



Australian Government
**Department of Education,
Skills and Employment**

21

22

ANNUAL REPORT





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Skills and Employment**

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ANNUAL REPORT

Acknowledgement of Country

The Department of Education, Skills and Employment acknowledges the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, water and community.

We pay our respects to First Nations people, their Elders, past, present and emerging; and recognise the diversity of First Nations people and community across Australia. We respectfully use 'First Nations people' as the preferred term throughout the document. The terms 'Indigenous' and 'Aboriginal and Torres Strait Islander peoples' have been retained in formal names, titles or performance measure descriptions.

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Australian Government
Department of Education, Skills and Employment

Secretary
Dr Michele Bruniges AM

The Hon Tony Burke MP
Minister for Employment
and Workplace Relations
Parliament House
CANBERRA ACT 2600

The Hon Brendan O'Connor MP
Minister for Skills and Training
Parliament House
CANBERRA ACT 2600

The Hon Jason Clare MP
Minister for Education
Parliament House
CANBERRA ACT 2600

The Hon Dr Anne Aly MP
Minister for Early
Childhood Education
and Minister for Youth
Parliament House
CANBERRA ACT 2600

Dear Ministers

It is my pleasure to submit to you the Department of Education, Skills and Employment Annual Report 2021–22 for presentation to the Parliament as required by subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

Following Machinery of Government changes which commenced on 1 July 2022, the Department of Education, Skills and Employment was renamed the Department of Education and the Department of Employment and Workplace Relations was established. The Administrative Arrangements Order made on 23 June 2022, specified that the matters dealt with by the Department of Education include education, youth and early childhood education and care, and the matters dealt with by the Department of Employment and Workplace Relations include employment, skills and vocational education and training and workplace relations.

As the former accountable authority for the Department of Education, Skills and Employment, and the current accountable authority for the Department of Education, I have prepared this report in accordance with section 46 of the PGPA Act.

The report meets the requirements of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) in relation to annual reports for non-corporate Commonwealth entities and includes the department's annual performance statements.

The report also includes the Department of Education, Skills and Employment's audited financial statements, prepared in accordance with the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015.

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

- prepared fraud risk assessment and fraud control plans
- had in place appropriate fraud prevention, detection, investigation, recording and reporting mechanisms that met the needs of the department
- took all reasonable measures to appropriately deal with fraud relating to the department.

The appendices also provide the following:

- Tuition Protection Service 2021–22 annual report, as required under section 170B of the *Education Services for Overseas Students Act 2000* (Cth)
- Trade Support Loans Program 2021–22 annual report, as required under section 103 of the *Trade Support Loans Act 2014* (Cth)
- Student Identifiers Registrar 2021–22 annual report, as required under section 51 of the *Student Identifiers Act 2014* (Cth)
- information required under section 20 of the *National Skills Commissioner Act 2020* (Cth) on the performance of the National Skills Commissioner's functions and exercise of powers
- information required under section 1062D of the *Social Security Act 1991* (Cth) on the total amounts paid under Employment Programs, and the total number of new Employment Programs contracts and grants, from 2 April to 30 June 2022.

Yours sincerely

Dr Michele Bruniges AM

19 September 2022

The year in review

Our purpose

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.

Outcomes

1 Quality early learning and schooling

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

2 Quality higher education, international education and international quality research

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

3 Quality skills and training

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

4 Quality employment

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

Our people

4,107
People

Approximately
3,957 ongoing & **150** non-ongoing

3,488 full-time & **619** part-time | **1,450** contractors

Five employee-led networks

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

Our priorities

During 2021–22, the department administered 15 programs on behalf of government with expenses including:



\$9.8 billion

Child care personal benefits



\$35.9 billion

Schools national support and higher education institutions



\$4.6 billion

Supporting apprenticeships and trainees in Australia



\$1.9 billion

Employment services (including jobactive)

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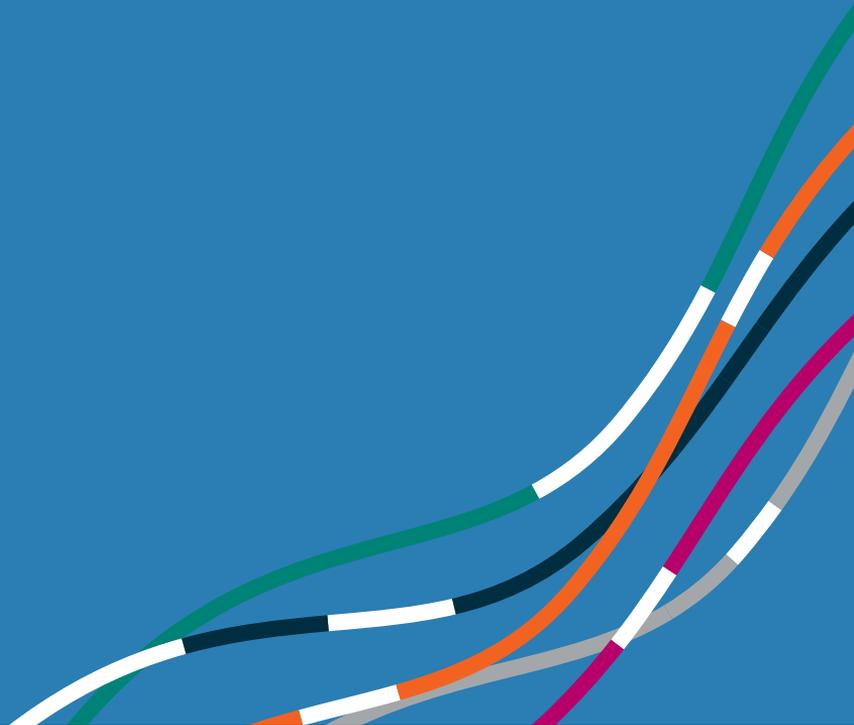
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Secretary's review

I respectfully acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. I pay my respects to First Nations people, to their vibrant cultures, and to Elders past, present and emerging.

I am pleased to present the Commonwealth Department of Education, Skills and Employment Annual Report 2021–22.

Throughout the year, we continued to deliver policies and programs that supported Australians to access and benefit from child care and early childhood education, school-aged education, higher education, youth-focused services, skills and training opportunities, employment supports and workforce participation. This work was an important contribution to Australia's ongoing economic recovery from the impacts of COVID-19.

In doing so, the department and its staff demonstrated strong commitment to public service by supporting our ministers, the Australian people, and the wider community.

