is affordable for students and the community.	The proportion of HELP debt not expected to be repaid is stable or reduces from the previous year. Target: Equal to or lower than 2018–19 Achieved Result: 14.69% of all HELP loans issued in the 2019–20 year are not expected to be repaid (unchanged from 2018–19)
2020–21	Tertiary education is affordable for students and the community.	The proportion of HELP debt not expected to be repaid. Target: Equal to or lower than 2019–20 (14.69%)
2021–22 and beyond	As per 2020–21	As per 2020–21

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Program expenses 2.4 Higher Education Loan Program

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Loan Program	2,592,222	1,050,772	1,145,465	1,260,978	1,338,991
Special account expenses:					
HELP Tuition Protection Fund (a)	72	2,571	2,680	2,783	2,893
Total program expenses	2,592,294	1,053,343	1,148,145	1,263,761	1,341,884

(a) This program is funded by annual appropriations Bill No. 1 and receipts from independent sources.

Program 2.5 Investment in Higher Education Research

Objective	The Australian Government is committed to a world-class research system, that encourages innovation and economic growth. Quality collaboration, engagement, diversity, impact and sustainability are the key priorities for the Government and drive its investment in Australian research and research capacity.
Delivery	This program will be delivered through the following key activity and delivery strategies: <u>Key Activity</u> Support the research sector, research training and national research infrastructure. <u>Delivery Strategies</u> <ul style="list-style-type: none"> • Provide Research Block Grants to eligible universities to incentivise providers to attract research income and to support the successful completion of postgraduate research degrees by their students. • Provide infrastructure project grants through the National Collaborative Research Infrastructure Strategy to support quality research to drive innovation in the Australian research sector and the economy more broadly.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 2.5:	
<ul style="list-style-type: none"> • JobMaker Plan — Research Package 	

Performance information 2.5 Investment in Higher Education Research

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Australian universities continue to rank highly in research excellence.	Australia's share of the world's top 10% most highly-cited research publications remains above OECD average. Target: Above the OECD average Achieved Result: Australia's share of the world's top 10% most highly cited research publications is 5.3% and remains above the 2.9% average for OECD countries

Year	Performance criteria	2019–20 Actual Achievement/Targets
	Research postgraduates continue to have high employability.	At least 90% of research postgraduates are employed within four months of completing their degree. Target: 90% or higher Achieved Result: 90.7% of research postgraduates are employed within four months of completing their degree
	More Indigenous Australians attain higher degrees by research.	Indigenous higher education degree by research (HDR) completions, as a proportion of all domestic HDR completions, increases from the previous year. Target: Increase from previous year Achieved Result: Indigenous HDR completions, as a proportion of all domestic HDR completions in 2019, is 1.1%, which is an increase from 0.9% in 2018.
2020–21	Australian universities continue to rank highly in research excellence.	Australia's share of the world's top 10% most highly cited research publications. Target: Above the OECD average.
	Research postgraduates continue to have high employability.	Proportion of research postgraduates who are employed within four months of completing their degree. Target: 90% or higher.
	More Indigenous Australians attain higher degrees by research.	Indigenous Higher Degree by Research (HDR) completions. Target: Increase from previous year.
2021–22 and beyond	As per 2020–21	As per 2020–21

Program expenses 2.5 Investment in Higher Education Research

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Research Support Program	902,062	1,918,298	926,490	929,270	938,107
Research Training Program	1,036,328	1,054,981	1,064,392	1,067,585	1,077,738
Total program expenses	1,938,390	2,973,279	1,990,882	1,996,855	2,015,845

Program 2.6 Research Capacity

Objective	Research advances our knowledge and drives our potential for innovation, economic competitiveness and social change. The program aims to increase the production, use and awareness of research knowledge and to improve collaboration between government, industry and the research sector in the production of research knowledge.
Delivery	This program will be delivered through the following key activities and delivery strategies: <u>Key Activities</u> Support the research sector, research training and national research infrastructure. <u>Delivery Strategies</u> <ul style="list-style-type: none"> • Provide Research Block Grants to eligible universities to incentivise providers to attract research income and to support the successful completion of postgraduate research degrees by their students. • Provide infrastructure project grants through the National Collaborative Research Infrastructure Strategy to support quality research to drive innovation in the Australian research sector and the economy more broadly.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 2.6:	
<ul style="list-style-type: none"> • JobMaker Plan — Research Package 	

Performance information 2.6 Research Capacity

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Investments are prioritised to ensure researchers have access to the resources needed to undertake world-class research.	At least 85% of research conducted by Australian universities and related to priority investment areas is rated as world standard or above. Target:85% or above 2019–20 survey results unavailable Result: The 2019–20 survey results have been delayed following agreement with Universities Australia to minimise reporting during COVID-19. The most recent available data (2019 NCRIS Census Survey collecting 2017–18 data) shows that 86% of research (NCRIS facilities) conducted by Australian universities and related to priority investment areas is rated as world standard or above.

Year	Performance criteria	2019–20 Actual Achievement/Targets
		<p>At least 90% of researchers report that access to NCRIS facilities and projects improved their research quality and outputs. Target: 90% or higher</p> <p>2019–20 survey results unavailable</p> <p>Result: The 2019–20 survey results have been delayed following agreement with Universities Australia to minimise reporting during COVID-19.</p> <p>The most recent available data collected in early 2019 shows that 92% of users who responded to the survey believe NCRIS research infrastructure improved research quality and outputs.</p>
2020–21	Investments are prioritised to ensure researchers have access to the resources needed to undertake world-class research.	<p>Proportion of research conducted by Australian universities and related to priority investment areas is rated as world standard or above. Target: 85% or higher</p> <hr/> <p>Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs. Target: 90% or higher</p>
2021–22 and beyond	As per 2020–21	As per 2020–21

Program expenses 2.6 Research Capacity

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
National Collaborative Research Infrastructure Strategy	179,905	256,350	272,579	282,305	388,808
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Academic Centres of Cyber Security Excellence	488	-	-	-	-
Collaboration Pilots - Warnambool Hydrogen Transition Centre	500	1,500	-	-	-
Collaboration Pilots - Nowra Agribusiness Innovation Hub	500	1,500	-	-	-
Higher Education Research Promotion Stawell Underground Physics Laboratory	5,057	5,649	5,649	5,681	5,753
1,300	2,050	-	-	-	
Enhance Research Capacity of Regional Universities	-	3,075	10,135	14,904	17,666
Strategic University Reform Fund	-	10,000	10,000	10,000	10,000
Centre for Augmented Reasoning	-	5,000	5,000	5,000	5,000
Total program expenses	187,750	285,124	303,363	317,890	427,227

Program 2.7 International Education Support

Objective	International education is increasingly important to Australia's prosperity and our engagement with the world. The program aims to support the sustainable growth of Australia's high quality international education, training and research through strong government-to-government engagement, international mobility, strategic policy and legislation.
Delivery	This program will be delivered through the following key activity and delivery strategies: <u>Key Activity</u> Support a high quality and sustainable international education sector. <u>Delivery Strategies</u> <ul style="list-style-type: none"> • Continue to build bilateral and multilateral partnerships through engagement with foreign governments to advance Australia's education sector and reputation. • Implement Government programs and priorities, including the National Strategy for International Education, to achieve a high-quality sustainable sector.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 2.7:	
<ul style="list-style-type: none"> • JobMaker Plan — Deregulation Package • Students Support Package • Ensuring International Education Sustainability Through Student Mobility 	

Performance information 2.7 International Education Support

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Sustainably grow Australia's international education sector by maintaining quality and increasing diversity.	Average annual growth rate of 3% to 5% in international education export earnings. Target: 3% to 5% annual growth Achieved Result: Export earnings grew from \$35.2 billion in 2018 to \$40.3 billion, or 14%, in 2019. The figure incorporates both tuition fees and student spending on non-capital living expenses in Australia. <hr/> At least 85% of international students are satisfied or very satisfied with studying and living in Australia. Target: 85% or higher Achieved Result ¹² : The department's 2018 International Student Survey showed that 89% of students were satisfied or very satisfied with studying and living in Australia

¹² Results sourced from biennial survey.

Year	Performance criteria	2019–20 Actual Achievement/Targets
		<p>At least 60% of international students employed or enrolled in further study after graduation. Target: 60%</p> <p>Achieved Result: 89% (8,124 of 9,091) of international graduates were employed or enrolled in further study</p> <hr/> <p>Maintain positive growth in the number of students enrolled in offshore and transnational education and training delivered by Australian providers. Target: Annual increase</p> <p>Not Achieved Result: The measure is determined as students enrolled in Australian higher education courses whose term residence is outside Australia. The department's research snapshot shows that from 2017 to 2018 there was a decline in offshore and transnational education and training delivered by Australian education providers. This apparent decline follows a growth spurt (+6%) in 2017. Annual growth has tracked at around +2% in recent years, so growth is expected to normalise in the next year without remedial action.</p>
2020–21	Sustainably grow Australia's international education sector by maintaining quality and increasing diversity.	<p>Average annual growth rate in international education export earnings. Target: 3% to 5% annual growth</p> <hr/> <p>Proportion of international students who are satisfied or very satisfied with studying and living in Australia. Target: 85% or higher¹³</p> <hr/> <p>Proportion of international students employed or enrolled in further study after graduation. Target: 60%</p> <hr/> <p>Number of students enrolled in offshore and transnational education and training delivered by Australian providers. Target: Numbers stabilised</p>
2021–22 and beyond	As per 2020–21	As per 2020–21

¹³ Results sourced from biennial survey.

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Program expenses 2.7 International Education Support

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
International Education Support	33,903	27,095	25,207	23,483	23,137
Special account expenses:					
Overseas Student Tuition Fund	3,889	7,633	8,015	8,416	8,837
SOETM - Cheung Kong	126	1,854	984	982	980
Total program expenses	37,918	36,582	34,206	32,881	32,954

2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

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

Linked programs

Department of Home Affairs
Programs
<ul style="list-style-type: none"> • Program 2.3 – Visas
Contribution to Outcome 3 made by linked programs
The linked program contributes to Outcome 3 by supporting a sustainable international education sector through administering student visas.
Services Australia
Programs
<ul style="list-style-type: none"> • Program 1.1 – Services to the Community – Social Security and Welfare
Contribution to Outcome 3 made by linked programs
The linked program contributes to Outcome 3 by making payments to eligible job seekers participating in foundation skills program.
Department of the Treasury
Programs
<ul style="list-style-type: none"> • Program 1.9 – National Partnership Payments to the states
Contribution to Outcome 3 made by linked programs
The linked program contributes to Outcome 3 by making National Partnership Payments to the states.

Budgeted expenses for Outcome 3

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

Table 2.3.1: Budgeted expenses for Outcome 3

Outcome 3: Promote growth in economic productivity and social wellbeing through access to quality skills and training.					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 3.1: Building Skills and Capability					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,058,929	3,782,396	1,912,877	1,058,887	1,018,111
Special appropriations					
<i>Trade Support Loans Act 2014</i>	46,674	42,268	37,785	36,240	57,413
Special accounts					
Growth Fund Skills and Training Special Account 2015	1,484	-	-	-	-
SOETM - National Training System					
COPE VET employer survey	3	-	-	-	-
Total expenses for program 3.1	1,107,090	3,824,664	1,950,662	1,095,127	1,075,524
Program 3.2: VET Student Loans					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	1,047,761	-	-	-	-
<i>VET Student Loans Act 2016</i>	144,646	171,192	181,675	205,406	228,449
Special accounts					
VSL Tuition Protection Fund Special Account (a)	72	2,290	2,381	2,478	2,580
Total expenses for program 3.2	1,192,479	173,482	184,056	207,884	231,029
Outcome 3 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,058,929	3,782,396	1,912,877	1,058,887	1,018,111
Special appropriations	1,239,081	213,460	219,460	241,646	285,862
Special accounts	1,559	2,290	2,381	2,478	2,580
Administered total	2,299,569	3,998,146	2,134,718	1,303,011	1,306,553
Departmental expenses					
Departmental appropriation	96,396	161,424	172,015	142,869	145,729
s74 External Revenue (b)	14,228	15,952	15,952	15,952	15,952
Special accounts					
Unique Student Identifiers Special Account - s80 PGPA Act 2013	7,125	5,607	5,517	5,584	5,662
Expenses not requiring appropriation in the Budget year (c)	16,147	13,361	15,542	16,488	16,654
Departmental total	133,896	196,344	209,026	180,893	183,997
Total expenses for Outcome 3	2,433,465	4,194,490	2,343,744	1,483,904	1,490,550

Table 2.3.1: Budgeted expenses for Outcome 3 (continued)

	2019–20	2020–21	2021–22	2022–23	2023–24
Movement of administered funds between years (d)	Estimated actual \$'000	Budget \$'000	Forward estimate \$'000	Forward estimate \$'000	Forward estimate \$'000
Outcome 3:					
National Training System COPE	(3,200)	-	3,200	-	-
Mid-Career Checkpoint	(4,870)	4,870	-	-	-
Foundation Skills for Your Future Program	(7,139)	-	-	-	7,139
Industry Workforce Training	(9,500)	9,500	-	-	-
National Skills Commission	(469)	469	-	-	-
Skills Communication Campaign	(6,865)	6,865	-	-	-
Skills Organisation Pilots	(2,800)	(2,000)	2,000	2,800	-
Total movement of administered funds	(34,843)	19,704	5,200	2,800	7,139

	2019–20	2020–21
Average staffing level (number)	624	778

- (a) This special account is funded by Annual Appropriation Bill No. 1 and receipts from independent sources
- (b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
- (c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees.
- (d) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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

Performance criteria for Outcome 3

This section details the performance criteria for each program associated with Outcome 3. It summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

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

Program 3.1 Building Skills and Capability

Objective	The Australian Government is working to create an effective and efficient skills and training system that is industry led and delivers the skills Australian employers need. Building skills and capabilities is central to Australia’s economic growth, competitiveness, and business productivity. The national training system provides employees or potential employees with the skills and capabilities required for a job or pathway into a job.
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p><u>Key Activities</u></p> <ul style="list-style-type: none"> • Enhance the quality of vocational education and training. • Respond to industry and employers' needs through access to VET graduates with the required skills. • Reduce barriers to undertaking quality VET training. <p><u>Delivery Strategies</u></p> <ul style="list-style-type: none"> • Negotiate a new skills agreement that supports Australia’s growth and productivity, with the states and territories to replace the National Agreement on Skills and Workforce Development. • Through the National Skills Commission (NSC), help to ensure the pricing of vocational education and training (VET) qualifications reflects quality training by developing nationally efficient prices for high volume VET qualifications. • Work with states and territories and the Australian Skills Quality Authority (ASQA) to move the system of regulation from its focus on compliance to a focus on excellence in training. • Develop an in-training student survey to support ASQA’s regulatory role, through the collection of targeted and timely data from current VET students. • Deliver the 2021 Survey of Employer Use and Views of the VET System, and include questions to measure the impact of COVID-19 and the economic downturn on training. • Through the JobTrainer fund, provide up to an additional 340,700 training places to help school leavers and job seekers access short and long courses to develop new skills in growth sectors and create a pathway to future learning. • Through the NSC, identify current and emerging skills needs and develop nowcasting capability to understand the state of the labour market in almost real-time. • Through the National Careers Institute, assist people at all career stages to navigate the changing labour market and connect with training and work pathways, through its expanded digital capabilities and delivery of the Enhanced Support for School Leavers initiative. • Support the Australian Industry and Skills Committee and its network of Industry Reference Committees to design industry-relevant training products and to work with states and territories to streamline and simplify existing national qualifications. • Conduct Skills Organisation Pilots in Human Services Care, Digital Technologies and Mining to build expertise in rapid qualifications development and embed industry engagement to support future qualifications reforms. • Manage the Australian Apprenticeships Incentives Program to encourage the continued training and development of a highly skilled Australian workforce.

	<ul style="list-style-type: none"> • Support eligible individuals, including job seekers, recently unemployed, or those at risk of unemployment to gain critical skills for learning and employment through the Skills for Education and Employment and Foundation Skills for Your Future programs. • Expand the Supporting Apprentices and Trainees wage subsidy to help almost 90,000 businesses employing around 180,000 apprentices and trainees. • Improve the VET Student Loans program to increase access to quality, higher-level VET training.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 3.1:	
<ul style="list-style-type: none"> • JobMaker Plan — boosting apprenticeships wage subsidy • JobMaker Plan — Skills Reform Package 	

Performance information 3.1 Building Skills and Capability

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Maintaining the quality of vocational education and training (VET).	<p>Proportion of employers that report use of the VET system.</p> <p>Target: 50%¹⁴</p> <p>Achieved</p> <p>Result¹⁵: In 2019, 50.9% of employers reported that they used the VET system.</p> <hr/> <p>Proportion of graduates who are satisfied with the overall quality of the training.</p> <p>Target: 85%</p> <p>Achieved</p> <p>Result: 88.1% of 2018 VET graduates (almost 9 in 10) were satisfied with the overall quality of their training.</p>
	Responding to industry and employers through access to VET graduates with required skills.	<p>Positive growth in apprenticeship completion rate from the previous year.</p> <p>Target: An increase in the completion rate from the previous year.¹⁶</p> <p>Not Achieved</p> <p>Result: Individual completion rate for apprentices and trainees who commenced in 2015 was 56.8%, a decrease from 57.2% for the 2014 commencing cohort.</p>

¹⁴ The 2019–20 Department of Education and Training PBS published a target of 53% for this measure. During the development of the 2019–20 Department of Employment, Skills, Small and Family Business 2019–20 Corporate Plan, this target was rebased to 50% following receipt of new 10-year average data.

¹⁵ Results sourced from biennial survey.

¹⁶ As it can take up to four years for apprentices to complete, the 2019–20 reporting year compared completion rates between the 2015 and 2014 commencing cohorts.

