



Australian Government
Department of Education,
Skills and Employment



Incoming Government Brief

2022



Australian Government

Department of Education, Skills and Employment

Secretary
Dr Michele Bruniges AM

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

Dear Minister

Congratulations on your appointment as Minister for Early Childhood Education and Minister for Youth. I look forward to working with you to implement your *plan for a better future for all Australians*.

Early childhood education and youth policy benefits Australians, their families and communities, supporting the education and development of young children and helping young people to reach their full potential.

My department stands ready to implement your agenda by providing national leadership on early childhood education and youth policy. We will partner with portfolio agencies, other departments, states, territories and stakeholders to deliver high quality early childhood education and support for young people.

I look forward to meeting with you and discussing your agenda further.

Yours sincerely

Dr Michele Bruniges AM



2 June 2022

Table of Contents

1. Introduction

Provides an overview of the department and its role, introduces the leadership group, presents an overview of education through the life course, and provides a high-level education and training outlook.

2. Your agenda

Provides advice on your reform agenda, including a high-level roadmap of key milestones and  .

Commitments

Early childhood

Youth

3. Early priorities

Identifies the briefings you will receive in the first week and first month to make time-critical or significant decisions, stakeholders you might like to contact, and early event opportunities you may wish to consider.

4. Overviews

Describes how the education sectors operate, with reference to key data and reforms. Also includes overviews on significant issues, such as Commonwealth-state relations and Closing the Gap.

SUPPLEMENTARY PRODUCTS

Portfolio guide

Provides information about the architecture and main activities of the education, skills and employment portfolio, including overviews of all administered programs.



1

Introduction

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1. Introduction

Introduction to the department

Departmental leadership

Learning life course

Education and training outlook

Introduction to the department

The Department of Education, Skills and Employment's (the department) purpose is to *contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.*

An educated society and workforce, with the ability to learn new skills, innovate and create new knowledge, improves the economic capacity of the nation and increases productivity and potential future growth. Providing quality education is perhaps the most powerful policy lever available to improve lifetime incomes and reduce entrenched disadvantage.

The work we do

The department implements Government policies and programs that impact Australians from their early years and throughout their lives, as well as being a driving force behind the economic and social wellbeing of the nation.

The policies and programs help enable all Australians to overcome disadvantage, positively participate in their community and contribute to social and economic life.

We achieve this through our four Outcomes, as outlined in the Portfolio Budget Statement:

- 1** Improve 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.
- 2** Promote growth in economic productivity and social wellbeing through access to quality higher education, international education and international quality research.
- 3** Promote growth in economic productivity and social wellbeing through access to quality skills and training.
- 4** Foster a productive and competitive labour market through policies and programs that assist job seekers into work and meet employer needs.

In 2022-23, the portfolio will manage around \$59.1 billion of Australian Government funding (including Portfolio Agencies and Treasury Appropriations). Of this, \$58.1 billion is for administered expenses and \$848.3 million for departmental expenses.

How we do it

The department provides advice to its Ministers and effectively implements Government policies and programs. In doing this, the department draws on the best available research, evidence and data.

The department works closely with other government agencies, state and territory governments, international organisations, regulators, businesses, education institutions, peak bodies, providers, industry and the community. This engagement combined with strong working relationships ensure policy development, program delivery, services and evaluation reflect the needs of the sectors, stakeholders and the Australian public.

We aim to maximise the benefit of our state, regional and international presence to support local relationships, contribute local knowledge and deliver services nationally and internationally.

As at 31 December 2021, the portfolio¹ employed approximately 4,369 staff under the *Public Service Act 1999*. The department has a presence across Australia, including 3,871 staff (88.6 per cent) in Canberra, central Melbourne and central Sydney, 427 staff (9.8 per cent) in other capital cities, and 60 staff (1.4 per cent) in regional areas (Alice Springs, Bendigo, Cairns, Newcastle, Orange, Mackay, Rockhampton and Townsville). Our international Counsellor network includes Brazil, China, France, India, Indonesia, Japan, Malaysia, Mexico and Vietnam.

Portfolio agencies

- Australian Curriculum Assessment and Reporting Authority
 - Australian Curriculum, Assessment and Reporting Authority Board
- Australian Institute of Teaching and School Leadership
 - Australian Institute for Teaching and School Leadership Limited Board
- Australian Research Council
 - Australian Research Council Advisory Committee
- Australian Skills Quality Authority
 - National Vocational Education and Training Regulator Advisory Council
- Tertiary Education Quality and Standards Agency
 - Tertiary Education Quality and Standards Agency Accountable Authority

Bodies forming part of the portfolio's administrative arrangements orders

- Australian National University

Statutory Bodies

- Australian National University (ANU) Council
- Higher Education Standards Panel
- Initial Teacher Education Quality Assessment Expert Panel
- National School Resourcing Board
- Tuition Protection Service (TPS) Advisory Board

Statutory office holders

- National Skills Commissioner
- Tuition Protection Service (TPS) Director
- Unique Student Identifier (USI)

Non-Statutory Appointments

- Regional Education Commissioner

¹ Data reflects the department, Australian Research Council, Australian Skills Quality Authority, and Tertiary Education Quality and Standards Agency. Data for the Australian Curriculum Assessment and Reporting Authority (ACARA) and the Australian Institute for Teaching and School Leadership (AITSL) are not included as these agencies do not employ staff under the *Public Service ACT 1999*.

Non-Statutory Boards

- Australian Industry and Skills Committee
- Council for International Education
- Equity in Higher Education Panel
- National Careers Institute Advisory Board
- Performance-Based Funding Review – Expert Group
- Quality Indicators for Learning and Teaching Working Group
- Skills Expert Panel

Ministerial Forums Relevant to the Portfolio





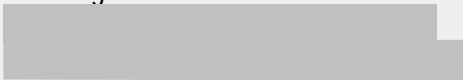



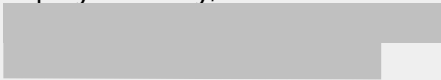



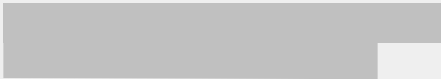


- Education Ministers’ Meeting
- Skills National Cabinet Reform Committee
- Skills Ministers’ Meeting

Other Structures within the Portfolio

- Australian Education Research Organisation Limited (AERO)
- National Centre for Vocational Education Research Ltd
- Australian Children’s Education and Care Quality Authority
- Australia India Education Council
- Australia Indonesia Centre
- Australian-American Educational Foundation (Fulbright Commission) Board
- Education Services Australia (ESA)

Further information can be found in the *Education, Skills and Employment Portfolio Guide*.

Departmental leadership

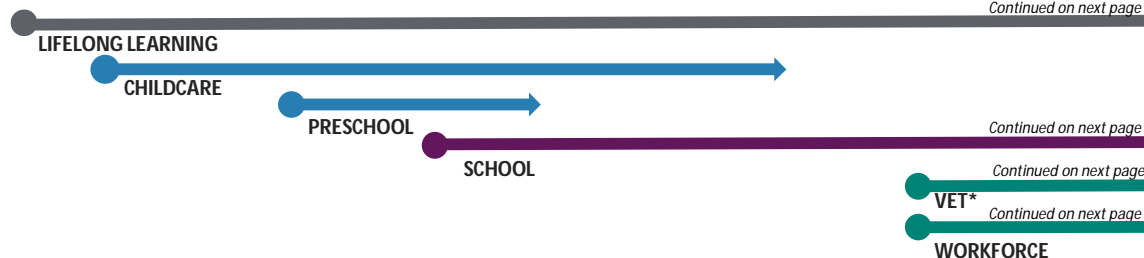
Name	Role and contact details	Executive Officer contact details
	Dr Michele Bruniges AM Secretary, Australian Department of Education, Skills and Employment 	
	Mr Marcus Markovic Deputy Secretary, Corporate and Enabling Services 	
	Mr Brenton Philp Deputy Secretary, Early Childhood and Child Care 	
	Dr Ros Baxter PSM Deputy Secretary, Schools and Youth 	
	Ms Nadine Williams Deputy Secretary, Skills and Training 	
	Mr Tony Cook PSM Deputy Secretary, Higher Education, Research and International 	
	Mr Nathan Smyth Deputy Secretary, Employment and Workforce 	

Learning life course

How Australians engage with learning across their life course

Education is a lifelong experience and Australians engage with the education system in a myriad of ways. The Commonwealth provides national leadership, funding and programs to ensure that all Australians have the opportunity to learn and grow across their lifetimes.

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STAGE/PHASE OF LEARNING	CHILDCARE AND EARLY LEARNING 0 to 3-4 years	PRESCHOOL 3-4 to 5-6 years	PRIMARY SCHOOL FOUNDATION-YEAR 6 5-6 to 11-12 years	SECONDARY SCHOOL YEARS 7-10 12-13 years to 15-16 years	SENIOR SECONDARY SCHOOL YEARS 11-12 16 to 18 years
LEARNING OBJECTIVES	Children learn to speak, begin to understand spatial concepts and test theories about the world around them	Children explore relationships through play and develop skills in early literacy, numeracy, creative thinking, problem solving, hypothesising and self investigating	Students learn to read and write, apply mathematical concepts, develop basic problem solving skills and work in teams	Students learn to analyse information using evidence, apply practical solutions, recognise problems and develop solutions, and connect complex ideas	Students learn to interpret texts, apply maths in problem solving and develop deeper knowledge across a variety of disciplines including the arts, humanities and sciences
LEARNING FRAMEWORK	Early Years Learning Framework		Australian Curriculum		Senior secondary curriculum varies by state and territory
COMMONWEALTH FUNDING	Child care support and subsidies for parents	Additional funding to states to support universal access	Needs based funding support to approved education authorities		
PROVIDERS	<ul style="list-style-type: none"> Centre-based day care Family day care In-home care 	<ul style="list-style-type: none"> Preschool Centre-based day care 	<ul style="list-style-type: none"> Government schools Non-government schools Outside school hours care 		<ul style="list-style-type: none"> Government schools Non-government schools VET in schools

Outcome in 2021

82.6% of Australian children were developmentally on track on the language and cognitive skills (school based) domain
Australian Early Development Census, 2021

- a. 59% of Indigenous children
- b. 77% of children from regional locations (regional)
- c. 66% of children from remote locations (remote)
- d. 71% of children in the lowest socio-economic quintile (Low SES)
- e. 80% of male children
- f. 85% of female children

Outcome in 2018

59% of 15 year olds were proficient in reading while
54% were proficient in maths
Program for International Student Assessment, 2018

READING

- a. 32% of Indigenous 15 year olds
- b. 54% of regional 15 year olds
- c. 40% of remote 15 year olds
- d. 43% of 15 year olds from the lowest ESCS* quartile
- e. 54% of male 15 year olds
- f. 65% of female 15 year olds

*ESCS is Economic, Social and Cultural Status

MATHS

- a. 27% of Indigenous 15 year olds
- b. 48% of regional 15 year olds
- c. 34% of remote 15 year olds
- d. 36% of 15 year olds from the lowest ESCS quartile
- e. 55% of male 15 year olds
- f. 54% of female 15 year olds

Outcome in 2021

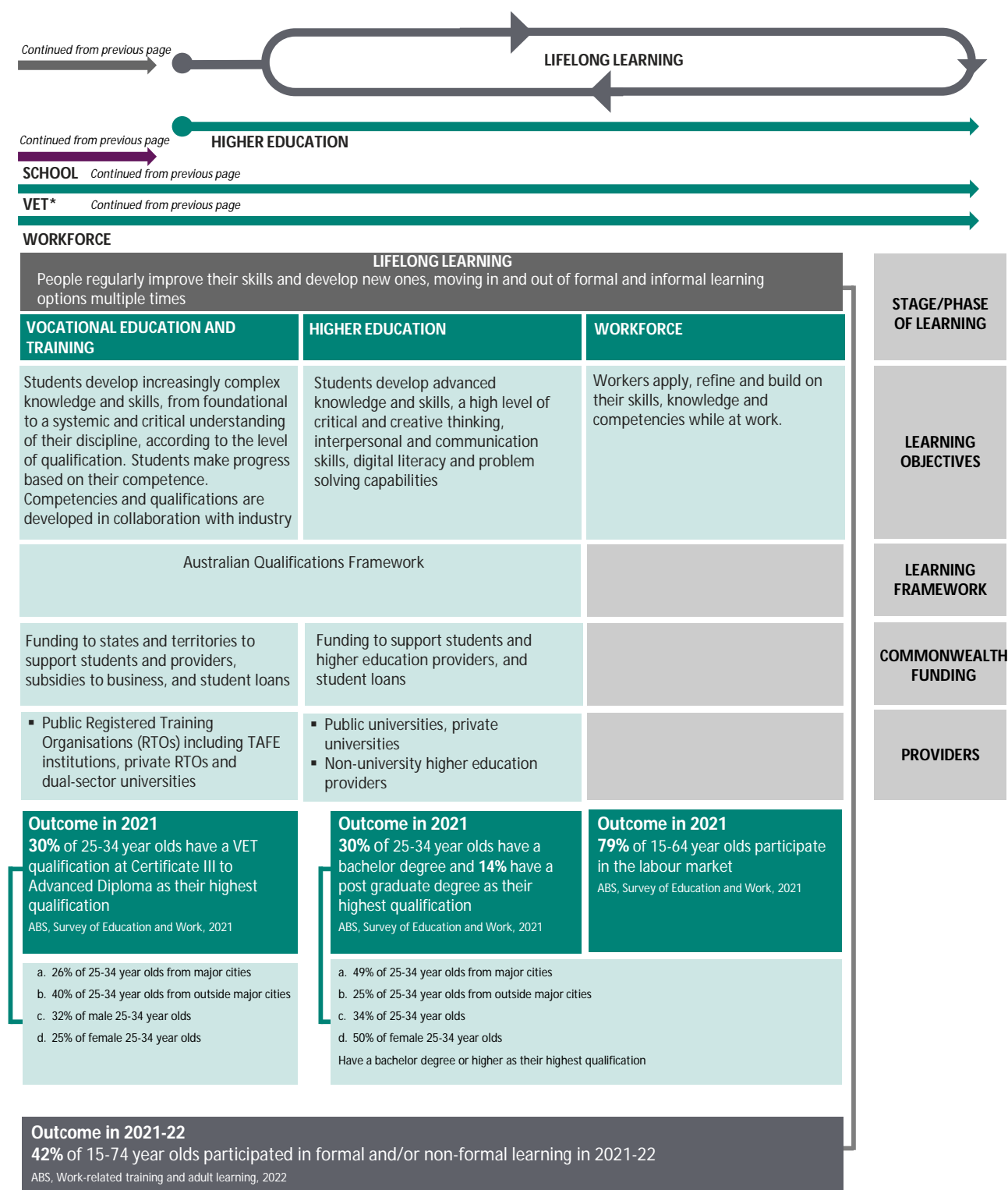
82.5% of 20-24 year olds held a Year 12 or equivalent qualification
ABS, Survey of Education and Work, 2021

- a. 91% of 20-24 year olds from major cities
- b. 84% of 20-24 year olds from outside major cities
- c. 87% of male 20-24 year olds
- d. 92% of female 20-24 year olds

VET* = Vocational Education and Training

Learning life course (continued)

How Australians engage with learning across their life course

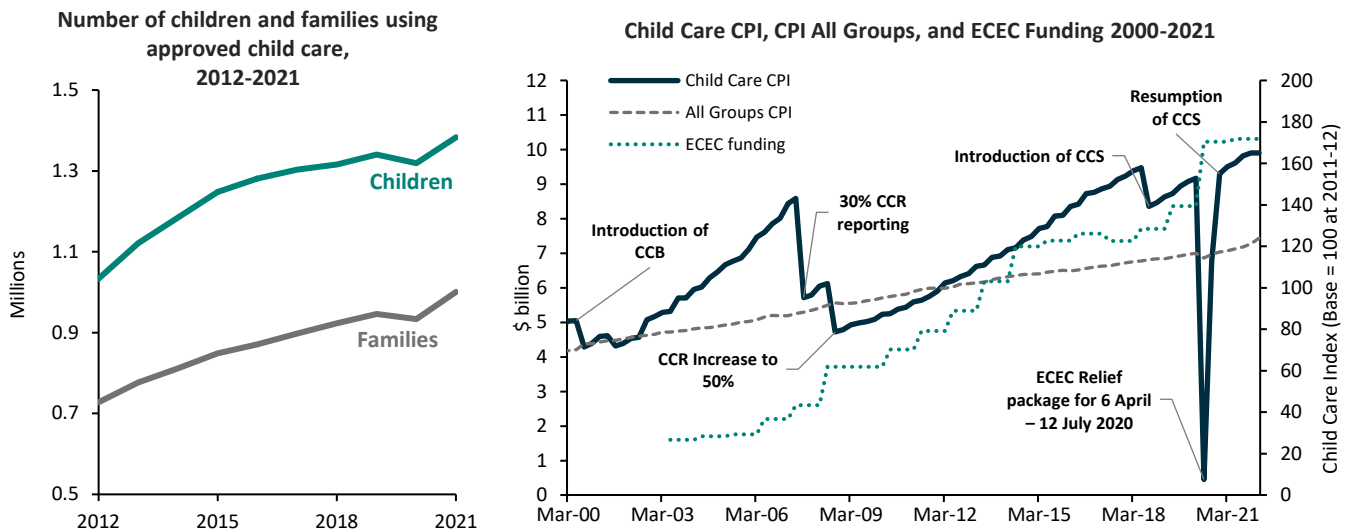


Education outlook

This outlook provides insights into the Australian education system throughout the learning life course. The Australian education system aims to help every Australian achieve their full potential and drive economic and social wellbeing.

Australia has a comprehensive early childhood education and care system, but the greatest need is for disadvantaged children and families.