Early childhood education

Support for the child care system remained a focus this year. There was ongoing collaboration with states, territories, the sector and stakeholders to improve the quality and safety of early learning and care. This work included a new national agreement to maximise the benefits of preschool by focusing on lifting enrolment and attendance and improving the quality and transparency of preschool data. Legislation was introduced to remove the annual Child Care Subsidy cap and reducing the costs for families with more than one child in care, providing financial relief for approximately 250,000 families. The department, through its programs, provided continued support to families and child care services during COVID-19 and natural disasters.

Under the National Agreement on Closing the Gap, better access to quality early childhood education for First Nations children was a focus, and 2021–22 saw an expansion of the Connected Beginnings and Early Years Education programs.

Schools and youth

The department continued to support initiatives to assess and improve educational outcomes. The Next Steps: Report of the Quality Initial Teacher Education Review was published, which made recommendations on how to best attract high-quality candidates into teaching and prepare them to be effective teachers. The government has prioritised working with states, territories, non-government systems and peak bodies to address teacher workforce shortages, and this will be a significant focus of work in the coming year.

In 2022, the transition to National Assessment Program - Literacy and Numeracy (NAPLAN) Online was completed, with full implementation of the new adaptive assessment platform in all states and territories. A record 4.3 million NAPLAN tests were completed by over 1.2 million students, providing valuable insights into student learning progress and school system performance.

Throughout the year, the department worked to deliver the national policy initiatives (NPIs) agreed under the National School Reform Agreement. Progress was achieved in many priorities, including piloting the Unique Student Identifier in 3 jurisdictions, implementation of the first wave of a new national Post-School Destinations Survey, and the endorsement by all education ministers of the Australian Education Research Organisation's first Strategic Plan and Research Agenda – marking the delivery of the commitment to establish an independent national evidence institution for education. Challenges remain in implementing all NPIs by the end of the Agreement in 2023, especially the Unique Student Identifier and the Online Formative Assessment Initiative.

Higher education, research and international

In November 2021, the Australian Strategy for International Education 2021–2030 was released, creating new opportunities for the international education sector, including an expanded focus on the Australian and international student experience.

Updated guidelines were developed and released to assist Australian universities in strengthening their resilience to foreign interference risks, while protecting students, staff and research that contributes to Australia's prosperity. All 41 Australian universities now have policies in place to strengthen and protect free speech and academic freedoms on campus.

The department continued to support activities that helped achieve more Australian research through investment in research block grant funding to higher education providers to support Australian research and research training. The department is also working to enhance links between universities and industry to facilitate the translation and commercialisation of Australian research.

The department implemented measures to increase research capacity at regional universities and boost regional economies. This included the Regional Research Collaboration Program, which links universities with local businesses to solve regional and global challenges in areas such as energy, agriculture and mental health. Destination Australia scholarships for regional university campuses to attract students were further expanded.

Skills and training

The department continued to deliver support for the skills and training sector during the COVID-19 pandemic, with expanded support for employers, apprentices and trainees, as well as those wanting to upskill and reskill to get a job. The JobTrainer Fund was extended and expanded in partnership with states and territories, making free and low-fee training places available to help fill critical skills gaps.

Wage subsidies continued for employers taking on new apprentices and trainees under the Australian Apprenticeships Incentives Program. This set the groundwork for the Australian Apprenticeships Incentive System, which provides ongoing support to both employers and employees.

Progress continued under the wider skills reform agenda guided by the Heads of Agreement for Skills Reform agreed by the National Cabinet. Under the Heads of Agreement, the Commonwealth and all state and territory governments committed to immediate reforms to support excellence in the VET sector and priorities for developing a new National Skills Agreement to replace the National Agreement on Skills and Workforce Development.

In April 2022, the department launched the Apprenticeships Data Management System (ADMS), which will replace the Training and Youth Internet Management System in 2023. The ADMS will improve the delivery of Commonwealth apprenticeship programs, engaging directly with apprentices and employers to manage claims, and streamlining systems for providers.

Employment and workforce

Support was provided to job seekers and employment providers during lockdowns associated with COVID-19, including the rolling suspension of mutual obligation requirements in various states and territories.

To address acute skills shortages, the department helped develop labour mobility programs for Pacific workers, as well as ongoing support for seasonal harvest workers in rural and regional Australia. There were 51 jobs fairs delivered in the financial year, as well as the expansion of the Local Jobs initiative to all 51 employment regions across Australia and numerous projects under the Local Recovery Fund.

The department continued preparing for the implementation of Workforce Australia, which changes how employment services are delivered, and replaced the jobactive network from 1 July 2022. We released the new digital platform progressively over 2021–22 and implemented mechanisms to protect personal data and government information.

Our efforts also focused on minimising disruption during the transition to ensure the existing employment programs continued to meet the needs of Australians.

The National Workforce Strategy was released and will inform the development of workforce policy and sector-specific workforce strategies across Commonwealth agencies.

Dr Michele Bruniges AM

Secretary

Our portfolio

Ministers as at 30 June 2022

The Hon Tony Burke MP

Minister for Employment and Workplace Relations (from 1 June 2022)

The Hon Brendan O'Connor MP

Minister for Skills and Training (from 1 June 2022)

The Hon Jason Clare MP

Minister for Education (from 1 June 2022)

The Hon Dr Anne Aly MP

Minister for Early Childhood Education and Minister for Youth (from 1 June 2022)

Senator the Hon Anthony Chisholm

Assistant Minister for Education (from 1 June 2022)

Former ministers

The Hon Richard Marles MP

Minister for Employment (23 May 2022 to 1 June 2022)

The Hon Stuart Robert MP

Minister for Employment, Workforce, Skills, Small and Family Business (30 March 2021 to 23 May 2022)

The Hon Alan Tudge MP

Minister for Education and Youth (22 December 2020 to 23 May 2022)

Senator the Hon Bridget McKenzie

Minister for Regionalisation, Regional Communications and Regional Education (2 July 2021 to 23 May 2022)

The Hon Luke Howarth MP

Assistant Minister for Youth and Employment Services (22 December 2020 to 23 May 2022)

The Hon Andrew Gee MP

Minister for Decentralisation and Regional Education (6 February 2020 to 2 July 2021)

Department of Education, Skills and Employment

The department's purpose: 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.