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Year	Performance criteria	2019–20 Actual Achievement/Targets
		<p>At least 80% of VET graduates are employed or enrolled in further study after training.</p> <p>Target: 80%</p> <p>Achieved</p> <p>Result: In 2019, 85.6 % of 2018 VET graduates were employed or enrolled in further study.</p>
	Improving language, literacy and numeracy for target groups.	<p>At Least 80% of participants in targeted programs increase one or more levels on the Australian Core Skills Framework.</p> <p>Target: 80%</p> <p>Achieved</p> <p>Result: During the 2019–20 financial year 22,917 people participated in the Skills for Education and Employment (SEE) program. Of those, 96% who undertook a progressive assessment that showed an increase of one or more levels against the Australian Core Skills Framework of learning, reading, writing, oral communication and/or numeracy.</p>
2020–21	Maintaining the quality of vocational education and training (VET).	<p>Proportion of employers that report use of the VET system. Target: 50%.¹³</p> <p>Proportion of graduates who are satisfied with the overall quality of the training. Target: 85%.</p> <p>Proportion of VET graduates who are employed or enrolled in further study after training. Target: 80%.</p>
	Responding to industry and employers through access to VET graduates with required skills.	<p>Maintain the number of apprenticeship commencements. Target: Maintain numbers from 2019–20.</p> <p>Proportion of eligible apprentices that employers lodge claims for under the Supporting Apprentices and Trainees measure. Target: 70%. This target is only applicable for the 2020–21 year.</p>
	Improving language, literacy and numeracy for target groups.	Proportion of participants assessed in targeted programs that increase one or more levels on the Australian Core Skills Framework (ACSF) or the Digital Literacy Skills Framework (DLSF). Target: 80%.
2021–22 and beyond	As per 2020–21	As per 2020–21

Program 3.1 Building Skills and Capability

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Sub-program 3.1.1: Skills Development					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Apprenticeship Support Network	141,471	277,739	232,354	193,896	193,896
Australian Apprenticeships Incentives Program	725,891	3,159,485	1,341,973	520,106	555,073
Industry Specialist Mentoring for Australian Apprentices	(295)	-	-	-	-
Commonwealth Scholarships Program for South Australia	2,059	4,113	100	-	-
Commonwealth Scholarships Program for Young Australians	1,662	3,868	2,648	-	-
Mid-Career Checkpoint	129	22,370	26,250	26,250	-
Skills Checkpoint for Older Workers Program	4,202	3,984	4,020	4,069	4,126
National Rugby League's VET Apprenticeship Awareness Program	350	-	-	-	-
Trades Recognition Australia	20,338	31,344	35,351	35,351	35,351
Special appropriations:					
<i>Trade Support Loans Act 2014</i>					
Trade Support Loans	46,674	42,268	37,785	36,240	57,413
Special account expenses:					
Growth Fund Skills and Training Special Account 2015	1,484	-	-	-	-
Total component 3.1.1 expenses	943,965	3,545,171	1,680,481	815,912	845,859
Sub-program 3.1.2: Access to Training					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Adult Migrant English Program (a)	(1,471)	-	-	-	-
Skills for Education and Employment	83,874	116,976	116,628	123,347	125,074
Foundation Skills for Your Future Program	-	14,283	14,283	14,283	7,139
Foundation Skills for Your Future - Remote Community Pilots	-	1,622	3,284	3,323	-
Total component 3.1.2 expenses	82,403	132,881	134,195	140,953	132,213

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Program 3.1 Building Skills and Capability (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
<i>Sub-program 3.1.3: Support for the National Training System</i>					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Industry and Skills Committee	1,513	1,532	1,548	1,566	1,588
Industry Training Hubs	13	15,469	14,722	16,735	-
Industry Workforce Training	28,226	50,532	40,062	48,779	49,462
Integrated Information Service	1,271	1,799	1,818	1,840	1,866
Licensing of International Vocational Education and Training (VET) courses					
My Skills Website	586	577	584	590	599
National Career Education Strategy	500	-	-	-	-
National Careers Institute and Ambassador					
	401	6,312	5,489	5,408	1,019
National Centre for Vocational Education Research					
	696	706	714	722	732
National Skills Commission	3,718	7,804	5,100	2,365	2,400
National Training System COPE	31,948	38,591	37,611	34,752	34,122
Skills Communication Campaign	222	6,865	-	-	-
Skills Organisation Pilots	9,875	13,641	26,223	23,480	3,925
VET Information Strategy	1,537	1,591	922	832	546
Special account expenses:					
SOETM - National Training System COPE VET employer survey					
	3	-	-	-	-
Total component 3.1.3 expenses	80,722	146,612	135,986	138,262	97,452
Total program expenses	1,107,090	3,824,664	1,950,662	1,095,127	1,075,524

(a) Due to the Administrative Arrangement Order of 29 May 2019, this program was transferred to the Department of Home Affairs.

Program 3.2 VET Student Loans

Objective	The program aims to remove the up-front cost barriers to training in order to increase access and participation. This is achieved through the provision of income contingent loans for students undertaking certain higher level vocational education and training (VET) courses.
Delivery	This program will be delivered through the following key activity and delivery strategy: <u>Key Activity</u> Reduce barriers to undertaking quality VET training. <u>Delivery Strategy</u> Improve the VET Student Loans program to increase access to quality, higher-level VET training.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
Measures impacting program 3.2:	
<ul style="list-style-type: none"> • JobMaker Plan — Higher Education — additional support for students and education providers 	

Performance information 3.2 VET Student Loans

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	VET training choices are better aligned with industry needs.	<p>Target: The proportion of Students surveyed that report studying for business or job related reasons remains stable or increases from the previous year.</p> <p>As part of the Machinery of Government changes announced on 26 May 2019, VET Student Loans transferred from Program 2.4 Higher Education Loan Program in the former Department of Education and Training to Program 2.2 Building Skills and Capability in the former Department of Employment, Skills, Small and Family Business. The subsequent Machinery of Government changes announced on 5 December 2019 resulted in the program being moved to Program 3.2 VET Student Loans and replaced with two performance measures and targets to better support the outcomes of the revised program structure:</p> <ul style="list-style-type: none"> • Proportion of VET Student Loans students who are satisfied with the quality of their training provider, target 80% • Proportion of VET Student Loans students who complete units of study in VET Student Loans, target 70%.
2020–21	Reduce financial student barriers to undertaking quality higher-level VET training.	<p>Proportion of VET student loans students who are satisfied with the quality of their training provider. Target 80%.</p> <hr/> <p>Proportion of VET student loans students who complete units of study. Target: 70%</p>
2021–22 and beyond	As per 2020–21	As per 2020–21

Program expenses 3.2 VET Student Loans

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
VET FEE-HELP	1,047,761	-	-	-	-
<i>VET Student Loans Act 2016</i>					
VET Student Loans	144,646	171,192	181,675	205,406	228,449
Special account expenses:					
VSL Tuition Protection Fund Special Account (a)	72	2,290	2,381	2,478	2,580
Total program expenses	1,192,479	173,482	184,056	207,884	231,029

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

2.4 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 4

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

Linked programs

Services Australia
Programs
<ul style="list-style-type: none"> • Program 1.1 – Services to the Community – Social Security and Welfare
Contribution to Outcome 4 made by linked programs
Services Australia makes payments on behalf of the Department of Education, Skills and Employment.
Department of Social Services
Programs
<ul style="list-style-type: none"> • Program 1.10 – Working Age Payments
Contribution to Outcome 4 made by linked programs
Employment services, such as jobactive, are closely linked to the Social Services portfolio through providing means in which job seekers receiving working age income support can meet their mutual obligation requirements and also providing services to help those job seekers to find work.
Department of Home Affairs
Programs
<ul style="list-style-type: none"> • Program 2.3 – Visas
Contribution to Outcome 4 made by linked programs
The Department of Home Affairs seeks to advance Australia's economic interests and respond to Australia's changing security, economic, cultural and social needs through the effective management and delivery of temporary entry programs. The Seasonal Worker Programme, administered by the Department of Education, Skills and Employment has links to the temporary entry programs.

Budgeted expenses for Outcome 4

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

Table 2.4.1: Budgeted expenses for Outcome 4

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 4: Foster a productive and competitive labour market through policies and programs that assist job seekers into work and meet employer needs.					
Program 4.1: Employment Services					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
jobactive	1,257,435	1,748,681	1,817,048	1,908,186	1,900,496
Seasonal Worker Programme	-	250	500	250	-
Empowering YOUth Initiatives	(743)	-	-	-	-
Transition to Work	116,996	198,544	202,686	173,742	154,793
Time to Work	2,461	3,401	3,422	-	-
ParentsNext	86,679	94,450	106,658	111,079	91,117
Jobs Communication Campaign	323	-	-	-	-
Skills and Training Incentive	3,103	3,340	-	-	-
Entrepreneurship Facilitators	4,915	5,027	4,927	-	-
Regional Employment Trials	7,795	3,097	-	-	-
Career Revive Initiative	500	500	500	-	-
Local Jobs - COVID-19 Recovery	-	16,365	18,850	-	-
Administered total	1,479,464	2,073,655	2,154,591	2,193,257	2,146,406
Total expenses for program 4.1	1,479,464	2,073,655	2,154,591	2,193,257	2,146,406
Outcome 4 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
	1,479,464	2,073,655	2,154,591	2,193,257	2,146,406
Administered total	1,479,464	2,073,655	2,154,591	2,193,257	2,146,406
Departmental expenses					
Departmental appropriation	287,253	386,044	345,183	272,404	289,272
s74 External Revenue (a)	34,929	38,051	38,051	38,051	37,758
Expenses not requiring appropriation in the Budget year (b)	47,047	45,978	66,630	69,758	64,201
Departmental total	369,229	470,073	449,864	380,213	391,231
Total expenses for Outcome 4	1,848,693	2,543,728	2,604,455	2,573,470	2,537,637

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Table 2.4.1: Budgeted expenses for Outcome 4 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Movement of administered funds between years(c)					
Outcome 4:					
Employment Services	(8,322)	6,472	1,850	-	-
Total movement of administered funds	(8,322)	6,472	1,850	-	-

	2019–20	2020–21
Average staffing level (number)	1,292	1,335

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

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

Performance criteria for Outcome 4

This section details the performance criteria for each program associated with Outcome 4. It summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

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

Program 4.1 Employment Services

Objective	The Employment Services system has the following key objectives: to help job seekers find and keep a job; to help job seekers move from welfare to work; to help job seekers meet their mutual obligations; that jobactive providers deliver quality services; to help young people move into work or education; and to support parents to build their work readiness to help them on a pathway to education or work.
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p><u>Key Activities</u></p> <ul style="list-style-type: none"> • Help job seekers find and keep a job. • Help job seekers move from welfare to work. • Help job seekers meet their mutual obligation requirements. • jobactive program is efficient. • jobactive organisations deliver quality services. • Help young people move into work or education. • Support parents to build their work readiness. • Support parents on a pathway to education or work. • Help people to create their own job through self-employment. • Support Indigenous prisoners to prepare to find employment and reintegrate into the community. <p><u>Delivery Strategies</u></p> <ul style="list-style-type: none"> • Provide funding to jobactive providers in non-remote Australia to provide individually tailored support to job seekers to help them find and keep a job. • Publish provider performance information to drive continuous improvement and support job seeker choice of provider. • Deliver the tools and support to assist the most job ready to self-manage using online employment services. • Provide payments to providers that incentivise the achievement of sustainable outcomes, particularly for the most disadvantaged job seekers. • Use the provider performance framework to emphasise the achievement of sustainable outcomes for job seekers. • Make funding available to providers and provide access to complementary programs to assist job seekers into employment. • Provide access to tools and support through online employment services to assist the most job-ready job seekers to self-manage their search for employment. • Provide tools and support to assist job seekers to report their job search and attendance/participation at appointments and activities. • Provide a Targeted Compliance Framework that focuses penalties on the small minority of job seekers who persistently do not comply with their requirements, while ensuring that requirements take into account each individual's capabilities. • Provide frameworks for providers and job seekers to agree to individual job plans outlining mutual obligation requirements.

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	<ul style="list-style-type: none"> • Provide job seekers in online employment services with tools and support to self-manage their mutual obligation requirements. • Provide incentives through the performance framework for providers to ensure job seekers are motivated and can meet their mutual obligations. • Provide program settings that are flexible and responsive and allow providers to tailor servicing to individual needs. • Monitor program performance and efficiency and make changes to program settings as required. • Monitor delivery of services, including service delivery commitments, by jobactive providers. • Monitor the sustainability of job placements to ensure job seekers are placed in appropriate roles and employer needs are met. • Fund jobactive providers to connect job seekers to employment, including providing tools (such as wage subsidies and the Employment Fund) and offering a range of services and support to employers. • Provide funding to Transition to Work providers to provide intensive, pre-employment support to improve the work readiness of young people aged between 15 and 24 and help them into work (including apprenticeships or traineeships) or education. Incentivise Transition to Work providers to place young people into sustainable employment or education. • Provide funding to ParentsNext providers to deliver personalised assistance to improve work readiness. • Monitor provider performance to increase parents' work readiness. • Encourage providers to use work readiness assessments to help refine and set parents short-term goals. • Provide funding to ParentsNext providers to deliver personalised assistance to help parents at risk of long-term welfare dependency identify and achieve their education goals and pre-employment goals. • Monitor provider performance, including achievement of education and employment outcomes. • Provide funding to New Business Assistance with the New Enterprise Incentive Scheme (NEIS) providers to help people create their own job through self-employment. • Provide funding to Time to Work Employment Service providers to deliver in-prison employment services to Aboriginal and Torres Strait Islander prisoners.
Purposes	We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.
<p>Measures impacting program 4.1:</p> <ul style="list-style-type: none"> • Humanitarian Program 2020–21 • Migration Program — 2020–21 planning levels • JobMaker Plan — Second Women's Economic Security Package • Employment Services • COVID-19 Response Package — recognising the impacts of COVID-19 for Youth Allowance and ABSTUDY independence • Broadening the Prime Minister's Veterans' Employment Program 	

Performance information 4.1 Employment Services

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Help job seekers find and keep a job.	<p>Proportion of job placements sustained to 26 weeks.</p> <p>Target: 30% overall. 30% Indigenous</p> <p>Achieved</p> <p>Result: Overall, 40.4% of in-scope job placements were sustained to a 26-week outcome in 2019–20, meeting the target of 30%. For Indigenous participants, this proportion was 31.4%, also meeting the parity target of 30%.</p>
		<p>Proportion of job seekers employed three months following participation in employment services.</p> <p>Target: Overall 45%; Stream A 55%; Stream B 40%; Stream C 25%</p> <p>Achieved</p> <p>Result: 46.1% of participants were employed three months following participation in jobactive. The results for each stream were:</p> <ul style="list-style-type: none"> • 56.4% for 'Stream A' Achieved • 39.7% for 'Stream B' Not Achieved • 25.9% for 'Stream C' Achieved <p>The overall target and targets for Stream A and C were met. The Stream B result of 39.7% is 0.3 percentage points below the target.</p>
	Help job seekers move from welfare to work.	<p>Proportion of job seekers moving off income support, or with reduced reliance on income support, six months after participation in jobactive.</p> <p>Target: 40%</p> <p>Not Achieved</p> <p>Result: 36.8% of participants moved off income support, or reduced their reliance by at least 60%, six months after participation in jobactive.</p>
	Help job seekers meet their mutual obligation requirements.	<p>Proportion of Work for the Dole participants who report increased motivation to find a job.</p> <p>Target: 75%.</p> <p>Achieved</p> <p>Result: In 2019–20, the proportion of Work for the Dole participants reporting improved motivation to find a job was 76.8%, exceeding the 75% target for 2019–20 and in line with the results for 2018–19 (76.7%). A majority of participants also reported an improvement in their desire to find a job, ability to work with others, self-confidence, work-related skills and chances of getting a job.</p>

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Year	Performance criteria	2019–20 Actual Achievement/Targets
		<p>Proportion of provider appointments attended by activity-tested job seekers. Target: 90%</p> <p>Not Achieved</p> <p>Result: 77.9% of provider appointments were attended, below the target of 90%, and 0.8 percentage points lower than in 2018–19 (78.7%).</p> <hr/> <p>Proportion of job seekers (with mutual obligation requirements) who are actively looking for work. Target: 90%</p> <p>Not Achieved</p> <p>Result: 86% of job seekers met their job search requirements, below the target of 90%, however the result is 15.8 percentage points higher than in 2018–19 (70.2%).</p>
	<p>jobactive organisations deliver quality services.</p>	<p>Proportion of jobactive organisations that meet their service delivery commitments. Target: 80%</p> <p>Achieved</p> <p>Result: In 2019–20, 94% of jobactive providers met their service delivery commitments.</p> <hr/> <p>Proportion of employers satisfied with the assistance provided by a jobactive organisation. Target: 80%</p> <p>Achieved</p> <p>Result: The proportion of employers who were satisfied with assistance provided by a jobactive organisation was 84% in the 2019 calendar year, above the 80% benchmark.</p>
	<p>jobactive – overall program measure.</p>	<p>Cost per employment outcome. Target: \$2500</p> <p>Not Achieved</p> <p>Result: The cost per employment outcome was \$2,503. This was marginally above the target of \$2,500.</p>
	<p>New Enterprise Incentive Scheme (NEIS) — help people to create their own job through self-employment.</p>	<p>Proportion of NEIS participants off income support or working 20 hours a week three months after participating in and then exiting NEIS. Target: 68%</p> <p>Not Achieved</p> <p>Result: 65% of NEIS participants were off income support, or working 20 hours a week three months after participating in and then exiting NEIS.</p>

Year	Performance criteria	2019–20 Actual Achievement/Targets
	ParentsNext — Support parents to build their work readiness.	<p>Proportion of ParentsNext participants who increase their work readiness.</p> <p>Target: 80% overall; 80% Indigenous</p> <p>Not Achieved</p> <p>Result: Overall, 67.9% of participants increased their work readiness – and 66% of Indigenous participants improved their work readiness – in the period. While targets were not achieved, the final results are a marginal improvement on those recorded over the first six months of 2019–20 (1 percentage point overall and 2 percentage points for Indigenous participants).</p>
	ParentsNext – Support parents on a pathway to education or work	<p>Number of participants who improve their education (completion of an education course higher than the participant’s previous education level) or find employment.</p> <p>Target: 5,000 overall; 1,000 Indigenous</p> <p>Achieved</p> <p>Result: In 2019–20, 13,733 ParentsNext participants improved their education or found employment. This result exceeds the target of 5,000 participants. The result for Indigenous participants (1,949) also exceeded the target.</p> <hr/> <p>Proportion of early school leavers who are in or have completed education or training.</p> <p>Target: 25%</p> <p>Achieved</p> <p>Result: The proportion of early school leavers who are in, or have completed, education and training was 33.8% exceeding the target.</p>
	Time to Work Employment Service — Support Indigenous prisoners prepare to find employment and reintegrate back into the community.	<p>Proportion of eligible prisoners that participate in the Service.</p> <p>Target: 50%</p> <p>Not Achieved</p> <p>Result: Out of the prisoners estimated to be eligible for the Time to Work Employment Service (TWES) in prisons (where the service was offered), 27% volunteered to be involved. This is well below the target of 50% of eligible TWES prisoners volunteering to participate in the program.</p> <hr/> <p>Proportion of participants who exit the service with an approved transition plan.</p> <p>Target: 25%</p> <p>Achieved</p> <p>Result: 41% of participants who exited the service had an approved transition plan.</p>

DESE Budget Statements

Year	Performance criteria	2019–20 Actual Achievement/Targets
	Transition to Work – Help young people move into work or education	<p>Proportion of placements sustained to a 12-week employment outcome, hybrid outcome, or a 26-week education outcome. Target: 65%</p> <p>Achieved Result: 72.1% of Transition to Work (TtW) placements achieved a 12-week employment or hybrid outcome, or a 26-week education outcome. This exceeded the 2019–20 target of 65% and is higher than the 2018–19 (71.7%)</p> <hr/> <p>Proportion of placements that are converted to sustainability outcomes. Target: 40%</p> <p>Achieved Result: In 2019–20, 46.3% of TtW job placements converted to sustainability outcomes, exceeding the results for 2018–19 (45%).</p> <hr/> <p>Proportion of TtW participants moving off income support, reducing their reliance on income support, or moving on to Youth Allowance (student) six months after participating in the service. Target: 30%</p> <p>Not Achieved Result: In 2019–20, 28% of participants moved off income support, reduced their reliance on income support or were on Youth Allowance (Student) six months after participating in TtW. This is below the target of 30%.</p>
2020–21	Help job seekers find and keep a job.	<p>Proportion of job placements sustained to 26 weeks. Targets: Overall: 30%, Indigenous: 30%.</p> <hr/> <p>Proportion of job seekers employed three months following participation in employment services. Targets: Overall: 45%, Stream A: 55%, Stream B: 40%, Stream C: 25%.</p>
	Help job seekers move from welfare to work.	Proportion of job seekers moving off income support, or with reduced reliance on income support, six months after participation in jobactive. Target: 40%
	Help job seekers meet their mutual obligation requirements.	<p>Proportion of Work for the Dole participants who report increased motivation to find a job. Target: 75%.</p> <hr/> <p>Proportion of provider appointments attended by activity-tested job seekers. Target: 90%.</p> <hr/> <p>Proportion of job seekers (with mutual obligation requirements) who are actively looking for work. Target: 90%.</p>

DESE Budget Statements

Year	Performance criteria	2019–20 Actual Achievement/Targets
	jobactive organisations deliver quality services.	Proportion of employers satisfied with the assistance provided by a jobactive organisation. Target: 80%
		Proportion of jobactive organisations that meet their service delivery commitments. Target: 80%.
	jobactive – overall program measure.	Cost per employment outcome: Target: \$2,500.
	New Enterprise Incentive Scheme (NEIS) — help people to create their own job through self-employment.	Proportion of NEIS participants off income support or working 20 hours per week three months after participating in and then exiting NEIS. Target: 68%.
	ParentsNext — Support parents to build their work readiness.	Proportion of ParentsNext participants who increase their work readiness. Targets: Overall: 75%, Indigenous: 75%.
	ParentsNext – Support parents on a pathway to education or work.	Number of participants who improve their education (completion of an education course higher than the participant's previous education level) or find employment. Targets: Overall: 5,000, Indigenous: 1,000.
		Proportion of early school leavers who are in or have completed education or training. Targets: 25%.
	Time to Work Employment Service — Support Indigenous prisoners prepare to find employment and reintegrate back into the community.	Proportion of eligible prisoners who participate in the service. Target: 50%.
		Proportion of participants who exit the service with an approved transition plan. Target: 25%.
	Transition to Work – Help young people move into work or education.	Proportion of placements sustained to a 12-week employment outcome or hybrid outcome, or an education outcome. Target: 65%.
Proportion of placements that are converted to sustainability outcomes. Target: 40%.		
Proportion of Transition to Work participants moving off income support, reducing their reliance on income support, or moving on to Youth Allowance (student) six months after participating in the service. Target: 30%.		
2021–22 and beyond	As per 2020–21	As per 2020–21

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020–21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Differences are due to the entity resources table being presented on a resourcing basis, while the budgeted financial statements are presented based on Australian Accounting Standards.