- 1. Use of approved child care fell due to the pandemic but has returned to pre-pandemic levels. Affordability of child care is an ongoing policy focus.**

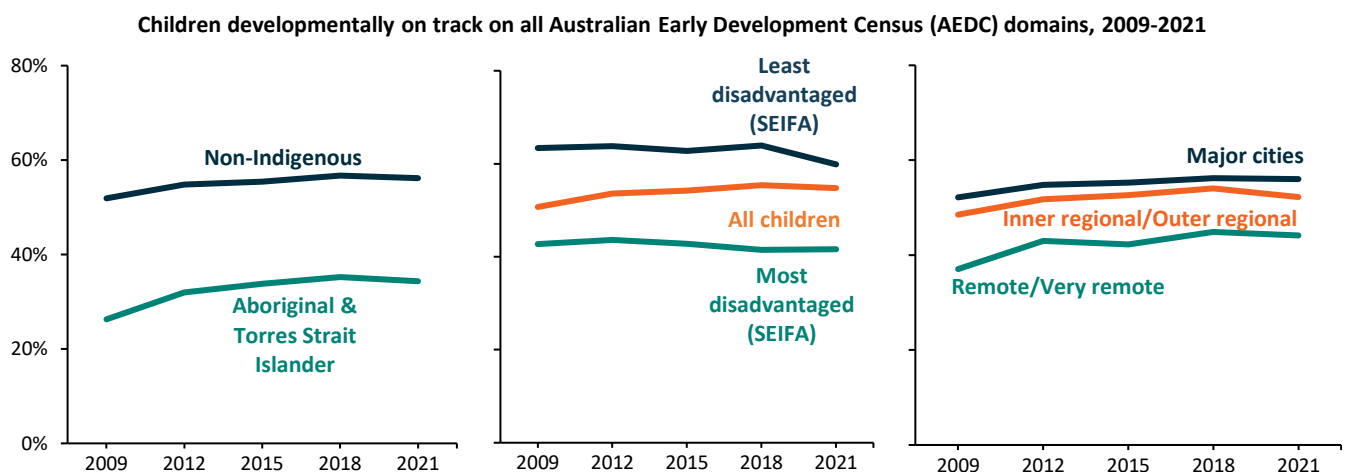


Source: DESE, Key Early Childhood Data, March 2021

Source: ABS, Consumer Price Index, Australia, March 2022; DESE administrative data

The number of children and families accessing approved child care has increased steadily over the past decade. Despite falling in 2020, it rebounded quickly in 2021 to exceed pre-COVID levels. The child care component of CPI measures the out of pocket costs of child care borne by households. Over the year to the March quarter 2022, child care CPI increased by 4.2 per cent. Child care CPI is 4.6 per cent higher compared to June quarter 2018 (before the introduction of the child care subsidy on 2 July 2018). This reflects an increase in fees, but also an increase in the amount of care that families use. Since the June quarter 2018, there has been an 8 per cent increase in the average charged hours per child per week in Centre Based Day Care.

- 2. Teachers assess most kids as on track in their development when they commence school, but significant gaps remain for disadvantaged cohorts.**

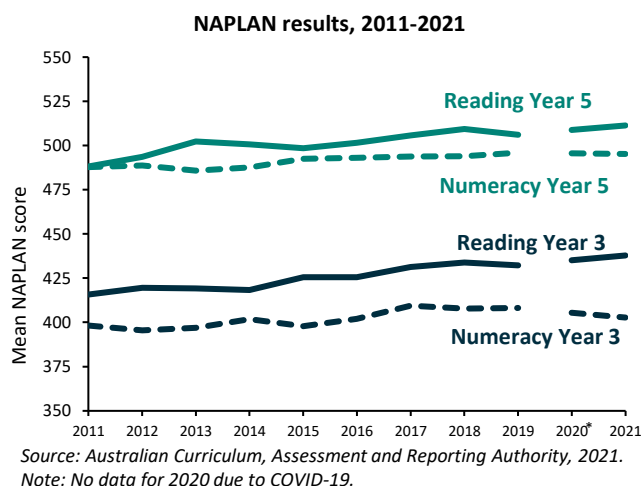


Source: Australian Early Development Census (AEDC) National Report, 2009-2021

The majority of children have been identified as 'developmentally on track' for each of the five AEDC domains in each of the five collections to date. However, in 2021 the percentage of children who were on track across all five domains decreased for the first time since 2009. A persistent gap remains for Aboriginal and Torres Strait Islander children, children of low socioeconomic status and children located in remote areas of Australia. After meaningful developmental progress for Aboriginal and Torres Strait Islander children from 2008-2018, in 2021 there was a 0.9 percentage point decline to 34.3 per cent. Increased effort may be required to meet the Closing the Gap school readiness target of 55 per cent of Aboriginal and Torres Strait Islander children to be on track across five domains by 2031.

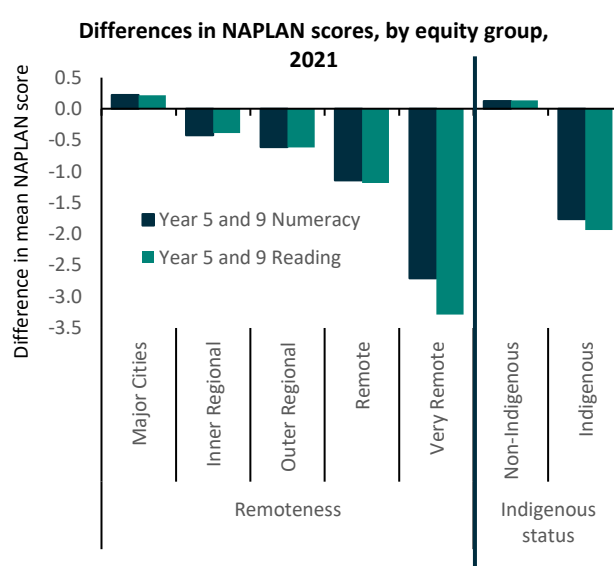
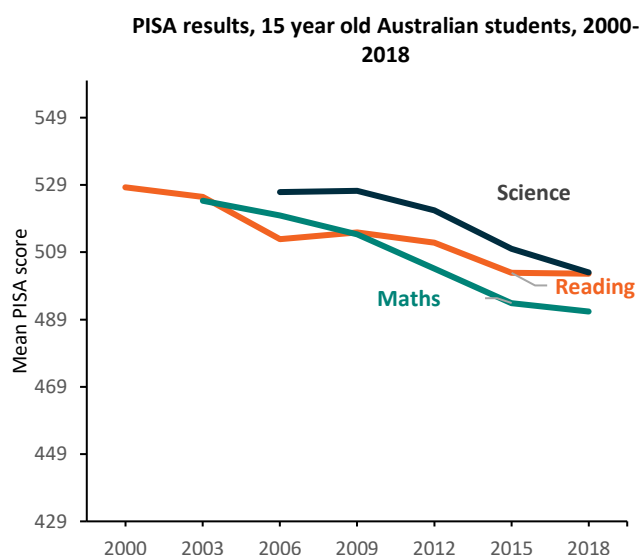
Early learning and school reforms have driven improvements year on year in primary school NAPLAN results. However more needs to be done to support children who are not meeting the minimum standards.

3. While there have been sustained improvements in primary students reading performance, NAPLAN results have generally remained stable over the last decade.



Commonwealth funding for schools has increased from \$13.0b in 2013 to \$25.3b in 2022 which is an increase of 94.4 per cent; [REDACTED] The largest gains in the National Assessment Program – Literacy and Numeracy (NAPLAN) have been in reading scores for Year 3 and 5 students. Numeracy scores for these years have not increased as significantly. Year 7 and 9 scores across reading and numeracy remain steady, however students from lower socioeconomic backgrounds and remote locations tend to receive lower scores.

4. Proficiency across PISA learning domains has declined markedly. Differences in NAPLAN scores show disadvantages are stark.



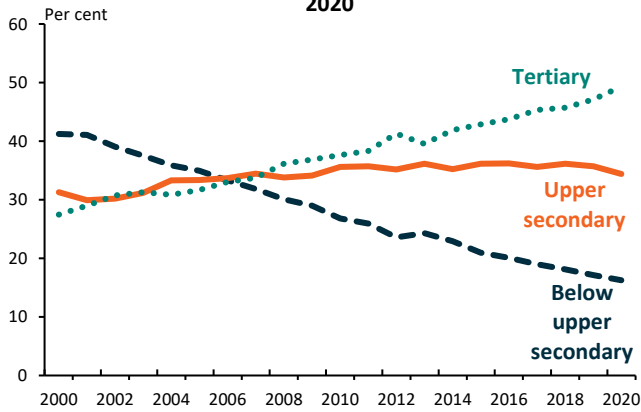
Source: OECD Program of International Student Assessment and Trends in International Mathematics and Science Study. Australian Curriculum, Assessment and Reporting Authority (ACARA), 2021

The Program of International Student Assessment (PISA) assesses 15 year old students worldwide in their ability to apply skills and knowledge to real life situations. Australia's PISA scores are declining across Science, Reading and Maths, meaning our Year 9 students are at risk of falling behind their overseas peers. While NAPLAN scores are stable and show some improvement (even during the pandemic), differences grow as a student's geographic remoteness increases, particularly for students in remote and very remote locations. The gap between Indigenous and non-Indigenous students is large.

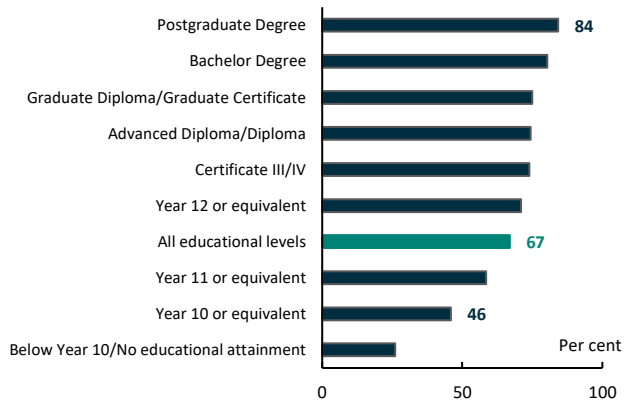
Education foundations are supporting people to enter tertiary education or enter the workforce, but pathways can vary and some people are not effectively transitioning.

5. More Australians than ever are receiving tertiary qualifications. Labour market participation outcomes remain positive for people who achieve at least a Year 12 certificate.

Highest level of educational attainment, 25-64 year olds, 2000-2020



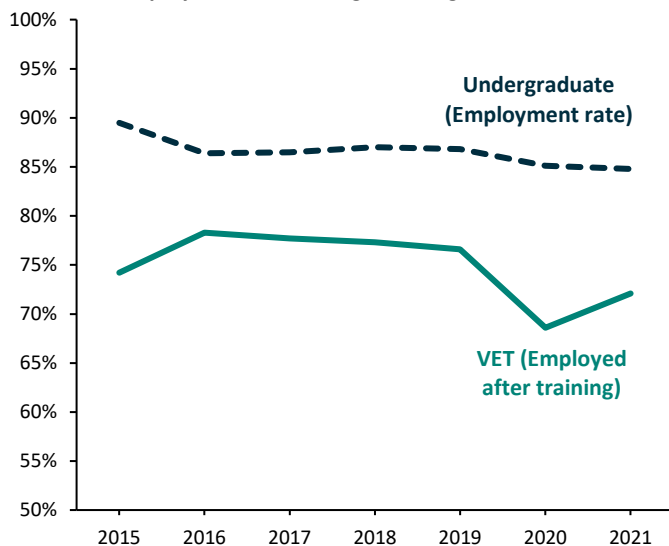
Participation rate by educational attainment, February 2022



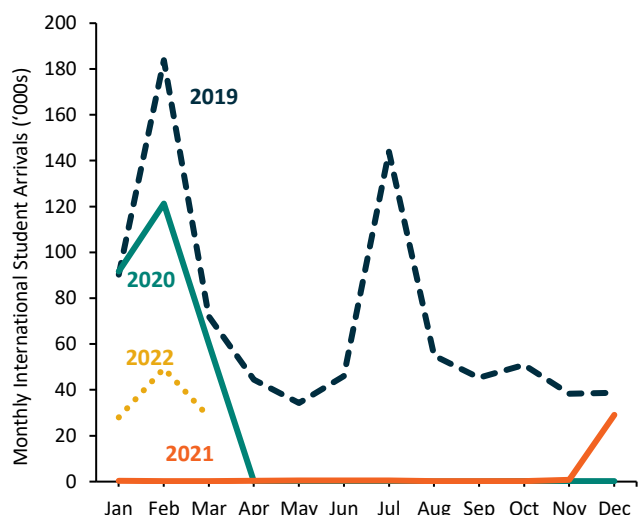
Since 2000, the number of Australian adults with a university degree or VET certificate has increased by 20 percentage points. During the same period the number of Australians with their highest level of educational attainment at Year 10 or lower more than halved. Education remains a significant determinant of workforce participation. Australians who achieve a Year 12 certificate or higher have a greater chance of participating in the workforce than the national average. Only 46 per cent of Australians aged 15 years or older with a Year 10 or equivalent education participate in the labour market.

6. Tertiary education was significantly impacted by COVID. Employment rates after graduating VET fell noticeably in 2020, while international student arrivals were very low for much of 2020 and 2021.

Employment rate after graduating, 2015-2021



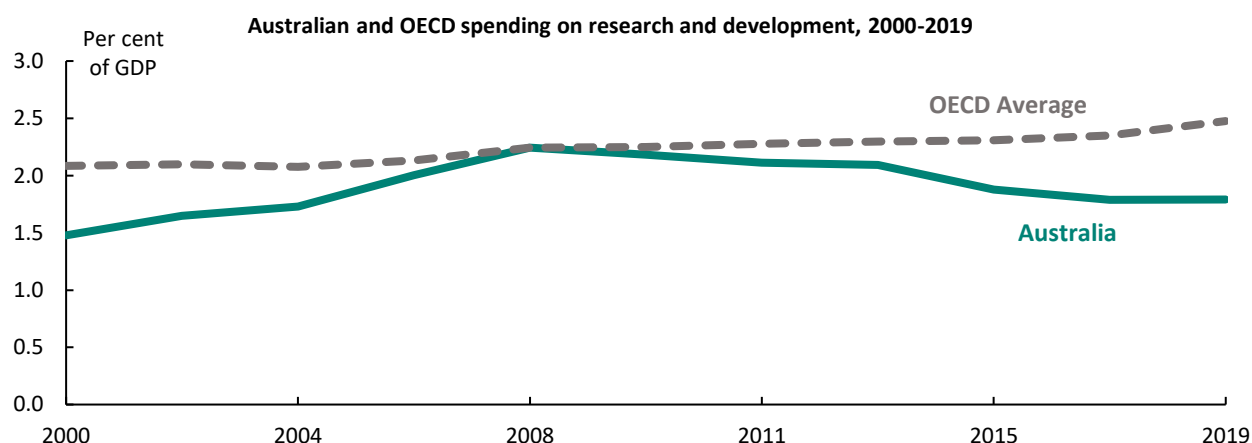
Overseas arrivals, Student Visa Holders, 2019-2022



The overall employment rate for undergraduate level graduates in 2021 (84.8 per cent) is the lowest on record, with the previous lowest figure being 85.1 per cent in 2020. In the VET sector employment rates after graduating significantly declined in 2020. Despite recovering in 2021, they remain below pre-COVID levels. International border closures significantly impacted on overseas arrivals of student visa holders. Between April 2020 and November 2021, the total number of monthly arrivals of student visa holders did not exceed 770. Since Australian borders reopened, student overseas arrivals have improved. 28,000 more international students arrived in March 2022 compared with arrivals in March 2021. However, this remains 61 per cent below the number of arrivals in March 2019.

The education sector plays a key role in helping Australia respond to long-term future challenges, drive innovation and meet future workforce needs.

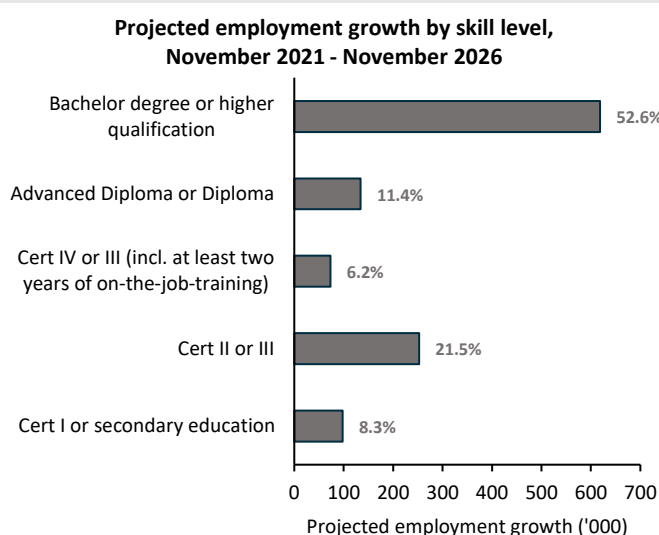
7. Investment in Australian higher education research is steadily increasing, but overall spending on research and development is below the OECD average.



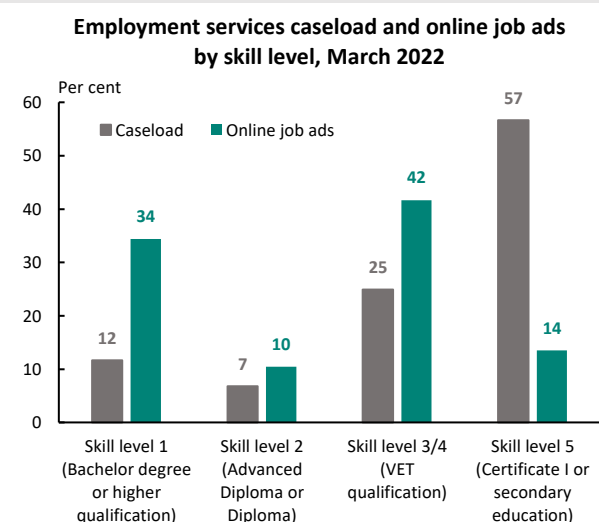
Source: OECD, Gross domestic spending on research and development, 2019

Australia's expenditure on research and development (R&D) as a proportion of GDP has slightly increased from 1.48 per cent in 2000 to 1.80 per cent in 2019 (following a peak at 2.25 per cent in 2008). Since 2000, real Australian higher education R&D spending has increased by 5.3 per cent per annum. The overall R&D increase between 2004 and 2008 is attributable to spending by the mining and manufacturing sectors during the first mining boom. Following the Global Financial Crisis, research in the mining and manufacturing sectors fell, contributing to the overall decrease in research and development spending as a percentage of GDP.

8. Over the next five years, nine in 10 of the jobs created are projected to require a post-school education.



Source: National Skills Commission, Five year employment projections to November 2026



Source: NSC, Internet Vacancy Index, March 2022; DESE, administrative data, 31 March 2022 (Note: data is derived and should be treated as indicative only)

Over the next five years (November 2021 to November 2026), jobs growth is projected to be highest in roles requiring a bachelor degree or higher, with the second highest growth in roles requiring a Certificate II or III. Education and skills are critical in meeting future workforce needs. Ensuring Australians are adequately educated or skilled is also essential in filling job vacancies. Currently, the majority (86 per cent) of online jobs require a VET qualification or higher. This requirement cannot be met by the current employment services caseload.



