

**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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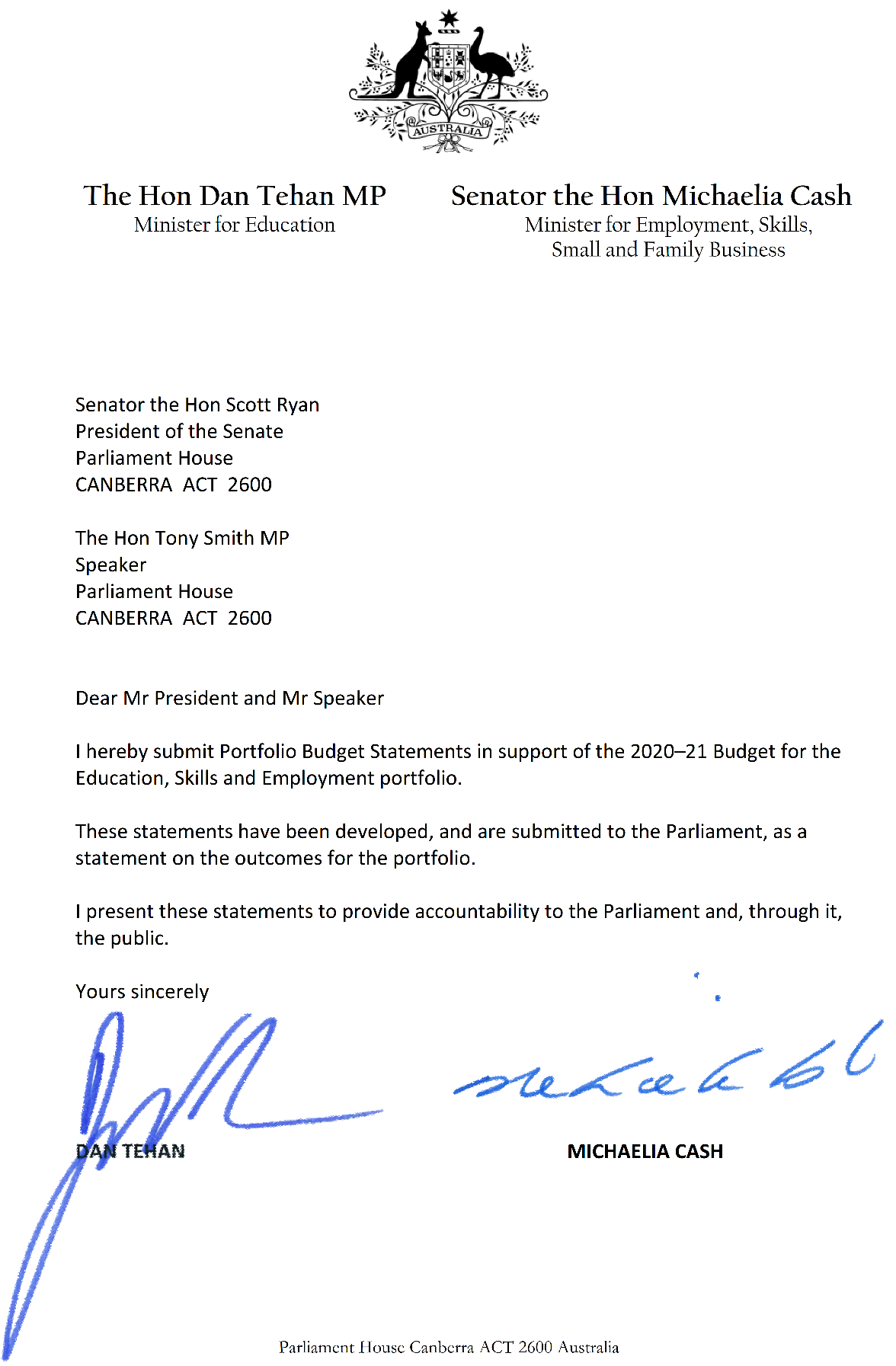
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Abbreviations and conventions

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nfp not for publication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.