3.1.2 Explanatory notes and analysis of budgeted financial statements

An analysis of the department's budgeted financial statements, which consists of the budgeted departmental statements and administered schedules, is provided below. The 2019–20 estimated actual is used as the comparative year.

Budgeted departmental comprehensive income statement

The department's income statement reflects a deficit across the forward estimates. These deficits are attributed to depreciation and amortisation expenses, including as a result of the application of new lease accounting standards under AASB 16.

Excluding the impact of depreciation and amortisation expenses, the department's income statement reflects surpluses. The 2019–20 estimated surplus relates to lower than anticipated expenditure as a result of COVID-19, for example travel expenditure. This was partly offset by expenses incurred to deliver Government response measures, with timing differences in funding contributing to the surplus in 2020–21.

Expenses for 2020–21 are estimated to be \$973.6 million, reflecting changes to departmental resourcing from measures in Table 1.2. This is an increase of \$148.3 million from the estimated actual expense for 2019–20.

Budget departmental balance sheet

The budgeted net asset position of \$468.0 million for 2020–21 represents an increase of \$160.9 million from the 2019–20 estimated actual. The accumulated deficit apparent in the balance sheet predominately represents the accounting treatment applicable to depreciation expense.

The structure of the balance sheet reflects the nature of the organisation. Key assets are office fit-out (included in land and buildings), computer and office machines (included in property, plant and equipment), and computer software (included in intangibles). Key liabilities relate to employees and the leave provisions that are accrued as a result of their employment, and lease liabilities as a result of the application of AASB 16.

Schedule of budgeted income and expenses administered on behalf of Government

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

The administered revenue estimates predominately relate to the loan programs administered by the department, including Higher Education Loan Program (HELP).

Schedule of budgeted assets and liabilities administered on behalf of Government

Total administered assets are projected to increase from \$55.3 billion to \$58.7 billion over the period 2019–20 to 2023–24, mainly attributable to loan programs, including HELP. The total administered liabilities predominantly relate to the unfunded superannuation provision for Australian universities.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	441,333	423,697	423,606	418,366	419,823
Suppliers	216,616	419,065	372,757	260,981	270,690
Grants	14,560	-	-	-	-
Depreciation and amortisation (a)	131,798	124,411	150,201	156,498	151,119
Finance costs	4,445	6,421	6,430	6,434	6,434
Write-down and impairment of assets	5,557	-	-	-	-
Losses from asset sales	82	-	-	-	-
Other expenses	10,912	-	-	-	-
Total expenses	825,303	973,594	952,994	842,279	848,066
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	50,646	58,386	58,386	58,386	58,343
Rental income	12,246	8,875	8,875	8,875	8,625
Other	4,758	20,714	10,724	10,791	10,869
Total own-source revenue	67,650	87,975	77,985	78,052	77,837
Gains					
Other	322	410	410	410	410
Total gains	322	410	410	410	410
Total own-source income	67,972	88,385	78,395	78,462	78,247
Net (cost of)/contribution by services	(757,331)	(885,209)	(874,599)	(763,817)	(769,819)
Revenue from Government	672,966	847,025	776,791	662,043	646,300
Surplus/(deficit) attributable to the Australian Government	(84,365)	(38,184)	(97,808)	(101,774)	(123,519)
Total comprehensive income/(loss)	(84,365)	(38,184)	(97,808)	(101,774)	(123,519)
Total comprehensive income/(loss) attributable to the Australian Government	(84,365)	(38,184)	(97,808)	(101,774)	(123,519)

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

Note: Impact of net cash appropriation arrangements

	2019–20	2020–21	2021–22	2022–23	2023–24
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	4,334	36,335	355	355	355
less: depreciation/amortisation expenses previously funded through revenue appropriations (a)	73,602	68,658	93,079	97,841	92,487
less: depreciation/amortisation expenses for ROU assets (b)	58,196	55,753	57,122	58,657	58,632
add: Principal repayments on leased assets (b)	43,099	49,892	52,038	54,369	27,245
Total comprehensive income/(loss) - as per the statement of comprehensive income	(84,365)	(38,184)	(97,808)	(101,774)	(123,519)

Prepared on Australian Accounting Standards basis.

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

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	8,961	8,961	8,961	8,961	8,961
Trade and other receivables	217,436	232,683	233,322	233,692	234,072
Other financial assets	1,833	1,833	1,833	1,833	1,833
Total financial assets	228,230	243,477	244,116	244,486	244,866
Non-financial assets					
Land and buildings	424,572	448,233	420,597	394,282	368,759
Property, plant and equipment	33,998	36,974	40,101	48,279	49,134
Intangibles	198,328	327,214	393,140	376,799	348,274
Other non-financial assets	14,500	14,500	14,500	14,500	14,500
Total non-financial assets	671,398	826,921	868,338	833,860	780,667
Total assets	899,628	1,070,398	1,112,454	1,078,346	1,025,533
LIABILITIES					
Payables					
Suppliers	41,838	41,838	41,838	41,838	41,838
Other payables	14,085	9,988	9,883	9,589	9,603
Total payables	55,923	51,826	51,721	51,427	51,441
Interest bearing liabilities					
Leases	381,222	390,342	376,983	364,676	379,232
Total interest bearing liabilities	381,222	390,342	376,983	364,676	379,232
Provisions					
Employee provisions	155,402	160,274	160,773	161,187	161,552
Total provisions	155,402	160,274	160,773	161,187	161,552
Total liabilities	592,547	602,442	589,477	577,290	592,225
Net assets	307,081	467,956	522,977	501,056	433,308
EQUITY*					
Parent entity interest					
Contributed equity	510,439	709,498	862,327	942,180	997,951
Reserves	1,911	1,911	1,911	1,911	1,911
Retained surplus (accumulated deficit)	(205,269)	(243,453)	(341,261)	(443,035)	(566,554)
Total parent entity interest	307,081	467,956	522,977	501,056	433,308
Total equity	307,081	467,956	522,977	501,056	433,308

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020–21)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	(205,269)	1,911	-	510,439	307,081
Adjusted opening balance	(205,269)	1,911	-	510,439	307,081
Comprehensive income					
Surplus/(deficit) for the period	(38,184)	-	-	-	(38,184)
Total comprehensive income	(38,184)	-	-	-	(38,184)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	123,050	123,050
Departmental Capital Budget (DCB)	-	-	-	76,009	76,009
Sub-total transactions with owners	-	-	-	199,059	199,059
Estimated closing balance as at 30 June 2021	(243,453)	1,911	-	709,498	467,956
Closing balance attributable to the Australian Government	(243,453)	1,911	-	709,498	467,956

Prepared on Australian Accounting Standards basis

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	727,071	831,420	776,152	661,748	645,920
Sale of goods and rendering of services	42,970	67,261	67,261	67,261	66,968
Net GST received	27,942	-	-	-	-
Other	12,524	15,865	5,517	5,509	5,662
Total cash received	810,507	914,546	848,930	734,518	718,550
Cash used					
Employees	421,066	422,672	422,967	418,071	419,444
Suppliers	264,705	413,449	367,140	255,289	265,072
Interest payments on lease liability	4,364	6,421	6,430	6,434	6,434
s74 External Revenue transferred to the OPA	55,397	-	-	-	-
Other	14,592	-	-	-	-
Total cash used	760,124	842,542	796,537	679,794	690,950
Net cash from/(used by) operating activities	50,383	72,004	52,393	54,724	27,600
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	73	-	-	-	-
Total cash received	73	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	97,139	221,171	153,184	72,816	56,126
Total cash used	97,139	221,171	153,184	72,816	56,126
Net cash from/(used by) investing activities	(97,066)	(221,171)	(153,184)	(72,816)	(56,126)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	87,593	199,059	152,829	72,461	55,771
Total cash received	87,593	199,059	152,829	72,461	55,771
Cash used					
Principal payments on lease liability	43,099	49,892	52,038	54,369	27,245
Total cash used	43,099	49,892	52,038	54,369	27,245
Net cash from/(used by) financing activities	44,494	149,167	100,791	18,092	28,526
Net increase/(decrease) in cash held	(2,189)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	11,150	8,961	8,961	8,961	8,961
Cash and cash equivalents at the end of the reporting period	8,961	8,961	8,961	8,961	8,961

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	51,291	76,009	50,014	49,011	49,202
Equity injections - Bill 2	51,965	123,050	102,815	23,450	6,569
Total new capital appropriations	103,256	199,059	152,829	72,461	55,771
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>103,256</i>	<i>199,059</i>	<i>152,829</i>	<i>72,461</i>	<i>55,771</i>
Total items	103,256	199,059	152,829	72,461	55,771
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	37,827	133,955	102,815	23,450	6,569
Funded by capital appropriation - DCB (b)	50,657	76,982	50,014	49,011	49,202
Funded internally from departmental resources (c)	8,655	10,234	355	355	355
TOTAL	97,139	221,171	153,184	72,816	56,126
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	97,139	221,171	153,184	72,816	56,126
Total cash used to acquire assets	97,139	221,171	153,184	72,816	56,126

Prepared on Australian Accounting Standards basis.

- (a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
- (b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).
- (c) Includes the following sources of funding:
 - current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
 - internally developed assets
 - s74 External Revenue

Table 3.6: Statement of asset movements (Budget year 2020–21)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	59,248	51,057	407,503	517,808
Gross book value - ROU assets	432,564	12	-	432,576
Accumulated depreciation/ amortisation and impairment	(10,154)	(17,064)	(209,175)	(236,393)
Accumulated depreciation/amortisation and impairment - ROU assets	(57,086)	(7)	-	(57,093)
Opening net book balance	424,572	33,998	198,328	656,898
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	133,955	133,955
By purchase - appropriation ordinary annual services (b)	34,134	11,719	31,129	76,982
By purchase - other	-	-	10,234	10,234
By purchase - other - ROU assets	58,415	348	-	58,763
Total additions	92,549	12,067	175,318	279,934
Other movements				
Depreciation/amortisation expense	(13,274)	(8,952)	(46,432)	(68,658)
Depreciation/amortisation on ROU assets	(55,614)	(139)	-	(55,753)
Total other movements	(68,888)	(9,091)	(46,432)	(124,411)
As at 30 June 2021				
Gross book value	93,382	62,776	582,821	738,979
Gross book value - ROU assets	490,979	360	-	491,339
Accumulated depreciation/ amortisation and impairment	(23,428)	(26,016)	(255,607)	(305,051)
Accumulated depreciation/amortisation and impairment - ROU assets	(112,700)	(146)	-	(112,846)
Closing net book balance	448,233	36,974	327,214	812,421

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020–21, including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020–21 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Suppliers	1,732,060	2,550,452	2,556,020	2,517,339	2,384,896
Subsidies	933,324	3,200,587	1,401,621	584,146	606,038
Personal benefits	8,141,904	9,265,291	9,652,090	10,164,388	10,637,945
Grants	32,441,597	34,774,020	35,535,938	36,686,491	37,950,509
Depreciation and amortisation	97	92	92	92	92
Finance costs	11	86,903	77,968	71,340	87,237
Write-down and impairment of assets	3,893,946	1,243,690	1,348,985	1,488,010	1,588,068
Act of grace payments	796	-	-	-	-
Interest	108,046	-	-	-	-
Employee Benefits	153	-	-	-	-
Total expenses administered on behalf of Government	47,251,934	51,121,035	50,572,714	51,511,806	53,254,785
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	28	11,984	12,967	13,219	13,521
Total taxation revenue	28	11,984	12,967	13,219	13,521
Non-taxation revenue					
Interest	721,174	1,032,922	876,175	699,661	501,868
Other revenue	229,665	81,801	219,241	237,285	245,526
Total non-taxation revenue	950,839	1,114,723	1,095,416	936,946	747,394
Total own-source revenue administered on behalf of Government	950,867	1,126,707	1,108,383	950,165	760,915
Gains					
Other gains	2	-	-	-	-
Total gains administered on behalf of Government	2	-	-	-	-
Total own-sourced income administered on behalf of Government	950,869	1,126,707	1,108,383	950,165	760,915
Net (cost of)/contribution by services	(46,301,065)	(49,994,328)	(49,464,331)	(50,561,641)	(52,493,870)
Surplus/(deficit) before income tax	(46,301,065)	(49,994,328)	(49,464,331)	(50,561,641)	(52,493,870)
Surplus/(deficit) after income tax	(46,301,065)	(49,994,328)	(49,464,331)	(50,561,641)	(52,493,870)
OTHER COMPREHENSIVE INCOME					
Items not subject of subsequent reclassification to net cost of services					
Changes in asset revaluation surplus	(112,115)	-	-	-	-
Total other comprehensive income	(112,115)	-	-	-	-
Total comprehensive income/(loss)	(46,413,180)	(49,994,328)	(49,464,331)	(50,561,641)	(52,493,870)

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	85,696	87,942	89,864	91,437	89,892
Trade and other receivables	52,128,521	53,185,942	54,395,766	55,053,266	54,967,264
Other investments	754,428	774,812	773,416	774,444	778,251
Other financial assets	2,042,070	2,796,499	2,796,499	2,796,499	2,796,499
Total financial assets	55,010,715	56,845,195	58,055,545	58,715,646	58,631,906
Non-financial assets					
Other non-financial assets	1,188	1,176	1,164	1,152	1,140
Prepayments	287,553	25,092	25,092	25,092	25,092
Total non-financial assets	288,741	26,268	26,256	26,244	26,232
Total assets administered on behalf of Government	55,299,456	56,871,463	58,081,801	58,741,890	58,658,138
LIABILITIES					
Payables					
Suppliers	141,793	138,827	138,827	138,827	138,827
Subsidies	24,443	24,443	24,443	24,443	24,443
Personal benefits	34,844	267,605	280,427	294,085	162,736
Grants	9,221	9,221	9,221	9,221	9,221
Other payables	40,023	39,918	39,918	39,918	39,918
Total payables	250,324	480,014	492,836	506,494	375,145
Interest bearing liabilities					
Leases	1,228	1,333	1,333	1,333	1,333
Total interest bearing liabilities	1,228	1,333	1,333	1,333	1,333
Provisions					
Personal benefits provisions	405,624	747,036	794,082	845,029	893,623
Provisions for grants	7,147,000	6,850,319	6,487,420	6,118,893	5,744,869
Total provisions	7,552,624	7,597,355	7,281,502	6,963,922	6,638,492
Total liabilities administered on behalf of Government	7,804,176	8,078,702	7,775,671	7,471,749	7,014,970
Net assets/(liabilities)	47,495,280	48,792,761	50,306,130	51,270,141	51,643,168

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	-	1,337,106	1,504,254	1,665,704	1,858,957
Taxes	-	11,984	12,967	13,219	13,521
Net GST received	1,566,740	1,394,433	1,568,683	1,659,505	1,595,322
Other	75,632	95,718	112,659	115,019	117,693
Total cash received	1,642,372	2,839,241	3,198,563	3,453,447	3,585,493
Cash used					
Grant	32,634,976	36,451,407	37,456,626	38,687,544	40,020,578
Subsidies paid	878,505	3,200,587	1,401,621	584,146	606,038
Personal benefits	8,790,082	8,719,507	9,612,123	10,122,315	10,745,623
Suppliers	1,996,180	2,553,418	2,556,020	2,517,339	2,384,896
Net GST paid	-	135,467	134,381	134,773	-
Interest payments on lease liability	-	25	25	25	25
Total cash used	44,299,743	51,060,411	51,160,796	52,046,142	53,757,160
Net cash from/(used by) operating activities	(42,657,371)	(48,221,170)	(47,962,233)	(48,592,695)	(50,171,667)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	3,800,528	4,244,518	4,844,811	5,335,556	5,963,615
Total cash received	3,800,528	4,244,518	4,844,811	5,335,556	5,963,615
Cash used					
Advances and loans made	6,840,773	7,587,672	7,889,652	8,287,135	8,678,155
Total cash used	6,840,773	7,587,672	7,889,652	8,287,135	8,678,155
Net cash from/(used by) investing activities	(3,040,245)	(3,343,154)	(3,044,841)	(2,951,579)	(2,714,540)
FINANCING ACTIVITIES					
Cash used					
Other	-	80	80	80	80
Total cash used	-	80	80	80	80
Net cash from/(used by) financing activities	-	(80)	(80)	(80)	(80)
Net increase/(decrease) in cash held	(45,697,616)	(51,564,404)	(51,007,154)	(51,544,354)	(52,886,287)
Cash and cash equivalents at beginning of reporting period	85,078	85,696	87,942	89,864	91,437
Cash from Official Public Account for:					
- Appropriations	51,154,800	57,384,459	57,604,560	58,796,259	60,825,548
- Special accounts	6,935	-	-	-	-
Total cash from Official Public Account	51,161,735	57,384,459	57,604,560	58,796,259	60,825,548
Cash to Official Public Account for:					
- Appropriations	(5,455,978)	(5,817,809)	(6,595,484)	(7,250,332)	(7,940,806)
- Special accounts	(7,523)	-	-	-	-
Total cash to Official Public Account	(5,463,501)	(5,817,809)	(6,595,484)	(7,250,332)	(7,940,806)
Cash and cash equivalents at end of reporting period	85,696	87,942	89,864	91,437	89,892

Prepared on Australian Accounting Standards basis.