2

Your Agenda

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2. Your agenda

Commitment roadmap

Commitments

Early childhood

- Changes to Child Care Subsidy
- Productivity Commission review of the child care sector
- Price regulation mechanism (ACCC)
- Early years strategy
- Early childhood transparency measures

Youth

- New Youth Engagement Model

Commitments with significant linkages to your portfolio

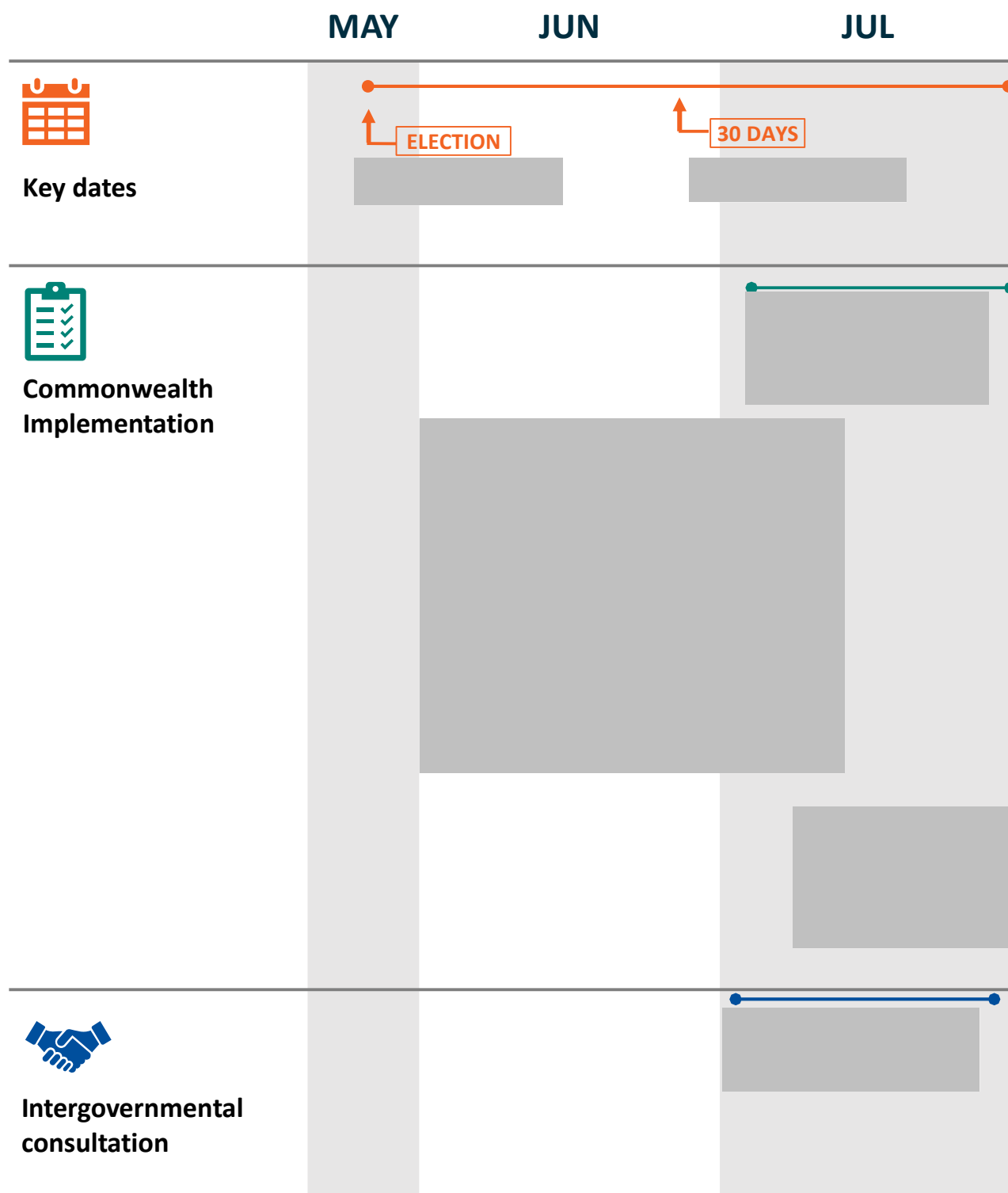
Department approach to implementation

Commitment roadmap: early childhood education and youth

This roadmap highlights the major milestones in the delivery of your commitments

These milestones are not exhaustive.

See commitment briefs for more detailed implementation information



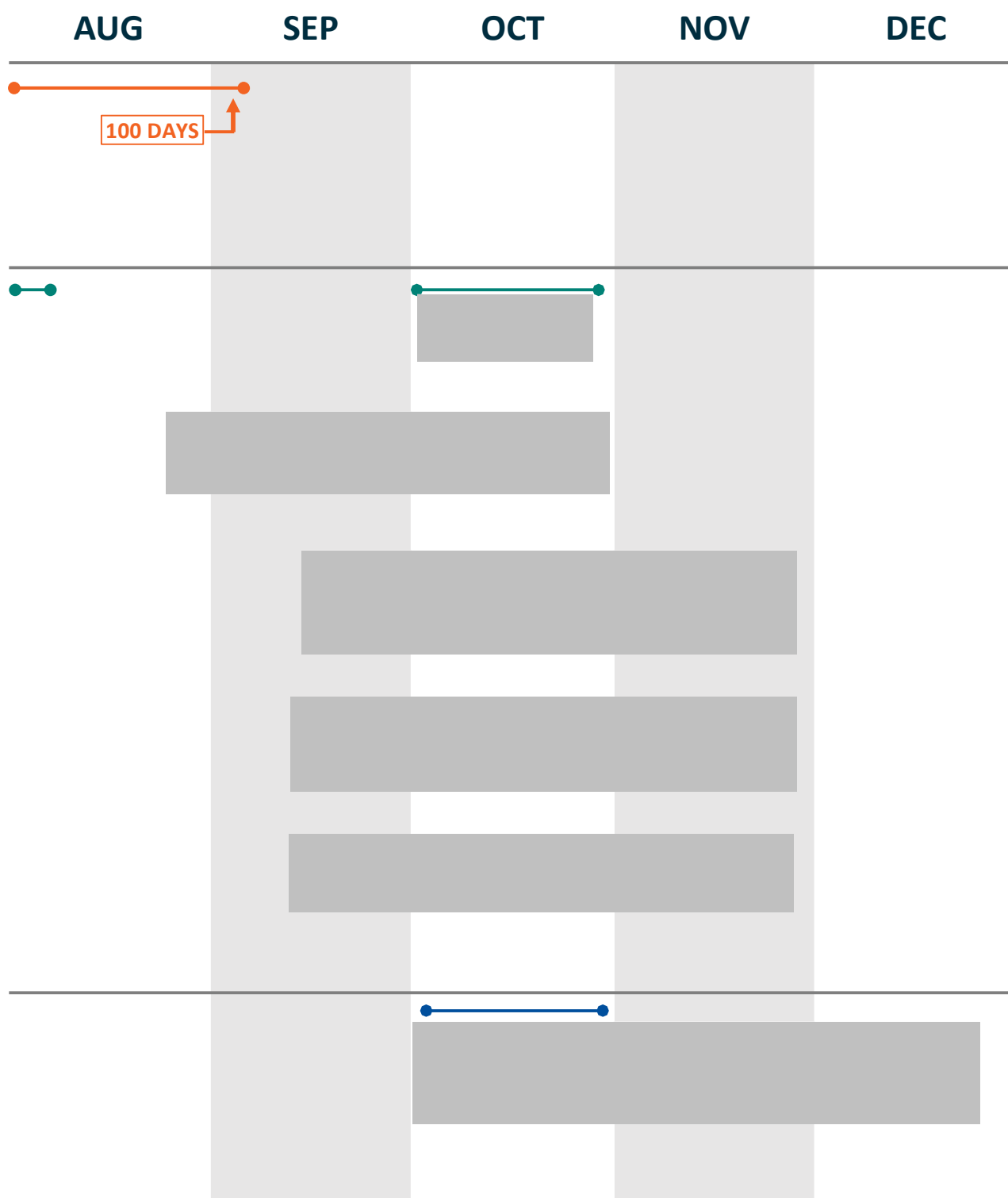
NOTE: Timing of milestones and events are approximate

Commitment roadmap: early childhood education and youth

This roadmap highlights the major milestones in the delivery of your commitments

These milestones are not exhaustive.

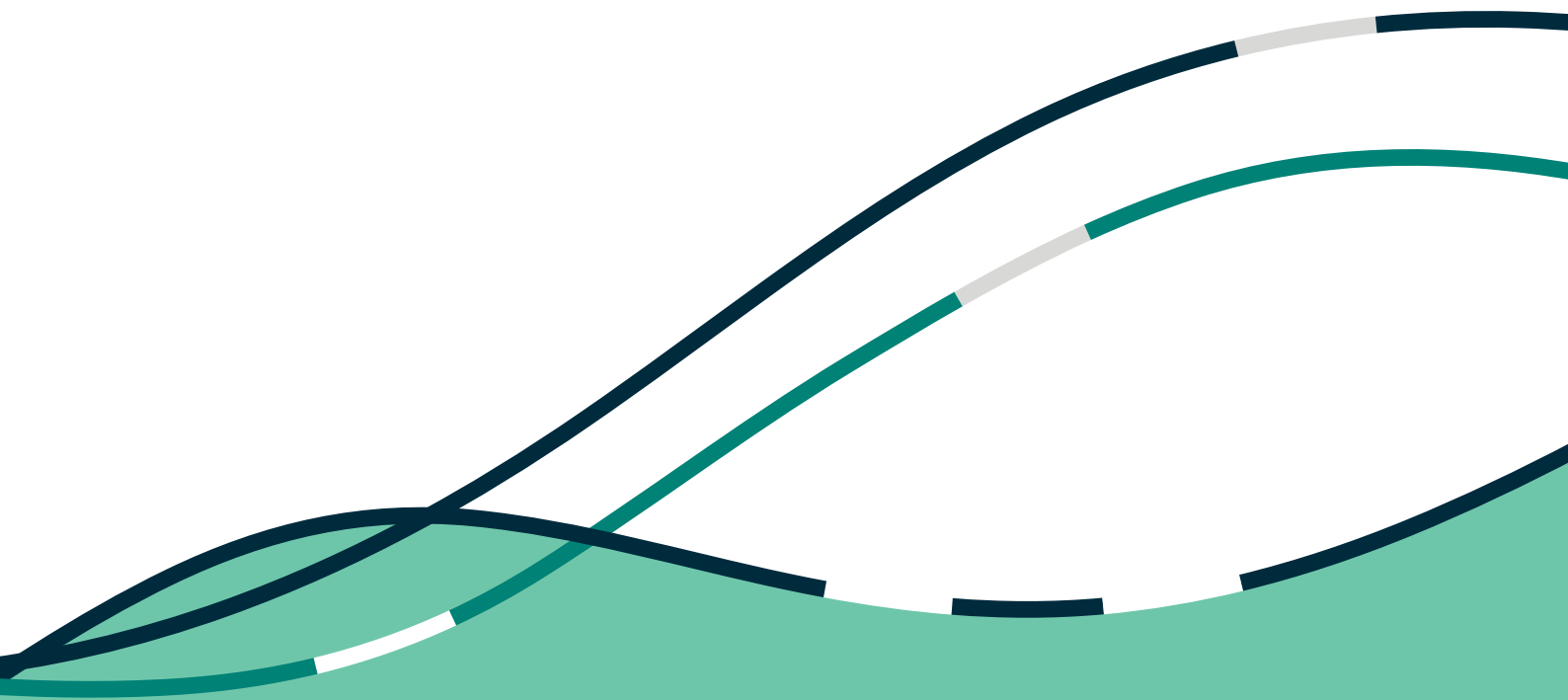
See commitment briefs for more detailed implementation information



NOTE: Timing of milestones and events are approximate



Commitments



Early Childhood

Commitment brief summary

Early Childhood

Summary

This section includes **five** briefs which provide advice on the implementation of your commitments in the Early Childhood sector.

Commitment	Announcement date	Funding	Action required	Implementation risk rating
Changes to Child Care Subsidy	31 Mar 2022	\$5.1 billion over 2022-23 to 2025-26		
Productivity Commission review of the child care sector	8 Oct 2020	Costs not available		
Price regulation mechanism (ACCC)	8 Oct 2020	Costs not available		
Early years strategy	8 Nov 2021	Costs not available		
Early childhood transparency measures	24 Jun 2021	Costs not available		

Changes to Child Care Subsidy

Announcement	Funding	Priority
31 March 2022 The Hon. Anthony Albanese MP The Hon. Amanda Rishworth MP alp.org.au/policies/cheaper-child-care	\$5.1 billion over 2022-23 to 2025-26	

Description

This commitment will ‘reduce the cost of child care and make it easier for mums, children and working families to get ahead’ by:

- *‘lifting the maximum Child Care Subsidy (CCS) rate to 90 per cent for families for the first child in care*
- *increasing CCS rates for every family with one child in care earning less than \$530,000 in household income*
- *keeping higher CCS rates for the second and additional children in care, and*
- *extending the increased subsidy to outside school hours care.’*

This is an investment of ‘approximately \$5.4 billion to make child care cheaper, starting from July 2023’. ‘96 per cent of Australian families will be better off under these child care reforms – 1.26 million families.’

The Productivity Commission will also ‘conduct a comprehensive review of the sector with the aim of implementing a universal 90 per cent subsidy for all families’ (refer to brief *Productivity Commission review of the child care sector*).

Implementation approach






Implementation risks



Legislation

Legislative amendments are required to *A New Tax System (Family Assistance) (Administration) Act 1999* and *A New Tax System (Family Assistance) Act 1999*. 

.

Early actions



Cost

Financial impact on underlying cash balance (\$ millions): -5,073.2

	2022-23	2023-24	2024-25	2025-26
Total Impact on Underlying Cash Balance (\$ millions)	-6.0	-1,523.8	-1,710.8	-1,832.6

Source: Labor's Plan for a Better Future. Better Budget, Better Economy.

Media and stakeholders

- There is widespread support among families for increased financial support for child care, including broadening the existing policy parameters of the Higher CCS measure for families with multiple children.
- A number of key stakeholders have provided proposals for more generous child care subsidies. This includes KPMG, the Grattan Institute, the Business Council of Australia and Thrive by Five (Minderoo Foundation). All of these stakeholders emphasise the economic, workforce participation and educational benefits of providing increased investment in early learning, particularly child care.

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting
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Department contacts:

Mr Brenton Philp
Deputy Secretary
Early Childhood and Child Care

Mr Tristan Reed
First Assistant Secretary
Provider Analytics and Integrity Division

Productivity Commission review of the child care sector

Announcement	Funding	Priority
8 October 2020	Costs not	
The Hon. Amanda Rishworth MP	available	
www.alp.org.au/policies/cheaper-child-care		

Description

This commitment is a *‘comprehensive review by the Productivity Commission into the child care sector with the aim of implementing a universal 90 per cent subsidy for all families as part of the Cheaper Childcare Plan’*. This builds on your commitment *‘to lift the Child Care Subsidy (CCS) to 90 per cent for families earning under \$80,000, for their first child in care’*.

Implementation approach



Implementation risks



Legislation

N/A.

Early actions



Cost

Costs not available.

Media and stakeholders

- There is widespread support among key stakeholders for your plan to move towards universal child care, with an emphasis on economic, workforce participation and educational benefits.
- Stakeholders (the Grattan Institute) have also noted the transitional nature of your plan is essential to allow the sector and workforce to respond to increased demand for child care.

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting

Department contacts:	
Mr Brenton Philp Deputy Secretary Early Childhood and Child Care [Redacted] [Redacted]	Mr Tristan Reed First Assistant Secretary Provider Analytics and Integrity Division [Redacted] [Redacted]

Price regulation mechanism (ACCC)

Announcement	Funding	Priority
8 October 2020 The Hon. Amanda Rishworth MP	Costs not available	
alp.org.au/policies/cheaper-child-care		

Description

This commitment is to *'get the Australian Competition and Consumer Commission (ACCC) to design a price regulation mechanism to drive out of pocket costs down for good. The ACCC will examine the relationship between funding, fees, profits and educators' salaries.'*

Implementation approach



Implementation risks



Legislation



Early actions



Cost

Costs not available. See the *Changes to Child Care Subsidy Commitment Brief* for Cheaper Child Care funding information.

Media and stakeholders

N/A.

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting

Department contacts:

Mr Brenton Philp

Deputy Secretary

Early Childhood and Child Care

Mr Tristan Reed

First Assistant Secretary

Provider Analytics and Integrity

Early years strategy

Announcement	Funding	Priority
8 November 2021		
The Hon. Anthony Albanese MP	Costs not available	
The Hon. Amanda Rishworth MP		
alp.org.au/policies/early-years-strategy		

Description

- This commitment will develop and implement an *‘Early Years Strategy (the Strategy)’ to create a new integrated, holistic, whole-of-government approach to the early years. It will examine the range of programs and funding delivered across the Commonwealth Government that directly impact on early childhood development, and identify ways to:*
 - *reduce program and funding silos across departments*
 - *better integrate and coordinate functions and activities across government, and*
 - *target outcomes to deliver better outcomes for young Australians and their families.’*
- *‘The Strategy will develop a programme of action which will set out the policies, initiatives and plans to help achieve the vision and outcomes.’*

Implementation approach



Implementation risks



Legislation

N/A.

Early actions



Cost

Costs not available. See the *Changes to Child Care Subsidy Commitment Brief* for Cheaper Child Care funding information.

Media and stakeholders

This commitment has received positive coverage from stakeholders. It will require early stakeholder engagement.

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting

Department contacts:

Mr Brenton Philp
Deputy Secretary
Early Childhood and Child Care

Ms Anne Twyman
First Assistant Secretary
Programs, Payments and Early Learning

Early childhood transparency measures

Announcement	Funding	Priority
24 June 2021 The Hon. Anthony Albanese MP	Costs not available	
rishworth.com.au/news/labor-to-improve-transparency-in-early-learning-sector/		

Description

This commitment will *'improve transparency in the child care sector for Australian families and taxpayers, building on the Cheaper Child Care for Working Families policy by:*

- *requiring large child care providers (more than 25 services as defined by Australian Children's Education and Care Quality Authority (ACECQA)) and landlords owning more than 10 child care centres to publicly report their child care revenue and profit results to www.childcarefinder.gov.au*
- *mandating that www.childcarefinder.gov.au includes every Child Care Subsidy (CCS) approved provider, real-time child care fee data and quality ratings, and average year-on-year fee increases so parents and carers can make an informed choice, and*
- *banning providers from offering non-educational enrolment inducements.'*

Implementation approach



Implementation risks



Legislation

Amendments to the *A New Tax System (Family Assistance) (Administration) Act 1999* and associated Ministers Rules are required to implement these measures.

Early actions



Cost

Costs not available. See the *Changes to Child Care Subsidy Commitment Brief* for Cheaper Child Care funding information.