We delivered on this purpose by providing advice to our ministers and effectively implementing government policies and programs. In doing this we drew on the best available research, evidence and data and we worked collaboratively with industry, stakeholders and state and territory governments.

The department achieved its purpose through the delivery of the following outcomes:

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

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

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

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

Accountable authority

Dr Michele Bruniges AM, Secretary of the Department of Education, Skills and Employment, was the department's accountable authority throughout the 2021–22 financial year.

Portfolio responsibilities

In accordance with the Administrative Arrangements Order of 23 June 2022, the Prime Minister, the Hon Anthony Albanese MP, announced changes to the structure of the Australian Public Service. Under the order, from 1 July 2022 the Department of Education, Skills and Employment was renamed the Department of Education and responsibilities for skills and employment functions were transferred to the newly established Department of Employment and Workplace Relations.

Portfolio entities – as at 30 June 2022



Australian Curriculum, Assessment and Reporting Authority

Mr David de Carvalho, Chief Executive Officer

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



Australian Institute for Teaching and School Leadership Limited

Mr Mark Grant PSM, Chief Executive Officer

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



Australian Government
Australian Research Council

Australian Research Council

Ms Judith Zielke PSM, Chief Executive Officer

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



Australian Government
Australian Skills Quality Authority

Australian Skills Quality Authority

Ms Saxon Rice, Chief Commissioner and Chief Executive Officer

Outcome: Through our regulation and partnership with stakeholders, ensure quality vocational education and training so that students, employers, the community and governments have confidence in the integrity of national qualifications issued by training providers.



Australian Government
**Tertiary Education Quality
 and Standards Agency**

Tertiary Education Quality and Standards Agency

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

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



**Australian
 National
 University**

Australian National University

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

The Australian National University (ANU) is a research intensive educational institute, established by the *Australian National University Act 1991* (Cth). The Australian National University is not part of the general government sector. It is not included in the Commonwealth general government sector fiscal estimates and is exempt from the Portfolio Budget Statements.



Our departmental structure

as at 30 June 2022

Dr Michele Bruniges AM, Secretary



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Statement by the accountable authority

Statement by the accountable authority

I, as the accountable authority of the Department of Education, Skills and Employment during the 2021–22 reporting period, present the 2021–22 annual performance statements of the department, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013*.

In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the *Public Governance, Performance and Accountability Act 2013*, with the exception of verifying the third party data for PM023.

Michele Bruniges

Dr Michele Bruniges AM

19 September 2022

Our purpose, outcomes and programs

The purpose of the Department of Education, Skills and Employment (the department): 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.

1

Outcome 1

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

The following programs support the delivery of this outcome:

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

2

Outcome 2

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

The following programs support the delivery of this outcome:

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

3

Outcome 3

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

The following programs support the delivery of this outcome:

- Program 3.1 Building Skills and Capability
- Program 3.2 VET Student Loans

4

Outcome 4

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

The following program supports the delivery of this outcome:

- Program 4.1 Employment Services

Note: Outcome and program numbering in these annual performance statements reflects the Department of Education, Skills and Employment on 30 June 2022. Under the Administrative Arrangements Order of 23 June 2022 (effective 1 July 2022) the Department of Education, Skills and Employment was renamed the Department of Education and responsibility for skills and employment transferred to the newly established Department of Employment and Workplace Relations.

Analysis

During 2021–22 the department provided support to the Australian people as the COVID-19 pandemic continued to present challenges to individuals and local and global communities. Following on from the rapid changes experienced during the initial outbreak of the pandemic, we continued to monitor and adjust the way we delivered programs and services to the Australian community.

The department has a strong commitment to quality performance reporting and has invested significantly to lift internal capability and improve reporting. Over a number of years the department has focused on continual improvement, including refining our performance measurement selection and improving how we work with third parties to enable the provision of high-quality performance data.

The department's 2021–22 Annual Performance Statements were audited by the Australian National Audit Office (ANAO) for the first time this year. The department is one of the early participants in the ANAO annual performance statements program of audits. The department allocated significant resources to support the audit. At the time of signing the Annual Performance Statements, the audit opinion had not been received by the department.

The following pages discuss the major deliverables for the department in early childhood education and care, youth, schools, higher education, skills, employment and workforce, and present the results of each of our performance measures as published in the 2021–22 Corporate Plan.

Early childhood and youth

Emergency management

COVID-19 and other natural disasters continued to have a significant impact on the early childhood education and care sector in 2021–22. To support families and child care services the government provided support, including:

- \$281 million in business continuity payments made in 2021–22 to support over 6,400 services in extended lockdowns
- unlimited paid absences through lockdowns and the initial COVID-19 Omicron wave, as well as an extra 10 paid absences for use at any time during the 2021–22 financial year
- \$2.89 million in flood support payments of \$10,000 made in 2021–22 for services affected by the 2022 New South Wales and Queensland floods
- increasing and expanding eligibility for Community Child Care Fund special circumstances funding.

Services were also able to receive the Child Care Subsidy (CCS) and waive gap fees for children who did not attend care during lockdowns, when a service had to close due to the impacts of emergency events or COVID-19, and when a child or a member of their immediate household had COVID-19.

Higher Child Care Subsidy for families with multiple children and removal of the annual cap

Ongoing measures to provide a Higher Child Care Subsidy for families with multiple children and to remove the annual cap were included as part of the Women's Budget Statement 2021–22, to reduce child care costs for families with multiple children aged 5 and under in care. In December 2021, the CCS annual cap of \$10,655 per child for families earning over \$190,015 was removed for the entire 2021–22 financial year onwards. In March 2022, CCS rates for families using care for 2 or more children aged 5 or under increased by 30 percentage points for their second child and younger children, up to a maximum subsidy rate of 95%.

Starting Blocks website

On 7 February 2022, changes were made to www.startingblocks.gov.au to make it easier for families to access key information about early childhood education and care. The changes meant that families could use a single website to access information on location, fees, inclusions, vacancies and quality ratings. There were 2 new functions which allowed families to compare early childhood education and care services side by side, and a new simple calculator to allow families to estimate their out-of-pocket costs.

Preschool Reform Agreement

In 2021, the Australian Government provided funding of \$453.2 million to states and territories under the National Partnership Agreement on Universal Access to Early Childhood Education (UANP) to support universal access to quality early childhood education programs. The UANP concluded on 31 December 2021 and final payments were made to states and territories by 30 June 2022. The UANP is succeeded by the \$2 billion Preschool Reform Agreement (PRA) 2022–2025. The PRA has been agreed by all states and territories and will continue to support universal access to at least 15 hours of preschool each week (600 hours a year) for children in the year before they start school, with a new focus on improving preschool participation and maximising preschool benefits by improving outcomes.