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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.

**Commonwealth Performance Framework**Key components of relevant publications

Portfolio Budget Statements (October)   
*Portfolio based*

Corporate Plan  
(August)  
*Entity based*

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs**  
undertaken by other Commonwealth  
entities.

Provides high level performance  
information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective  
performance information for proposed new budget measures that require **a new program** or **significantly change an existing program**.

**Primary planning document** of a  
Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion  
of **risk**.

Explains how the entity’s **performance** will be **measured** and **assessed**.

Annual Performance Statement (October following year) *Entity based*

Included in the Commonwealth entity’s Annual Report. Focuses on **recent  
performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity’s  
performance results**.

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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]](#footnote-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*.

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

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

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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 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:

* $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 though 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.

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 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

Financial table

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

Financial table

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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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.

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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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  Program 1.1 - Services to the Community - Social Security and Welfare |
| Contribution to Outcome 1 made by linked programs  The linked program contributes to Outcome 1 by administering child care payments to eligible families. |
| Department of the Prime Minister and Cabinet |
| Programs  Program 2.1 - Jobs, Land and Economy  Program 2.2 - Children and Schooling |
| Contribution to Outcome 1 made by linked programs  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. |
| Department of the Treasury |
| Programs  Program 1.9 - National Partnership Payments to the states |
| Contribution to Outcome 1 made by linked programs  The linked program contributes to Outcome 1 by making National Partnership Payments to the states. |

#### 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

Financial table available at data.gov.au

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

Financial table available at data.gov.au

(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 | This program will be delivered through the following key activity and delivery strategies:  Key Activity  Support to families who rely on subsidised child care to work, train, study or volunteer.  Delivery Strategies  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:  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

Financial table available at data.gov.au

(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:  Key Activity  Support to families who rely on subsidised child care to work, train, study or volunteer.  Delivery Strategies  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:  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 higher2  **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]](#footnote-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 |

###### Program expenses 1.2 Child Care Subsidy

Financial table available at data.gov.au

##### 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 | This program will be delivered through the following key activity and delivery strategies:  Key Activity  Provide consistent, transparent and needs-based funding to government and non‑government schools.  Delivery Strategies  Administer recurrent funding entitlements under the *Australian Education Act 2013* (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:  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]](#footnote-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]](#footnote-4) [[5]](#footnote-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]](#footnote-6) [[7]](#footnote-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 20314 5 7 |
| 2021–22 and beyond | As per 2020–21 | As per 2020–21 |

###### Program expenses 1.3 Government Schools National Support

Financial table available at data.gov.au

(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 | This program will be delivered through the following key activity and delivery strategies:  Key Activity  Provide consistent, transparent and needs-based funding to government and non‑government schools  Delivery Strategies  Administer recurrent funding entitlements under the *Australian Education Act 2013* (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:  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

Financial table available at data.gov.au

(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 | This program will be delivered through the following key activities and delivery strategies:  Key Activities  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.  Delivery Strategies  Continue to work with states, territories and stakeholders to:   * + 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. |
| Measures impacting program 1.5:  Students Support Package | |

###### Performance information 1.5 Early Learning and Schools Support

| Year | Performance criteria | 2019–20 Actual Achievement/Targets |
| --- | --- | --- |
| 2019–20 | Preschool  Universal access to quality early childhood education | Preschool  95% of Indigenous children enrolled in early childhood education in the year before full-time school are enrolled for 600 hours per year  Target: 95%[[8]](#footnote-8)  **Achieved**  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. |
|  |  | 95% of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours per year  Target: 95%8  **Not Achieved**  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.  The result was less than one percentage point below the target of 95%. |
|  | School  As per Program 1.3. | School  As per Program 1.3. |
| 2020–21 | Preschool  Universal access to quality early childhood education | Preschool  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% |
|  |  | Proportion of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours per year Target: 95% |
|  | School  As per Program 1.3. | School  As per Program 1.3. |
| 2021–22 and beyond | As per 2020–21 | As per 2020–21 |