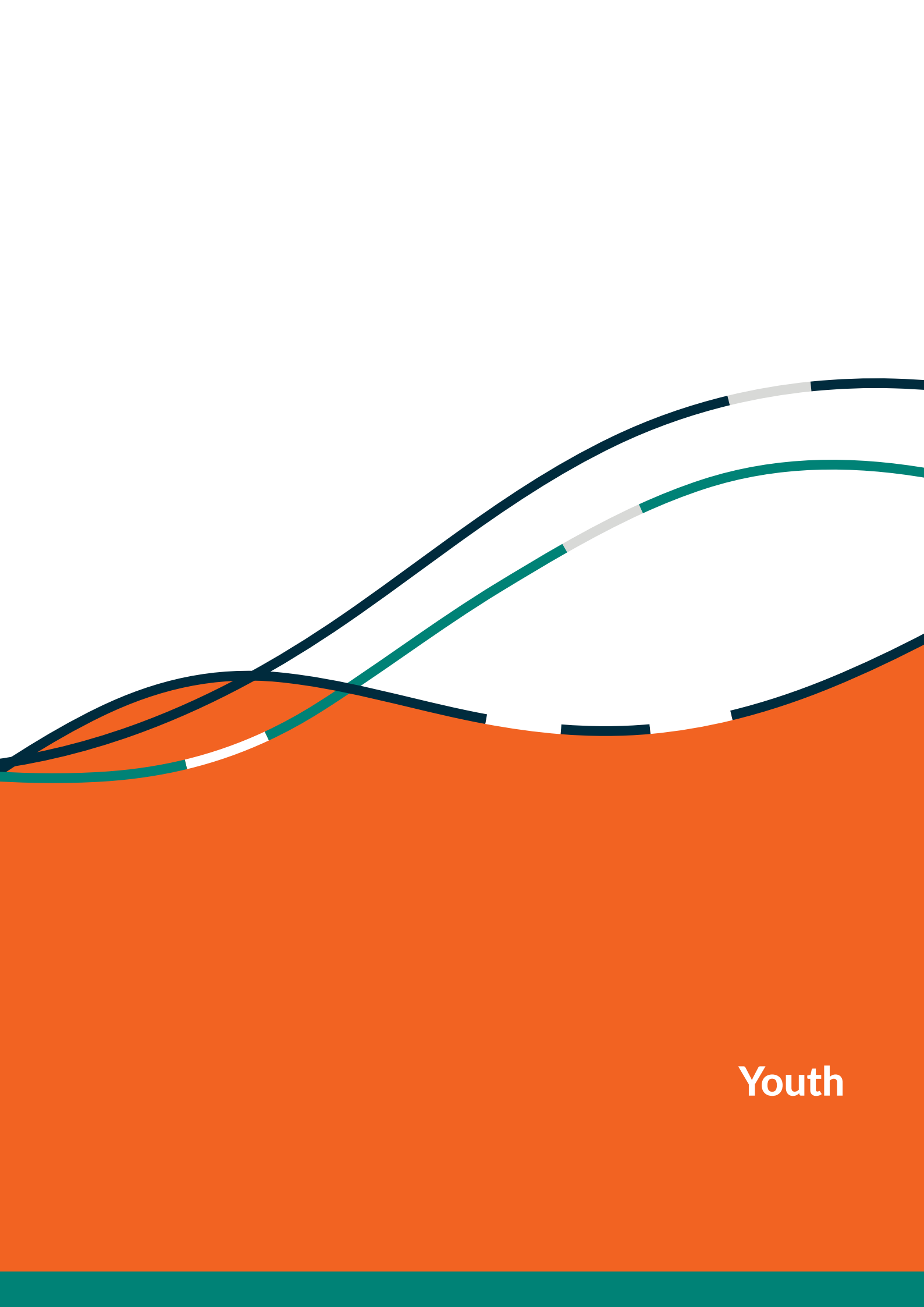
Media and stakeholders

N/A.

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting

Department contacts:	
Mr Brenton Philp Deputy Secretary Early Childhood and Child Care <div></div> <div></div>	Mr Tristan Reed First Assistant Secretary Provider Analytics and Integrity <div></div> <div></div>



Youth

Commitment brief summary

Youth

Summary

This section includes **one** brief which provides advice on the implementation of your commitments in the Youth sector.

Commitment	Announcement date	Funding	Action required	Implementation risk rating
New Youth Engagement Model	2 June 2021	Costs not available		

New Youth Engagement Model

Announcement	Funding	Priority
2 June 2021		
The Hon. Anthony Albanese MP	Costs not available	
The Hon. Amanda Rishworth MP		
alp.org.au/policies/youth_engagement		

Description

- This commitment delivers a *‘new youth engagement model, to provide a voice and structure for younger Australians to directly engage with government and contribute to policy development’*. The announcement states a new youth engagement model will:
 - *‘Establish a framework to directly and formally engage with young Australians on an ongoing basis.*
 - *Establish an Office for Youth so that, rather than youth engagement being an afterthought or duplicating functions across departments, there is a dedicated unit within government to feed in the contribution from young people and advocates, improve and harmonise policy across government, and ensure government is communicating effectively with young people.*
 - *Commit to a Minister for Youth to improve and facilitate a holistic response across portfolios on issues affecting young Australians.’*
- A New Youth Engagement Model will provide approximately 3.2 million young Australians (15-24 years old) *‘with strong and formalised engagement in government’* and policy making. It will establish an Office for Youth to support the Minister for Youth.
- Under the direction of the Minister for Youth and Office for Youth, to facilitate a holistic response across portfolios on issues affecting young Australians, the framework will be *‘driven by a Steering Committee of up to 15 young people’*.

Implementation approach

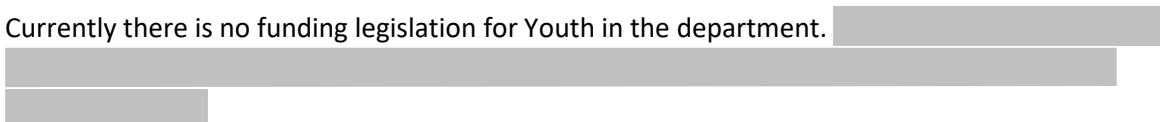


Implementation risks



Legislation

Currently there is no funding legislation for Youth in the department.



Early actions





Cost

Costs not available.

Media and stakeholders

This commitment has received positive coverage from stakeholders.

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting

Department contacts:	
Dr Ros Baxter Deputy Secretary Schools and Youth Group	Mr Pablo Carpay First Assistant Secretary Improving Student Outcomes Division

Commitments with significant linkages to your portfolio

The Government has made several commitments which will be led by other Ministers, but are significant to your portfolio responsibilities of early childhood education and youth. The department will work collaboratively across the APS to support implementation of these commitments and support your engagement with your counterparts.

Full Employment White Paper, informed by an Australian Jobs Summit

The Jobs Summit is expected to inform development of the White Paper, which will set out a plan ‘to reduce unemployment and underemployment’. It will review current policy settings and how they can be improved, and consider the role of education and training, childcare, employment services and concentrated disadvantage, as well as how to best supply labour to fast growing sectors, such as the care economy.

Close the gender pay gap and Fair pay and conditions for women in low paid, female dominated industries

These commitments offer opportunities for the early childhood education and care workforce, which is female dominated and relatively low paid. They also align with the objectives of the National Children’s Education and Care Workforce Strategy, which aims to support the recruitment, retention, sustainability, and quality of the sector’s workforce. Improved pay and conditions may attract more people to the profession and, in turn, offer more dependable and higher quality early education to children, which may have flow on effects to workforce participation.

Women’s economic security taskforce

The taskforce will provide advice on the best investments to ‘advance economic equality for women’ and ‘help close the gender pay gap’.

Better support for people living with disability

This commitment is to ensure ‘real progress is made in education and employment outcomes for people with disability’ by better measuring implementation of the National Disability Strategy. This, plus a *National Autism Strategy* intersects with your portfolio.

Capital and equipment investments for playgroup and other early childhood services

The commitment will ‘help families learn and grow’ by setting up new playgroups in regional and remote areas, and upgrading facilities and materials for playgroups and toy libraries across the country. This intersects with grants for early childhood education and care services and the Early Years Strategy, under which a holistic approach to investment will be developed.

Australian Public Service (APS) operations

The department will work with lead agencies to ‘rebuild an effective public sector’, by reducing spending on consultants, contractors and labour hire companies, conducting an audit of employment, and abolishing the average staffing level cap. Other commitments include ‘increasing First Nations employment in the APS to 5 per cent by 2030’, and ‘reducing APS emissions to net zero by 2030’.

Department approach to implementation

The department operates in an environment of change and reform, delivering many commitments and initiatives every year to deliver government priorities. The implementation of deliverables often involves complexities that are inherent to delivering government initiatives, legislative reform and sector transformation, within set timeframes and budgets.

The department's approach to implementation is based on proven methodologies that are practical, scalable and ensures appropriate governance is in place to support delivery.

Accountability

Senior Responsible Officer

A senior executive is assigned responsibility for the delivery of each of the department's significant commitments and initiatives i.e programs and projects, and is known as the Senior Responsible Officer (SRO). The SRO has overall responsibility for ensuring that a program/project achieves the outcomes and benefits set out in the approved Business Case, within budget and on schedule. SROs have sufficient seniority, accountability and experience to undertake the role, commensurate with the type of project and its significance.

To support SROs in their delivery the department has well established program, project and risk frameworks that underpin our delivery approach. These frameworks are used to deliver projects within the department as well as initiatives of significant strategic value, such as election commitments. Our frameworks are based on proven methodologies and include scalable and flexible tools and processes to support effective delivery. The frameworks require all programs and projects to develop a suite of core documents, tailored to the risk profile of the project, detailing scope, timeline, budget and outcomes.

Assurance and Oversight

Investment and Implementation Committee (IIC)

The IIC provides advice and assurance to the department's Executive Board on the implementation of significant departmental change initiatives (programs and projects). The IIC has key roles in:

- managing the department's portfolio of programs and projects
- supporting SROs to uphold their obligations and accountabilities by ensuring programs and projects remain in line with the department's strategic objectives, government policy and financial approvals
- providing guidance and direction on programs and projects experiencing implementation issues.

The IIC is a decision-making body with responsibility for the allocation of the department's capital budget and the management of cross-portfolio issues. This includes the allocation of project

resources and the prioritisation of internally funded projects to ensure alignment to the department's strategic priorities and objectives.

The Portfolio Project Office

The Portfolio Project Office (PPO) provides guidance and support to project teams to strengthen capability and enhance the department's ability to deliver on strategic outcomes. The PPO carries out its objective by:

- improving confidence in program and project delivery through development and embedding of frameworks and supporting tools and resources
- building program and project management capability among departmental staff
- keeping the Senior Executive and program and project management community informed of portfolio wide trends, risks and issues.

Assurance activities

Project assurance is an independent process that assesses the health and viability of a program/project, to provide confidence to stakeholders that delivery is appropriate, effective, and efficient. Assurance reviews and health checks are carried out across the department's program and project portfolio.

For the department's most significant deliverables, project teams are supplemented with expert external assurance providers that provide independent assurance assessments.

Project Performance Reporting

The PPO is responsible for providing the department's senior executive with visibility over the department's portfolio of projects. The PPO provides monthly project portfolio reporting to the Executive Board and the IIC. This reporting highlights:

- any blockages that may be affecting programs or projects and that may require members of either the Executive Board or IIC to intervene
- reporting against project assurance activity
- analysis of portfolio trends, risks, and issues.

Additionally, the PPO provides analysis against the departments program and project portfolio to the department's Audit and Assurance Committee and Risk, Security and Governance Committee to ensure appropriateness of performance reporting and risk management strategies.

The PPO can provide reporting on the department's projects to Portfolio Ministers and their staff on request.



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Early Priorities

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First contacts

Early events – provided to Minister for Education

Early Briefs

First week briefs

Brief	
WHOLE OF PORTFOLIO	Contact: Marcus Markovic Deputy Secretary, Corporate and Enabling Services
EARLY CHILDHOOD	Contact: Brenton Philp Deputy Secretary, Early Childhood and Child Care

First month briefs

Brief

WHOLE OF PORTFOLIO

Contact: **Marcus Markovic**

Deputy Secretary, Corporate and Enabling Services

EARLY CHILDHOOD

Contact: **Brenton Philp**

Deputy Secretary, Early Childhood and Child Care

YOUTH

Contact: **Ros Baxter**
Deputy Secretary, Schools and Youth

First Contacts

Contact	
The Hon Sarah Mitchell MLC NSW Minister for Education and Early Learning	
The Hon James Merlino MP VIC Minister for Education	
The Hon Ingrid Stitt MLC VIC Minister for Early Childhood	
The Hon Grace Grace MP QLD Minister for Education	
The Hon Brittany Lauga MP QLD Assistant Minister for Education	
The Hon Sue Ellery MLC WA Minister for Education and Training	
The Hon Simone McGurk MLA WA Minister for Child Protection (and secondary minister for child care)	
The Hon Blair Boyer, MP SA Minister for Education, Training and Skills	

Contact		
The Hon Roger Jaensch MP TAS Minister for Education, Children and Youth		
The Hon Yvette Berry MLA ACT Minister for Education and Early Childhood Development		
The Hon Lauren Moss MLA NT Minister for Youth		
The Hon Eva Lawler MLA NT Minister for Education		
EARLY CHILDHOOD AND CHILD CARE REFERENCE GROUP		
<u>Early Childhood Education and Care Reference Group (ECECRG)</u>		
<u>Community Child Care Association</u> Ms Julie Price, Executive Director		CCCA is the peak body for non-profit community-owned early learning and care services. <i>Member of ECECRG</i>
<u>Early Childhood Australia (ECA) (and CEO, KU Children’s Services)</u> Ms Christine Legg, President		ECA is an influential advocacy body for young children in Australia. <i>Member of ECECRG</i>
<u>Early Learning and Care Council of Australia (ELACCA)</u> Ms Elizabeth Death, CEO		ELACCA members provide nearly 30 per cent of Australia’s early learning and care places—across for profit and not-for-profit providers. <i>Member of ECECRG</i>

Contact		
<u>Family Day Care Australia</u> Mr Andrew Paterson, CEO		FDCA is the peak body representing the Family Day Care (FDC) sector in Australia. <i>Member of ECECRG</i>
<u>Goodstart Early Learning</u> Ms Julia Davison, CEO		Goodstart is the largest not-for-profit ECEC provider in Australia. <i>Member of ECECRG</i>
<u>OSHC of Australia</u> Mr Craig Napier, Founding Member CEO Junior Adventure Group		OSHCA is a relatively new peak body representing the Outside School Hours Care sector in Australia. <i>Member of ECECRG</i>
<u>Secretariat of National Aboriginal and Islander Child Care (SNAICC)</u> Ms Catherine Liddle, CEO		SNAICC is the national voice for Aboriginal and Torres Strait Islander children. <i>Member of ECECRG</i>
<u>Australian Childcare Alliance (ACA)</u> Mr Paul Mondo, President		ACA is a national peak body representing long day care providers and operators. <i>Member of ECECRG</i>
EARLY CHILDHOOD		
<u>Australian Children’s Education and Care Quality Authority (ACECQA)</u> Ms Gabrielle Sinclair, CEO		
<u>Centre for Community Child Health at Royal Children’s Hospital Melbourne</u> Prof Sharon Goldfeld, Director		

Contact	
<p><u>Council on Early Childhood Development</u></p> <p>Ms Leslie Loble, Co-chair</p> <p>Centre for Policy Excellence, fellow</p>	
<p><u>Dandalo Partners</u></p> <p>Dr Stacey Fox, Manager</p>	
<p><u>Early Childhood Australia (ECA)</u></p> <p>Ms Sam Page, CEO</p>	
YOUTH	
<p><u>Foundation for Young Australians (FYA)</u></p> <p>Mr Nick Moraitis, CEO</p>	
<p><u>Australian Youth Affairs Coalition (AYAC)</u></p> <p>Mr Luke Rycken, Executive Officer</p>	
<p><u>National Australia Day Council (NADC)</u></p> <p>Ms Karlie Brand, CEO</p>	

Contact

INDIGENOUS EDUCATION

Aurora Foundation

Ms Leila Smith, CEO

**National Aboriginal
Community Controlled
Health Organisation
(NACCHO)**

Ms Pat Turner AM, CEO
Coalition of Peaks, Lead
Convener

**Professor Peter
Buckskin**

Contact

UNIONS

United Workers Union

Jo-anne Schofield,
President

Australian Education Union (AEU)

Correna Haythorpe,
Federal President

Independent Education Union

Christine Cooper,
Acting Federal
Secretary

Early Events

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4

Overviews

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Early childhood education and care sector

Overview

The early years

A child's early years are critical for social, emotional, intellectual, and physical development. The right settings and support in a child's early years have been shown to reduce their developmental vulnerability and improve their readiness for school. Ensuring a smooth transition through early childhood will set them up for success in school, training, higher education, and employment.¹

Supporting children in the early years leads to broader economic and social benefits for families and governments. For example, research indicates investment in early childhood education and care (ECEC) generates around \$2 of benefit for every \$1 spent², and late intervention could cost all governments a total of \$15.2 billion a year.³

For children, high-quality ECEC has been linked to improved cognitive and language development, independence, concentration, and sociability in school.⁴ Children who attend preschool are 10 per cent less likely to be developmentally vulnerable when they start school than their peers who do not.⁵ At the same time, children who start school developmentally vulnerable are more likely to have difficulties in education than those who start on track—for example, Grade 3 NAPLAN results indicate a one year learning gap between those who start school developmentally vulnerable and those who don't, and this gap increases to over two years by Grade 7.⁶ The expected long-term economic benefits of quality early childhood education and reduced developmental vulnerability include reduced need for special education services, improved education outcomes and higher lifetime earnings.⁷

ECEC can also close academic and other gaps between disadvantaged children and their peers, translating into longer-term benefits. For example, children experiencing, or at risk of, disadvantage are more likely to be developmentally vulnerable in one or more domains of the Australian Early Development Census (AEDC) on school entry. These children are also most likely to show the greatest gains from attending high-quality preschool and child care.

The early childhood education and care sector

The ECEC sector is a large and complex system delivering two broad (and overlapping) service types: child care services (early learning and care services provided to children aged 0 to 12 years) and

¹ ABS (2019) *Final Report: Vulnerable and Disadvantaged Children Data Analysis Project*

² The Front Project, & PWC (2019)

³ Teager, W, Fox, S, & Stafford, N (2019) *How Australia can invest early and return more: A new look at the \$15b cost and opportunity*

⁴ AIHW (2015) *Literature review of the impact of early childhood education and care on learning and development*

⁵ Nous Group (2020) *UANP Review: Final Review Report Prepared for COAG Education Council*

⁶ Centre for Adolescent Health, Murdoch Children's Research Institute (2018) *The Effects on Schooling Outcomes of Early Developmental Vulnerabilities in Children*—page 2 and page 19

⁷ The Front Project, & PWC, (2019) *A Smart Investment for a Smarter Australia: Economic analysis of universal early childhood education in the year before school in Australia*

preschool services (services that administer structured, play-based learning programs, delivered by qualified teachers, to children in the year or two before full-time schooling).

ECEC services are delivered by a broad spectrum of providers, from highly sophisticated large providers with hundreds of services, to small providers with one or two services. Businesses are a mixture of for profit, not for profit and sole traders. Alongside stand-alone preschools, child care services can be divided into four sub-markets ('care types'), including: Centre Based Day Care (around 63 per cent of the market), Outside of School Hours Care, Family Day Care and In Home Care.