DESE Budget Statements

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

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

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

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

**AUSTRALIAN CURRICULUM,
ASSESSMENT AND REPORTING
AUTHORITY**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

AUSTRALIAN CURRICULUM, ASSESSMENT AND REPORTING AUTHORITY

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AUSTRALIAN CURRICULUM, ASSESSMENT AND REPORTING AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Curriculum, Assessment and Reporting Authority (ACARA) was established under the *Australian Curriculum, Assessment and Reporting Authority Act 2008* of the Parliament of the Commonwealth of Australia.

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

The effects of COVID-19 have been felt widely within Australia and the education community, including ACARA. This unique situation has united teachers, parents and students to find the best solutions in the most trying of times, and ACARA has provided support through a range of online curriculum and assessment resources to help parents and carers navigate this time of change and disruption.

On 20 March 2020, due to the impact of COVID-19, the Education Council decided not to proceed with the delivery of NAPLAN in May 2020. There are savings in 2020-21 associated with the cancellation of NAPLAN 2020 in addition to savings from the National Assessment Program (NAP)-ICT Literacy sample assessment being postponed. The Education Council approved the redirection of savings to the review of the Australian Curriculum at its meeting of 12 June 2020.

The pandemic will continue to influence and have a bearing on ACARA's future work-plan, subject to directions from Education Ministers, including the possible re-phasing of deliverables and redirection of resources.

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

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

National Curriculum

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

ACARA Budget Statements

- assemble the evidence base required to review, develop, and refine curriculum

National Assessment

- provide a quality, comprehensive and cohesive suite of assessments (including NAPLAN and NAP Sample)

National Data and Reporting

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

National Collaboration and Leadership

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

ACARA's budget is agreed by Council and provided in accordance with Council's agreed funding formula. ACARA's 2020–21 to 2023–24 work-plan and budget were agreed by Council in June 2020.

Priorities for ACARA during 2020–21 are undertaking the review of the Foundation to Year 10 Australian Curriculum in accordance with the agreed terms of reference (agreed to by Council in June 2020) and working to ensure the successful transition to online assessment in collaboration with Education Services Australia and all Australian governments, with the goal to move the National Assessment Program – Literacy and Numeracy (NAPLAN) online by 2022 as agreed by Council in June 2020.

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

The management of risk is fundamental in supporting ACARA to achieve its strategic directions in a complex stakeholder environment.

ACARA's Board, Audit and Risk Committee and executive, as well as staff, are actively involved in risk management for the agency. This work is supported by an internal audit program that tests ACARA's compliance framework and controls.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: ACARA resource statement — Budget estimates for 2020–21 as at Budget October 2020

	<i>2019–20 Estimated actual \$'000</i>	2020–21 Estimate \$'000
Opening balance/cash reserves at 1 July	7,953	11,454
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	17,651	12,221
Total amounts received from related entities	17,651	12,221
Total funds from Government	17,651	12,221
Funds from industry sources		
Funds from other sources		
Interest	180	180
Other	15,337	20,839
Total funds from other sources	15,517	21,019
Total net resourcing for Australian Curriculum, Assessment and Reporting Authority	41,121	44,694
	<i>2019–20</i>	2020–21
Average staffing level (number)	97	97

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

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

Section 2: Outcomes and planned performance

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

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

Note:

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

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

The most recent annual performance statement can be found in the ACARA Annual Report at: www.acara.edu.au

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted expenses for Outcome 1

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

Table 2.2.1: Budgeted expenses for Outcome 1

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: National Curriculum					
Revenue from Government					
Payment from related entities	5,439	6,841	3,682	3,079	3,132
Revenues from other independent sources	5,035	5,720	3,727	3,124	3,177
Total expenses for Program 1.1	10,474	12,561	7,409	6,203	6,309
Program 1.2: National Assessment					
Revenue from Government					
Payment from related entities	7,757	7,611	7,371	7,707	7,838
Revenues from other independent sources	8,095	8,347	7,416	7,752	7,883
Total expenses for Program 1.2	15,852	15,958	14,787	15,459	15,721
Program 1.3: National Data Collection and Reporting					
Revenue from Government					
Payment from related entities	2,043	2,474	1,996	2,032	2,066
Revenues from other independent sources	2,842	2,518	2,041	2,077	2,111
Total expenses for Program 1.3	4,885	4,992	4,037	4,109	4,177
Program 1.4: National Collaboration and Leadership					
Revenue from Government					
Payment from related entities	1,256	992	1,009	1,027	1,044
Revenues from other independent sources	1,256	1,036	1,054	1,072	1,089
Total expenses for Program 1.4	2,512	2,028	2,063	2,099	2,133
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	16,495	17,918	14,058	13,845	14,080
Revenues from other independent sources	17,228	17,621	14,238	14,025	14,260
Total expenses for Outcome 1	33,723	35,539	28,296	27,870	28,340

	2019–20	2020–21
Average staffing level (number)	97	97

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

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

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

Program 1.1 – National Curriculum

Objective	The program aims to improve the quality, equity, and transparency of Australia's education system. A national curriculum ensures that every child in Australia, regardless of where they live or the school they attend, has access to a world-class curriculum.
Delivery	<ul style="list-style-type: none"> • Delivering the Foundation to Year 10 and Senior Secondary Australian Curriculum • Supporting implementation of the Foundation to Year 10 Australian Curriculum • Providing authoritative Australian Curriculum advice to stakeholders and facilitating information sharing, collaboration, and support for the Australian Curriculum. • Monitoring the effectiveness of the Australian Curriculum and undertaking research to inform national policy and practice.
Purposes	<ul style="list-style-type: none"> • To provide a world-class curriculum from Foundation to Year 12 in specified learning areas agreed to by Council • To assemble the evidence base required to review, develop, and refine curriculum

Performance information 1.1 – National Curriculum

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	<ul style="list-style-type: none"> • Activities related to maintaining and enhancing the curriculum support resources available on, and the online functionality of, the Australian Curriculum website completed each year • Activities relating to monitoring the national curriculum, international comparisons, and research on developments in school curriculum design activities completed and the scope of the refinement of the Australian Curriculum ready for approval by the ACARA Board 	<ul style="list-style-type: none"> • All new and revised resources were published on the Australian Curriculum website and communicated to state and territory authorities and relevant stakeholder groups. • The ACARA Board approved the latest Monitoring the Effectiveness of the Foundation – Year 10 Australian Curriculum report in December 2019 and the report was published on the ACARA website in January 2020. ACARA prepared terms of reference for a review of the Foundation to Year 10 Australian Curriculum and these were approved by the ACARA Board in February 2020 and by Council in June 2020.
2020–21	<ul style="list-style-type: none"> • Agreed refinements to the F-10 Australian Curriculum undertaken 	<ul style="list-style-type: none"> • Actions for refinements to the F-10 Australian Curriculum as agreed by Council undertaken and completed in 2021-22.
2021–22 and beyond	<ul style="list-style-type: none"> • Agreed refinements to the F-10 Australian Curriculum undertaken • Refinements to the F-10 Australian Curriculum undertaken in collaboration with jurisdictions and stakeholders 	<ul style="list-style-type: none"> • Actions for refinements to the F-10 Australian Curriculum as agreed by Council undertaken and completed in 2021-22. • F-10 Australian Curriculum reviewed, and revised version published on updated Australian Curriculum website as agreed by Council.

Program 1.2 – National Assessment

Objective	The program aims to provide school education leaders, teachers, and parents with the means to periodically assess students against previous performance, national benchmarks and their peers using an objective measure
Delivery	<ul style="list-style-type: none"> • Researching, developing, and supporting activities required for assessment, especially the transition to online • Managing the planning and development and oversee the delivery and reporting for the National Assessment Program (NAP) – Literacy and Numeracy (NAPLAN), including the transition from pencil and paper to online delivery • Managing the development and overseeing the delivery of assessments and reporting for the National Assessment Program (NAP) sample assessments.
Purposes	• To provide a quality, comprehensive and cohesive suite of national assessments

Performance information 1.2 – National Assessment

Year	Performance criteria	2019-20 Actual Achievement/Targets
2019–20	<ul style="list-style-type: none"> • National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered • NAP for information and communication technology literacy (ICTL) revised, relative to the Australian Curriculum (AC): Digital Technologies and ICT general capability 	<ul style="list-style-type: none"> • On 20 March 2020, ministers agreed to not proceed with NAPLAN in May 2020. In June 2020, ministers agreed to postpone the NAP sample assessment for 2020. All of ACARA’s responsibilities in delivery and reporting of the NAP have been achieved to the extent possible during the reporting year. • NAP – ICT Literacy Assessment Framework was updated to explicitly document the alignment with the AC: ICT capability and the AC: Digital Technologies
2020–21	<ul style="list-style-type: none"> • Advice on NAP enhancements developed 	<ul style="list-style-type: none"> • Advice on NAP enhancements considered by Australian Education Senior Officials Committee (AESOC) and Council.
2021–22 and beyond	<ul style="list-style-type: none"> • Transition to NAPLAN online, as agreed by Council • An enhanced writing assessment model for NAPLAN implemented on timeframe determined by Council • Implementation of approved enhancements to NAP, as agreed by Council • Proficiency standards as agreed by Council introduced for NAPLAN 2022 reports 	<ul style="list-style-type: none"> • Transition to NAPLAN online successful. • An enhanced NAPLAN writing model implemented • NAPLAN scale re-set and new proficiency standards introduced for NAPLAN 2022 reports. • Enhancements approved and agreed by Council implemented for NAP from 2024.

Program 1.3 – National Data and Reporting

Objective	The program aims to provide public reporting to promote accountability and engagement in school education. Provision of quality information on schooling is important for schools and their students, for parents and their families and for the community and governments.
Delivery	<ul style="list-style-type: none"> • Monitoring and where necessary reviewing the existing national key performance measures for schools and produce a comprehensive and authoritative national report on schooling in Australia related to national key performance measures • Managing the collection and quality assurance of data and providing national school information including through the My School website • Managing the sharing and dissemination of data
Purposes	<ul style="list-style-type: none"> • To provide and apply a comprehensive and reliable national measurement framework, to facilitate the use and dissemination of data for research and policy development in accordance with agreed protocols, to present detailed, accessible, timely and meaningful school education performance information.

Performance information 1.3 – National Data and Reporting

Year	Performance criteria	2019-20 Actual Achievement/Targets
2019–20	<ul style="list-style-type: none"> • The National Report on Schooling in Australia (ANR) is published • Enhancements to My School considered and agreed to by Council progressed 	<ul style="list-style-type: none"> • The 2018 ANR was reviewed, then published in May 2020, following endorsement by Council. • ACARA developed displays of NAPLAN results as per the recommendations from the NAPLAN Reporting Review as agreed by Council. ACARA worked with states and territories to finalise the improved presentation of NAPLAN results and student progress information on the website. The My School website was released on 18 March 2020.
2020–21	<ul style="list-style-type: none"> • The National Report on Schooling in Australia (ANR) is published • The Measurement Framework for Schooling in Australia revised to reflect the Alice Springs (Mparntwe) Education Declaration • Advice concerning improvements to the national reports developed 	<ul style="list-style-type: none"> • Publication of The National Report on Schooling and updated National Report on Schooling data portal. • The approved Measurement Framework for Schooling in Australia 2020 for the reporting years 2020 to 2023 is published. • Advice on improvements to national reports considered by ACARA Board, AESOC and Council.
2021–22 and beyond	<ul style="list-style-type: none"> • The National Report on Schooling in Australia (ANR) is published • Level of stakeholder satisfaction with the My School website • The Measurement Framework for Schooling in Australia reviewed and updated, in consultation with stakeholders and advisory groups 	<ul style="list-style-type: none"> • Publication of The National Report on Schooling and updated National Report on Schooling data portal. • Strong level of satisfaction with the My School website. • Revised Measurement Framework for Schooling in Australia endorsed by Council.

Program 1.4 – National Collaboration and Leadership

Objective	The program aims to ensure ACARA works in a transparent and collaborative manner with Commonwealth/state/territory departments of education and government and, non-government school authorities. ACARA will share its proposals and work with a range of advisory groups to enable all stakeholders to provide input.
Delivery	<ul style="list-style-type: none"> • Monitoring and where necessary reviewing the existing national key performance measures for schools and produce a comprehensive and authoritative national report on schooling in Australia related to national key performance measures • Managing the collection and quality assurance of data and providing national school information including through the My School website • Managing the sharing and dissemination of data
Purposes	<ul style="list-style-type: none"> • To provide effective national leadership in curriculum development, educational assessment, and national reporting. • To closely collaborate with jurisdictions, the non-government education sector, and relevant stakeholders in pursuing the national education agenda.

Performance information 1.4 National Collaboration and Leadership

Year	Performance criteria	2019-20 Actual Achievement/Targets
2019–20	<ul style="list-style-type: none"> • An advisory structure that is fit for purpose is in place (and strong level of satisfaction received through survey in 2019, 2021 and 2023) • A transparent and timely reporting process and structure are maintained • Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies is clearly maintained 	<ul style="list-style-type: none"> • ACARA reviewed its advisory structure and published it on ACARA’s website. A stakeholder perception survey found members of the advisory structure widely agreed that ACARA provides sufficient opportunities to engage with its work (71 per cent) and that its advisory structure is clear and fit for purpose (61 per cent). • ACARA submitted a progress report against its 2019–20 workplan to Council in December 2019 and to each scheduled meeting of the ACARA Board. Fortnightly reports were submitted to Council. • A range of other key advisory and specialist groups were convened by ACARA throughout the year in addition to meetings with national peak bodies. All relevant Council and AESOC meetings were attended by ACARA. ACARA hosted international delegations and participated as a speaker or panellist in over 27 conferences and seminars

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Year	Performance criteria	2019-20 Actual Achievement/Targets
2020–21	<ul style="list-style-type: none"> • An advisory structure that is fit for purpose is in place (and strong level of satisfaction received through survey in 2019, 2021 and 2023) • A transparent and timely reporting process and structure are maintained • Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies is clearly maintained • Research relating to either curriculum, assessment or reporting to advance ACARA’s work in these areas commissioned and published 	<ul style="list-style-type: none"> • Strong level of satisfaction received as measured through surveys in 2021 and 2023. • Progress reports against the annual work plan submitted to the Ministerial Council and/or AESOC each year and at each meeting of the ACARA Board and all advice provided when requested. • Increased frequency of engagement through scheduled meetings of ACARA’s key advisory groups, ACARA’s attendance at key working groups and peak body opportunities, and evidence of communication with international education bodies. • Two pieces of research available through ACARA’s website(s) and availability communicated to stakeholders.
2021–22 and beyond	As per 2020–21	As per 2020–21

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ACARA's finances for the 2020–21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

ACARA's work is undertaken through agreement by the COAG Education Council (the Council) and set through its Charter, its rolling quadrennial plan, and any other written instructions from the Council. ACARA's budget is agreed to by the Council and provided in accordance with the Council's agreed funding formula.

ACARA's 2020–21 to 2023–24 work plan and budget was endorsed by the Council in June 2020.

ACARA is budgeting for an operating surplus of \$1.3 million in 2019–20 and a deficit of \$1.6 million in the 2020–21 financial year. The operating results are due to accounting recognition and adjustments and do not impact on ACARA's financial position.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	17,117	21,405	16,611	15,774	16,248
Suppliers	14,892	12,688	9,741	10,038	9,982
Depreciation and amortisation	1,542	1,420	1,921	2,035	2,092
Finance costs	72	26	23	23	18
Losses from asset sales	100	-	-	-	-
Total expenses	33,723	35,539	28,296	27,870	28,340
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	180	180	180	180	180
Other	34,878	33,789	28,116	27,690	28,160
Total own-source revenue	35,058	33,969	28,296	27,870	28,340
Total gains	-	-	-	-	-
Total own-source income	35,058	33,969	28,296	27,870	28,340
Net (cost of)/contribution by services	1,335	(1,570)	-	-	-
Surplus/(deficit) attributable to the Australian Government	1,335	(1,570)	-	-	-
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	1,335	(1,570)	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	1,335	(1,570)	-	-	-

Note: Impact of net cash appropriation arrangements

	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	727	(1,462)	(971)	(1,074)	(1,143)
less: Depreciation/amortisation expenses on ROU assets (a)	-	1,020	-	-	-
add: Principal repayments on leased assets (a)	608	912	971	1,074	1,143
Total comprehensive income/(loss) - as per the Statement of comprehensive income	1,335	(1,570)	-	-	-

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,454	6,996	6,983	7,284	7,778
Trade and other receivables	401	376	376	376	376
Other financial assets	53	57	57	57	57
Total financial assets	11,908	7,429	7,416	7,717	8,211
Non-financial assets					
Land and buildings	5,505	4,485	3,434	3,485	2,347
Property, plant and equipment	190	3,665	3,045	2,362	1,658
Other non-financial assets	423	543	513	513	513
Total non-financial assets	6,118	8,693	6,992	6,360	4,518
Total assets	18,026	16,122	14,408	14,077	12,729
LIABILITIES					
Payables					
Suppliers	3,480	4,630	4,296	3,875	3,659
Grants	1,003	253	3	3	3
Total payables	4,483	4,883	4,299	3,878	3,662
Interest bearing liabilities					
Leases	5,865	4,953	3,982	4,061	2,918
Total interest bearing liabilities	5,865	4,953	3,982	4,061	2,918
Provisions					
Employee provisions	3,007	3,174	3,004	3,004	3,004
Other provisions	386	397	408	419	430
Total provisions	3,393	3,571	3,412	3,423	3,434
Total liabilities	13,741	13,407	11,693	11,362	10,014
Net assets	4,285	2,715	2,715	2,715	2,715
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	4,285	2,715	2,715	2,715	2,715
Total parent entity interest	4,285	2,715	2,715	2,715	2,715
Total equity	4,285	2,715	2,715	2,715	2,715

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020–21)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	4,285	-	-	-	4,285
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	4,285	-	-	-	4,285
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(1,570)	-	-	-	(1,570)
Estimated closing balance as at 30 June 2021	2,715	-	-	-	2,715
Closing balance attributable to the Australian Government	2,715	-	-	-	2,715

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	34,623	33,062	27,866	27,690	28,160
Interest	165	178	180	180	180
Total cash received	34,810	33,240	28,046	27,870	28,340
Cash used					
Employees	16,333	21,238	16,781	15,774	16,248
Suppliers	14,082	11,647	10,045	10,459	10,198
Interest payments on lease liability	72	26	23	23	18
Total cash used	30,487	32,911	26,849	26,256	26,464
Net cash from/(used by) operating activities	4,323	329	1,197	1,614	1,876
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	214	3,875	239	239	239
Total cash used	214	3,875	239	239	239
Net cash from/(used by) investing activities	(214)	(3,875)	(239)	(239)	(239)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	608	912	971	1,074	1,143
Total cash used	608	912	971	1,074	1,143
Net cash from/(used by) financing activities	(608)	(912)	(971)	(1,074)	(1,143)
Net increase/(decrease) in cash held	3,501	(4,458)	(13)	301	494
Cash and cash equivalents at the beginning of the reporting period	7,953	11,454	6,996	6,983	7,284
Cash and cash equivalents at the end of the reporting period	11,454	6,996	6,983	7,284	7,778

Prepared on Australian Accounting Standards basis.