###### Program expenses 1.5 Early Learning and Schools Support

Financial table available at data.gov.au

### 2.2 Budgeted expenses and performance for Outcome 2

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

#### Linked programs

|  |
| --- |
| Australian Trade and Investment Commission (Austrade) |
| Programs  Program 1.1 - Promotion of Australia's export and other international economic interests |
| Contribution to Outcome 2 made by linked programs  The linked program contributes to Outcome 2 by promoting the Australian education sector in international markets. |
| Department of Foreign Affairs and Trade |
| Programs  Program 1.4 - New Colombo Plan - Transforming Regional Relationships  Program 1.7 - Public Information Services and Public Diplomacy |
| Contribution to Outcome 2 made by linked programs  The linked programs contribute to Outcome 2 by promoting international education through advocacy and coordination roles at overseas missions. |
| Department of Home Affairs |
| Programs  Program 2.3 - Visas |
| Contribution to Outcome 2 made by linked programs  The linked program contributes to Outcome 2 by supporting a sustainable international education sector through administering student visas. |
| Services Australia |
| Programs  Program 1.1 - Services to the Community - Social Security and Welfare |
| Contribution to Outcome 2 made by linked programs  The linked program contributes to Outcome 2 by making payments to eligible job seekers. |
| Department of Social Services |
| Programs  Program 1.11 - Student Payments |
| Contribution to Outcome 2 made by linked programs  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. |
| Department of the Prime Minister and Cabinet |
| Programs  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  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

Financial table available at data.gov.au

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

Financial table available at data.gov.au

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

Financial table available at data.gov.au

(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 | 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:  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 | This program will be delivered through the following key activities and delivery strategies:  Key Activities  Enhance the quality of the higher education system.  Support students' access to higher education and transition to employment.  Delivery Strategies  Implement the Job-ready Graduates reform package to:   * + 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. |
| Measures impacting program 2.1:  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

Financial table available at data.gov.au

##### Program 2.2 Higher Education Superannuation Program

| Objective | The program provides supplementary funding to assist eligible universities to meet certain superannuation expenses for eligible current and former university employees who are members of identified state government emerging cost superannuation schemes.  Cost-share arrangements are in place with relevant state governments and a proportion of Higher Education Superannuation Program (HESP) funding is recovered from these states as a result of their historical responsibilities for funding higher education.  These schemes have been closed to new members for some time but are still active for existing members. |
| --- | --- |
| Delivery | This program will be delivered through the following key activities and delivery strategies:  Key Activity  Funding is paid to eligible universities in instalments based on verified annual claims for payments.  Delivery strategies  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 *Higher Education Support Act 2003* Other Grants Guidelines (Education) 2012 |
| Purposes | We help to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development. |

###### 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]](#footnote-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

Financial table available at data.gov.au

##### 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 | This program will be delivered through the following key activities and delivery strategies:  Key Activities  Enhance the quality of the higher education system.  Support students' access to higher education and transition to employment.  Delivery Strategies  Implement the Job-ready Graduates reform package to:   * + 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. |
| Measures impacting program 2.3:  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. | At least 18% of domestic undergraduates are from a low socioeconomic background (based on postcode)[[10]](#footnote-10)  Target: Equal to or higher than 18%  **Achieved**  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%). |
|  | At least 16% of domestic undergraduates are from a low socioeconomic background (based on Statistical Area level 1)[[11]](#footnote-11)  Target: Equal to or higher than 16%  **Achieved**  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%) |
|  | At least 2% of higher education students are Indigenous  Target: 2%  **Achieved**  Result: The result of 2.0% is a marginal increase from 1.9% in the 2018 calendar year |
| Maintaining the quality of higher education | At least 80% of undergraduate students rate the teaching quality at their institution positively  Target: 80%  **Achieved**  Result: 81% of undergraduate students rated the teaching quality at their institution positively |
|  | At least 85% of employers are satisfied with the skills of graduates (overall across all skills)  Target: 85%  **Not Achieved**  Result: 84% of employers were satisfied with the skills of graduates (overall across all skills). |
| 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 | Proportion of undergraduate students who rate the teaching quality at their institution positively. Target: At least 80% |
|  | Proportion of employers who are satisfied with the skills of graduates (overall across all skills). Target: 85% |
| 2021–22 and beyond | As per 2020–21 | As per 2020–21 |