The Child Care Subsidy (CCS) is the main way the Australian Government helps families with child care fees. Overall, 1,383,550 children from 1,000,760 families attended a Child Care Subsidy approved child care centre in the June quarter 2021. Of these, 1,328,540 children from 949,920 families had their eligibility for Child Care Subsidy assessed.

The Child Care Safety Net provides additional targeted assistance for disadvantaged communities and vulnerable children and their families to address barriers to participation in child care and employment. Safety Net measures include the Additional Child Care Subsidy, Inclusion Support Program and Community Child Care Fund (CCCF) programs. CCCF programs include Connected Beginnings and the CCCF Restricted Program, which provide additional support for Indigenous children and their families to access ECEC.

In the context of preschool, around 300,000 children attend preschool in the year before school each year across a range of service types including, stand-alone, schools-based, or alongside Centre Based Day Care. The Australian Government ensures universal access to preschool through funding contributions to state and territory governments (the states) who have responsibility for service delivery.

The National Quality Framework (NQF) is Australia's system for regulating ECEC services (including preschools), including legislation and National Quality Standards, sector profiles and data, and learning frameworks. The sector continues to expand, and quality continues to improve, with requests for provider approvals growing and child care centres increasingly viewed as safe assets by investors.

Governance and funding

The Commonwealth co-stewards the ECEC system with the states and the Australian Children's Education and Care Quality Authority (ACECQA).

The primary role of the Commonwealth in ECEC is to provide financial assistance to families. This assists families to cover costs, encourages workforce participation (particularly for secondary income earners who are primarily women), and facilitates access to quality early learning opportunities. Payments made by the Commonwealth include the CCS and the Child Care Safety Net which provides families with heavily subsidised access to child care services.⁸ From 2008 to 2021, the Commonwealth also provided funding to the states through the Universal Access National Partnership (UANP) to ensure every child can participate in a quality preschool program (consisting of 15 hours per week, or 600 hours per year) in the year before school. The UANP was replaced by

⁸ Maximum CCS subject to income is 85 per cent of fees charged up to the fee cap. For second and subsequent children, this increases to 90 per cent. During the 2021 June quarter, the average hourly child care fee for all service types – excluding IHC – was \$10.40, reflecting an increase of 1.7 per cent since the 2021 March quarter.

the 2022-25 National Preschool Reform Agreement which links funding to reforms to increase preschool participation rates and improve outcomes.

The states' responsibilities vary across jurisdictions but mainly include funding and/or providing preschool and, in some cases, child care and assisting the most disadvantaged. They also support the implementation of the UANP, play a regulatory role for services under the NQF, and implement strategies to improve the quality of ECEC programs, including curriculum, support and training for providers.⁹

ACECQA, an independent national authority, is responsible for legislation and administration of the NQF. It supports the sector with guidance, resources, and services to improve outcomes for children. The Commonwealth provides operational funding for ACECQA and state and territory regulatory authorities are responsible for administering the NQF and for the quality and safety of services approved under the National Law. Regulators have powers and tools to ensure compliance with NQF requirements.

The department's primary means of engaging with the sector is through the ECEC Reference Group (which represents all the care types) and broad-based sector communications.

COVID and early childhood

The impact of the pandemic on ECEC has been uneven, with some states locking down regions and restricting access while others remained relatively unchanged.

ECEC attendance for children aged 0 to 12 years fluctuated in response to, and throughout COVID-19 waves and public health directions.

Disrupted ECEC services have further impacted on the wellbeing and learning of young children. The impact of this disruption on developmental vulnerability has been less than anticipated but remains a focus.¹⁰ Indigenous Australians, children with additional needs and those living in disadvantaged areas have recorded larger increases in developmental vulnerability.¹¹

Restrictions and service closures have reduced the inflow of skilled employees. Employers have reported increased staff turnover, in part due to impacts on the wellbeing of essential workers during the pandemic because of increased workload. Emerging evidence shows increased vacancies and staffing waivers for qualified staff. Since 2019, the number of child care staff in Australia has fallen by 3.5 per cent.¹²

⁹ Productivity Commission (February 2022), *Report on Government Services 2021*.

¹⁰ Murdoch Children's Research Institute, January 2022, *Impact of the COVID-19 pandemic on children*

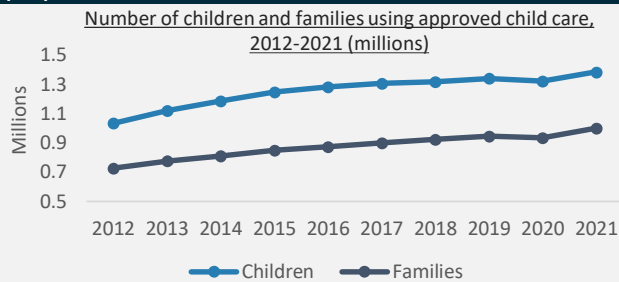
¹¹ Department of Education, Skills and Employment. 2021 Australian Early Development Census National Report, p25.

¹² Labour Market Insights, Child Carers – Overview.

Snapshot of participation and funding in early childhood education and care

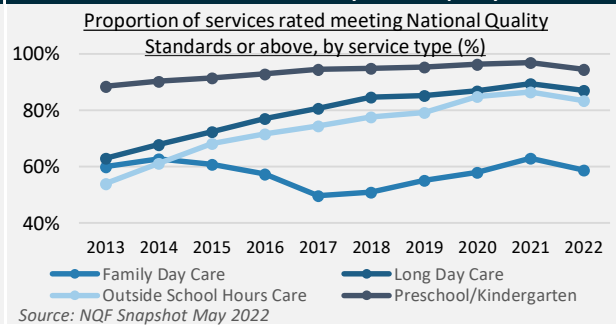
In 2021, 1,383,550 children accessed approved child care. In 2018, Australia spent 0.6% of GDP on early childhood education and care, less than the OECD average of 0.9%.

1. The number of children using approved child care decreased in 2020 due to the global pandemic but numbers have now returned to pre-pandemic levels.



Source: DESE, Key Early Childhood Data, March 2021

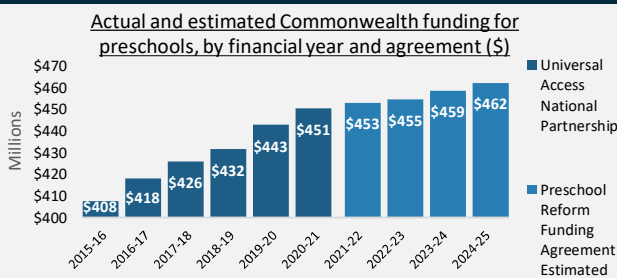
2. The majority of service types demonstrate improved quality over time, noting a marginal decline in 2022; Family Day Care services continue to be the least likely to meet quality standards.



Source: NQF Snapshot May 2022

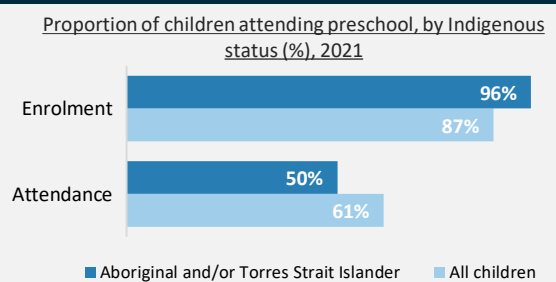
3. The Commonwealth provides steadily growing early childhood funding through fee assistance to benefit children and families.

5. The Commonwealth continues to provide increased funding support for preschools under the new Preschool Reform Funding Agreement (previously Universal Access National Partnership).



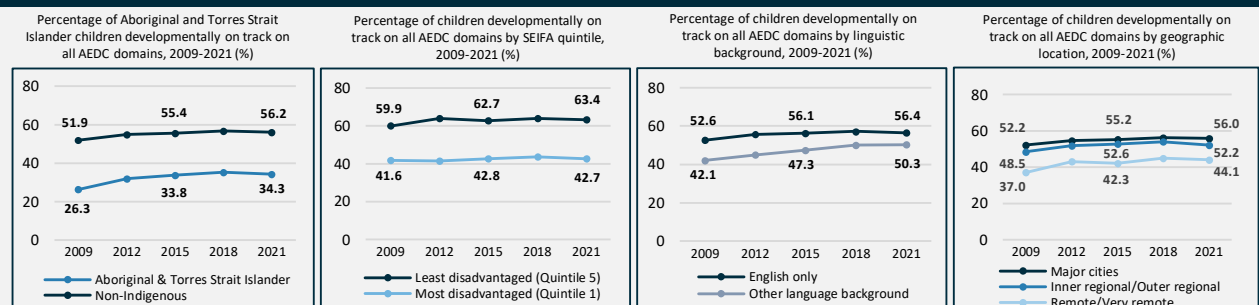
Source: UANP Agreements from 2015 to 2021; Payments to Support Preschool (2022-23 Budget)

6. Preschool enrolments have improved significantly since 2008, but the next step is to ensure children are regularly attending for the 600 hours per year available.



Source: ABS, Preschool Education Australia 2021

7. Most children are 'on track' across all developmental domains in the first year of school, but there is a significant gap for Aboriginal and Torres Strait Islander children, children of low socioeconomic status and children located in remote locations of Australia.



Source: AEDC 2009-2021

The reform journey

The Child Care Benefit (CCB) program and Child Care Rebate (CCR)

Introduced to assist families with the cost of raising children. CCB fee relief for up to 50 hours, with tapering support for low and middle income families.

Major frameworks

Services are required to base their educational program on either the Early Years Learning Framework for Australia (EYLF) or the My Time, Our Place – Framework for School Age Care (MTOF). Both are currently being reviewed to ensure they are fit-for-purpose and, where appropriate, align with Australian curriculum requirements.

National Quality Framework (NQF)

As the sector expanded, the Commonwealth introduced the NQF to standardise educator to child ratios and increase skills and qualification requirements for educators, as well as quality rating of services.

Shaping Our Future – National Children's Education and Care Workforce Strategy (2022-2031)

Engagement from the sector and all governments through the development of the Strategy will support responses to these challenges.

National Preschool Reform Agreement

From 2022, the new National Preschool Reform Agreement replaced the UANP with a focus on improving outcomes and increasing attendance (particularly among disadvantaged and Aboriginal and Torres Strait Islander children) and ensuring all preschool children benefit from Commonwealth funding.

2000

2008

2009

2012

2018

2021

2022

The Preschool Universal Access National Partnership (UANP)

Since 2008, the Australian Government has funded states to provide quality preschool programs. The funding benefits around 350,000 children each year and data collected through the Australian Early Development Census since its introduction has shown significant improvements in school readiness. The UANP is supported by funding committed under the Preschool Reform Funding Agreement.

Australian Early Development Index (AEDI)

Australia became the first country in the world to collect national data on the developmental health of all children starting school. The success of the 2009 AEDI led to the Commonwealth's commitment to the ongoing national measurement (the AEDC).

Child Care Package (the Package)

In July 2018, the Commonwealth introduced the Package to support affordability, improve flexibility and increase the targeting of financial assistance. The Package comprised of the CCS and Child Care Safety Net, including introduction of the CCS activity test.

Annual caps removed

From 10 December 2021, the annual cap for all families receiving CCS was removed.

Further enhancements to the Child Care Subsidy (CCS)

From 7 March 2022, families with children aged 5 or under in care will receive an increased subsidy of 30 per cent, up to a maximum subsidy rate of 95 per cent, for their second and subsequent children.

Youth

Overview

Australia has more than 3.1 million young people (aged 15-24 years), which represent 12 per cent of the population.¹ Successful transitions from youth to adulthood, and from education into employment, are important in providing lifelong opportunities. The department has a key role in stewardship of the Australian Government's youth policy. This reflects the importance of education, skills, and employment in the lives of young people, and provides an opportunity to connect education and skills policy to meaningful employment for young Australians.²

Within the youth cohort, there is significant diversity that shapes social, educational, and economic outcomes. While most young people make a successful transition from education and training into employment, some youth require additional support to realise the financial and social benefits of work, with youth unemployment more than double overall unemployment. Some of the major perceived barriers to youth getting a job have been persistent, such as the availability of jobs and work experience, but more recently there has been a significant rise in lack of confidence and self-esteem.³ These challenges have been compounded by the social and economic disruptions of the COVID-19 pandemic.

While varying across jurisdictions, widespread lockdown measures, school closures, and the move to online learning across education settings due to the pandemic have resulted in widespread impacts these include valuable face-to-face learning, job losses and lack of social opportunities. Similarly, experiences throughout the pandemic have exacerbated social isolation, disengagement and mental health concerns. For example, young adults aged 18-24 years reported higher levels of psychological distress in mid to late 2020 than before the pandemic.⁴

The Australian Government has a role in ensuring every young person, particularly youth with the greatest need, are supported to successfully navigate transitions across education and employment. Through the National Strategy to address Youth Mental Health and Suicide Prevention, ongoing efforts have sought to prevent suicide and promote the mental wellbeing of young and Indigenous Australians. The Youth Policy Framework provides an overview of support to young Australians, with an approach for how the Australian Government can better engage with young people, enabling them to become spokespeople for their peers and communities at a local and national level.

¹ ABS (June 2021), *National, state and territory population*.

² "Youth affairs and programmes including youth transitions" was transferred from the Department of Health as per Administrative Arrangements Order of 18 March 2021.

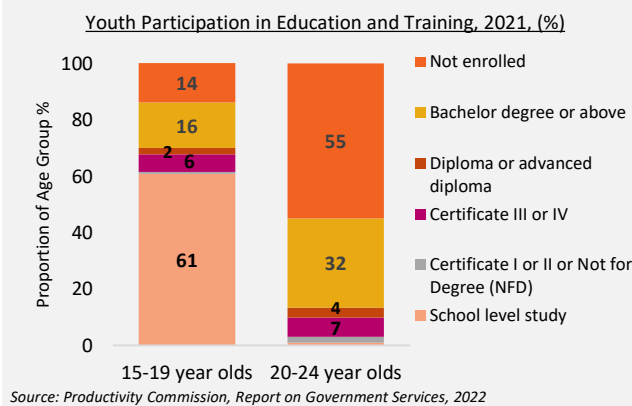
³ Life at 25 now and then visualisation using LSAY, NCVER (2019); Longitudinal survey.

⁴ Biddle N, Edwards B, Gray M & Sollis K (2020). 'Mental health and relationships during the COVID-19 pandemic.' COVID-19 briefing paper. Canberra: ANU Centre for Social Research and Methods; Biddle N and Gray M (2020), 'Tracking outcomes during the COVID-19 pandemic (October 2020)', Canberra: ANU Centre for Social Research and Methods.

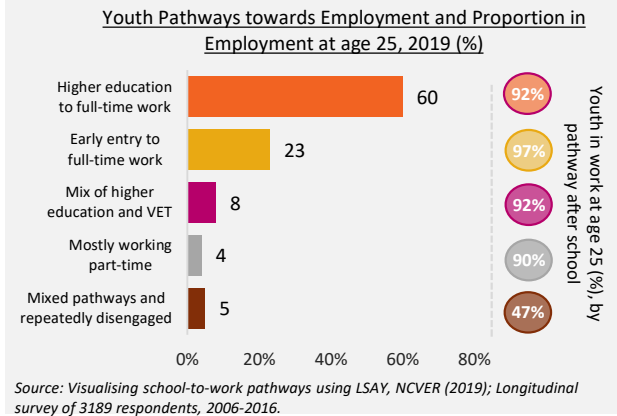
Snapshot of participation and outcomes for the youth cohort

In 2021, there were around 3.1 million young people (aged 15-24 years), which represents around 12 per cent of the population.

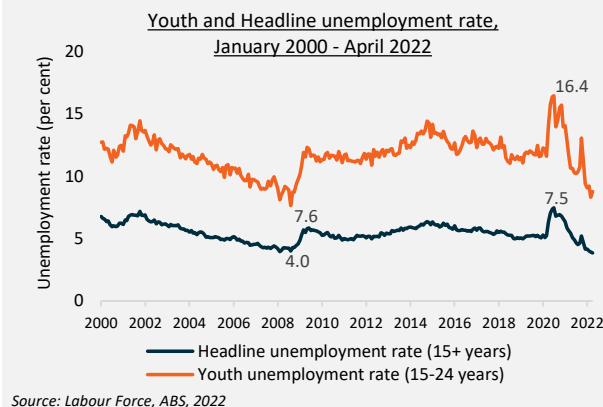
1. Youth aged 15 to 24 years, participate in education and training, including beyond school-level studies. A large proportion of 15-19 year-olds transition out of education, 55% of 20-24-year-olds not being enrolled.



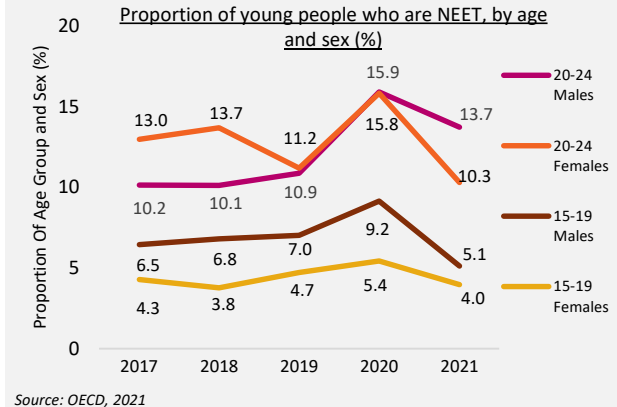
2. Youth experience diverse and individualised school to work pathways. While the majority follow a generally simple higher education to work pathway or enter employment early, some experience complex post-school pathways.



3. Youth unemployment, which is higher than overall 'headline' unemployment, is experiencing its lowest point since 2008 as of February 2022 (9.29%).



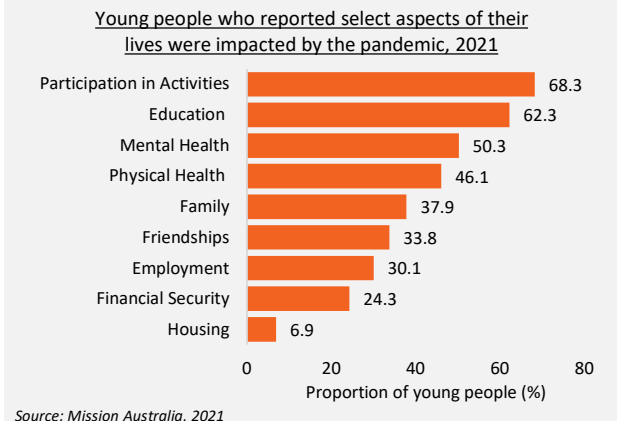
4. Young people who are not in employment, education or training (NEET) are more likely to experience social exclusion, have income levels below the poverty-line and lack the skills to improve their economic situation.



5. The proportion of young people who meet the criteria of experiencing 'psychological distress' has been increasing.



6. Many young people (aged 15-19 years) have reported that their social participation, education and mental health have been impacted by the pandemic.



The reform journey

Youth Summit

100 young Australians participated in the Youth Summit to lead discussions on their priorities and Australia's future.