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

ACARA does not have a departmental capital budget statement.

Table 3.5 is not presented.

Table 3.6: Statement of asset movements (Budget year 2020–21)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	-	2,457	8	2,465
Gross book value - ROU assets	6,473	-	-	6,473
Accumulated depreciation/ amortisation and impairment	-	(2,267)	(8)	(2,275)
Accumulated depreciation/amortisation and impairment - ROU assets	(968)	-	-	(968)
Opening net book balance	5,505	190	-	5,695
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	3,875	-	3,875
Total additions	-	3,875	-	3,875
Other movements				
Depreciation/amortisation expense	-	(400)	-	(400)
Depreciation/amortisation on ROU assets	(1,020)	-	-	(1,020)
Total other movements	(1,020)	(400)	-	(1,420)
As at 30 June 2021				
Gross book value	-	6,332	8	6,340
Gross book value - ROU assets	6,473	-	-	6,473
Accumulated depreciation/ amortisation and impairment	-	(2,667)	(8)	(2,675)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,988)	-	-	(1,988)
Closing net book balance	4,485	3,665	-	8,150

Prepared on Australian Accounting Standards basis.

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

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

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

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

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

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

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

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

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

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

**AUSTRALIAN INSTITUTE FOR
TEACHING AND SCHOOL
LEADERSHIP**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

AUSTRALIAN INSTITUTE FOR TEACHING AND SCHOOL LEADERSHIP

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AUSTRALIAN INSTITUTE FOR TEACHING AND SCHOOL LEADERSHIP

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

AITSL is a public company limited by guarantee under the *Corporations Act 2001* and is subject to the *Public Governance, Performance and Accountability Act 2013*. The Commonwealth of Australia is the sole member of the company and is represented by the Minister for Education. AITSL operates under its own constitution, with priorities set through instruction from the Minister. Its primary purpose is to promote excellence in the profession of teaching and school leadership.

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

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

AITSL's policy direction and work priorities give particular attention to four key areas: Initial Teacher Education; Quality Teaching; School Leadership; and Evidence and Impact.

The full effects of COVID-19 on Australia and the education community are still being assessed. AITSL stands ready to support teachers, parents and students through this time of change and disruption.

The pandemic will continue to influence and have a bearing on AITSL's future workplan, subject to directions from the Minister for Education, including the possible redirection of activities and deliverables to support social and economic recovery efforts.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: AITSL resource statement — Budget estimates for 2020–21 as at Budget October 2020

	<i>2019–20 Estimated actual \$'000</i>	2020–21 Estimate \$'000
Opening balance/cash reserves at 1 July	6,377	7,570
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	15,383	13,529
Total amounts received from related entities	15,383	13,529
Total funds from Government	15,383	13,529
Funds from other sources		
Interest	183	67
Sale of goods and services	4,610	5,476
Total funds from other sources	4,793	5,543
Total net resourcing for AITSL	26,553	26,642
	<i>2019–20</i>	2020–21
Average staffing level (number)	65	71

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

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

Section 2: Outcomes and planned performance

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

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

Note:

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

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

The most recent annual performance statement can be found in the AITSL Annual Report at: www.aitsl.edu.au

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted expenses for Outcome 1

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

Table 2.2.1: Budgeted expenses for Outcome 1

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities, and supporting the teaching profession.					
Program 1.1: Assistance for Quality Teaching and Learning					
Revenue from Government					
Payment from related entities	17,158	17,428	12,723	-	-
Revenues from other independent sources	4,727	5,162	1,425	-	-
Total expenses for Program 1.1	21,885	22,590	14,148	-	-
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	17,158	17,428	12,723	-	-
Revenues from other independent sources	4,727	5,162	1,425	-	-
Total expenses for Outcome 1	21,885	22,590	14,148	-	-
Average staffing level (number)					
	2019–20	2020–21			
	65	71			

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

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

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

Program 1.1 – Assistance for Quality Teaching and School Learning

Objective	This program enables AITSL to work collaboratively with the eight state and territory education departments and their Ministers, the Catholic and independent school sectors, teacher educators, teacher regulatory authorities, teacher unions, professional and community organisations and teachers and principals throughout Australia to strengthen the profession.
Delivery	The program includes a range of targeted initiatives which lead, shape and complement the work of other education agencies, to enhance the quality of initial teacher education, teaching and school leadership.
Purposes	AITSL plays a key role in leading significant national educational reform for the Australian, state and territory governments to promote excellence in initial teacher education, teaching and school leadership to achieve maximum impact on student learning in all Australian schools.

Performance information 1.1 – Assistance for Quality Teaching and Learning

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	AITSL continues to promote excellence in the profession of teaching and school leadership.	<p>Initial Teacher Education Programs in Australia</p> <p>Implement Education Council decisions on national quality assurance, consistency and transparency of initial teacher education.</p> <p>Monitor and evaluate the implementation of the strengthened approach to the Accreditation of Initial Teacher Education programs and implement the Australian Teacher Workforce Data collection.</p> <p>Quality Teaching</p> <p>Improve access to high quality professional learning aligned to the <i>Australian Professional Standards for Teachers</i> (Teacher Standards).</p> <p>Improve consistency in the implementation of the national teacher registration framework and Teacher Standards.</p> <p>Support and promote the National Certification of Highly Accomplished and Lead Teachers.</p> <p>Develop tools for schools to better understand teacher effectiveness.</p> <p>School Leadership</p> <p>Support improvements to the quality of preparation and professional learning of school leaders aligned to the <i>Australian</i></p>

AITSL Budget Statements

Year	Performance criteria	2019–20 Actual Achievement/Targets
		<p><i>Professional Standard for Principals</i>, and promote access to key tools and resources.</p> <p>Undertake and engage with national and international research and innovation developments in best practice</p> <p>Strengthen the evidence base for AITSL's work through enhanced research and involvement with national and international agencies and experts.</p> <p>Assessment for Migration</p> <p>Perform the role of assessing authority under the Migration Regulations 1994 for the purpose of skilled migration to Australia, for relevant teaching occupations successfully fulfilled.</p>
2020–21	AITSL continues to promote excellence in the profession of teaching and school leadership.	<p>Initial Teacher Education Programs in Australia</p> <p>Implement Education Council decisions on national quality assurance, consistency and transparency of initial teacher education.</p> <p>Monitor and evaluate the implementation of the strengthened approach to the Accreditation of Initial Teacher Education programs and implement the Australian Teacher Workforce Data collection.</p> <p>Quality Teaching</p> <p>Improve access to high quality professional learning aligned to the <i>Australian Professional Standards for Teachers</i> (Teacher Standards).</p> <p>Improve consistency in the implementation of the national teacher registration framework and Teacher Standards.</p> <p>Support and promote the National Certification of Highly Accomplished and Lead Teachers.</p> <p>Evaluate teacher effectiveness.</p> <p>School Leadership</p> <p>Support improvements to the quality of preparation and professional learning of school leaders aligned to the <i>Australian Professional Standard for Principals</i>, and promote access to key tools and resources.</p> <p>Undertake and engage with national and international research and innovation developments in best practice</p> <p>Strengthen the evidence base for AITSL's work through enhanced research and involvement with national and international agencies and experts.</p> <p>Assessment for Migration</p> <p>Perform the role of assessing authority under the Migration Regulations 1994 for the purpose of skilled migration to Australia, or special education school teacher successfully fulfilled.</p>

AITSL Budget Statements

Year	Performance criteria	2019–20 Actual Achievement/Targets
2021–22 and beyond	As per 2020–21.	As per 2020–21.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of AITSL's finances for the 2020–21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

The funding for the 2020–21 budget year will be \$13.529 million. The comparative funding in the 2019–20 year was \$15.383 million. In the 2020–21 year the income from Overseas Skills Assessment is budgeted at \$1.285 million. Further income budgeted for the 2020–21 year includes \$1.200 million to create a national data platform for the teaching workforce, \$2.239 million for contributing to the development of online formative assessment tools for teachers and income for other services provided to third parties is estimated to be \$0.371 million.

AITSL reported a deficit of \$1.775 million in the financial year 2019–20. The deficit has arisen as a result of revenue recognised in the 2018–19 year that was in regard to work and expenses that would be incurred in subsequent years. The budgeted result for the 2020–21 financial year is a deficit of \$3.899 million. The deficits for both financial years are technical deficits and do not impact on AITSL's financial position.

The net asset position at 30 June 2020 was \$8.457 million. Total assets at 30 June 2020 were \$14.186 million, comprising \$10.661 million of financial assets and \$3.525 million of non-financial assets.

Total liabilities at 30 June 2020 were \$5.729 million, of which \$1.125 million was accrued employee provisions, \$1.341 million being supplier payables, \$2.686 million of lease liabilities and \$0.577 million of other provisions and liabilities.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	10,941	10,393	9,126	-	-
Suppliers	9,855	11,107	3,974	-	-
Depreciation and amortisation	1,040	1,053	1,023	-	-
Finance costs	49	37	25	-	-
Total expenses	21,885	22,590	14,148	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	4,544	5,095	1,385	-	-
Interest	183	67	40	-	-
Other	15,383	13,529	12,723	-	-
Total own-source revenue	20,110	18,691	14,148	-	-
Total own-source income	20,110	18,691	14,148	-	-
Net (cost of)/contribution by services	(1,775)	(3,899)	-	-	-
Revenue from Government	-	-	-	-	-
Surplus/(deficit) attributable to the Australian Government	(1,775)	(3,899)	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(1,775)	(3,899)	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(1,775)	(3,899)	-	-	-

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

Note: Impact of net cash appropriation arrangements

	2019–20	2020–21	2021–22	2022–23	2023–24
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(1,689)	(3,854)	3	-	-
less: Depreciation/amortisation expenses on ROU assets (a)	692	692	692	-	-
add: Principal repayments on leased assets (a)	606	647	689	-	-
Total comprehensive income/(loss) - as per the Statement of comprehensive income	(1,775)	(3,899)	-	-	-

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	7,570	6,451	5,964	-	-
Trade and other receivables	648	275	145	-	-
Other financial assets	2,443	419	419	-	-
Total financial assets	10,661	7,145	6,528	-	-
Non-financial assets					
Property, plant and equipment	3,448	2,537	1,549	-	-
Intangibles	77	35	-	-	-
Total non-financial assets	3,525	2,572	1,549	-	-
Total assets	14,186	9,717	8,077	-	-
LIABILITIES					
Payables					
Suppliers	1,341	1,501	658	-	-
Other payables	215	170	170	-	-
Total payables	1,556	1,671	828	-	-
Interest bearing liabilities					
Leases	2,686	2,039	1,349	-	-
Total interest bearing liabilities	2,686	2,039	1,349	-	-
Provisions					
Employee provisions	1,125	1,074	957	-	-
Other provisions	362	375	385	-	-
Total provisions	1,487	1,449	1,342	-	-
Total liabilities	5,729	5,159	3,519	-	-
Net assets	8,457	4,558	4,558	-	-
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	8,457	4,558	4,558	-	-
Total parent entity interest	8,457	4,558	4,558	-	-
Total non-controlling interest	-	-	-	-	-
Total equity	8,457	4,558	4,558	-	-

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020–21)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	8,457	-	-	-	8,457
Adjusted opening balance	8,457	-	-	-	8,457
Comprehensive income					
Other comprehensive income					
Surplus/(deficit) for the period	(3,899)	-	-	-	(3,899)
Total comprehensive income	(3,899)	-	-	-	(3,899)
Estimated closing balance as at 30 June 2021	4,558	-	-	-	4,558
Less: non-controlling interests*	-	-	-	-	-
Closing balance attributable to the Australian Government	4,558	-	-	-	4,558

Prepared on Australian Accounting Standards basis.

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

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	15,383	13,529	12,723	-	-
Sale of goods and rendering of services	4,610	5,476	1,395	-	-
Interest	183	67	40	-	-
Net GST received	632	890	581	-	-
Total cash received	20,808	19,962	14,739	-	-
Cash used					
Employees	10,596	10,314	9,233	-	-
Suppliers	10,129	12,007	5,279	-	-
Interest payments on lease liability	48	37	25	-	-
Total cash used	20,773	22,358	14,537	-	-
Net cash from/(used by) operating activities	35	(2,396)	202	-	-
INVESTING ACTIVITIES					
Cash received					
Investments	2,035	2,024	-	-	-
Total cash received	2,035	2,024	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	271	100	-	-	-
Total cash used	271	100	-	-	-
Net cash from/(used by) investing activities	1,764	1,924	-	-	-
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	606	647	689	-	-
Total cash used	606	647	689	-	-
Net cash from/(used by) financing activities	(606)	(647)	(689)	-	-
Net increase/(decrease) in cash held	1,193	(1,119)	(487)	-	-
Cash and cash equivalents at the beginning of the reporting period	6,377	7,570	6,451	-	-
Cash and cash equivalents at the end of the reporting period	7,570	6,451	5,964	-	-

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of asset movements (Budget year 2020–21)

	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020					
Gross book value	-	2,265	12	177	2,454
Gross book value - ROU assets	3,346	-	-	-	3,346
Accumulated depreciation/amorisation and impairment - ROU assets	(692)	(1,500)	-	(83)	(2,275)
Opening net book balance	2,654	765	12	94	3,525
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - other	-	100	-	-	100
Total additions	-	100	-	-	100
Other movements					
Depreciation/amortisation expense	-	(302)	-	(59)	(361)
Depreciation/amortisation on ROU assets	(692)	-	-	-	(692)
Total other movements	(692)	(302)	-	(59)	(1,053)
As at 30 June 2021					
Gross book value	-	2,365	12	177	2,554
Gross book value - ROU assets	3,346	-	-	-	3,346
Accumulated depreciation/ amortisation and impairment	-	(302)	-	(59)	(361)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,384)	(1,500)	-	(83)	(2,967)
Closing net book balance	1,962	563	12	35	2,572

Prepared on Australian Accounting Standards basis.

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

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

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

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

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

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

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

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

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

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

AUSTRALIAN RESEARCH COUNCIL

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN RESEARCH COUNCIL

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AUSTRALIAN RESEARCH COUNCIL

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

The ARC's priorities for 2020–21 include:

- delivering the NCGP effectively and efficiently, including responding to recommendations from the ANAO performance audit into the administration of the NCGP
- continuing to provide high quality advice to the Minister on research matters including in areas of Government focus (for example, strengthening linkages between research and business)
- analysing and disseminating data and insights arising from the ERA and EI exercises for the benefit of Government, universities, and other stakeholders
- reviewing the ERA and EI exercises
- working with stakeholders in delivering program and policy responsibilities, including through consultations and in raising awareness of research funded by the ARC

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- continuing to monitor the performance of selected NCGP schemes through scheduled reviews and evaluations
- ensuring that the NCGP supports participation by all researchers, including Aboriginal and Torres Strait Islander researchers, women researchers and early and mid-career researchers
- maintaining a strong governance framework to support delivery against legislative requirements as well as the Government's expectations for the agency as articulated in the ARC outcome statement.

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

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: ARC resource statement — Budget estimates for 2020–21 as at Budget October 2020

	2019–20 Estimated actual \$'000	2020–21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	20,912	19,448
Departmental appropriation (b)	21,226	21,309
s74 External Revenue (c)	2	-
Departmental capital budget (d)	1,438	1,234
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available	56	-
Total departmental annual appropriations	<u>43,634</u>	<u>41,991</u>
Total departmental resourcing	43,634	41,991
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (f)	1,302	3,579
Outcome 1	9,457	8,669
Total administered annual appropriations	<u>10,759</u>	<u>12,248</u>
Special Appropriation - <i>Australian Research Council Act 2001</i> (g)	<u>762,541</u>	<u>803,409</u>
Total administered special appropriations	<u>762,541</u>	<u>803,409</u>
Special accounts (h)		
Opening balance	1,807	1,031
Appropriation receipts (i)	3,684	2,791
Total special account receipts	<u>5,491</u>	<u>3,822</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>3,684</u>	<u>2,791</u>
Total administered resourcing	775,107	816,688
Total resourcing for Australian Research Council	818,740	858,679
	<u>2019–20</u>	<u>2020–21</u>
Average staffing level (number)	129	136

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

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

- (a) Appropriation Bill (No. 1) and Supply Bill (No. 1).
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and Supply Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2).
- (f) Excludes \$1.446 million subject to administrative quarantine by Finance or withheld under section 51 of the PGPA Act. Note prior year Administered annual appropriations are only available to meet commitments entered into prior to 2020–21.
- (g) Special Appropriation funded under the *Australian Research Council Act 2001*. Note the figure shown is the appropriation applied in 2020–21. The appropriation available was \$786,212,000 less the funding reprofiled for the Special Research Initiative for Australian Society, History and Culture.
- (h) ARC Research Endowment Account - s80 PGPA Act 2013 [s62 *Australian Research Council Act 2001*]. Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (i) Amounts credited to the special account(s) from entity Australian Research Council's annual and special appropriations.

1.3 BUDGET MEASURES

Table 1.2: Department of Education, Skills and Employment 2020–21 Budget measures

Part 1: Measures announced after the Economic and Fiscal Update July 2020

ARC have no measures announced in the Budget therefore this table is not presented.