Child Care Safety Net

In addition to the support provided to help the early childhood education and care services through COVID-19, the programs that are part of the Child Care Safety Net continued to support families and children to access quality care and early learning. The Inclusion Support Program, which supports early childhood education and care services to improve their capability and capacity to provide quality inclusive practices for all children, has assisted eligible services to support children's mental health and wellbeing generally. The Community Child Care Fund Program is delivering grants over 4 years (2021–22 to 2024–25) to around 900 services in vulnerable and disadvantaged communities and in regional and remote locations.

Improving outcomes for First Nations children and families

The Connected Beginnings Program expanded from 24 to 31 sites across Australia in 2021–22 and supports around 10,200 First Nations children. Of the 31 sites, 7 are directly led by Aboriginal Community-Controlled Organisations, and an additional 6 work in close partnership to build capacity and knowledge to lead future projects. The program is embedding the Closing the Gap Priority Reforms through its national expansion and contributes to outcomes under the National Agreement on Closing the Gap by increasing participation in early education activities and increasing school readiness.

Connected Beginnings aims to support First Nations children aged 0 to 5 to be school ready through integration of early childhood education, health and family support services and programs in each community. The program employs over 110 local people, of whom 59% identify as First Nations.

Achievements demonstrated by the program since its commencement in 2016 include:

- Preschool attendance in Derby, WA saw an increase from 12.3% in 2019 to 18.8% in 2021.
- Preschool attendance in Ceduna, SA saw an increase from 26.5% in 2019 to 32.7% in 2021.
- Preschool attendance in Galiwin'ku, NT saw an increase from 4.5% in 2019 to 12.3% in 2021.
- While the national percentage of all children reported to be on track in all the 5 Australian Early Development Census domains¹ in 2021 was higher, at 54.8%, the percentages in Alice Springs (47.5%) and Angurugu (47.6%), are higher than the Northern Territory (NT) average of 38.6%.

The Secretariat of National Aboriginal and Islander Child Care – National Voice for our Children (SNAICC) has been engaged as the community partner for the program. SNAICC will lead local engagement with First Nations communities, stakeholders and services to support the establishment of new sites and the ongoing implementation of community-led and culturally safe early childhood projects. This supports greater shared decision-making and partnership with the community-controlled sector on the program moving forward.

Australia's Youth Policy Framework

Australia's Youth Policy Framework was released on 12 August 2021. The framework sets out a blueprint for how the government is supporting young people to navigate life's challenges and be engaged and active citizens who contribute productively to society. The culmination of extensive consultations with young people in 2019 and 2020, the framework identified engagement, health and wellbeing (including mental health), opportunity and security, inclusion and the environment as priority areas.

¹ The Australian Early Development Census (AEDC) is a nationwide data collection of early childhood development at the time children commence their first year of full-time school. This instrument collects data relating to 5 key areas of early childhood development referred to as 'domains': physical health and wellbeing, social competence, emotional maturity, language and cognitive skills (school-based), and communication skills and general knowledge.

Schools

COVID-19 response

The disruptions due to the COVID-19 pandemic that were first experienced in 2020–21 continued to impact our school communities. While school systems, along with school leaders and teachers, have faced ongoing challenges, face-to-face learning was prioritised wherever possible.

Following its cancellation in 2020, the National Assessment Program – Literacy and Numeracy (NAPLAN) recommenced in 2021. In 2022 over 9,000 schools participated, with a record 4.3 million NAPLAN tests completed during the test window by students in years 3, 5, 7 and 9. The results will provide important insights into student achievement in key learning areas.

The department continued to support schools, teachers, students and their families through the funding of initiatives to build capability and deliver services to improve student outcomes.

Funding for schools

In the 2021 calendar year, the department delivered recurrent funding to support school education:

- \$9.3 billion to the states and territories for government schools
- \$14.4 billion to non-government education authorities for non-government schools.

Funding arrangements are informed by the Schooling Resource Standard, which includes a base amount for every primary and secondary school student, with additional funding to target priority equity cohorts, small schools, and regional and remote areas.

In 2021–22 the Direct Measure of Income (DMI), used to determine the capacity of a school's community to financially contribute towards the school's operating costs, was implemented in full following close consultation and partnership work. The DMI is a shift from previous arrangements which used area-based assessments of socio-economic status to determine capacity to contribute.

National reform

Throughout 2021–22 the department continued to work closely with states and territories to progress the 3 reform directions under the National School Reform Agreement (NSRA):

- Supporting students, student learning and student achievement
- Supporting teaching, school leadership and school improvement
- Enhancing the national evidence base.

These are being implemented through 8 NPIs, together with a suite of state/territory-specific activities outlined in bilateral agreements between the Commonwealth and each state and territory. The NPIs are available on the [department's website](http://www.education.gov.au/quality-schools-package/national-school-reform-agreement) (www.education.gov.au/quality-schools-package/national-school-reform-agreement).

The following points detail key achievements under the auspices of the NSRA in 2021–22:

- All initial teacher education providers had an endorsed Teaching Performance Assessment (TPA) in place from late 2021. Pre-service teachers must now complete a TPA before graduation. Alongside reforms previously implemented under the NSRA, the TPA will see that graduate teachers are classroom ready and meet the requirements of the graduate career stage of the Australian Professional Standards for Teachers.
- The Online Formative Assessment Initiative (OFAI) entered into a prototype testing phase, with the South Australian Department for Education assuming project management responsibility during the course of the year.
- In September 2021 the Australian Education Research Organisation's first Strategic Plan and Research Agenda was approved by education ministers, concluding delivery of the independent national evidence institute to inform teacher practice, system improvement and policy development.
- Implementation of the first wave of a new national Post-School Destinations Survey began during 2022. The survey seeks to provide reliable estimates of post-school outcomes for key equity groups, and provide participating states and territories, schools and Year 10 students with relevant and timely information on career interests, future plans, and learning.
- In 2021 and 2022 the department worked with New South Wales, South Australia, and the Northern Territory, and representatives from the Catholic and independent school sectors in those states, to design and deliver a pilot of the national Schools Unique Student Identifier (USI). The pilot demonstrated that the model would enable education authorities and schools to effectively connect to the Office of the Student Identifiers Registry systems via their own systems and generate and maintain national USIs.