###### Program expenses 2.3 Higher Education Support

Financial table available at data.gov.au

##### 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:  Key Activities  Enhance the quality of the higher education system.  Support students' access to higher education and transition to employment.  Delivery Strategies  Implement the Job-ready Graduates reform package to:   * + 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. |
| Measures impacting program 2.4:  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 |

###### Program expenses 2.4 Higher Education Loan Program

Financial table available at data.gov.au

(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:  Key Activity  Support the research sector, research training and national research infrastructure.  Delivery Strategies  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:  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 |
|  | 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

Financial table available at data.gov.au

##### 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:  Key Activities  Support the research sector, research training and national research infrastructure.  Delivery Strategies  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:  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. |
|  | At least 90% of researchers report that access to NCRIS facilities and projects improved their research quality and outputs.  Target: 90% or higher  **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 collected in early 2019 shows that 92% of users who responded to the survey believe NCRIS research infrastructure improved research quality and outputs. |
| 2020–21 | Investments are prioritised to ensure researchers have access to the resources needed to undertake world-class research. | Proportion of research conducted by Australian universities and related to priority investment areas is rated as world standard or above. Target: 85% or higher |
|  |  | Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs. Target: 90% or higher |
| 2021–22 and beyond | As per 2020–21 | As per 2020–21 |

###### Program expenses 2.6 Research Capacity

Financial table available at data.gov.au

##### 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:  Key Activity  Support a high quality and sustainable international education sector.  Delivery Strategies  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:  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. |
|  |  | At least 85% of international students are satisfied or very satisfied with studying and living in Australia.  Target: 85% or higher  **Achieved**  Result[[12]](#footnote-12): The department’s 2018 International Student Survey showed that 89% of students were satisfied or very satisfied with studying and living in Australia |
|  |  | At least 60% of international students employed or enrolled in further study after graduation.  Target: 60%  **Achieved**  Result: 89% (8,124 of 9,091) of international graduates were employed or enrolled in further study |
|  |  | Maintain positive growth in the number of students enrolled in offshore and transnational education and training delivered by Australian providers.  Target: Annual increase  **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. |
| 2020–21 | Sustainably grow Australia’s international education sector by maintaining quality and increasing diversity. | Average annual growth rate in international education export earnings. Target: 3% to 5% annual growth |
|  | Proportion of international students who are satisfied or very satisfied with studying and living in Australia. Target: 85% or higher[[13]](#footnote-13) |
|  | Proportion of international students employed or enrolled in further study after graduation. Target: 60% |
|  | Number of students enrolled in offshore and transnational education and training delivered by Australian providers. Target: Numbers stabilised |
| 2021–22 and beyond | As per 2020–21 | As per 2020–21 |

###### Program expenses 2.7 International Education Support

Financial table available at data.gov.au

### 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  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  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  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

Financial table available at data.gov.au

Table 2.3.1: Budgeted expenses for Outcome 3 (continued)