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

	2020–21	2021–22	2022–23	2023–24
Program	\$'000	\$'000	\$'000	\$'000
Payment measures				
Higher Education Reform - more job ready graduates (a)	1.2			
Administered expenses	3,044	4,131	4,226	1,070
Departmental expenses	-	-	-	-
Total	3,044	4,131	4,226	1,070
Total expense measures				
Administered	3,044	4,131	4,226	1,070
Departmental	-	-	-	-
Total	3,044	4,131	4,226	1,070

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

- (a) This decision was made following 2019–20 Portfolio Additional Estimates and as such has not been reported in a portfolio statement. This measure was published in the *Economic and Fiscal Update July 2020*, pages 123-124, relating to the Special Research Initiative for Australian Society, History and Culture.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

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

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted expenses for Outcome 1

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

Table 2.2.1: Budgeted expenses for Outcome 1

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Discovery - Research and Research Training					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	970	1,190	1,198	1,214	1,235
Special appropriations					
<i>Australian Research Council Act 2001</i>	485,754	483,272	487,016	487,860	490,610
Total expenses for program 1.1	486,724	484,462	488,214	489,074	491,845
Program 1.2: Linkage - Cross Sector Research Partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,486	1,551	1,560	1,579	1,608
Special appropriations					
<i>Australian Research Council Act 2001</i>	289,102	322,181	323,871	325,240	327,074
Special accounts					
ARC Research Endowment Account - s80 PGPA Act 2013 (s62 <i>Australian Research Council Act 2001</i>)	4,461	2,791	807	-	-
Total expenses for program 1.2	295,049	326,523	326,238	326,819	328,682
Program 1.3: Excellence in Research in Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,104	3,137	3,155	5,441	3,254
Total expenses for program 1.3	1,104	3,137	3,155	5,441	3,254
ARC - Departmental					
Departmental expenses					
Departmental appropriation	20,195	21,309	21,264	21,278	21,362
s74 External Revenue (a)	2	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	4,561	3,028	2,902	2,663	2,291
Total expenses for Departmental	24,758	24,337	24,166	23,941	23,653

Table 2.2.1: Budgeted expenses for Outcome 1 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,560	5,878	5,913	8,234	6,097
Special appropriations	774,856	805,453	810,887	813,100	817,684
Special accounts	4,461	2,791	807	-	-
Administered total	782,877	814,122	817,607	821,334	823,781
Departmental expenses					
Departmental appropriation	20,195	21,309	21,264	21,278	21,362
s74 External Revenue (a)	2	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	4,561	3,028	2,902	2,663	2,291
Departmental total	24,758	24,337	24,166	23,941	23,653
Total expenses for Outcome 1	807,635	838,459	841,773	845,275	847,434
Movement of administered funds between years (c)					
	2019–20 Estimated	2020–21 Budget	2021–22 Forward	2022–23 Forward	2023–24 Forward
Outcome 1:					
Program 1.3:Discovery - Excellence in Research in Australia	(2,301)	-	-	2,301	-
Total movement of administered funds	(2,301)	-	-	2,301	-
Average staffing level (number)					
	2019–20	2020–21			
	129	136			

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

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

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

Program 1.1: Discovery – Research and Research Training

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

Performance information 1.1 Discovery – Research and Research Training

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	<p>The Discovery Program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> excellent research and researchers research training and career development international collaboration research in areas of priority. <p>The Discovery Program produces outcomes that improve our fundamental understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits for Australia.</p>	<p>Final reporting data for 2019-20</p> <ul style="list-style-type: none"> 16.1% of Discovery Program funding allocated to support early career researchers under the DECRA scheme 82.6% of Discovery Program research projects commencing in 2019–20 involve international collaboration 61.2% of Discovery Program research projects commencing in 2019–20 address an Australian Government National Science and Research Priority. <p>Case studies demonstrating the benefits arising from Discovery Program research will be provided in the ARC annual report for 2019-20.</p>

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Year	Performance criteria	2019–20 Actual Achievement/Targets
2020–21	<p>The Discovery Program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent research and researchers • research training and career development • international collaboration • research in areas of priority. <p>The Discovery program produces outcomes that improve our fundamental understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits for Australia.</p>	<ul style="list-style-type: none"> • Target: ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines • Target: 70% of ARC-funded research projects involve international collaboration • Target: 55% of ARC-Discovery Programs indicate research will be in one of the Australian Government's National Science and Research Priority areas.
2021–22 and beyond	As per 2020–21	<ul style="list-style-type: none"> • Target: ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines • Target: 70% of ARC-funded research projects involve international collaboration • Target: 55% of ARC-Discovery Program indicate research will be in one of the Australian Government's National Science and Research Priority areas.

Program 1.2: Linkage – Cross Sector Research Partnerships

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

Performance information 1.2 Linkage – Cross Sector Research Partnerships

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	<p>The Linkage Program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent collaborative research and researchers • industrial research training and career development • partnerships between universities and research end-users • research in areas of priority. 	<p>Final reporting data for 2019–20:</p> <ul style="list-style-type: none"> • partner organisations involved in Linkage Projects have pledged \$1.64 for every dollar awarded by the ARC • 94.8% of Linkage Projects Partner Organisations were satisfied with research partnerships supported through the scheme • 77.8% of Linkage Program research projects commencing in 2019–20 address an Australian Government Science and Research Priority area • 100% of recommendations to the Minister under the Linkage Projects scheme have been made within six months of submission • 58.3% of Linkage Program research projects commencing in 2019–20 involve international collaboration • 11.2% of Linkage Program funding allocated to support industrial research training under the <i>Industrial Transformation Training Centres</i> scheme. <p>Case studies demonstrating the benefits arising from Linkage Program research will be provided in the ARC annual report for 2019-20</p>

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Year	Performance criteria	2019–20 Actual Achievement/Targets
2020–21	<p>The Linkage Program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent collaborative research and researchers • industrial research training and career development • partnerships between universities and research end-users • research in areas of priority. 	<ul style="list-style-type: none"> • Target: ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines • Target: 70% of ARC-funded research projects involve international collaboration • Target: Maintain or increase (\geq \$1 for every ARC dollar) the level of co-funding from partner organisations involved in ARC funded research (Linkage Projects scheme) • Target: 70% of ARC-Linkage Program research projects indicate research will be in one of the Australian Government's National Science and Research Priority areas.
2021–22 and beyond	As per 2020–21	<ul style="list-style-type: none"> • Target: ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines • Target: 70% of ARC-funded research projects involve international collaboration • Target: Maintain or increase (\geq \$1 for every ARC dollar) the level of co-funding from partner organisations involved in ARC funded research (Linkage Projects scheme) • Target: 70% of ARC-Linkage Program research projects indicate research will be in one of the Australian Government's National Science and Research Priority areas.

Program 1.3: Excellence in Research for Australia

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

Performance information 1.3 Excellence in Research for Australia

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	<p>The ERA program, including the research quality evaluation framework and EI assessment framework, contributes to the growth of knowledge and innovation in Australia by:</p> <ul style="list-style-type: none"> • providing assurance of the quality of research in Australia • encouraging excellent, internationally competitive research • encouraging impactful engagement within and beyond the research sector 	<ul style="list-style-type: none"> • ERA program reports and activities inform Australian Government policy. • ERA program reports and activities inform strategic planning at eligible Australian higher education institutions.
2020–21	<p>The ERA program, including the research quality evaluation framework and EI assessment framework, contributes to the growth of knowledge and innovation in Australia by:</p> <ul style="list-style-type: none"> • providing assurance of the quality of research in Australia • encouraging excellent, internationally competitive research • encouraging impactful engagement within and beyond the research sector 	<ul style="list-style-type: none"> • Target: ERA and EI methodology is reviewed • Target: Use of ERA program data to assist in the development of Australian Government policies • Target: Use of ERA program data to inform the strategic planning of Australian universities.

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Year	Performance criteria	2019–20 Actual Achievement/Targets
2021–22 and beyond	As per 2020–21	<ul style="list-style-type: none">• Target: Use of ERA program data to assist in the development of Australian Government policies• Target: Use of ERA program data to inform the strategic planning of Australian universities• Target: 2023–24 — Research quality of participating universities is assessed and reported on.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ARC's finances for the 2020–21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material variances between the entity resources table and the budgeted financial statements. There is a minor variance between resourcing and expenses, which reflects the administered annual appropriation being credited to the ARC Research Endowment Special Account.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The ARC has had measures announced since the 2019–20 Portfolio Additional Estimates, Special Research Initiative for Australian Society, History and Culture, was outlined as part of the *Higher Education Reform – more job ready graduates* measure published in the Economic and Fiscal Update July 2020.

Budgeted departmental comprehensive income statement

The ARC's income statement reflects a deficit across the forward estimates. These deficits are predominantly attributable to the depreciation and amortisation expense for the year. The depreciation and amortisation expenses have increased since the 2019–20 Budget due to the adoption of the new accounting standard relating to leases, AASB16. Total expenses for 2020–21 are estimated to be \$24.3 million.

Budgeted departmental balance sheet

The budgeted net asset position of \$21.7 million for 2020–21 represents a decrease of \$1.7 million from 2019–20 the majority of which relates to a reduction in receivables.

Schedule of budgeted income and expenses administered on behalf of Government

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

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

Schedules of budgeted assets and liabilities administered on behalf of government

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

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	16,961	16,694	17,019	17,349	17,366
Suppliers	2,828	2,766	2,351	1,989	2,009
Depreciation and amortisation (a)	4,494	4,563	4,543	4,415	4,160
Finance costs	459	314	253	188	118
Losses from asset sales	15	-	-	-	-
Total expenses	24,757	24,337	24,166	23,941	23,653
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	61	60	60	60	60
Total own-source revenue	61	60	60	60	60
Total own-source income	61	60	60	60	60
Net (cost of)/contribution by services	(24,696)	(24,277)	(24,106)	(23,881)	(23,593)
Revenue from Government	21,226	21,309	21,264	21,278	21,362
Surplus/(deficit) attributable to the Australian Government	(3,470)	(2,968)	(2,842)	(2,603)	(2,231)
Total comprehensive income/(loss) attributable to the Australian Government	(3,470)	(2,968)	(2,842)	(2,603)	(2,231)
Note: Impact of net cash appropriation arrangements					
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(823)	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	2,405	2,787	2,767	2,639	2,384
less: depreciation/amortisation expenses for ROU assets (b)	2,089	1,776	1,776	1,776	1,776
add: Principal repayments on leased assets (b)	1,847	1,595	1,701	1,812	1,929
Total comprehensive income/(loss) - as per the statement of comprehensive income	(3,470)	(2,968)	(2,842)	(2,603)	(2,231)

Prepared on Australian Accounting Standards basis.

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

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	811	811	811	811	811
Trade and other receivables	20,746	19,235	19,250	18,658	18,658
Total financial assets	21,557	20,046	20,061	19,469	19,469
Non-financial assets					
Land and buildings	10,513	9,027	7,271	5,515	3,759
Property, plant and equipment	546	406	258	1,185	1,751
Intangibles	8,709	8,268	6,649	4,594	2,862
Other non-financial assets	209	209	209	209	209
Total non-financial assets	19,977	17,910	14,387	11,503	8,581
Total assets	41,534	37,956	34,448	30,972	28,050
LIABILITIES					
Payables					
Suppliers	543	543	543	543	543
Other payables	266	330	397	397	397
Total payables	809	873	940	940	940
Interest bearing liabilities					
Leases	11,266	9,358	7,393	5,287	3,358
Total interest bearing liabilities	11,266	9,358	7,393	5,287	3,358
Provisions					
Employee provisions	5,605	5,605	5,605	5,605	5,605
Other provisions	387	387	387	387	387
Total provisions	5,992	5,992	5,992	5,992	5,992
Total liabilities	18,067	16,223	14,325	12,219	10,290
Net assets	23,467	21,733	20,123	18,753	17,760
EQUITY*					
Parent entity interest					
Contributed equity	38,740	39,974	41,206	42,439	43,677
Reserves	75	75	75	75	75
Retained surplus (accumulated deficit)	(15,348)	(18,316)	(21,158)	(23,761)	(25,992)
Total parent entity interest	23,467	21,733	20,123	18,753	17,760
Attributed to non-controlling interest					
Contributed equity	-	-	-	-	-
Total non-controlling interest	-	-	-	-	-
Total equity	23,467	21,733	20,123	18,753	17,760

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020–21)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	(15,348)	75	-	38,740	23,467
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(15,348)	75	-	38,740	23,467
Comprehensive income					
Surplus/(deficit) for the period	(2,968)	-	-	-	(2,968)
Total comprehensive income	(2,968)	-	-	-	(2,968)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	1,234	1,234
Sub-total transactions with owners	-	-	-	1,234	1,234
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2021	-	-	-	1,234	1,234
Less: non-controlling interests*	-	-	-	-	-
Closing balance attributable to the Australian Government	(18,316)	75	-	39,974	21,733

Prepared on Australian Accounting Standards basis.

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

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	21,793	22,820	21,249	21,870	21,362
Net GST received	547	652	593	581	570
Other	78	-	-	-	-
Total cash received	22,418	23,472	21,842	22,451	21,932
Cash used					
Employees	16,184	16,630	16,952	17,349	17,366
Suppliers	2,800	2,706	2,291	1,929	1,949
Net GST paid	684	652	593	581	570
Interest payments on lease liability	454	314	253	188	118
Total cash used	20,122	20,302	20,089	20,047	20,003
Net cash from/(used by) operating activities	2,296	3,170	1,753	2,404	1,929
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	2,391	2,496	1,020	1,531	1,238
Total cash used	2,391	2,496	1,020	1,531	1,238
Net cash from/(used by) investing activities	(2,391)	(2,496)	(1,020)	(1,531)	(1,238)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	2,391	1,234	1,232	1,233	1,238
Total cash received	2,391	1,234	1,232	1,233	1,238
Cash used					
Principal payments on lease liability	1,847	1,908	1,965	2,106	1,929
Total cash used	1,847	1,908	1,965	2,106	1,929
Net cash from/(used by) financing activities	544	(674)	(733)	(873)	(691)
Net increase/(decrease) in cash held	449	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	362	811	811	811	811
Cash and cash equivalents at the end of the reporting period	811	811	811	811	811

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,438	1,234	1,232	1,233	1,238
Total new capital appropriations	1,438	1,234	1,232	1,233	1,238
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,438	1,234	1,232	1,233	1,238
Total items	1,438	1,234	1,232	1,233	1,238
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	1,438	1,234	1,020	1,233	1,238
Funded internally from departmental resources (b)	1,047	1,262	-	298	-
TOTAL	2,485	2,496	1,020	1,531	1,238
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,391	2,496	1,020	1,531	1,238
Total cash used to acquire assets	2,391	2,496	1,020	1,531	1,238

Prepared on Australian Accounting Standards basis.

- (a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).
- (b) Includes the following sources of funding:
- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
 - donations and contributions
 - gifts
 - internally developed assets
 - s74 External Revenue
 - proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2020–21)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020				
Gross book value	277	1,507	16,340	18,124
Gross book value - ROU assets	13,819	434	-	14,253
Accumulated depreciation/ amortisation and impairment	(156)	(977)	(7,631)	(8,764)
Accumulated depreciation/amortisation and impairment - ROU assets	(3,427)	(418)	-	(3,845)
Opening net book balance	10,513	546	8,709	19,768
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	290	146	2,060	2,496
Total additions	290	146	2,060	2,496
Other movements				
Depreciation/amortisation expense	-	(286)	(2,501)	(2,787)
Depreciation/amortisation on ROU assets	(1,776)	-	-	(1,776)
Total other movements	(1,776)	(286)	(2,501)	(4,563)
As at 30 June 2021				
Gross book value	567	1,653	18,400	20,620
Gross book value - ROU assets	13,819	434	-	14,253
Accumulated depreciation/ amortisation and impairment	(156)	(1,263)	(10,132)	(11,551)
Accumulated depreciation/amortisation and impairment - ROU assets	(5,203)	(418)	-	(5,621)
Closing net book balance	9,027	406	8,268	17,701

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020–21 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Suppliers	3,559	5,878	5,913	8,234	6,097
Grants	779,317	808,244	811,694	813,100	817,684
Total expenses administered on behalf of Government	782,876	814,122	817,607	821,334	823,781
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	10,066	9,500	9,500	9,500	9,500
Total non-taxation revenue	10,066	9,500	9,500	9,500	9,500
Total own-source revenue administered on behalf of Government	10,066	9,500	9,500	9,500	9,500
Total own-sourced income administered on behalf of Government	10,066	9,500	9,500	9,500	9,500
Net (cost of)/contribution by services	772,810	804,622	808,107	811,834	814,281
Surplus/(deficit) before income tax	772,810	804,622	808,107	811,834	814,281
Surplus/(deficit) after income tax	772,810	804,622	808,107	811,834	814,281
Total comprehensive income/(loss)	772,810	804,622	808,107	811,834	814,281

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,031	1,031	224	224	224
Trade and other receivables	278	278	278	278	278
Total financial assets	1,309	1,309	502	502	502
Non-financial assets					
Other non-financial assets	118	118	118	118	118
Total non-financial assets	118	118	118	118	118
Total assets administered on behalf of Government	1,427	1,427	620	620	620
LIABILITIES					
Payables					
Suppliers	153	153	153	153	153
Grants	194,023	196,067	195,303	194,286	193,216
Total payables	194,176	196,220	195,456	194,439	193,369
Total liabilities administered on behalf of Government	194,176	196,220	195,456	194,439	193,369
Net assets/(liabilities)	(192,749)	(194,793)	(194,836)	(193,819)	(192,749)

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	786	1,846	1,882	1,924	1,956
Other	10,255	9,500	9,500	9,500	9,500
Total cash received	11,041	11,346	11,382	11,424	11,456
Cash used					
Grant	767,002	806,200	812,458	814,117	818,754
Suppliers	3,496	5,878	5,913	8,234	6,097
Net GST paid	649	1,846	1,882	1,924	1,956
Total cash used	771,147	813,924	820,253	824,275	826,807
Net cash from/(used by) operating activities	(760,106)	(802,578)	(808,871)	(812,851)	(815,351)
Net increase/(decrease) in cash held	(760,106)	(802,578)	(808,871)	(812,851)	(815,351)
Cash and cash equivalents at beginning of reporting period	1,807	1,031	1,031	224	224
Cash from Official Public Account for:					
- Appropriations	765,909	811,133	818,639	824,275	836,302
- Special accounts	4,460	2,791	807	-	-
Total cash from Official Public Account	770,369	813,924	819,446	824,275	836,302
Cash to Official Public Account for:					
- Appropriations	(7,355)	(8,555)	(11,382)	(11,424)	(20,951)
- Special accounts	(3,684)	(2,791)	-	-	-
Total cash to Official Public Account	(11,039)	(11,346)	(11,382)	(11,424)	(20,951)
Cash and cash equivalents at end of reporting period	1,031	1,031	224	224	224

Prepared on Australian Accounting Standards basis.

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

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

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

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

AUSTRALIAN SKILLS QUALITY AUTHORITY

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN SKILLS QUALITY AUTHORITY

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AUSTRALIAN SKILLS QUALITY AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Skills Quality Authority (ASQA) was established on 1 July 2011 by the enactment of the *National Vocational Education and Training Regulator Act 2011* (NVR Act) and supplementary legislation.

As the national VET Regulator, ASQA's focus is on ensuring quality vocational education and training (VET) so that students, employers, the community and governments can have confidence in the integrity of national qualifications issued by training providers. ASQA works to ensure that this training is appropriate to meet Australia's social and economic needs for a highly educated and skilled population.

Key facets of ASQA's regulatory approach include:

- Providing information and guidance to support providers to meet their regulatory obligations
- Building cooperative relationships and strong engagement between ASQA, providers and our stakeholders
- Taking a proportionate, consistent approach to regulation, guided by risk
- Assessing providers' performance against standards
- Promoting and facilitating effective self-assurance by providers
- Taking a proportionate response to non-compliance by providers.

ASQA's priorities for the year ahead

In 2020-21, ASQA will focus on:

- Implementing the recommendations from the April 2020 Rapid Review into our regulatory practises and processes. Our reform focus will include:
 - Improving internal practises to achieve greater consistency in both our audit approach and decision making
 - Building a common understanding of self-assurance with the sector
 - Strengthening our engagement and education programs.
- Working with providers to support quality training during the COVID-19 pandemic and to monitor current and post-COVID-19 risks as they emerge.