In addition, the Productivity Commission is conducting a review of the NSRA on behalf of the education ministers. The review includes an assessment of the effectiveness of the NPIs and the appropriateness of the measurement framework.

On 24 February 2022 the report [Next Steps: Report of the Quality Initial Teacher Education Review](http://www.education.gov.au/quality-initial-teacher-education-review/resources/next-steps-report-quality-initial-teacher-education-review) (www.education.gov.au/quality-initial-teacher-education-review/resources/next-steps-report-quality-initial-teacher-education-review) was released, outlining the findings of the Quality Initial Teacher Education Review Expert Panel, Ms Lisa Paul AO PSM (Chair), Mr Malcolm Elliott, Emeritus Professor Bill Loudon AM and Mr Derek Scott. The report made recommendations on how best to attract and select high-quality candidates into initial teacher education, prepare them to become effective teachers and strengthen support for them in the early years of their career. The report is the outcome of a review of initial teacher education announced in April 2021. The government has prioritised working with states, territories, non-government systems and peak bodies to address teacher workforce shortages, and this will be a significant focus of work in the coming year.

Higher education, research and international education

In 2021–22 the department implemented policies focused on enabling the higher education and international education sectors to continue their teaching and research activities during the COVID-19 pandemic and beyond.

Research

In 2021–22 the government continued to invest in research through the commitment of \$2 billion in research block grant funding to higher education providers to support Australian research and research training, through the Research Support Program and Research Training Program (RTP).

In 2021 the RTP industry internship weighting was successfully implemented. This introduced an additional weighting for each research doctorate student who completes their course having undertaken an eligible industry internship. Industry internships will strengthen links between industry, universities and research doctorate students, exposing students to real-world problems.

Support for Australia's international education sector

The opening of borders in December 2021 saw international students returning to onshore study in Australia. However, rebuilding student numbers to pre-COVID levels remained a focus for the international education sector. Further assistance was delivered to English language education providers most affected by the decline in international enrolments.

The **Australian Strategy for International Education 2021–2030** (www.education.gov.au/australian-strategy-international-education-2021-2030) was released on 26 November 2021, following consultation with more than 1,600 stakeholders. The strategy identifies 4 priorities for the sector: diversification, meeting Australia's skills needs, placing students at the centre, and supporting Australia's growth and competitiveness. In support of these priorities, the department has launched a number of initiatives to encourage innovative education offerings in new modes of delivery, in emerging markets and in areas of national skills needs. The government also continues to strengthen bilateral government partnerships and engage in multilateral fora to enhance the competitiveness of Australia's international education sector.

The department continues to work with other government agencies to counter foreign interference and to safeguard our national interests and the reputation of Australian universities. One aspect of this is working with the sector to develop and implement the refreshed *Guidelines to counter foreign interference in the Australian university sector*.

Improving the collection of student information

The department is continuing work on the Tertiary Collection of Student Information (TCSI) system in collaboration with higher education providers, giving providers access to core benefits of the system. Recent achievements include:

- TCSI has been used to efficiently assess, process and manage student loans and entitlements, in collaboration with the Australian Taxation Office (ATO) and Services Australia.
- Student loan recredits are being processed through TCSI in partnership with the Ombudsman.
- Near real-time data is being used to support policymakers, regulators, public stakeholders and government.

Initial work has also begun on modernising the collection of international student information through the Provider Registration and International Student Management System.

Continued refinement of support for students from equity backgrounds

From 2022 the Tertiary Access Payment was expanded to students from inner regional areas, alongside those from outer regional and remote areas, to provide support with relocation costs. In 2021 payments were operationalised through Conditions of Grant with 40 universities for university students, and Services Australia administered payments to students enrolled with vocational education and training providers and non-university higher education providers. Under the Conditions of Grant, universities have provided financial acquittals capturing student payments and administration costs in 2021. From 2022 all payments are now administered by Services Australia with monthly and annual reporting requirements in place.

A review of the National Disability Coordination Officer Program was completed. This will inform upcoming consultation to target funding and support for students with disability.

The Regional University Centres (RUC) program was strengthened and expanded, with a competitive grant process undertaken and the announcement of 6 new RUCs, adding to the 26 already in place, and commitment to a further 4 years of funding for the initial 16 RUCs. Key projects were also completed and initial findings implemented, including a scoping study to inform future RUC locations, and a research project reviewing RUC partnership arrangements. Australia's first Regional Education Commissioner, the Hon Fiona Nash, was appointed in 2021 with a broad remit to support regional students and communities from early childhood to higher education. This includes monitoring the implementation of recommendations from the National Regional, Rural and Remote Tertiary Education Strategy (Naphthine Review) and leading cross-sector research projects.

University–industry collaboration in teaching and learning

The final report of the Review into University-Industry Collaboration in Teaching and Learning, led by professors Martin Bean CBE and Peter Dawkins AO, was released on 7 December 2021. It recommended short-term and long-term actions that government, universities and industry can take to strengthen graduate outcomes, encourage lifelong learning, and build a highly skilled workforce. Responding to the recommendation to scale up industry-focused micro-credentials in higher education, the department commenced implementation of a micro-credentials initiative with funding of \$32.5 million from 2021–22 through to 2025–26.

Skills and training

The vocational education and training (VET) system plays an important role in supporting Australia's growth and prosperity. Ensuring Australia's VET sector is responsive to dynamic labour market conditions is critical to helping prepare Australians for the workforce opportunities of today and the future.

COVID-19 response

As part of the response to the COVID-19 pandemic, funding was invested to deliver targeted skills initiatives to rebuild Australia's economy and develop the skills needed for the nation's future. Collaboration between all governments, as well as engagement with industry and training providers, was critical in addressing the challenges and planning a way forward.

The department administered 3 significant wage subsidy measures that supported the continued employment and training of apprentices and trainees:

- The Boosting Apprenticeship Commencements and Completing Apprenticeship Commencements wage subsidies provided financial support for apprentices and trainees who commenced or recommenced their Australian Apprenticeship during the economic recovery from the COVID-19 pandemic.
- The Supporting Apprentices and Trainees (SAT) wage subsidy was a retention measure designed to shield apprentices and trainees from the economic impacts of the COVID-19 pandemic.