2008

Office of Youth established

Compact with Young Australians introduced

Under the Compact, young people aged 15–24 have an entitlement to an education or training place, subject to admission requirements and course availability.

2009

National Youth Participation Requirement introduced

Part of the Compact, the Requirement was introduced to ensure that young people participate in schooling until they complete year 10, and participate in education, training or employment (or a combination of these) until they reach age 17.

The National Strategy for Young Australians launched

The department launched the Strategy to be used as a guide for future Government action to encourage and help young people (aged 12–24) take charge of their lives across eight priority areas.

2010

2013

Office of Youth combined into the department

Youth Jobs PaTH commenced

Government employment program designed to assist young Australians into internships to help them gain real world, practical experience in a business.

2017

Youth mental health and suicide prevention plan

Representing the single largest investment in youth suicide prevention in Australia, the Plan outlines a national strategy to prevent suicide and promote the mental wellbeing of young and Indigenous Australians.

Youth Taskforce established

Established to report to the Minister for Youth on options for whole of government coordination of policies and programs impacting youth.

2019

Review of senior secondary pathways

The Review considered how students can be better supported to understand and be enabled to choose the most appropriate pathway to support their transition into work, further education and/or training.

2020

2021

National Youth Policy Framework released

The framework acknowledges the challenges faced by young people, particularly from the impacts of COVID-19, and outlines the whole-of-Government policies and programs in place to improve the lives of young people living in Australia.

Commonwealth-state relations

Overview

Effective Commonwealth-state relations will be critical to delivering the Government's agenda. Responsibility for early childhood education and care (ECEC), schooling, and vocational education and training (VET) is shared with states and territories (states). While the Commonwealth provides an increasingly significant leadership and funding role to meet national priorities, states have primary responsibility for policy and service delivery within their respective jurisdictions.

Productive relationships between state, territory and Commonwealth Governments are critical to promote policy reforms that are of national significance.

Commonwealth-state relations architecture

In March 2020, National Cabinet and the National Federation Reform Council were established to govern relations between the Commonwealth and states, replacing the Council of Australian Governments. This new architecture was designed to streamline intergovernmental decision-making.

The Council on Federal Financial Relations (CFFR), comprising the Commonwealth Treasurer as Chair and all state and territory treasurers, is responsible for overseeing the financial relationship between the Commonwealth and state and territory governments. CFFR reports to the National Cabinet under the Australian Federal Relations Architecture.

Skills National Cabinet Reform Committee (Skills Committee) and Skills Ministers Meeting

The Skills National Cabinet Reform Committee was established in 2020 to support the ongoing reforms to VET outlined in the Heads of Agreement on Skills Reform (including the development of a new national skills agreement). The Skills Ministers Meeting has the same membership and facilitates intergovernmental collaboration on a broader range of VET matters. Both forums are chaired by the Commonwealth minister with responsibility for skills.

The major intergovernmental agreements which agree shared national goals and activities and provide states with extra funding to assist in the costs of delivery, supported by the Skills Ministers Meeting are:

- National Agreement on Skills and Workforce Development (NASWD) (ongoing)
- JobTrainer Fund (2020–2022).

Education Ministers Meeting (previously Education Council)

The Education Ministers Meeting is chaired by the Commonwealth Minister for Education, which was a shift from the historic practice of a revolving chair. The meeting provides a forum for national cooperation on early childhood education and care, school education, higher education, and international education. It replaced the Education Council with the expectation that the forum be more agile and responsive, with consensus decision-making ensuring direct responsibility for decision-making resting with Ministers.

The major intergovernmental agreements which agree shared national goals and activities and provide states with extra funding to assist in the costs of delivery, supported by the Education Ministers Meeting are:

- Preschool Reform Agreement (2022–25)
- National Schools Reform Agreement (NSRA) (2018–2023).

Commonwealth and state roles and responsibilities

Early childhood education and care

Early childhood education and care (ECEC) is a joint responsibility of the Commonwealth and the states, working closing with the ECEC sector. Jurisdictions are collectively responsible for policy and rules that govern the operation of the sector through national law, national regulations and the National Quality Framework (NQF). The Commonwealth funds the Australian Children's Education and Care Quality Authority (ACECQA) to provide guidance, resources and services to support the sector to improve outcomes and ensure nationally consistent regulation. States – through their regulatory authorities – are responsible for administering the NQF and for the quality and safety of approved services.

In terms of funding, the Commonwealth's primary role is to assist families with the cost of child care through provision of Child Care Subsidy (CCS) and safety net measures. In 2020-21, the Government spent \$10.2 billion on child care funding. This is forecast to grow to \$10.3 billion in 2021-22, of which \$9.9 billion is on the CCS. The Commonwealth also supports universal access to preschool through transfers to states for service delivery (from 2022, via the Preschool Reform Agreement). In 2020-21, the Commonwealth invested \$442.3 million in transfers to states for preschool through the Universal Access National Partnership. That year, states collectively contributed \$1.6 billion of their own funding to the preschool sector.

Schooling

States and territories have constitutional responsibility for schools. The Commonwealth has limited levers to influence delivery – mostly through conditions of funding provided under the Commonwealth Australian Education Act. States provide majority of government funding to government schools and the Commonwealth provides the majority of government funding to non-government schools. The Commonwealth and the states commit to continue to work together through Education Ministers Meetings, recognising their complementary roles in the federation.

A new NSRA is due to come into effect no later than 1 January 2024. Under section 22 of the *Australian Education Act 2013*, states and territories must be: 'party to a national agreement relating to school education reform' and 'party to an agreement with the Commonwealth relating to implementation by the State or Territory' to be eligible for Commonwealth financial assistance for schools. A review of the current NSRA is currently being undertaken by the Productivity Commission. The review is planned to be completed by 31 December 2022. The findings will inform negotiations with the state governments on directions for the next NSRA.

Skills/Vocational education and training (VET)

Jurisdictions are collectively responsible for policy and rules that govern the operation of the sector. States largely manage service delivery within their respective jurisdictions – including deciding which training is subsidised – and are wholly responsible for Technical and Further Education (TAFE) institutes. The Commonwealth transfers funding to states, and directly funds a range of skills programs, including significant investment in apprenticeships incentives and support. The Commonwealth also funds key regulatory authorities, such as the Australian Skills Quality Authority (ASQA) and funds the National Centre for Vocational Education Research, the national professional body responsible for collecting, managing, analysing and communicating research and statistics on the VET sector.

As at the 2022–23 Budget, Commonwealth investment in VET in 2021–22 included \$2.2 billion in transfers to states, comprising \$1.6 billion under the NASWD and a further \$600 million via National Partnership Agreements (NPAs), including JobTrainer and the Skilling Australians Fund. States collectively contributed \$3.9 billion of their own funding to VET in 2020, with funding levels varying across jurisdictions. When considering Commonwealth transfers to states, the Commonwealth's funding contribution is approximately 35 per cent of all state VET expenditure.

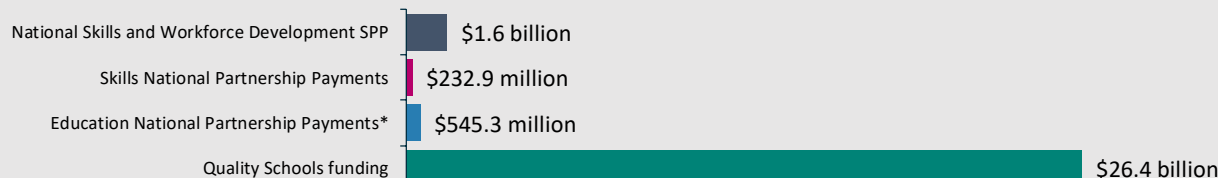
In 2020, as part of the Heads of Agreement for Skills Reform, the Commonwealth and state governments agreed to an approach and priorities for developing a new national skills agreement to replace the NASWD. Negotiations are due for completion by 30 June 2022.

Snapshot of Commonwealth and state funding for sectors

In 2022–23, the Commonwealth will provide the states with \$166.4 billion in total payments.

1. In 2022–23 the Commonwealth will provide \$27.0 billion to support state education services. A further \$1.8 billion will be provided to support state skills and workforce development.

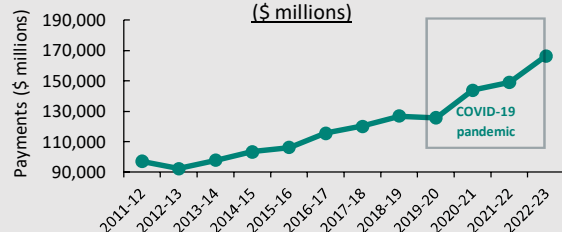
Commonwealth expenditure for sectors, by payment type (\$)



Source: 2022–23 Budget, Paper 3
*includes preschool funding

2. Since 2011–12, Commonwealth payments to the states have increased by over 71.5 per cent.

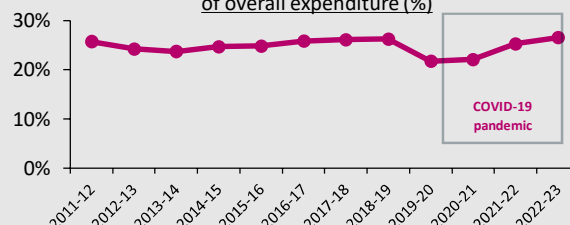
Total Commonwealth payments to states and territories (\$ millions)



Source: 2022–23 Budget

3. While payments have increased significantly since 2011–12, it has been roughly in line with overall Commonwealth expenditure.

Commonwealth payments to the states as a proportion of overall expenditure (%)

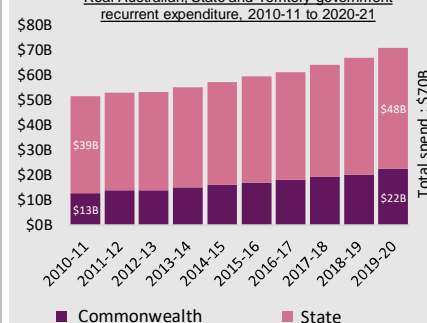


Source: 2022–23 Budget

4. The Commonwealth and the states fund education and skills in varying proportions, reflecting the degree of responsibility for a sector. The Commonwealth provides the greatest proportion of funding to Early Childhood (child care) and Higher Education.

Schools

Real Australian, State and Territory government recurrent expenditure, 2010-11 to 2020-21



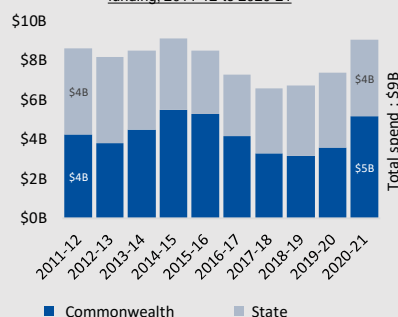
Notes:

- Information as at 11 May 2022
- Education sectors also have significant private expenditure, notably in early childhood, VET and higher education.
- Commonwealth transfer payments to states shown as Commonwealth expenditure.
-
- Higher Education: Excludes loans to students e.g. HELP.
- VET: Commonwealth figures include transfers to states, Commonwealth own programs and income contingent loan outlays. State financial year figures are estimated by averaging the two overlapping calendar years

Source: Department (Higher Education); NCVER and Final Budgets Outcomes (VET); RoGS 2022 (other sectors)

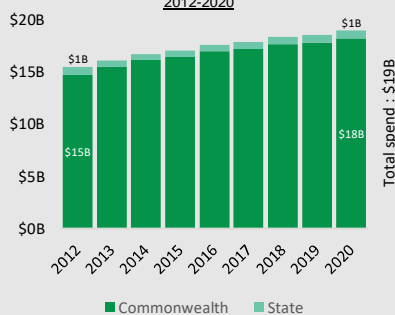
VET

Nominal Australian, State and Territory government funding, 2011-12 to 2020-21



Higher Education

University Revenue from Government Sources 2012-2020



The reform journey

Intergovernmental Agreement on Federal Financial Relations (IGA FFR)

Key change in intergovernmental relations
Established a new framework for the Commonwealth's financial relations with the states. It represented the single most significant shift in Commonwealth-state relations for decades.

National Agreement on Skills and Workforce Development (NASWD)*

The NASWD identified the long-term objectives of commonwealth, state and territory governments. The objective of the NASWD is to support a VET system that delivers a productive and highly skilled workforce which enables all working age Australians to develop the skills and qualifications needed to participate effectively in the labour market
In 2020, all governments signed a Heads of Agreement for Skills Reform setting out priorities for a new national skills agreement to replace the NASWD.

Australian Education Act 2013

Introduction of the *Australian Education Act 2013* replaced four yearly funding agreements and established the Schooling Resources Standard. It created a national approach to school funding and adopted a needs-based funding model.

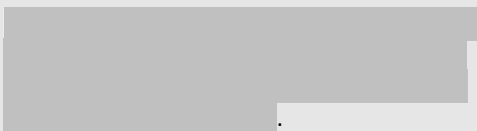
National School Reform Agreement*

A set of strategic reforms between the Commonwealth, states, and territories to lift student outcomes across Australian schools.
*Expires December 2023.

New Federation Funding Agreements Framework (FFA)

New governance arrangements for Commonwealth-state funding agreements. It recognises that the states have primary responsibility for many areas of service delivery, but that coordinated action is necessary to address Australia's economic and social challenges.

Preschool Reform Agreement, 2022-2025*



2008

2012

2009

2013

2019

2020

2021-22

Universal Access National Partnership

A commitment from both Commonwealth and State and Territory governments to provide the opportunity for all kids to attend preschool and set targets for enrolment and attendance. UNAP funding benefits around 350,000 children each year and data collected through the Australian Early Development Census has shown significant improvements in school readiness.

National plan for school improvement

Introduced a national school funding model which ties funding to concrete improvements. The plan aims to ensure that by 2025 Australia is ranked as a top 5 country in the world for the performance in Reading, Science, Mathematics, and to provide a high-quality and high-equity education system.

Formation of National Cabinet

Key change in intergovernmental relations
Established 13 March 2020, and comprising the Prime Minister, Premiers and Chief Ministers, to lead a unified and coordinated response to COVID-19 across the Federation.

National Federation Reform Council (NFRC)

The NFRC replaced the Council of Australian Governments (COAG) model. It reset Ministerial Councils and created the:

- Skills National Cabinet Reform Committee and Skills Ministers Meeting
- Education Ministers Meeting
- Data and Digital Ministers Meeting

Intergovernmental Agreement on Data Sharing

Commits all jurisdictions to share public data as a default position, where it can be done securely, safely, lawfully and ethically.

*Intergovernmental agreements underpinned by legislative funding arrangements

Women's labour market participation

Overview

Increasing women's labour market participation is an economic and social priority

Increasing women's workforce participation is essential to building a better future for Australia. By removing obstacles to gender equity, increasing women's workforce participation has the potential to boost women's economic participation, boost productivity and provide greater economic security for women.

Women's workforce participation has increased substantially since the 1970s and is currently at a near-record high of 62.1 per cent.¹ Progress has been driven by greater levels of education, changing social attitudes, declining fertility rates, policy changes (particularly greater subsidies for child care), and increasing availability of part-time and flexible working arrangements.² There remains capacity to improve, with Australia's participation rates behind other OECD countries.³ Women are also more likely to work part-time than men, and more likely to take extended time out of the workforce due to unpaid caring and domestic responsibilities, which impacts their lifetime earnings and contributes to the superannuation gender gap.

Decisions to enter or re-enter the workforce are often complex and multifactorial. Commonly cited barriers include workplace culture, gender stereotypes, availability of flexible work arrangements, affordability and accessibility of child care, gender differences in domestic work, and societal expectations regarding gender roles.⁴ In an ABS survey of women who would like to join or increase their participation in the labour force, incentives relating to child care access and cost were cited as the most important incentives, followed by the ability to work part-time hours.⁵ The interaction of the personal tax, family payments and child-care subsidy arrangements can also provide strong disincentives for women returning to work after having children.⁶ Culturally and linguistically diverse (CALD) women, migrant women, mature women, First Nations women, and women with disability may also experience particular or additional barriers that prevent greater workforce participation.

Women's educational attainment has increased over time, with increased numbers of women entering skilled professions and accessing better paid jobs. Despite this, Australian women continue to spend less time in paid employment, earn less than men (the gender pay gap is currently 13.8 per cent), and contribute disproportionately to domestic work.⁷ Coordinated efforts by government and business to implement critical reforms can address gender pay gap contributors, including: discrimination and bias in hiring and pay, female-dominated industries and jobs attracting lower wages, women's disproportionate share of unpaid caring and domestic work, a lack of workplace

¹ Australian Bureau of Statistics (April 2022) *Labour Force, Australia*.

² Bankwest Curtin Economic Centre and WGEA (2016) *Gender Equity Insights - Inside Australia's Pay Gap; 2021 Intergenerational Report*

³ As at 2020, while Australia was outperforming the OECD average, Australia was ranked 8th and lagged behind countries such as New Zealand, Norway, and Iceland and slightly outperformed Canada and the UK. Source: OECD, *Labour force participation rate, by sex and age group*.

⁴ For example, see Committee for Economic Development of Australia, *Barriers to Equality of Opportunity*.

⁵ ABS (2018-19) *Barriers and Incentives to Labour Force Participation, Australia*.

⁶ KPMG (2018) *Ending workforce discrimination against women*.

⁷ Australian Bureau of Statistics (November 2021) *Average Weekly Earnings, Australia*.

flexibility, and greater time out of the workforce impacting career progression.⁸ To improve gender equality in the workplace, it is important to improve the ability of women to engage in paid work and to share unpaid work more equitably with men, to have the skills and opportunity to perform higher-productivity jobs, and occupy positions of leadership.

Delivery of whole-of-government policy and services that account for compounding and overlapping disadvantage (from being both a woman and also from a CALD and/or migrant background, First Nations, mature age and/or with disability) is necessary. Boosting women's labour market participation requires broad, wrap-around action across the Commonwealth, including through consideration of tax-transfer (including the interaction between income tax and benefits), social security, superannuation, child care, health care and parental leave policies.

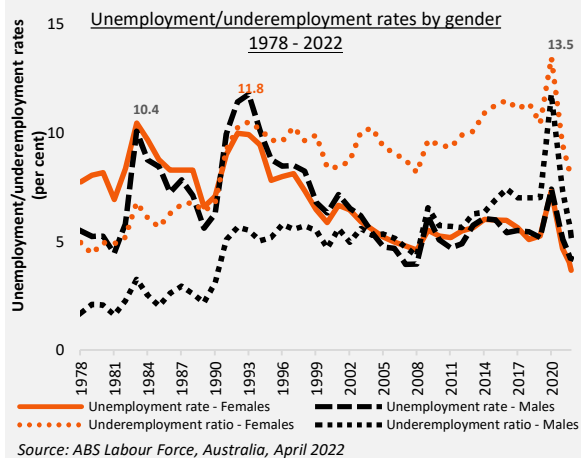
Across the life journey, alongside child care, education and skills policy, this department also delivers activities to encourage women's participation in non-traditional trades and STEM careers and supports employers to reduce barriers to attracting and retaining women. Measures can assist by encouraging and enabling women to increase and maintain their involvement in the labour market, which can improve participation over their lifetime. Government policies must also consider women's personal preferences, including their own and others' attitudes to work and family, because these are critical factors in the decisions women make about working.