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- Addressing the focus areas, and progressing the strategic initiatives, detailed in the Authority's Regulatory Strategy 2020–22:
 - Focus areas:
 - Commence a strategic review of online learning in the VET sector
 - Continue our scoping study to clarify the regulatory risks associated with VET in schools.
 - Strategic initiatives:
 - Trainer and assessor capability
 - Scrutiny of providers apply to or delivering qualifications from the Training and Education Training Package (TAE Products)
 - Enhancing our education and guidance for the sector
 - Training products of concern
 - TAE40116 Certificate IV in Training and Assessment
 - CHC33015 Certificate III in Individual Support
 - SIT30816 Certificate III in Commercial Cookery
 - SIT40516 Certificate IV in Commercial Cookery
 - CPCCWHS1001 Prepare to work safely in the construction industry.
- Continued administration of fee waivers and preparation for return to cost recovery.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: ASQA resource statement - Budget estimates for 2020–21 as at Budget October 2020

	2019–20 Estimated actual \$'000	2020–21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	14,805	16,305
Departmental appropriation (b)	39,411	40,583
s74 External Revenue (c)	2,393	132
Departmental capital budget (d)	1,211	1,218
Annual appropriations - other services - non-operating		
Prior year appropriations available	-	1,153
Equity injection (e)	3,013	1,759
Total departmental annual appropriations	<u>60,867</u>	<u>61,150</u>
Total departmental resourcing	60,867	61,150
Administered		
Total administered special appropriations (f)	<u>2,190</u>	<u>357</u>
Total administered resourcing	2,190	357
Total resourcing for ASQA	63,057	61,507
	<u>2019–20</u>	<u>2020–21</u>
Average staffing level (number)	200	199

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

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

- (a) Appropriation Bill (No. 1) 2020–21.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2020–21.
- (f) Special Appropriation – PGPA Act – section 77 Repayments NVETR.

1.3 BUDGET MEASURES

Table 1.2: Department of Education, Skills and Employment 2020–21 Budget measures

Part 1: Measures announced after the Economic and Fiscal Update July 2020

ASQA have no measures announced in the Budget therefore this table is not presented.

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

		2020–21	2021–22	2022–23	2023–24
	Program	\$'000	\$'000	\$'000	\$'000
Receipt measures					
COVID-19 Response Package - higher education (a)					
	1.1				
	Administered	(30,543)	-	-	-
	Departmental	-	-	-	-
	Total	(30,543)	-	-	-
Total receipt measures					
	Administered	(30,543)	-	-	-
	Departmental	-	-	-	-
	Total	(30,543)	-	-	-
Payment measures					
COVID-19 Response Package - JobTrainer Fund - establishment (b)					
	1.1				
	Administered	-	-	-	-
	Departmental	3,021	5,352	4,373	3,332
	Total	3,021	5,352	4,373	3,332
Total payment measures					
	Administered	-	-	-	-
	Departmental	3,021	5,352	4,373	3,332
	Total	3,021	5,352	4,373	3,332

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

- (a) The lead entity for measure COVID-19 Response Package - higher education is Department of Education, Skills and Employment. The full measure description and package details appear in the Economic and Fiscal Update July 2020 under the Education, Skills and Employment portfolio.
- (b) The lead entity for measure COVID-19 Response Package - JobTrainer Fund - establishment is Department of Education, Skills and Employment. The full measure description and package details appear in the Economic and Fiscal Update July 2020 under the Education, Skills and Employment portfolio.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

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

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Regulation and advice					
Administered expenses					
<i>Special appropriation 2019-20</i>	208	-	-	-	-
Administered total	208	-	-	-	-
Departmental expenses					
Departmental appropriation	39,411	40,583	41,768	40,663	39,834
s74 External Revenue (a)	382	132	-	-	-
Expenses not requiring appropriation in the Budget year (b)	270	5,749	2,928	2,958	2,617
Departmental total	40,063	46,464	44,696	43,621	42,451
Total expenses for program 1.1	40,271	46,464	44,696	43,621	42,451

	2019–20	2020–21
Average staffing level (number)	200	199

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

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

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

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.

Program 1.1 – Regulation and Advice

Objective	To support the delivery of quality VET outcomes through national regulation and the communication of advice on vocational education and training.
Delivery	<p>The mechanisms through which Program 1.1 is delivered are:</p> <ul style="list-style-type: none"> • identifying the risks to quality VET in Australia and taking regulatory action to reduce the most serious risks • support quality VET delivery through self-assurance as part of our risk-based regulation • undertake risk based monitoring of the sector to respond to non-compliance and apply appropriate and proportionate regulatory actions • engaging with stakeholders to inform our understanding of the risks to the VET sector • providing accurate information to support stakeholders' understanding of the VET sector and relevant obligations. • providing input and advice on strategies to improve VET regulation and the VET sector.
Purpose	<p>Program 1.1 contributes to ASQA's purpose which is to:</p> <ul style="list-style-type: none"> • provide consistent risk based regulation of vocational education training (VET) that contributes to a VET system that meets Australia's needs and provides quality VET to students.

Performance information 1.1 – Regulation and Advice

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	<p>Identify and develop understanding of the risks to VET and take regulatory action to address the most serious identified risks.</p> <p>Effectively manage risk-based registration of quality RTOs and accreditation of courses that meet Australia’s vocation education needs.</p> <p>Delivery of standards-based auditing based on risk and appropriate and proportionate regulatory decisions.</p> <p>Effectively seek information to inform understanding of risks in the VET sector.</p> <p>Provide clear, targeted and effective provision of information and support to stakeholders about the VET sector and compliance with standards.</p> <p>Provide input and advice on strategies to improve VET regulation and the VET sector.</p>	<p>ASQA met three, and partially met three, of the six performance criteria.</p> <p>ASQA performed well in identifying and managing risks, managing registration of providers and accreditation of courses, undertaking audits and making appropriate and proportionate regulatory decisions.</p> <p>ASQA demonstrated a very active level of engagement with the sector in seeking information to inform the understanding of risk, as well as providing advice on improving the sector. This included commencing a reform program, and an increased focus on improvements to its educative role.</p> <p>Although some improvement in meeting service standards was evident, this remains an area for improvement and some survey results also provide a focus for ASQA’s continued improvement.</p> <p>A detailed report and assessment of performance is contained in ASQA’s Annual Performance Statement in ASQA’s 2019–20 Annual Report.</p>
2020–21	<p>Identify and develop understanding of the risks to VET and take regulatory action to address the most serious identified risks.</p> <p>Provide support to the sector to build a shared understanding of self-assurance, and improve capability.</p> <p>Effectively manage risk- based registration of quality providers and accreditation of courses that meet Australia’s vocational education needs.</p> <p>Deliver sector monitoring and standards-based performance assessment/auditing based on risk, and apply appropriate and proportionate regulatory decisions.</p> <p>Effectively seek information to inform our understanding of risks in the VET sector.</p> <p>Provide clear, targeted and effective information and support to stakeholders about the VET sector and compliance with standards.</p> <p>Provide input and advice on strategies to improve VET regulation and the VET sector.</p>	<p>ASQA collects qualitative and quantitative performance data to form an overall assessment against the performance criteria. ASQA monitors and analyses trends in quantitative data against relevant performance criteria, where appropriate, which includes:</p> <ul style="list-style-type: none"> • Demonstrated performance in identifying and taking action on serious risks to VET • Comparative statistics on management of applications, regulatory processes and applied sanctions and conditions • Levels and types of activities to effectively communicate with and support the sector • Performance against published service standards across multiple activities • Annual stakeholder/provider survey results relevant to specific performance criteria (<70% satisfaction).
2021–22 and beyond	<p>The 2020–21 performance criteria will be reviewed and any necessary adjustments will be made to reflect ASQA’s reforms and changed approaches.</p>	<p>As per 2020–21 with any adjustments required due to reformed activities.</p>

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements, which provide a comprehensive snapshot of ASQA's finances for the 2020–21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

Expenses for 2020–21 are estimated to be \$46.5 million. This reflects an increase from 2019–20 of \$6.4 million.

The 2019–20 Mid-Year Economical Fiscal Outlook (MYEFO) announced the Skills Package – strengthening the national training system. ASQA received an ongoing \$8.0 million across the budget and forward estimates to: strengthen quality assurance in the VET sector; expand ASQA's educative role; and improve ASQA's regulatory approach to support the fair, transparent and effective regulation of the VET sector, and high quality student outcomes.

In addition, ASQA is in receipt of a funding for the measure 'Getting Australians back into jobs – VET, Skills and Employment Service Options'. This measure was published in the Economic and Fiscal Update July 2020 and provides an increase to ASQA's departmental and capital expenditure budgets of \$16.078 million across the budget and forward estimates.

ASQA is budgeting for an approved operating loss in 2020–21 of \$2.5 million. The carryover of the 2019–20 budget: \$1.9 million of the budget measure Skills Funding Package and \$0.6 million Modernisation Fund to transition ASQA's financial services to the Service Delivery Office (SDO).

Budgeted departmental balance sheet

ASQA's asset and liability forecasts are mostly in line with amounts advised in the 2019–20 Budget. An exception is the increase in non-financial assets based on estimated capital purchases of \$5.3 million.

Capital acquisitions in 2020–21 (as shown in Table 3.1) are planned to be \$3.7 million for enhancement of IT systems and \$1.2 million in leasehold improvements and \$0.4 million plant and equipment.

Administered

On 12 April 2020, the Australian Government announced a package of measures designed to mitigate negative impacts of the COVID-19 pandemic on vocational education and training (VET) providers. As part of these measures, it was announced

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that ASQA would: waive fees and charges for some of its activities for the period 1 January 2020 to 30 June 2021; and reimburse payments made for the included fees and charges where invoices were issued on or after 1 January 2020.

That measure resulted in revenue estimates for 2020–21 of \$0.9-million. This is a reduction against 2019–20 estimates of \$16.4 million.

The package of Government measures also included the deferral by 12 months of new cost recovery arrangements for ASQA, until 1 July 2021. The 2021–22 revenue profile of \$30.8 million represents ASQA's move to full cost recovery.

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

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	24,787	25,510	25,227	25,599	25,972
Suppliers	9,044	14,965	13,713	12,169	10,896
Depreciation and amortisation (a)	6,140	5,900	5,633	5,767	5,536
Finance costs	81	89	123	86	47
Losses from asset sales	11	-	-	-	-
Total expenses	40,063	46,464	44,696	43,621	42,451
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	342	132	-	-	-
Total own-source revenue	342	132	-	-	-
Gains					
Other	50	50	50	50	50
Total gains	50	50	50	50	50
Total own-source income	392	182	50	50	50
Net (cost of)/contribution by services	(39,671)	(46,282)	(44,646)	(43,571)	(42,401)
Revenue from Government	39,411	40,583	41,768	40,663	39,834
Surplus/(deficit) attributable to the Australian Government	(260)	(5,699)	(2,878)	(2,908)	(2,567)
Total comprehensive income/(loss)	(260)	(5,699)	(2,878)	(2,908)	(2,567)
Total comprehensive income/(loss) attributable to the Australian Government	(260)	(5,699)	(2,878)	(2,908)	(2,567)

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

Note: Impact of net cash appropriation arrangements

	2019–20	2020–21	2021–22	2022–23	2023–24
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	2,782	(2,452)	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	3,030	3,041	2,638	2,657	2,681
less: depreciation/amortisation expenses for ROU assets (b)	3,110	2,859	2,995	3,110	2,855
add: Principal repayments on leased assets (b)	3,098	2,653	2,755	2,859	2,969
Total comprehensive income/(loss) - as per the statement of comprehensive income	(260)	(5,699)	(2,878)	(2,908)	(2,567)

Prepared on Australian Accounting Standards basis.

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

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	287	287	287	287	287
Trade and other receivables	20,739	15,923	15,923	15,923	15,923
Total financial assets	21,026	16,210	16,210	16,210	16,210
Non-financial assets					
Land and buildings	7,171	7,483	6,985	6,486	6,384
Property, plant and equipment	520	726	538	370	217
Intangibles	12,369	14,183	14,862	15,308	15,663
Other non-financial assets	402	402	402	402	402
Total non-financial assets	20,462	22,794	22,787	22,566	22,666
Assets held for sale	-	-	-	-	-
Total assets	41,488	39,004	38,997	38,776	38,876
LIABILITIES					
Payables					
Suppliers	1,184	1,184	1,184	1,184	1,184
Total payables	1,184	1,184	1,184	1,184	1,184
Interest bearing liabilities					
Other interest bearing liabilities	5,481	5,719	5,964	6,219	6,506
Total interest bearing liabilities	5,481	5,719	5,964	6,219	6,506
Provisions					
Employee provisions	5,423	5,423	5,423	5,423	5,423
Other provisions	477	477	477	477	477
Total provisions	5,900	5,900	5,900	5,900	5,900
Total liabilities	12,565	12,803	13,048	13,303	13,590
Net assets	28,923	26,201	25,949	25,473	25,286
EQUITY*					
Parent entity interest					
Contributed equity	30,771	33,748	36,374	38,806	41,186
Reserves	1,410	1,410	1,410	1,410	1,410
Retained surplus (accumulated deficit)	(3,258)	(8,957)	(11,835)	(14,743)	(17,310)
Total parent entity interest	28,923	26,201	25,949	25,473	25,286
Total equity	28,923	26,201	25,949	25,473	25,286

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020–21)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	(3,258)	1,370	40	30,771	28,923
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(3,258)	1,370	40	30,771	28,923
Comprehensive income					
Surplus/(deficit) for the period	(5,699)	-	-	-	(5,699)
Total comprehensive income	(5,699)	-	-	-	(5,699)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	1,759	1,759
Departmental Capital Budget (DCB)	-	-	-	1,218	1,218
Sub-total transactions with owners	-	-	-	2,977	2,977
Estimated closing balance as at 30 June 2021	(8,957)	1,370	40	33,748	26,201
Closing balance attributable to the Australian Government	(8,957)	1,370	40	33,748	26,201

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	34,574	45,399	41,768	40,663	39,834
Sale of goods and rendering of services	382	132	-	-	-
Net GST received	34	-	-	-	-
Other	2,011	-	-	-	-
Total cash received	37,001	45,531	41,768	40,663	39,834
Cash used					
Employees	24,886	25,510	25,227	25,599	25,972
Suppliers	10,940	14,915	13,663	12,119	10,846
Interest payments on lease liability	71	89	123	86	47
Total cash used	35,897	40,514	39,013	37,804	36,865
Net cash from/(used by) operating activities	1,104	5,017	2,755	2,859	2,969
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	11,305	5,341	2,626	2,432	2,380
Total cash used	11,305	5,341	2,626	2,432	2,380
Net cash from/(used by) investing activities	(11,305)	(5,341)	(2,626)	(2,432)	(2,380)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	3,013	2,977	2,626	2,432	2,380
Other	284	-	-	-	-
Total cash received	3,297	2,977	2,626	2,432	2,380
Cash used					
Principal payments on lease liability	3,098	2,653	2,755	2,859	2,969
Other financing payments	(10,289)	-	-	-	-
Total cash used	(7,191)	2,653	2,755	2,859	2,969
Net cash from/(used by) financing activities	10,488	324	(129)	(427)	(589)
Net increase/(decrease) in cash held	287	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	-	287	287	287	287
Cash and cash equivalents at the end of the reporting period	287	287	287	287	287

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,211	1,218	1,216	1,218	1,223
Equity injections - Bill 2	3,013	1,759	1,410	1,214	1,157
Total new capital appropriations	4,224	2,977	2,626	2,432	2,380
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	4,224	2,977	2,626	2,432	2,380
Total items	4,224	2,977	2,626	2,432	2,380
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	3,013	2,912	1,410	1,214	1,157
Funded by capital appropriation - DCB (b)	1,211	2,429	1,216	1,218	1,223
TOTAL	4,224	5,341	2,626	2,432	2,380
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	11,305	5,341	2,626	2,432	2,380
Total cash used to acquire assets	11,305	5,341	2,626	2,432	2,380

Prepared on Australian Accounting Standards basis.

- (a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
 (b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2020–21)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	13,401	936	22,186	36,523
Gross book value - ROU assets	-	-	-	-
Accumulated depreciation/ amortisation and impairment	(6,230)	(416)	(9,817)	(16,463)
Accumulated depreciation/amortisation and impairment - ROU assets	-	-	-	-
Opening net book balance	7,171	520	12,369	20,060
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	2,912	2,912
By purchase - appropriation ordinary annual services (b)	1,211	407	811	2,429
By purchase - other - ROU assets	2,891	-	-	2,891
Total additions	4,102	407	3,723	8,232
Other movements				
Depreciation/amortisation expense	(832)	(201)	(1,909)	(2,942)
Depreciation/amortisation on ROU assets	(2,958)	-	-	(2,958)
Total other movements	(3,790)	(201)	(1,909)	(5,900)
As at 30 June 2021				
Gross book value	14,612	1,343	25,909	41,864
Gross book value - ROU assets	2,891	-	-	2,891
Accumulated depreciation/ amortisation and impairment	(7,062)	(617)	(11,726)	(19,405)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,958)	-	-	(2,958)
Closing net book balance	7,483	726	14,183	22,392

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020–21, including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020–21 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Other expenses	208	-	-	-	-
Total expenses administered on behalf of Government	208	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	17,761	916	30,791	30,852	30,686
Total non-taxation revenue	17,761	916	30,791	30,852	30,686
Total own-source revenue administered on behalf of Government	17,761	916	30,791	30,852	30,686
Total own-sourced income administered on behalf of Government	17,761	916	30,791	30,852	30,686
Net (cost of)/contribution by services	17,553	916	30,791	30,852	30,686
Total comprehensive income/(loss)	17,553	916	30,791	30,852	30,686

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	34	34	34	34	34
Total financial assets	34	34	34	34	34
Non-financial assets					
Land and buildings	-	-	-	-	-
Total assets administered on behalf of Government	34	34	34	34	34
LIABILITIES					
Provisions					
Other provisions	366	366	366	366	366
Total provisions	366	366	366	366	366
Total liabilities administered on behalf of Government	366	366	366	366	366
Net assets/(liabilities)	(332)	(332)	(332)	(332)	(332)

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	17,761	916	30,791	30,852	30,686
Other	81	-	-	-	-
Total cash received	17,842	916	30,791	30,852	30,686
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) operating activities	17,842	916	30,791	30,852	30,686
Net increase/(decrease) in cash held	17,842	916	30,791	30,852	30,686
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations	2,190	357	357	357	357
Total cash from Official Public Account	2,190	357	357	357	357
Cash to Official Public Account for:					
- Appropriations	(20,032)	(1,273)	(31,148)	(31,209)	(31,043)
Total cash to Official Public Account	(20,032)	(1,273)	(31,148)	(31,209)	(31,043)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

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

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

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

TERTIARY EDUCATION QUALITY AND STANDARDS AGENCY

ENTITY RESOURCES AND PLANNED PERFORMANCE

TERTIARY EDUCATION QUALITY AND STANDARDS AGENCY

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TERTIARY EDUCATION QUALITY AND STANDARDS AGENCY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Tertiary Education Quality and Standards Agency (TEQSA) is Australia's independent national quality assurance and regulatory agency for higher education. TEQSA commenced quality assurance and regulatory functions on 29 January 2012.

TEQSA's guiding legislation is the *Tertiary Education Quality and Standards Agency Act 2011* (the Act), which states that TEQSA's principal purpose is to protect students undertaking higher education and to protect and enhance the reputation of Australia's higher education sector.

All providers that offer higher education qualifications from Australia must be registered by TEQSA and if not granted self-accrediting authority, must also have their courses of study accredited by TEQSA. To be registered and where required have their courses accredited by TEQSA, providers must demonstrate that they meet quality-based standards made by the Minister for Education.