Financial table available at data.gov.au

(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 | This program will be delivered through the following key activities and delivery strategies:  Key Activities  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.  Delivery Strategies  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.  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:  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). | Proportion of employers that report use of the VET system.  Target: 50%[[14]](#footnote-14)  **Achieved**  Result[[15]](#footnote-15): In 2019, 50.9% of employers reported that they used the VET system. |
|  |  | Proportion of graduates who are satisfied with the overall quality of the training.  Target: 85%  **Achieved**  Result: 88.1% of 2018 VET graduates (almost 9 in 10) were satisfied with the overall quality of their training. |
|  | Responding to industry and employers through access to VET graduates with required skills. | Positive growth in apprenticeship completion rate from the previous year.  Target: An increase in the completion rate from the previous year.[[16]](#footnote-16)  **Not Achieved**  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. |
|  |  | At least 80% of VET graduates are employed or enrolled in further study after training.  Target: 80%  **Achieved**  Result: In 2019, 85.6 % of 2018 VET graduates were employed or enrolled in further study. |
|  | Improving language, literacy and numeracy for target groups. | At Least 80% of participants in targeted programs increase one or more levels on the Australian Core Skills Framework.  Target: 80%  **Achieved**  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. |
| 2020–21 | Maintaining the quality of vocational education and training (VET). | Proportion of employers that report use of the VET system. Target: 50%.13 |
|  |  | Proportion of graduates who are satisfied with the overall quality of the training. Target: 85%. |
|  |  | Proportion of VET graduates who are employed or enrolled in further study after training. Target: 80%. |
|  | Responding to industry and employers through access to VET graduates with required skills. | Maintain the number of apprenticeship commencements. Target: Maintain numbers from 2019–20. |
|  |  | 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. |
|  | 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

Financial table available at data.gov.au

Program 3.1 Building Skills and Capability (continued)

Financial table available at data.gov.au

(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:  Key Activity  Reduce barriers to undertaking quality VET training.  Delivery Strategy  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:  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. | Target: The proportion of Students surveyed that report studying for business or job related reasons remains stable or increases from the previous year.  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:  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. | 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. Target: 70% |
| 2021–22 and beyond | As per 2020–21 | As per 2020–21 |

###### Program expenses 3.2 VET Student Loans

Financial table available at data.gov.au

(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  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  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  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

Financial table available at data.gov.au

Table 2.4.1: Budgeted expenses for Outcome 4 (continued)