The Australian Government partnered with state and territory governments to continue the \$1 billion JobTrainer Fund to provide free or low-fee training for job seekers and young people in areas of identified skills need. In 2021 the Australian Government allocated an additional \$500 million (with matched funding from states) to extend JobTrainer to 31 December 2022 and expand eligibility to provide free or low-fee training to more Australians. By the end of the 2021–22 financial year, more than 448,000 Australians were supported to enrol in free or low-fee training to help them obtain skills for in-demand jobs, including more than 245,000 enrolments in 2021–22 (based on state and territory reporting).

In response to COVID-19 an additional 72,000 participants commenced or enrolled in units of infection control training, with over 6,000 in the 2021–22 financial year. More than 58,000 participants completed these units by the closure of the National Infection Control Training Fund on 15 December 2021, with over 11,000 completions in the 2021–22 financial year.

To assist with Australia's economic recovery from the impact of COVID-19 and to fill skills shortages, the Australian Government also introduced Skills Assessment Pilots to maximise the contribution of Australia's onshore migrant workforce where there is a shortage of skilled labour.

Skills reform

During 2021–22 the department continued to progress key future skills reform priorities for the VET system through:

- further developing the work of the National Careers Institute (NCI) including through the Your Career website and Enhanced Support for School Leavers initiative so that Australians have access to reliable and accurate careers information, resources and support irrespective of their age or career stage
- continuing the NCI's engagement with employers, students, VET practitioners and education and training providers through the Australian Training Awards to promote the benefits of vocational education and training across 16 categories
- delivering the Vocational Education and Training Information Strategy to raise the status of VET as an equal choice pathway, including through almost 600 Australian VET alumni who inspire people making career decisions by sharing their personal stories of success
- transforming VET activity data collection through the VET Data Streamlining program, which is implementing a new standard and policy framework for VET data, and building a national cloud-based ICT system that is scalable, flexible, efficient and stable
- engaging with key stakeholders on longer term skills reform, including working with states and territories and the National Skills Commission to better understand future skills priorities and priorities for future investment.

These changes occurred as part of the wider skills reform agenda guided by the Heads of Agreement for Skills Reform signed by the National Cabinet. Under the heads of agreement all state and territory governments committed to immediate reforms to support excellence in the VET sector.

Implementation of the immediate reform priorities has included:

- skills and training ministers agreeing to new industry engagement arrangements for the VET system to enhance the role of industry and embed improved governance
- qualification reform trials to build the evidence base required to inform future national training products necessary to support a strong and adaptable national training system
- significant stakeholder consultation to support key reforms to the quality of training delivery including revising the Standards for Registered Training Organisations (RTOs), building RTO capability and capacity for continuous improvement and developing measures to support the quality of the VET workforce.

Over 2021–22 the department also worked closely with the states and territories on a range of Commonwealth–state agreements:

- The National Partnership for the Skilling Australians Fund expired on 30 June 2022. Over 4 years, the Commonwealth contributed \$617 million for more than 169,000 additional apprenticeships, traineeships and pre/higher apprenticeships/traineeships (to 30 April 2022).
- The Revitalising TAFE Campuses Across Australia initiative commenced on 1 July 2020, to deliver 14 infrastructure projects across all jurisdictions. Six of the 8 state and territory agreements expired on 30 June 2022. The remaining projects were delayed due to the impact of COVID-19 on the infrastructure and logistics sectors and are now expected to be completed by 31 December 2022.
- Development of a draft National Skills Agreement to replace the National Agreement on Skills and Workforce Development.

Foundation skills

The department is supporting Australians to have the language, literacy, numeracy and digital literacy skills they need to access further education, training or employment, which is vital for improving economic participation. We are doing this through programs such as:

- the Skills for Education and Employment (SEE) program. In 2021–22 SEE helped nearly 22,000 job seekers with basic foundational training to improve their language, literacy, numeracy and digital literacy skills
- the Foundation Skills for Your Future program, which engages with employers to provide employed or recently unemployed Australians with training to develop their language, literacy, numeracy and digital skills. In 2021–22, 33 projects were approved for funding under the program to deliver training to a minimum of 1,417 participants
- Remote Community Pilots, which are testing community co-designed and place-based delivery of language, literacy, numeracy and digital skills assessment and training in 4 remote communities.

In April 2022 the department launched the ADMS, which looks to replace the Training and Youth Internet Management System in 2023. ADMS is transforming the delivery of Commonwealth apprenticeship programs, engaging directly with apprentices and employers to manage claims, and streamlining systems for providers to relieve them of administration and allow them to focus more on advisory and wraparound services.

Employment

The Australian Government's employment and pre-employment programs help people prepare for, find, and take up employment or assist people to create their own employment. The mainstream employment service, jobactive, was supported by a range of specialist and complementary programs to support specific groups, such as ParentsNext and Transition to Work.

In 2021–22 the department continued managing, adapting and improving these programs so job seekers and participants could access the support they needed to reconnect with employment, particularly as the Australian economy recovered from COVID-19.

Recovering from COVID-19

The jobactive caseload reduced steadily throughout the year, from 1.013 million to 770,000 (a 24% reduction) as the labour market improved and participants moved off income support into work. Similarly, the Transition to Work caseload reduced from 37,000 in June 2021 to 23,300 in June 2022 (a reduction of 27%). In the 12 months to 31 December 2021, 50.8% of participants were employed 3 months after participating in employment services. This compares with 41.8% for the 12 months to December 2020. The number of 12- and 26-week employment outcomes in jobactive increased from 2020–21:

- 193,755 12-week outcomes were achieved in 2021–22, compared to 175,407 the previous year
- 159,147 26-week outcomes were achieved in 2021–22, compared to 91,515 the previous year.

To further support the economic recovery from COVID-19, the department worked closely with key stakeholders to enable policies and programs that were well positioned to support job seekers to return to employment. This included:

- reform of employment services to better support Australians to get a job
- strengthening the successful youth employment services program, Transition to Work
- supporting workforce participation, including through expanding the Local Jobs Program (LJP).

Reform of employment services

Throughout 2021–22 the department focused its efforts on the transition from jobactive and other employment programs to Workforce Australia, the New Employment Services Model, from 1 July 2022. This was broadly achieved through:

- streamlining of contracts and developing a new provider performance framework
- revising legal and policy settings in conjunction with the new legislation (the Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill 2022) that supports digital clients
- developing an integrated Digital Services Contact Centre to support all user cohorts
- releasing the new Workforce Australia digital platform, released progressively over 2021–22 to minimise the risk of a ‘single event’ IT release. This includes enabling digital identity through myGovID, increasing provider security, and implementing the Right Fit for Risk framework, which protects government data and the personal information of job seekers
- consolidating 50 brands, supporting new online interfaces and a whole-of-government digital identity.