TEQSA also has responsibility, as an ESOS agency under the *Education Services for Overseas Students Act 2000*, for regulating all providers delivering higher education to overseas students studying in Australia, providers delivering Foundation programs, and providers delivering English Language Intensive Courses for Overseas Students (ELICOS) (where they have an entry arrangement with a registered higher education provider). Any providers wishing to offer higher education courses to overseas students must be on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

During 2020–21, the agency will monitor risks arising from the disruption caused by the COVID-19 pandemic, in particular to the interests of students and the reputation of the sector. At the same time, the agency will seek to streamline regulatory processes and support self-assurance by providers. The new Higher Education Integrity Unit will identify drivers of risk to the integrity of the sector and will employ strategies to address those risks, principally through education, guidance and advice, supplemented by regulatory action where necessary. The agency will also be building on previous work, including nation-wide workshops held in 2019–20, to address the threat of contract cheating. Engagement with stakeholders will continue to be an important element of the agency's work to ensure the regulatory approach remains fit-for-purpose. Students will increasingly be involved in TEQSA's regulatory activities.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: TEQSA resource statement — Budget estimates for 2020–21 as at Budget October 2020

	<i>2019–20</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	<i>2020–21</i> <i>Estimate</i> <i>\$'000</i>
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	9,571	8,269
Departmental appropriation (c)	17,539	20,800
s74 External Revenue (d)	950	387
Departmental capital budget (e)	846	1,256
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	100	-
Equity injection	-	-
Total departmental annual appropriations	<u>29,006</u>	<u>30,712</u>
Total departmental resourcing	29,006	30,712
Administered		
Total administered special appropriations	<u>677</u>	<u>200</u>
Total administered resourcing	677	200
Total resourcing for TEQSA	29,683	30,912
	<u>2019–20</u>	<u>2020–21</u>
Average staffing level (number)	82	100

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

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

- (a) Appropriation Bill (No. 1) 2020–21.
- (b) Excludes \$0m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2020–21.

1.3 BUDGET MEASURES

Table 1.2: Department of Education, Skills and Employment 2020–21 Budget measures

Part 1: Measures announced after the Economic and Fiscal Update July 2020

TEQSA have no measures announced in the Budget therefore this table is not presented.

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

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Receipt measures					
COVID-19 Response Package - higher education	1.1				
Administered receipt		(10,806)	(2,273)	(3,747)	-
Departmental receipts		-	-	-	-
Total		(10,806)	(2,273)	(3,747)	-
Total receipt measures					
Administered		(10,806)	(2,273)	(3,747)	-
Departmental		-	-	-	-
Total		(10,806)	(2,273)	(3,747)	-
Payment measures					
Higher Education Reform - more job ready graduates (a)	1.1				
Administered payment		-	-	-	-
Departmental payment (b)		3,782	2,873	2,844	2,696
Total		3,782	2,873	2,844	2,696
Total payment measures					
Administered		-	-	-	-
Departmental		3,782	2,873	2,844	2,696
Total		3,782	2,873	2,844	2,696

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

- (a) The lead entity for this measure is the Department of Education, Skills and Employment. The full measure description and package details appear in Budget Paper No. 2 under the Education, Skills and Employment portfolio.
- (b) Departmental payment includes a capital component of \$0.406m in 2020–21, \$0.103m in 2021–22, \$0.053m in 2022–23 and \$0.053m in 2023–24.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

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

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Budgeted expenses for Outcome 1

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

Table 2.2.1: Budgeted expenses for Outcome 1

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 1: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.					
Program 1.1: Regulatory and Quality Assurance					
Departmental expenses					
Departmental appropriation	17,333	19,551	18,776	18,486	18,312
s74 External Revenue (a)	1,010	260	881	700	700
Expenses not requiring appropriation in the Budget year (b)	2,410	2,087	2,354	2,882	3,018
Departmental total	20,753	21,898	22,011	22,068	22,030
Total expenses for program 1.1	20,753	21,898	22,011	22,068	22,030
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	17,333	19,551	18,776	18,486	18,312
s74 External Revenue (a)	1,010	260	881	700	700
Special accounts					
Expenses not requiring appropriation in the Budget year (b)	2,410	2,087	2,354	2,882	3,018
Departmental total	20,753	21,898	22,011	22,068	22,030
Total expenses for Outcome 1	20,753	21,898	22,011	22,068	22,030
	2019–20	2020–21			
Average staffing level (number)	82	100			

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

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

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

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.

Program 1.1 – Regulation and Quality Assurance

Objective	Regulation and quality assurance ensure that quality standards are being met by all higher education providers so that the interests of students and the reputation of Australia’s higher education sector are protected and promoted. This occurs by reference to standards established under the TEQSA and ESOS Acts. A risk-based approach is used for planning and implementing assessments of provider compliance with those Standards.
Delivery	The mechanisms through which Program 1.1 will be delivered are: <ul style="list-style-type: none"> • register regulated entities as registered higher education providers and accredit courses of study • conduct compliance assessments and quality assessments • conduct accreditation assessments of courses developed by providers without self-accrediting authority • provide advice and make recommendations to the Commonwealth Minister responsible for higher education on matters relating to the quality and regulation of higher education providers • cooperate with similar agencies in other countries • collect, analyse, interpret and disseminate information relating to quality assurance practice and quality improvement in higher education.
Purposes	TEQSA’s purpose is to protect students and the reputation of Australia’s higher education sector through a risk-based approach that supports quality, diversity, innovation and excellence. We have three strategic objectives in delivering our purpose. We will: <ol style="list-style-type: none"> 1. Promote good practice and provide support for effective self-assurance 2. Identify, analyse and respond to sector risks 3. Ensure quality and compliance through effective and efficient regulation

Performance information 1.1 – Regulation and Quality Assurance

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Quality assure and regulate the sector in a timely, transparent and risk-reflective manner.	Partially achieved. Timeliness did not improve significantly due to legacy work. Other work was delayed due to the pandemic.
	Support providers to deliver high quality higher education, protect student interests and enhance the reputation and competitiveness of Australia's higher education sector.	Achieved. Support and information for providers was modified to address the impact of the pandemic on providers.
	Provide advice and information to inform decisions about the appropriateness and quality of higher education.	Achieved. Support and information for providers was modified to address the impact of the pandemic on providers
	Take prompt and effective action to address substantial risks to students or the reputation of the sector.	Achieved. TEQSA's tailored approach to different quality issues has ensured proportionate action was taken to address risks.
2020–21	Ensure quality and compliance through effective and efficient regulation	Assessment and compliance activities are streamlined and coordinated Target: Processing times are better than those of the previous year
2021–22 and beyond	As per 2020–21	As per 2020–21

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of TEQSA's finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The budgeted financial statements have been updated to reflect new budget measures and other variations since the 2019-20 Portfolio Budget Statement.

An analysis of TEQSA's budgeted financial statement for 2020-21 is provided below.

Budgeted departmental comprehensive income statement

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

In 2020-21, the estimated appropriation revenue is \$20.8 million. This is an increase of \$3.261 million from the 2019-20 appropriation. The increase includes new funding approved for the Higher Education Integrity Unit and development of a Student Records Management system for non-operational higher education providers.

Total departmental expenses are expected to also increase from \$20.753 million in 2019-20 to \$21.898 million. The changes in budgeted departmental expenses are attributable to government measures presented in Table 1.2, other estimates variation and the adoption of new lease accounting standard, AASB 16.

Budgeted departmental balance sheet

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

In 2020-21, total departmental assets are expected to decrease from \$12.597 million in 2019-20 to \$12.061 million. The movement of \$0.896 million is due to a decrease in non-financial assets of \$0.876 million.

Departmental liabilities as at 30 June 2021 is expected to be \$4.675 million. Liabilities have decreased by \$1.367 million since 2019-20 due to the decrease in lease liability, which will have its carrying amount reduced by the cash principal repayments.

Schedule of budgeted income and expenses administered on behalf of Government

This schedule reflects the regulatory fees collected by TEQSA on behalf of the Government.

In 2020-21, total administered revenue is expected to decrease from \$1.182 million in 2019-20 to \$0 million. This aligns with the measure announced by Government to waive regulatory fees from higher education providers in response to COVID-19.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	10,828	12,921	13,247	13,479	13,715
Suppliers	7,545	6,831	6,334	5,605	5,214
Depreciation and amortisation (a)	2,338	2,034	2,301	2,829	2,965
Finance costs	42	112	129	155	133
Total expenses	20,753	21,898	22,011	22,068	22,027
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	741	-	700	700	700
Rental income	269	260	181	-	-
Total own-source revenue	1,010	260	881	700	700
Gains					
Other	61	53	53	53	50
Total gains	61	53	53	53	50
Total own-source income	1,071	313	934	753	750
Net (cost of)/contribution by services	(19,682)	(21,585)	(21,077)	(21,315)	(21,277)
Revenue from Government	17,539	20,800	20,138	20,153	20,069
Surplus/(deficit) attributable to the Australian Government	(2,143)	(785)	(939)	(1,162)	(1,208)
Total comprehensive income/(loss)	(2,143)	(785)	(939)	(1,162)	(1,208)
Total comprehensive income/(loss) attributable to the Australian Government	(2,143)	(785)	(939)	(1,162)	(1,208)

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Note: Impact of net cash appropriation arrangements					
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(1,332)	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	830	896	1,003	726	862
less: depreciation/amortisation expenses for ROU assets (b)	1,508	1,138	1,298	2,103	2,103
add: Principal repayments on leased assets (b)	1,527	1,249	1,362	1,667	1,757
Total comprehensive income/(loss) - as per the statement of comprehensive income	(2,143)	(785)	(939)	(1,162)	(1,208)

Prepared on Australian Accounting Standards basis.

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

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	207	207	207	207	207
Trade and other receivables	8,402	8,382	8,204	8,140	8,140
Total financial assets	8,609	8,589	8,411	8,347	8,347
Non-financial assets					
Land and buildings	2,588	1,170	21,130	19,419	17,281
Property, plant and equipment	303	468	474	376	343
Intangibles	1,299	1,681	1,595	1,532	1,641
Other non-financial assets	158	153	153	153	153
Total non-financial assets	4,348	3,472	23,352	21,480	19,418
Assets held for sale					
Total assets	12,957	12,061	31,763	29,827	27,765
LIABILITIES					
Payables					
Suppliers	622	628	603	596	596
Other payables	167	109	113	113	113
Total payables	789	737	716	709	709
Interest bearing liabilities					
Leases	2,231	982	20,648	18,981	17,224
Total interest bearing liabilities	2,231	982	20,648	18,981	17,224
Provisions					
Employee provisions	2,484	2,428	2,484	2,484	2,484
Other provisions	538	528	518	518	518
Total provisions	3,022	2,956	3,002	3,002	3,002
Total liabilities	6,042	4,675	24,366	22,692	20,935
Net assets	6,915	7,386	7,397	7,135	6,830
EQUITY*					
Parent entity interest					
Contributed equity	13,287	14,543	15,493	16,393	17,296
Reserves	16	16	16	16	16
Retained surplus (accumulated deficit)	(6,388)	(7,173)	(8,112)	(9,274)	(10,482)
Total parent entity interest	6,915	7,386	7,397	7,135	6,830
Total equity	6,915	7,386	7,397	7,135	6,830

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020–21)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	(6,388)	16		13,287	6,915
Adjusted opening balance	(6,388)	16	-	13,287	6,915
Comprehensive income					
Surplus/(deficit) for the period	(785)				(785)
Total comprehensive income	(785)	-	-	-	(785)
Contributions by owners					
Departmental Capital Budget (DCB)				1,256	1,256
Sub-total transactions with owners	-	-	-	1,256	1,256
Estimated closing balance as at 30 June 2021	(7,173)	16	-	14,543	7,386
Less: non-controlling interests*					-
Closing balance attributable to the Australian Government	(7,173)	16	-	14,543	7,386

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	20,202	20,693	20,292	20,192	20,069
Sale of goods and rendering of services	327	260	881	700	700
Net GST received	863	741	559	516	446
Other	618	65	28	14	-
Total cash received	22,010	21,759	21,760	21,422	21,215
Cash used					
Employees	10,315	13,035	13,187	13,479	13,715
Suppliers	8,311	6,873	6,416	5,569	5,164
Net GST paid	11	679	563	505	446
Interest payments on lease liability	30	16	29	145	133
s74 External Revenue transferred to the OPA	1,738	-	-	-	-
Total cash used	20,405	20,603	20,195	19,698	19,458
Net cash from/(used by) operating activities	1,605	1,156	1,565	1,724	1,757
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	897	1,163	1,153	957	903
Total cash used	897	1,163	1,153	957	903
Net cash from/(used by) investing activities	(897)	(1,163)	(1,153)	(957)	(903)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	737	1,256	950	900	903
Total cash received	737	1,256	950	900	903
Cash used					
Principal payments on lease liability	1,527	1,249	1,362	1,667	1,757
Total cash used	1,527	1,249	1,362	1,667	1,757
Net cash from/(used by) financing activities	(790)	7	(412)	(767)	(854)
Net increase/(decrease) in cash held	(82)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	289	207	207	207	207
Cash and cash equivalents at the end of the reporting period	207	207	207	207	207

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	846	1,256	950	900	903
Total new capital appropriations	846	1,256	950	900	903
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	846	1,163	950	900	903
<i>Other Items</i>	-	93	-	-	-
Total items	846	1,256	950	900	903
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	-	-	-	-	-
Funded by capital appropriation - DCB (b)	897	1,163	1,153	957	903
TOTAL	897	1,163	1,153	957	903
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	897	1,163	1,153	957	903
Total cash used to acquire assets	897	1,163	1,153	957	903

Prepared on Australian Accounting Standards basis.

- (a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2020–21)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020					
Gross book value	-	762	554	4,106	5,422
Gross book value - ROU assets	-	3,591	-	-	3,591
Accumulated depreciation/amortisation and impairment	-	(257)	(251)	(2,807)	(3,315)
Accumulated depreciation/amortisation and impairment - ROU assets	-	(1,508)	-	-	(1,508)
Opening net book balance	-	2,588	303	1,299	4,190
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity (a)	-	-	359	804	1,163
Total additions	-	-	359	804	1,163
Other movements					
Depreciation/amortisation expense	-	(280)	(194)	(422)	(896)
Depreciation/amortisation on ROU assets	-	(1,138)	-	-	(1,138)
Total other movements	-	(1,418)	(194)	(422)	(2,034)
As at 30 June 2021					
Gross book value	-	762	913	4,910	6,585
Gross book value - ROU assets	-	3,591	-	-	3,591
Accumulated depreciation/amortisation and impairment	-	(537)	(445)	(3,229)	(4,211)
Accumulated depreciation/amortisation and impairment - ROU assets	-	(2,646)	-	-	(2,646)
Closing net book balance	-	1,170	468	1,681	3,319

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Total expenses administered on behalf of Government	-	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Total taxation revenue	-	-	-	-	-
Non-taxation revenue					
Fees and fines	1,182	-	10,936	13,062	16,810
Total non-taxation revenue	1,182	-	10,936	13,062	16,810
Total own-source revenue administered on behalf of Government	1,182	-	10,936	13,062	16,810
Total own-sourced income administered on behalf of Government	1,182	-	10,936	13,062	16,810
Net (cost of)/contribution by services	(1,182)	-	(10,936)	(13,062)	(16,810)
Surplus/(deficit) before income tax	(1,182)	-	(10,936)	(13,062)	(16,810)
Income tax expense					
Surplus/(deficit) after income tax	(1,182)	-	(10,936)	(13,062)	(16,810)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(1,182)	-	(10,936)	(13,062)	(16,810)

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Total assets administered on behalf of Government	-	-	-	-	-
LIABILITIES					
Payables					
Other payables	52	-	-	-	-
Total payables	52	-	-	-	-
Total liabilities administered on behalf of Government	52	-	-	-	-
Net assets/(liabilities)	(52)	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	1,911	-	10,936	13,062	16,810
Total cash received	1,911	-	10,936	13,062	16,810
Cash used					
Other	677	52	-	-	-
Total cash used	677	52	-	-	-
Net cash from/(used by) operating activities	1,234	(52)	10,936	13,062	16,810
INVESTING ACTIVITIES					
Net increase/(decrease) in cash held	1,234	(52)	10,936	13,062	16,810
Cash and cash equivalents at end of reporting period	1,234	(52)	10,936	13,062	16,810

Prepared on Australian Accounting Standards basis.

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

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

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

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

PORTFOLIO GLOSSARY AND ACRONYMS

Portfolio glossary

Term	Definition
Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Additional Estimates Bills or Acts	These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments [Appropriations (Parliamentary Departments) Bill (No. 2)]. These Bills are introduced into Parliament sometime after the Budget Bills.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two Appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Assets	Assets are physical objects and legal rights it is expected will provide benefits in the future or alternatively items of value owned by an agency.
Budget measure	A decision by the Cabinet or ministers that has resulted in a cost or savings to outlays.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

Portfolio glossary and acronyms

Term	Definition
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expenses	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Forward estimates	A system of rolling three year financial estimates. After the budget is passed, the first year of the forward estimates becomes the base for the next year's budget bid, and another out-year is added to the forward estimates.
Liabilities	Liabilities represent amounts owing on goods or services that have been received but not yet paid for. A liability shows the future commitment of an agency's assets.
Net annotated appropriation (Section 74 Receipts)	Section 74 Receipts, also known as net annotated appropriations, are a form of appropriation which allows a department access to certain money it receives in payment of services. These monies are known as Section 74 Receipts, reflecting their authority under Section 74 of the PGPA Act 2013.
Official Public Account	The Australian Government maintains a group of bank accounts at the Reserve Bank of Australia, known as the Official Public Account (OPA), the aggregate balance of which represents its daily cash position.
Operating result	Equals revenue less expenses.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Portfolio Budget Statements	Statements prepared by portfolios to explain the budget appropriations in terms of outcomes.

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

Portfolio acronyms

Term	Definition
AC	Companion of the Order of Australia
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACSF	Australian Core Skills Framework
AITSL	Australian Institute for Teaching and School Leadership
AM	Member of the Order of Australia
AMSI	Australian Mathematical Sciences Institute
ARC	Australian Research Council
ASQA	Australian Skills Quality Authority
CCS	Child Care Subsidy
COPE	Commonwealth own-purpose expense
CRF	Consolidated Revenue Fund
DCB	Departmental Capital Budget
DLSF	Digital Literacy Skills Framework
ELLA	Early Learning Languages Australia
ELLIC	English Language Learning for Indigenous Children
ERA	Excellence in Research in Australia
ESOS Act	<i>Education Services for Overseas Students Act 2000</i>
GST	Goods and Services Tax
HELP	Higher Education Loan Program
JEDI	Jobs and Education Data Infrastructure
JETCCFA	Jobs Education and Training, Child Care Fee Assistance
low SES	Low socio-economic status
MYEFO	Mid-Year Economic and Fiscal Outlook
NCGP	National Competitive Grants Program
NCI	National Careers Institute
NSC	National Skills Commission
NSRA	National School Reform Agreement
OPA	Official Public Account
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
ROU	right of use
SEE	Skills for Education and Employment
SOETM	Services for Other Entities and Trust Moneys

Term	Definition
STEM	science, technology, engineering and mathematics
TAFE	Technical and Further Education
TEMAG	Teacher Education Ministerial Advisory Group
TEQSA	Tertiary Education Quality and Standards Agency
TtW	Transition to Work
USI	Unique Student Identifier
VET	Vocational Education and Training
VET FEE-HELP	Loan scheme for eligible students to pay for all or part of their tuition fees for a VET qualification (diploma level and above) at an approved VET provider
VSL	VET Student Loans