⁸ Workplace Gender Equality Agency, *Australia's Gender Pay Gap Statistics (February 2022)*. The gender pay gap is the difference between women's and men's average weekly full-time equivalent earnings, expressed as a percentage of men's earnings. It is a measure of women's overall position in the paid workforce and does not compare like roles.

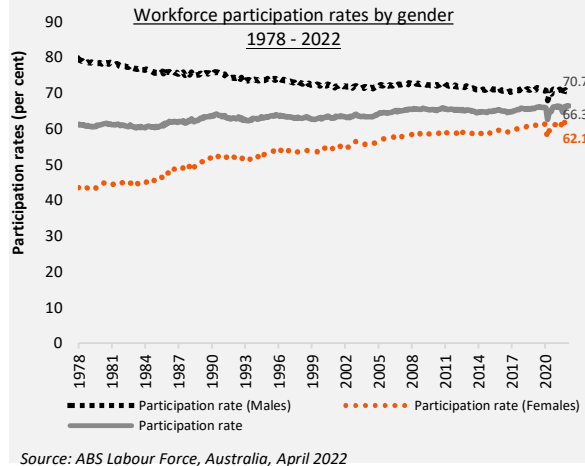
Snapshot of women's labour market participation

Women's participation rates and the gender pay gap have improved over the past decade, however more work can be done to further reduce the gap

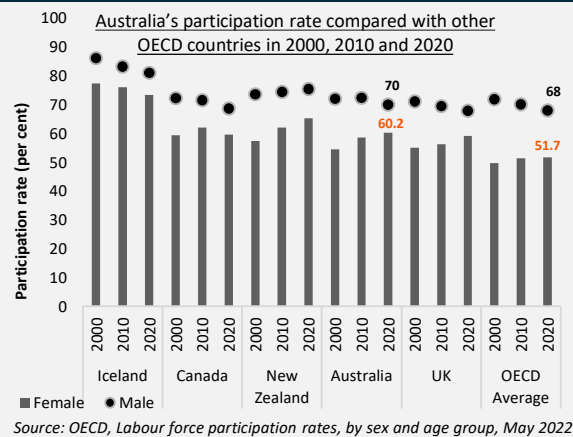
1. Women are consistently more likely to be underemployed



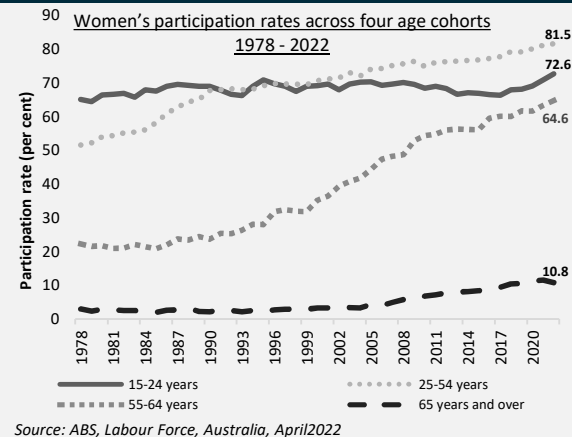
2. The gap in workforce participation has narrowed, but persists



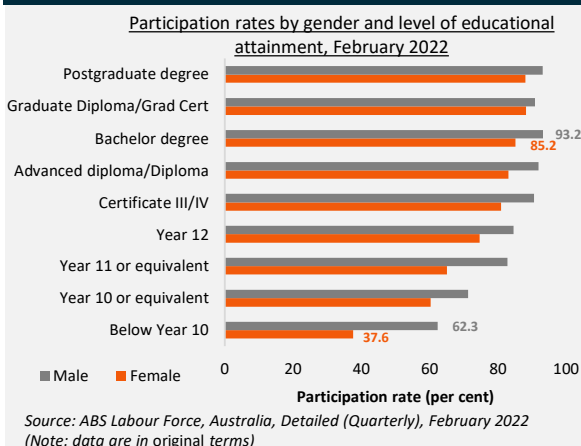
3. Australia's women's participation rate is above the OECD average



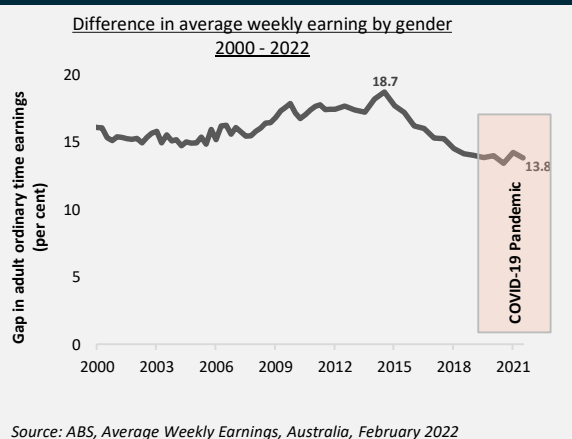
4. Women's participation rates have increased across all age cohorts



5. The difference in participation rates widens for women (20-64 years old) with lower educational attainment



6. Australia's gender pay gap has decreased over the last two decades but remains significant



The reform journey

Fair Work Act 2009

Commencing in 2009, the *Fair Work Act 2009* protects people from discrimination in the workplace on the basis of sex.

Workplace Gender Equality Agency (WGEA)

Established in 2012, WGEA is charged with promoting and improving gender equality in Australian workplaces.

Child Care Subsidy (CCS)

Child Care Benefit and Child Care Rebate replaced with the CCS, an income-tested and activity-tested subsidy. The Additional Child Subsidy for vulnerable children was also introduced at this time.

Child Care Subsidy rate lifted for second and subsequent children

From 7 March 2022, CCS rates for families using care for two or more children aged five and under increased by 30 percentage points for their second and younger children, up to a maximum of 95 per cent.

2009

2010

2012

2013

2018

2021

2022

National Paid Parental Leave (PPL) scheme introduced

Provided up to 18 weeks pay at the national minimum wage for eligible working parents. Additional changes to this policy have been implemented by successive governments to expand the reach and improve the flexibility of the policy.

National Disability Insurance Scheme (NDIS)

As well as supporting people with disability, the NDIS has also allowed many women caring for family members with disability to return to the workforce.

Child Care Subsidy annual cap removed

From 10 December 2021, the CCS annual cap (of \$10,655 per child for families earning over \$190,015 in 2021-22 terms) was removed for the entire 2021-22 financial year onwards.

Labor's 2022 Women's Budget Statement

Sets out a range of policy reforms, including establishing a Women's Economic Security Taskforce, introducing a National Strategy to Achieve Gender Equality, and gender responsive budgeting.

The National Agreement on Closing the Gap

Overview

Australia's First Nations population comprises more than 800,000 people (around 3.3 per cent of the total Australian population).¹ Aboriginal and Torres Strait Islander peoples experience poorer outcomes across most life measures compared to other Australians. They remain underrepresented in the workforce, as well as in many occupations and community roles, experience lesser levels of education attainment, and are overrepresented in the criminal justice and child protection systems.

The 2020 National Agreement on Closing the Gap (the Agreement) was developed in partnership with all Australian governments and the Coalition of the Peaks (the Peaks), which consists of more than 50 Aboriginal and Torres Strait Islander community-controlled organisations.

The Agreement is built around four new Priority Reforms which underpin essential acceleration towards the socio-economic targets and will fundamentally change the relationship between the Australian Government and First Nations communities. The Priority Reforms are:

1. Formal partnerships and shared decision-making: critical to accelerating policy and progress
2. Building the community-controlled sector: to deliver better informed services
3. Transforming government organisations: to be culturally safe, responsive and eliminate racism
4. Shared access to data and information at a regional level: to inform shared decision making.

Closing the Gap targets

The Agreement commits parties to achieve 17 socioeconomic targets by 2031, opening up life changing opportunities for current and future generations. Targets 3-8 sit within this portfolio:²

1. By 2025, increase enrolment in Year Before Full-time Schooling early childhood education to 95 per cent (on track)
2. By 2031, increase children assessed as developmentally on track in all five domains of the Australian Early Development Census to 55 per cent (not on track)
3. By 2031, increase year 12 or equivalent qualification attainment (age 20-24) to 96 per cent (not on track)
4. By 2031, increase tertiary completion (Certificate III and above) (age 25-34) to 70 per cent (not on track)
5. By 2031, increase employment, education or training (age 15-24) to 67 per cent (on track)
6. By 2031, increase employment (age 25-64) to 62 per cent (not on track).

Despite current efforts, projections show that only two of the six targets will be met (see Chart 5). Extra work will be needed to ensure all six targets are achieved, particularly considering that recently released Target 4 data shows – for the first time – a decline in outcomes. Recent feedback on the Commonwealth's 2021 Closing the Gap Implementation Plan from the Peaks, emphasised more effort is required to embed all the Priority Reforms within departments to ensure that all the socio-economic targets can be met.

¹ ABS Census, 2016

² Commonwealth Closing the Gap Implementation Plan, Canberra, www.niaa.gov.au

There are some projects showing promising signs of positive impact and contributing to a growing evidence base. Notable examples include: the Aurora Foundation's Redefining Indigenous Success in Education which supports students through individualised Academic and Wellbeing Support Plans; and the Early Years Education Program, which will deliver an early learning teaching model to strengthen literacy and numeracy learning through explicit instruction, in combination with play-based learning approaches.

Snapshot of First Nations peoples, outcomes and Closing the Gap progress in education and employment

1. Australia's First Nations population has a relatively younger age structure. This is reflective of higher fertility rates as well as higher mortality rates than the non-Indigenous population.

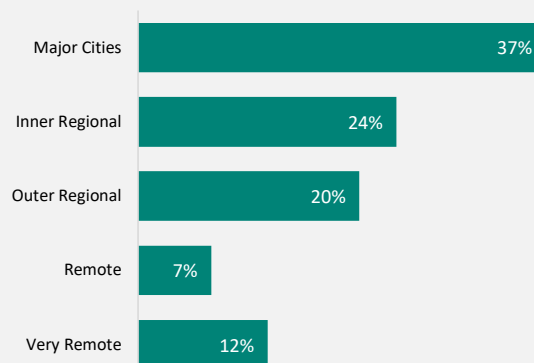
Percentage of non-Indigenous and Indigenous by age group, 2016



Source: ABS 2016, Estimates of Aboriginal and Torres Strait Islander Australians

2. The majority of First Nations peoples live in major cities or inner regional areas. While those who live in remote and rural areas of Australia are relatively fewer, they often experience greater challenges, requiring innovative and tailored policy responses.

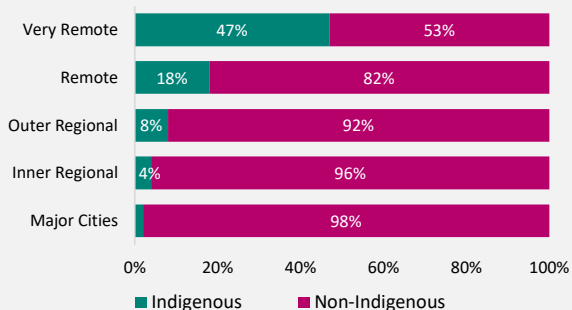
Distribution of Australia's Indigenous population by remoteness, 2016



Source: ABS 2016, Estimates of Aboriginal and Torres Strait Islander Australians

3. First Nations peoples represent a higher proportion of the remote and very remote population than they do in other populations. This suggests that a geographic focus may inform policy responses.

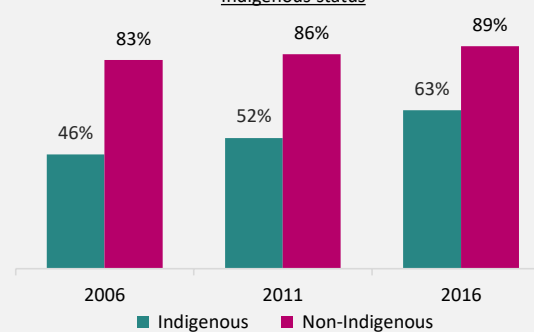
Distribution of Australia's Population by Remoteness and Indigenous Status, 2016 (%)



Source: ABS 2016, Estimates of Aboriginal and Torres Strait Islander Australians

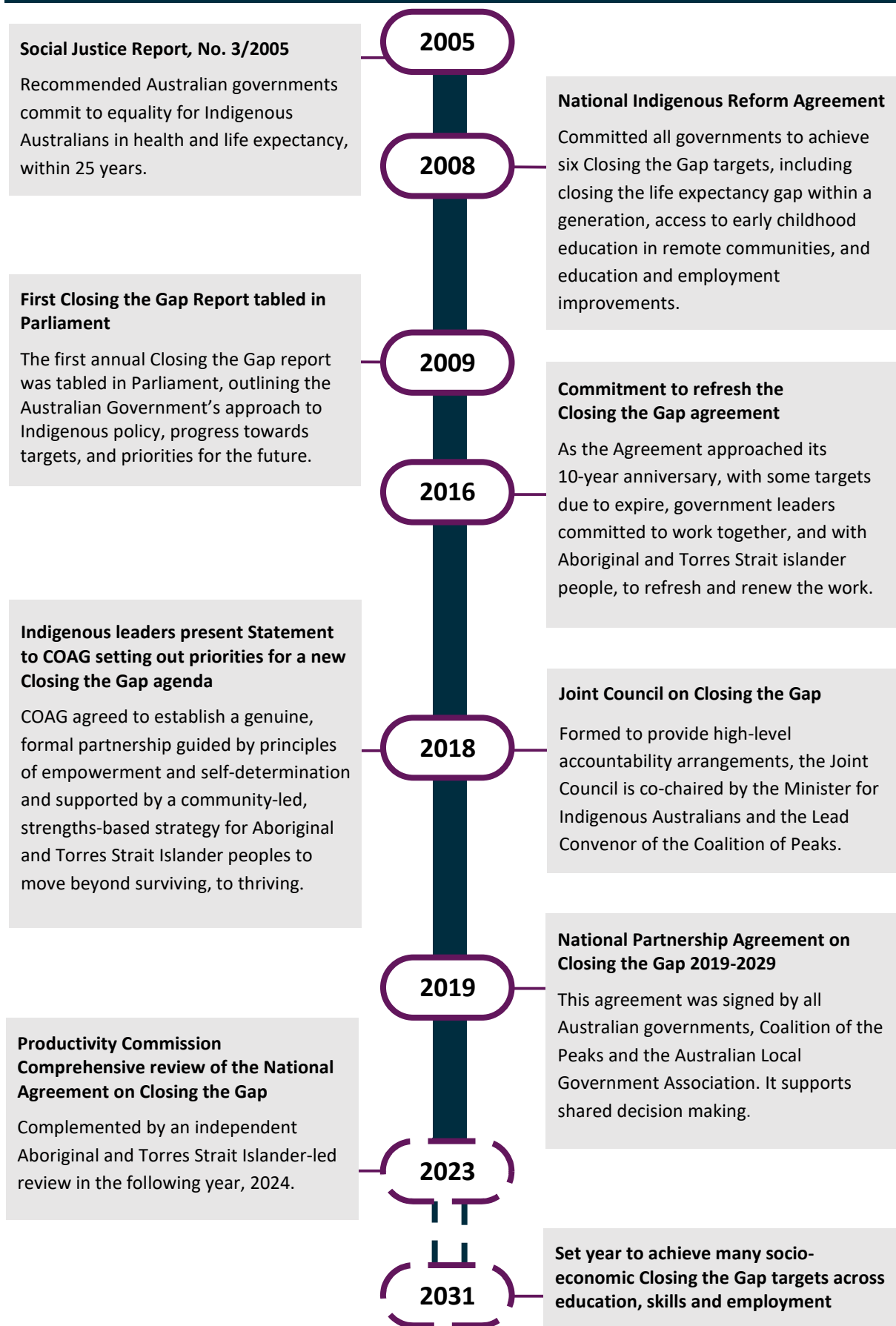
4. The proportion of First Nations students completing Year 12 or equivalent has increased significantly since 2006, but a large gap remains when compared to non-Indigenous students.

Year 12 or equivalent completion rates (%), by Indigenous status



Source: ACARA Year 12 Certification rates, 2016

The reform journey



People with disability

Overview

Australia's population includes approximately 4.4 million people with disability.¹ Full participation and inclusion of people with disability in all aspects of Australian society can deliver broad social and economic benefits, as well individual benefits to persons such as increased independence and greater connection with their community. However, there is still a way to go. People with disability tend to have lower rates of participation across education, skills and employment relative to people without disability, for example:

- Less than half (44 per cent) of people with disability had completed Year 12 or equivalent, compared to people without disability (68 per cent).²
- Only three per cent of apprentices and seven per cent of people who attended university were people with disability.^{3, 4}
- Over half (53 per cent) of people with disability of working age (15-64 years) were in the labour force, compared to the general population (84 per cent).⁵

The shift to online work and study has presented opportunities and challenges for people with a disability. For example, students with a disability have had mixed experiences with remote learning. While some have thrived, others face significant barriers such as access to computers and caring arrangements in the home learning environment.⁶

Inclusive design and delivery of mainstream education, skills and employment policies and systems are critical to improving outcomes for people with disability. Australia's Disability Strategy 2021–2031, as agreed by all Australian governments, has a focus on strengthening mainstream systems. It includes education and employment among its seven outcome areas.

Trends in enrolments for students with disability in mainstream, special and special assistance schools need to be better understood.

.⁷

The department supports people with disability through mainstream programs, such as school loading for students with disability. The National Quality Framework and major funding streams in each sector are important levers for the Australian Government to drive improved outcomes for people with disability. The department also administers targeted programs, such as the Inclusion Support Program in early childhood education and care and the National Disability Coordination Officer program in tertiary education.

¹ ABS (2018), Survey of Disability, Ageing and Carers.

² Ibid.

³ National Centre for Vocational Education Research (NCVER), 2020

⁴ Department of Education, Skills and Employment Higher Education Statistics, 2020

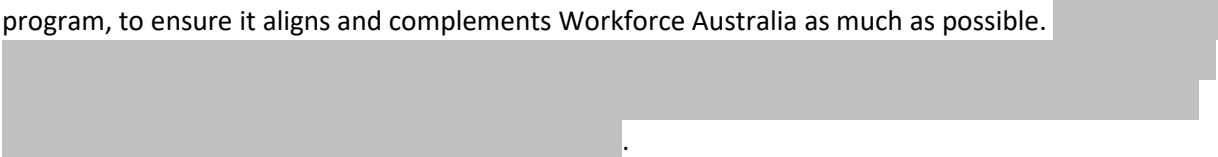
⁵ ABS (2018), Survey of Disability, Ageing and Carers

⁶ See for example: Victoria Department of Education, July 2021, Lessons learned from Term 2, 2020 remote and flexible learning (education.vic.gov.au)

⁷

Building awareness and capability across the education sector is a key focus of measures being implemented in response to the 2020 Review of the Disability Standards for Education 2005 (the Review). A key priority is improving data transparency, including through the Nationally Consistent Collection of Data on School Students with Disability (NCCD), to ensure students with disability are accessing and participating in education on the same basis as their peers without disability.