Financial table available at data.gov.au

(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 | This program will be delivered through the following key activities and delivery strategies:  Key Activities  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.  Delivery Strategies  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.  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. |
| Measures impacting program 4.1:  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. | Proportion of job placements sustained to 26 weeks.  Target: 30% overall. 30% Indigenous  **Achieved**  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%. |
|  |  | Proportion of job seekers employed three months following participation in employment services.  Target: Overall 45%; Stream A 55%; Stream B 40%; Stream C 25%  **Achieved**  Result: 46.1% of participants were employed three months following participation in jobactive. The results for each stream were:  56.4% for ‘Stream A’ Achieved  39.7% for ‘Stream B’ Not Achieved  25.9% for ‘Stream C’ Achieved  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. |
|  | 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%  **Not Achieved**  Result: 36.8% of participants moved off income support, or reduced their reliance by at least 60%, six months after participation in jobactive. |
|  | Help job seekers meet their mutual obligation requirements. | Proportion of Work for the Dole participants who report increased motivation to find a job.  Target: 75%.  **Achieved**  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. |
|  |  | Proportion of provider appointments attended by activity-tested job seekers.  Target: 90%  **Not Achieved**  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%). |
|  |  | Proportion of job seekers (with mutual obligation requirements) who are actively looking for work.  Target: 90%  **Not Achieved**  Result: 86% of job seekers met their job search requirements, below the target of 90%, however the result is15.8 percentage points higher than in 2018–19 (70.2%). |
|  | jobactive organisations deliver quality services. | Proportion of jobactive organisations that meet their service delivery commitments. Target: 80%  **Achieved**  Result: In 2019–20, 94% of jobactive providers met their service delivery commitments. |
|  |  | Proportion of employers satisfied with the assistance provided by a jobactive organisation.  Target: 80%  **Achieved**  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. |
|  | jobactive – overall program measure. | Cost per employment outcome.  Target: $2500  **Not Achieved**  Result: The cost per employment outcome was $2,503. This was marginally above the target of $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 a week three months after participating in and then exiting NEIS.  Target: 68%  **Not Achieved**  Result: 65% of NEIS participants were off income support, or working 20 hours a week three months after participating in and then exiting NEIS. |
|  | ParentsNext — Support parents to build their work readiness. | Proportion of ParentsNext participants who increase their work readiness.  Target: 80% overall; 80% Indigenous  **Not Achieved**  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). |
|  | 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.  Target: 5,000 overall; 1,000 Indigenous  **Achieved**  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. |
|  |  | Proportion of early school leavers who are in or have completed education or training.  Target: 25%  **Achieved**  Result: The proportion of early school leavers who are in, or have completed, education and training was 33.8% exceeding the target. |
|  | Time to Work Employment Service — Support Indigenous prisoners prepare to find employment and reintegrate back into the community. | Proportion of eligible prisoners that participate in the Service.  Target: 50%  **Not Achieved**  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. |
|  |  | Proportion of participants who exit the service with an approved transition plan.  Target: 25%  **Achieved**  Result: 41% of participants who exited the service had an approved transition plan. |
|  | Transition to Work – Help young people move into work or education | Proportion of placements sustained to a 12-week employment outcome, hybrid outcome, or a 26-week education outcome.  Target: 65%  **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%) |
|  |  | Proportion of placements that are converted to sustainability outcomes.  Target: 40%  **Achieved**  Result: In 2019–20, 46.3% of TtW job placements converted to sustainability outcomes, exceeding the results for 2018–19 (45%). |
|  |  | 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%  **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%. |
| 2020–21 | Help job seekers find and keep a job. | Proportion of job placements sustained to 26 weeks. Targets: Overall: 30%, Indigenous: 30%. |
|  |  | Proportion of job seekers employed three months following participation in employment services. Targets: Overall: 45%, Stream A: 55%, Stream B: 40%, Stream C: 25%. |
|  | 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. | Proportion of Work for the Dole participants who report increased motivation to find a job. Target: 75%. |
|  |  | Proportion of provider appointments attended by activity-tested job seekers. Target: 90%. |
|  |  | Proportion of job seekers (with mutual obligation requirements) who are actively looking for work. Target: 90%. |
|  | 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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis

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

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

**Financial table available at data.gov.au**

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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
* 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

Financial table available at data.gov.au

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

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

### 2.1 Budgeted expenses and performance for Outcome 1

#### 

#### 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

Financial table available at data.gov.au

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 | • 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 | *•* 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 | • 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 | • 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 | • Agreed refinements to the F-10 Australian Curriculum undertaken | • Actions for refinements to the F-10 Australian Curriculum as agreed by Council undertaken and completed in 2021-22. |
| 2021–22 and beyond | *•* Agreed refinements to the F-10 Australian Curriculum undertaken  • Refinements to the F-10 Australian Curriculum undertaken in collaboration with jurisdictions and stakeholders | • 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 | *•* 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 | • 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 | • 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 | • Advice on NAP enhancements developed | • Advice on NAP enhancements considered by Australian Education Senior Officials Committee (AESOC) and Council. |
| 2021–22 and beyond | • 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 | • 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 | • 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 | • 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 | • The National Report on Schooling in Australia (ANR) is published  • Enhancements to My School considered and agreed to by Council progressed | • 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 | • 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 | • 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 | • 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 | • 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 | • 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 | • 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 | • 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 | • 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 |
| 2020–21 | • 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 | • 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 is 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

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

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

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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