In addition to this, preparations for the transition were underpinned by a set of principles to facilitate the transfer of participants to minimise disruption and see continuity of employment services and income support payments.

The department was equally focused on ensuring that in its last year, employment programs continued to meet the needs of Australians. The ability of these programs to adapt and respond to the changing needs of the labour market was well demonstrated by the way Employability Skills Training providers adjusted their servicing arrangements to support job seekers of all ages in Online Employment Services from October 2021.

New Employment Services Trial

The New Employment Services Trial (NEST) concluded on 30 June 2022. The NEST has been an important contributor to the design and implementation of Workforce Australia, with key aspects of the new approach to employment services tested with users in real time.

NEST outcomes included:

- testing elements of the new employment services model to inform Workforce Australia
- job-ready participants successfully self-managing in a digital service, with adequate safety nets built in so that participants were supported through this service
- provider-serviced participants achieving employment outcomes at a higher rate than their jobactive-serviced counterparts in comparison regions
- greater participant and provider staff satisfaction within the service
- establishment of the department’s Digital Services Contact Centre.

Employment support for youth

Employment support for youth during 2021–22 was primarily delivered through the 2016–2022 Transition to Work contract. During this period, providers achieved more than 48,196 job and activity placements and 23,658 employment and education outcomes.

The department's review of Initiative 1 (reducing the period for which an individual must be disengaged from school or work before accessing Transition to Work) and Initiative 2 (introducing Youth Advisory Sessions for young people in Workforce Australia Online) of the Faster Connections and Greater Support for Young People budget measure identified that providers were able to, and did, engage earlier with young people and in some instances improved referral pathways into the service. The review also found that while uptake of the Youth Advisory Sessions had been low, 80% of participants who attended found the sessions beneficial.

Throughout 2021–22, key learnings from the program and consultation with young people were harnessed to develop a new service model for youth under Workforce Australia – Transition to Work. The Youth Advisory Sessions were also reviewed, with suggestions for program improvement for delivery alongside the new model.

Workforce participation

The LJP was designed as a COVID-19 recovery initiative but has since expanded to all 51 employment regions (from 1 July 2021) and adapted to become a placed-based employment initiative that supports tailored local approaches to reskilling, upskilling and employment pathways for individuals in a range of cohorts and to meeting the needs of local businesses. The LJP is delivered with an employment facilitator and support officer based in the region. The program recognises the unique and variable nature of labour markets within regions across Australia, as well as the importance of local knowledge in ensuring that there is a clear understanding of the local needs of both businesses and individuals.

The Seasonal Worker Programme (SWP) allows eligible Australian businesses to hire workers from 9 Pacific islands and Timor-Leste when there are not enough local workers available. In 2021–22, 8,254 SWP workers arrived in Australia. At 30 June 2022 there were with 15,676 SWP workers in Australia (an increase from 10,149 at 30 June 2021). The department also facilitated 8,039 redeployments of SWP workers in Australia to meet labour demand. In November 2021, administration of the SWP transitioned from the department to the Department of Foreign Affairs and Trade. The SWP now forms the seasonal/short-term stream under the Pacific Australia Labour Mobility scheme.

Results

List of measures

The following section reports on measures that were published in the Department of Education, Skills and Employment 2021–22 Corporate Plan and in the Education Skills and Employment 2021–22 Portfolio Budget Statements. There are 42 performance measures across the department’s 4 outcomes.

Outcome 1				
Performance measure	Program	PM#	Result rating	Page reference
The proportion of Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) support granted to socio-economically vulnerable and disadvantaged communities	1.1	PM054	Achieved	34
Proportion of accurate child care payments to all services	1.2	PM002	Achieved	36
Lower the proportion of students in the bottom two bands in the National Assessment Program – Literacy and Numeracy (NAPLAN) for reading for Year 3 students	1.3, 1.4, 1.5	PM055	Not on track	37
Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students	1.3, 1.4, 1.5	PM056	Not on track	38
Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students	1.3, 1.4, 1.5	PM057	On track	39

Outcome 1				
Performance measure	Program	PM#	Result rating	Page reference
Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students	1.3, 1.4, 1.5	PM058	Not on track	40
Increase the proportion of students attending school 90% or more of the time	1.3, 1.4, 1.5	PM059	Not on track	41
Increase the proportion of people (age 20–24) who have completed Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	1.3, 1.4, 1.5	PM060	On track	42
Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	1.3, 1.4, 1.5	PM008	Data not available	43
Proportion of Indigenous children enrolled in early childhood education in the year before full-time school who are enrolled for 600 hours per year	1.5	PM003	Achieved	45
Proportion of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours per year	1.5	PM004	Achieved	47

Outcome 2				
Performance measure	Program	PM#	Result rating	Page reference
The proportion of the 25 to 34 year old population with a tertiary qualification	2.1	PM009	Not achieved	49
The rate of attrition for domestic Bachelor students	2.1	PM010	Achieved	50
Proportion of undergraduates who are employed within four months of completing a degree	2.1	PM011	Not achieved	51
Proportion of eligible universities able to meet specified superannuation expenses	2.2	PM012	Achieved	52
Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1)	2.3	PM014	Achieved	53
Proportion of higher education students who are Indigenous	2.3	PM015	Achieved	54
Proportion of undergraduate students who rate the teaching quality at their institution positively	2.3	PM016	Not achieved	55
Proportion of employers who are satisfied with the skills of graduates (overall across all skills)	2.3	PM017	Achieved	56
The proportion of HELP debt not expected to be repaid	2.4	PM018	Achieved	57
The proportion of research publications in Australia that are among the world's top 10% most highly-cited journals	2.5	PM019	Achieved	58

Outcome 2

Performance measure	Program	PM#	Result rating	Page reference
Proportion of research postgraduates who are employed within four months of completing their degree	2.5	PM020	Not achieved	59
Indigenous Higher Degree by Research (HDR) completions	2.5	PM021	Not achieved	60
Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs	2.6	PM023	Unable to make an assessment	61
Proportion of international students employed or enrolled in further study after graduation	2.7	PM026	Not achieved	62
Number of students enrolled in offshore and transnational education and training delivered by Australian providers	2.7	PM027	Achieved	63