The department has been working with the Department of Social Services (DSS) on the Disability Employment Support Reform (DESR), including reforms to the Disability Employment Services (DES) program, to ensure it aligns and complements Workforce Australia as much as possible.



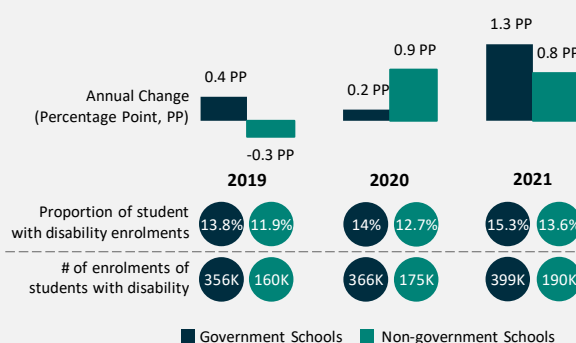
The Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Disability Royal Commission) is examining issues related to the work of the department, including in education and employment. The right to inclusive education has been a core focus of the Disability Royal Commission. It has considered the critical importance of education to the inclusion and independence of children and adults with disability over their life course and as a determinant of future outcomes and the full development of an individual's potential.

Snapshot of people with disability in education and employment

Australia's population includes approximately 4.4 million people with disability, or one in six Australians (ABS 2018)

2. 2020 saw an unexpected spike in the proportion of students with disability in the non-government sector. Into 2021, the proportion of such students has continued to grow across school sectors.

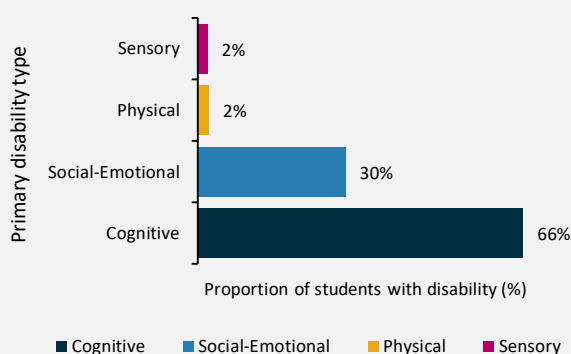
Annual change in proportion of student with disability enrolments (Percentage Point, PP)



Source: DESE school funding models as at 2022-23 Budget

3. Most students who attend special schools have a cognitive or socio-emotional disability.

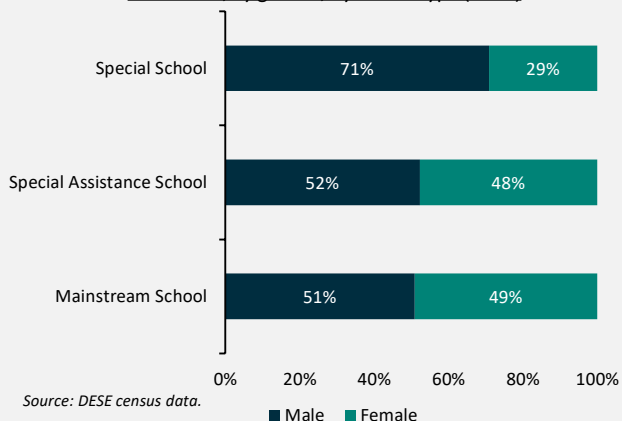
Proportion of special school and special assistance school students, by primary disability type, 2021 (%)



Source: NCCD 2021 data. NB: In the charts above, 'special schools' includes special schools and special assistance schools

4. Students in special schools are more likely to be male.

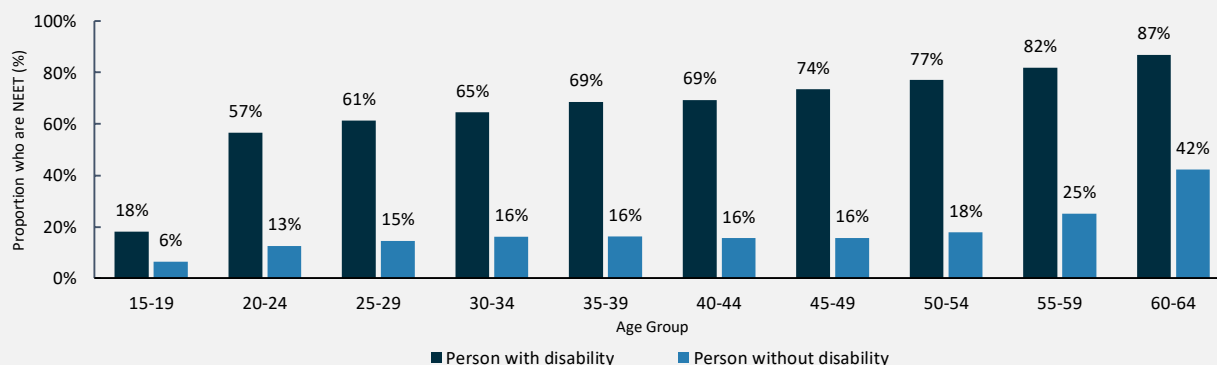
Enrolment, by gender, by school type (2021)



Source: DESE census data.

5. People with disability are disproportionately more likely to be NEET (not in education, employment or training) across their lifetime. The NEET measure can be used to measure people who are at risk of becoming socially excluded, and who may not have the skills to improve their economic situation.

Proportion of population who are NEET, by age group and disability status, 2016, (%)



Source: ABS 2016 Census of Population and Housing, TableBuilder extract

The reform journey

Disability Discrimination Act 1992

The Act aims to eliminate discrimination and establishes the concept of reasonable adjustments for people with disability.

1992

Disability Standards for Education 2005

The Standards are subordinate to the *Disability Discrimination Act* and clarify the obligations of education providers and the rights of people with disabilities in relation to education and training. The aim is to ensure participation in education on the same basis as students without disability.

2005

United Nations Convention on the Rights of Persons with Disabilities

The Convention reaffirms that all persons with all types of disabilities must enjoy all human rights and fundamental freedoms. Australia is a signatory.

2006

National Disability Strategy 2010–2020

A commitment by all Australian governments to a unified, national approach to inclusion for people with disability. It was the primary mechanism for implementing Australia's obligations under the United Nations Convention.

2010

School funding disability loading

Introduced as part of needs-based recurrent school funding model.

2014

Nationally Consistent Collection of Data on School Students with Disability

Implementation of a national approach to counting school students with disability which focuses on educational adjustment based on teacher judgement, rather than medical diagnosis. Implementation included significant investment in teacher capability around adjustments in line with the Disability Standards for Education.

2016

2017

National Disability Insurance Scheme

The NDIS funds personalised supports related to people's disability support needs, unless those supports are part of another service system's universal service obligation (for example, meeting the health, education, housing, or safety needs of all Australians) or covered by reasonable adjustment (as required under the *Disability Discrimination Act 1992* and Disability Standards for Education).

2018

Changes to the Australian Education Act

Under the package, the student with disability funding loading is calculated using data from the NCCD.

2019

Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability

Established in response to community concern about widespread reports of violence, abuse, neglect, and exploitation of people with disability. A final report will be delivered to the Australian Government by 29 September 2023. The report is expected to recommend how to improve laws, policies, structures, and practices to ensure a more inclusive and just society that supports people with disability to be independent and live free from violence, abuse, neglect and exploitation.

2021

Australia's Disability Strategy 2021–2031

Australia's Disability Strategy calls on all Australians to ensure people with disability can participate as equal members of society. Compared to the previous strategy, there is a greater focus on government accountability for implementation and outcomes, and an emphasis on the role of mainstream systems (such as education) in supporting people with disability.

Regional education and employment

Overview

Regional Australia (encompassing regional, rural and remote areas) is a diverse and thriving community. Regional Australia makes up a third of Australia's total population at over 8 million people¹ and makes a significant contribution to Australia's economic prosperity particularly through mining, resources, agriculture and food production.² When compared with major cities, regional Australian communities can face additional challenges, including educational attainment and availability of teachers, and an ageing demographic profile with unpredictable labour demand.

For the first time since 1981, in 2020–21, Australia's regional population grew more than that of capital cities, growing by 70,900. In contrast, capital cities saw a population decline of 26,000 for capital cities.³ The rise of remote and online work provides an opportunity for regional Australia to attract and retain workers to support industries in local communities.

A decade of inquiry and investment has sharpened the focus on regional Australia, with initiatives implemented aimed at building and connecting regional Australia and promoting investment and economic prosperity. The department portfolio has a range of initiatives to improve participation and prosperity in regional Australia. It does so by boosting the accessibility of childcare, education and training, and increasing regional employment to deliver benefits to Australians living in regional communities. The department's role in supporting regional education attainment and success involves investment and coordination within a broader context of government investment in regions. This includes initiatives related to health, infrastructure and industry, social services, tourism, agriculture, water and resources, and Communications.⁴

Regional education

Students in regional Australia account for a significant proportion of the student population although participation, attainment and completion in education tends to decrease the further students are from major cities. This is apparent across education sectors, for example in lower Year 12 attainment, but is particularly pronounced at the university level.⁵

Regional areas face barriers to education, including:

- difficulty recruiting, retaining, and sustaining quality early childhood care workers.
- the increased costs associated with the smaller scale of regional university operations teacher workforce shortages.
- a lack of regional research infrastructure.

¹ Data source: Australian Bureau of Statistics, Regional population, 2020-21 financial year

² Regional Ministerial Budget Statement 2022-23

³ Australian Bureau of Statistics, Regional population, 2020-21 financial year

⁴ Regional Ministerial Budget Statement: Supporting Regional Recovery and Growth 2021-22

⁵ National Regional, Rural and Remote Tertiary Education Strategy (Naphthine Review), Data Source: ABS (2016) Census of Population and Housing

Approximately 25 per cent (3,414) of all approved child care services are located outside major cities in Australia. In the June quarter 2021, 301,360 children used these services, representing around 23 per cent of all children attending child care.⁶

More than one quarter (1,108,020) of Australian full-time equivalent school students are enrolled in schools in regional or remote areas. In remote and very remote areas, 82 per cent of students are enrolled in government schools.⁷

In 2020, an estimated 1,115,675 students were enrolled in nationally recognised VET⁸ in regional and remote areas. The VET Sector allows students from regional and remote areas to access training from providers across a range of locations, not only in their local area. There are 1,150 RTO's with locations in regional and remote areas of Australia.⁹

There are nine universities headquartered in regional Australia, in 2020 enrolling over 230,000 students across all levels (enabling through to postgraduate) and mode of study.¹⁰

Regional employment

Although recent years have brought further challenges like significant drought, bushfires, floods and the COVID-19 pandemic, regional Australia has proven resilient. Employment outside capital cities has increased by 82,700 since March 2020 to reach just over four million in March 2022. The regional unemployment rate is currently 4.1 per cent, a decline of 1.2 percentage points from pre-COVID (over the same period the unemployment rate for capital cities decreased by 1.5 percentage points to reach 4.2 per cent). The regional participation rate has remained relatively stable with a 0.1 per cent increase since March 2020 to reach 62.7 per cent in March 2022.¹¹

The labour market in regions differs from capital cities, with employers typically looking to recruit workers in roles that require lower skills, however, find greater difficulty in recruiting people.

12

⁶ DESE child care data, June quarter 2021. Excludes In Home Care

⁷ ABS Schools Australia 2021

⁸ NCVER 2021, Total VET students and courses 2020, NCVER, Adelaide.

⁹ Training.gov.au register | extracted 2022-01-01

¹⁰ DESE Higher Education Statistics, All students by Higher Education Institution, Full Year 2020

¹¹ Australian Bureau of Statistics, Labour Force Survey (Detailed), March 2022

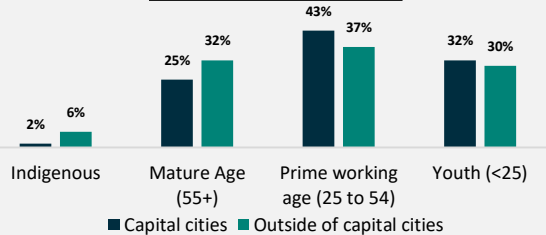
¹²

Snapshot of regional education and employment

Data below references the Australian Statistical Geography Standard (ASGS), a classification of Australia into five remoteness areas on the basis of relative access to services. The five remoteness categories are: major cities; inner regional; outer regional; remote and very remote.

1. There is a higher proportion of older Australians and Indigenous Australians in regional and remote areas

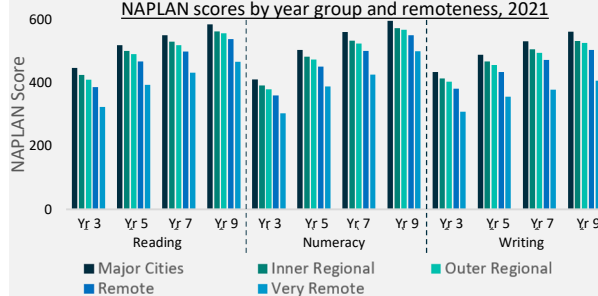
Share of resident population by selected characteristics and remoteness



Source: ABS, Census 2016

3. As remoteness increases, student performance decreases in numeracy and reading

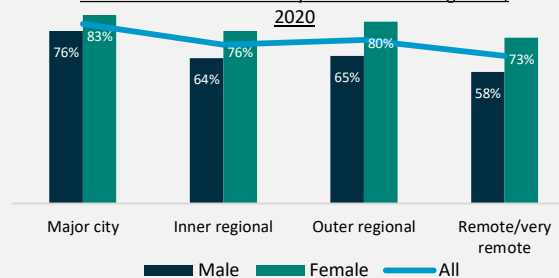
NAPLAN scores by year group and remoteness, 2021



Source: NAPLAN National Report for 2021 (ACARA)

4. Year 12 certification rates decrease as remoteness increases

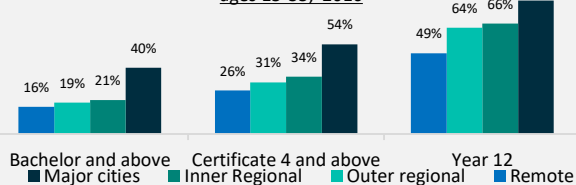
Year 12 certification rate by remoteness and gender, 2020



Source: ACARA, Yr 12 certification rates (2020)

5. Regional and remote individuals are less likely than their city counterparts to have a bachelor's degree or higher by the age of 35, and 40 percent less likely to have a Certificate IV or higher.

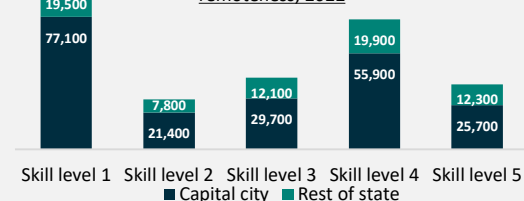
Highest level of educational attainment by remoteness ages 15-35, 2016



Source: ABS, Census of Population and Housing, 2016

6. Both capital cities and regional Australia show higher levels of demand for Skill Level 1 (commensurate to a Bachelor degree) and Skill Level 4 (commensurate to a Certificate II or III).

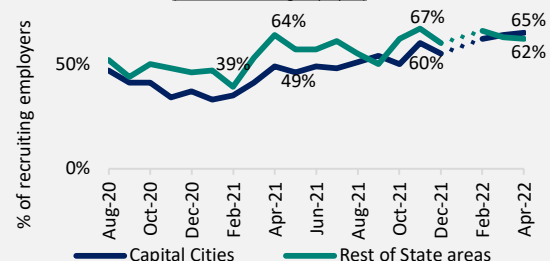
Numbers of job advertisements by skill level and remoteness, 2022



Source: National Skills Commission, Internet Vacancy Index, March 2022, seasonally adjusted data

8. Recruiting employers outside capital cities are consistently reporting difficulty recruiting workers to fill vacancies at a higher rate than their capital city counterparts.

Rate of recruitment difficulty by remoteness, 2020-22 (based on recruiting employers)



Source: National Skills Commission, Recruitment Experiences and Outlook Survey, April 2022. Note: January 2022 data unavailable due to small sample size.

The reform journey

National Inquiry into Rural and Remote Education

The Human Rights and Equal Opportunity Commission inquiry investigated the provision of education for children in rural and remote Australia with reference to primary and secondary schooling.

2000

Review of Australian Higher Education (Bradley Review)

In response to the report, the Government implemented several measures including to 'uncap' university places in 2012 and introduce the Higher Education Participation and Partnerships Program (HEPPP).

2008

Pivot North: Inquiry into the Development of Northern Australia

The final report found opportunities for development that included areas such as research and education.

2014

Productivity Commission Inquiry into Child Care and Early Learning

The inquiry resulted in broad childcare reforms and the establishment of the new Child Care Package, including the Child Care subsidy and Child Care Safety net. Through the Child Care Safety net, the Government supports families and services in need, including regional or remote communities.

2016

Regional Student Access to Education

This 2016 package included funding for 16 Regional study Hubs (Regional University Centres), an additional 1,955 scholarships for regional and remote students over four years, and \$92.5 million to support more students at five regionally focussed universities over four years.

2017

Quality Schools Package

On 23 June 2017 the *Australian Education Act 2013* was amended to give effect to the Quality Schools Package. Increased total Commonwealth funding for students in regional and remote Australia from \$4.4b in 2018 to an estimated \$7.3b in 2029.

2018

Independent Review into Regional, Rural and Remote Education (Halsey Review)

Recommended building a high-level national focus on regional education and training.

National School Reform Agreement (NSRA)

A joint agreement between the Commonwealth, states, and territories, which aims to lift student outcomes across Australian schools. The Agreement identifies 'students living in regional, rural and remote locations' as a 'priority equity cohort'.

2019

National Regional, Rural and Remote Tertiary Education Strategy (Naphthine Review)

Focused on improving the participation and outcomes of regional students in post-secondary education. The Government's response included more than \$400 million over 2020–25 to address the recommendations.

2020

Inquiry into Education in Remote and Complex Environments

Recommended the Government improve a range of services in regional communities including health, transport and digital connectivity to support regional education outcomes.

2021

National Children's Education and Care Workforce Strategy (2022-2031)

The 10-year Strategy provides a roadmap for ongoing collaboration and partnership between all parties to support the recruitment, retention, sustainability, and quality of the ECEC workforce, including in regional areas.

Change to Higher Education Participation and Partnerships Program (HEPP) eligibility

HEPPP eligibility was expanded to include regional and Aboriginal and Torres Strait Islander students.

2022

Workforce Australia

In July 2022, jobactive employment services will be replaced by Workforce Australia. The new model includes consideration of supporting job seekers and employers in regional areas.

Pride of place

The Select Committee on Regional Australia delivered a report with 13 recommendations.