### 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

**Financial table available at data.gov.au**

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

Financial table available at data.gov.au

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. | Initial Teacher Education Programs in Australia  Implement Education Council decisions on national quality assurance, consistency and transparency of initial teacher education.  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.  Quality Teaching  Improve access to high quality professional learning aligned to the *Australian Professional Standards for Teachers* (Teacher Standards).  Improve consistency in the implementation of the national teacher registration framework and Teacher Standards.  Support and promote the National Certification of Highly Accomplished and Lead Teachers.  Develop tools for schools to better understand teacher effectiveness.  School Leadership  Support improvements to the quality of preparation and professional learning of school leaders aligned to the *Australian Professional Standard for Principals*, and promote access to key tools and resources.  Undertake and engage with national and international research and innovation developments in best practice  Strengthen the evidence base for AITSL’s work through enhanced research and involvement with national and international agencies and experts.  Assessment for Migration  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. |
| 2020–21 | AITSL continues to promote excellence in the profession of teaching and school leadership. | Initial Teacher Education Programs in Australia  Implement Education Council decisions on national quality assurance, consistency and transparency of initial teacher education.  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.  Quality Teaching  Improve access to high quality professional learning aligned to the *Australian Professional Standards for Teachers* (Teacher Standards).  Improve consistency in the implementation of the national teacher registration framework and Teacher Standards.  Support and promote the National Certification of Highly Accomplished and Lead Teachers.  Evaluate teacher effectiveness.  School Leadership  Support improvements to the quality of preparation and professional learning of school leaders aligned to the *Australian Professional Standard for Principals*, and promote access to key tools and resources.  Undertake and engage with national and international research and innovation developments in best practice  Strengthen the evidence base for AITSL’s work through enhanced research and involvement with national and international agencies and experts.  Assessment for Migration  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. |
| 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

Financial table available at data.gov.au

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

Note: Impact of net cash appropriation arrangements

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

(a)Applies leases under AASB 16 Leases.

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

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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
* continuing to monitor the performance of selected NCGP schemes though 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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

Table 2.2.1: Budgeted expenses for Outcome 1 (continued)

Financial table available at data.gov.au

(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:  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 | The Discovery Program contributes to the growth of knowledge and innovation in Australia by funding:  excellent research and researchers  research training and career development  international collaboration  research in areas of priority.  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. | Final reporting data for 2019-20   * 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.   Case studies demonstrating the benefits arising from Discovery Program research will be provided in the ARC annual report for 2019-20. |
| 2020–21 | The Discovery Program contributes to the growth of knowledge and innovation in Australia by funding:  excellent research and researchers  research training and career development  international collaboration  research in areas of priority.  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. | 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 | 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 | 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.  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. |
| --- | --- |
| Delivery | The Linkage Program is delivered through the following activities:  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 | 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 1.2 Linkage – Cross Sector Research Partnerships

| Year | Performance criteria | **2019–20 Actual Achievement/Targets** |
| --- | --- | --- |
| 2019–20 | The Linkage Program contributes to the growth of knowledge and innovation in Australia by funding:  excellent collaborative research and researchers  industrial research training and career development  partnerships between universities and research end-users  research in areas of priority. | Final reporting data for 2019–20:  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 *Industrial Transformation Training Centres scheme*.  Case studies demonstrating the benefits arising from Linkage Program research will be provided in the ARC annual report for 2019-20 |
| 2020–21 | The Linkage Program contributes to the growth of knowledge and innovation in Australia by funding:  excellent collaborative research and researchers  industrial research training and career development  partnerships between universities and research end-users  research in areas of priority. | 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 (≥ $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 | 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 (≥ $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 | 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.  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. |
| Delivery | The program is delivered through the following activities:  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 | 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 1.3 Excellence in Research for Australia

| Year | Performance criteria | **2019–20 Actual Achievement/Targets** |
| --- | --- | --- |
| 2019–20 | The ERA program, including the research quality evaluation framework and EI assessment framework, contributes to the growth of knowledge and innovation in Australia by:  providing assurance of the quality of research in Australia  encouraging excellent, internationally competitive research  encouraging impactful engagement within and beyond the research sector | 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 | The ERA program, including the research quality evaluation framework and EI assessment framework, contributes to the growth of knowledge and innovation in Australia by:  providing assurance of the quality of research in Australia  encouraging excellent, internationally competitive research  encouraging impactful engagement within and beyond the research sector | 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. |
| 2021–22 and beyond | As per 2020–21 | 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

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

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.
* 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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

(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 | The mechanisms through which Program 1.1 is delivered are:  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 | Program 1.1 contributes to ASQA’s purpose which is to:  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 | Identify and develop understanding of the risks to VET and take regulatory action to address the most serious identified risks.  Effectively manage risk-based registration of quality RTOs and accreditation of courses that meet Australia’s vocation education needs.  Delivery of standards-based auditing based on risk and appropriate and proportionate regulatory decisions.  Effectively seek information to inform understanding of risks in the VET sector.  Provide clear, targeted and effective provision of information and support to stakeholders about the VET sector and compliance with standards.  Provide input and advice on strategies to improve VET regulation and the VET sector. | ASQA met three, and partially met three, of the six performance criteria.  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.  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.  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.  A detailed report and assessment of performance is contained in ASQA’s Annual Performance Statement in ASQA’s 2019–20 Annual Report. |
| 2020–21 | Identify and develop understanding of the risks to VET and take regulatory action to address the most serious identified risks.  Provide support to the sector to build a shared understanding of self-assurance, and improve capability.  Effectively manage risk- based registration of quality providers and accreditation of courses that meet Australia’s vocational education needs.  Deliver sector monitoring and standards-based performance assessment/auditing based on risk, and apply appropriate and proportionate regulatory decisions.  Effectively seek information to inform our understanding of risks in the VET sector.  Provide clear, targeted and effective information and support to stakeholders about the VET sector and compliance with standards.  Provide input and advice on strategies to improve VET regulation and the VET sector. | 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:   * 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 | The 2020–21 performance criteria will be reviewed and any necessary adjustments will be made to reflect ASQA’s reforms and changed approaches. | As per 2020–21 with any adjustments required due to reformed activities. |

## 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 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

Financial table available at data.gov.au

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

Note: Impact of net cash appropriation arrangements

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

(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:  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:   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

Financial table available at data.gov.au

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

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

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)

Financial table available at data.gov.au

Prepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.auPrepared on Australian Accounting Standards basis.

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

Financial table available at data.gov.au

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. |
| 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. |
| Public Governance, Performance and Accountability Act 2013 | The Public Governance, Performance and Accountability Act 2013 (PGPA Act) replaced the Financial Management and Accountability (FMA) Act 1997 and the Commonwealth Authorities and Companies (CAC) Act 1997 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 (CFR) 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, Assesment 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 | *Education Services for Overseas Students Act 2000* |
| 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 | Public Governance, Performance and Accountability Act 2013 |
| ROU | right of use |
| SEE | Skills for Education and Employment |
| SOETM | Services for Other Entities and Trust Moneys |
| 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 |

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. [↑](#footnote-ref-1)
2. Payment accuracy is a defined measure based on independent actuarial assessment. [↑](#footnote-ref-2)
3. Target source: ABS Education and Work Australia 6227.0. [↑](#footnote-ref-3)
4. Target Source: Census of Population and Housing [↑](#footnote-ref-4)
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. [↑](#footnote-ref-5)
6. Target Source: ABS Education and Work Australia 6227.0. [↑](#footnote-ref-6)
7. This target reflects Outcome 5 of the National Agreement on Closing the Gap. [↑](#footnote-ref-7)
8. Target as set under the National Partnership Agreement on Universal Access to Early Childhood Education. [↑](#footnote-ref-8)
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. [↑](#footnote-ref-9)
10. Measured at the postcode level, as defined by the ABS.  
    http://www.abs.gov.au/ausstats/abs@.nsf/mf/2033.0.55.001 [↑](#footnote-ref-10)
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 [↑](#footnote-ref-11)
12. Results sourced from biennial survey. [↑](#footnote-ref-12)
13. Results sourced from biennial survey. [↑](#footnote-ref-13)
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. [↑](#footnote-ref-14)
15. Results sourced from biennial survey. [↑](#footnote-ref-15)
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. [↑](#footnote-ref-16)