Outcome 3				
Performance measure	Program	PM#	Result rating	Page reference
Proportion of employers that report use of the VET system	3.1	PM028	Achieved	64
Proportion of graduates who are satisfied with the overall quality of the training	3.1	PM029	Achieved	66
Proportion of VET graduates who are employed or enrolled in further study after training	3.1	PM030	Achieved	67
Maintain the number of apprenticeship commencements	3.1	PM031	Achieved	69
Proportion of participants assessed in targeted programs that increase one or more levels on the Australian Core Skills Framework (ACSF) or the Digital Literacy Skills Framework (DLSF)	3.1	PM032	Achieved	70
Proportion of VET student loans students who are satisfied with the quality of their training provider	3.2	PM033	Achieved	71
Proportion of VET student loans students who complete units of study	3.2	PM034	Achieved	72

Outcome 4

Performance measure	Program	PM#	Result rating	Page reference
Proportion of job placements sustained to 26 weeks	4.1	PM036	Achieved	73
Proportion of job seekers employed three months following participation in employment services	4.1	PM037	Achieved	74
Proportion of Work for the Dole participants who report increased motivation to find a job	4.1	PM039	Achieved	75
Proportion of job seekers (with mutual obligation requirements) who are actively looking for work	4.1	PM041	Not achieved	76
Proportion of jobactive organisations that meet their service delivery commitments	4.1	PM043	Achieved	77
Cost per employment outcome	4.1	PM044	Achieved	78
Proportion of ParentsNext participants who increase their work readiness	4.1	PM046	Achieved	79
Number of participants who improve their education (completion of an education course higher than the participant's previous education level) or find employment	4.1	PM047	Achieved	80
Transition to Work – Proportion of placements that are converted to sustainability outcomes	4.1	PM052	Achieved	82

Results

1 Outcome 1

Measure PM054 The proportion of Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) support granted to socio-economically vulnerable and disadvantagedⁱ communities

Target Increase on previous yearⁱⁱ

Result rating Achieved

Result value 19.6%

Analysis In 2021–22, 19.6% of CCCF and ISP services were located in the most disadvantaged areas. This is up from 19.4% in the 2020–21 financial year – an increase of approximately 0.2%.

This measure is based on combining the results from 2 programs and each program has different eligibility criteria. CCCF eligibility criteria target child care services that are located in vulnerable and disadvantaged areas. ISP eligibility criteria do not consider the location of a service, but the needs of the service.

In the 2021–22 financial year, 45.9% of the services supported under the CCCF were in the most disadvantaged areas. In the same period, 17.0% of the services supported through the ISP program were in the most disadvantaged areas.

Methodology Using Microsoft Excel, a list of all the services supported by the CCCF and the ISP over the relevant financial year is compiled. This is then matched, using an index match formula on the service Child Care Subsidy approval ID (CRN), to the Child Care Subsidy Eligible Services Report to import the details of each service location, including the geographic Statistical Area level 2 (SA2) each service is located in.

An aggregated list of all services supported in both programs is then made in a separate tab (the 2 data sources containing the service CRNs and other details are copied and pasted together).

Duplicate service CRNs are removed using Excel's 'remove duplicates' function on the service CRN column. This ensures there are no overlaps within or between the programs.

Measure PM054	The proportion of Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) support granted to socio-economically vulnerable and disadvantaged communities
	<p>Using an index match formula, the SA2 each service is located in is matched to the Socio-Economic Indexes for Areas (SEIFA) Index of Relative Socio-Economic Disadvantage national decile, to assign each service a decile of disadvantage relative to their SA2.</p> <p>Services located in areas with no assigned SEIFA decile are removed from further calculations.</p> <p>The number of services in each SEIFA decile is determined using a COUNTIF formula within Excel.</p> <p>The number of services in the most disadvantaged 20% (decile 1 and decile 2) are summed to determine how many services are located within the most disadvantaged 20% of SA2s in the country.</p> <p>The number of services in all deciles are summed.</p> <p>The number of services in the most disadvantaged 20% of SA2s is then divided by the total number of services across all SEIFA deciles.</p>
Source	<p>2033.0.55.001 Socio-Economic Indexes for Areas (SEIFA), Table 2 Statistical Area level 2 (SA2) Index of Relative Socio-Economic Disadvantage, 2016, Australian Bureau of Statistics (ABS).ⁱⁱⁱ</p> <p>DESE Community Child Care Fund (CCCF) administrative data report^{iv} generated from the Department of Social Services (DSS) online Grant Processing System (report generated by the CCCF team to capture all grant activities within a financial year).</p> <p>DESE Inclusion Support Program (ISP) administrative data report^{iv} generated from the DSS online Grant Processing System (report generated by the ISP team to capture all activities within a financial year).</p> <p>Child Care Subsidy Eligible Services Report. Generated in a secure environment by the Early Childhood Education and Care Data and Analytic team, this report contains details of every approved child care service that is approved to receive the Child Care Subsidy. It is provided to the CCCF team monthly.</p>
Contributing program	1.1 Support for the Child Care System
Key activity	Provide targeted support to families, children and child care centres who need it

Measure PM002	Proportion of accurate child care payments to all services ^{v vi vii}
Target	90% or higher
Result rating	Achieved
Result value	93.0%
Analysis	<p>COVID-19 continued to have an impact on payment accuracy during the reporting period. Rolling lockdowns and gap fee waivers created instability and complexity in CCS arrangements, which may have had a downward influence on accuracy results. Despite these factors, accuracy remains above the target figure of 90%.</p> <p>Compliance and enforcement activities, along with strong approval processes to enter the market, played a key role in the achievement of the annual accuracy target. The department used a range of tools to protect the integrity of child care payments, including education and other support activities to help providers understand and implement their legal obligations, imposing conditions for continued approval, suspensions and cancellations, infringement notices and prosecution of fraudulent providers.</p> <p>The department stepped up its efforts to proactively detect non-compliance and fraud through continued development of sophisticated data analytics and modelling. This facilitated better targeting and allowed integrity resources to be directed to areas of most need.</p> <p>The department continued to work with partner agencies across government to combat whole-of-government payment integrity risks, including leading the whole-of-government multi-agency tactical working group designed to combat fraud.</p> <p>The department collaborated with state and territory governments to undertake a pilot trialling joint monitoring, data sharing and compliance efforts and, along with the Australian Children’s Education and Care Quality Authority, made changes to the Starting Blocks website to increase information transparency for families. The department also established a joint provider approvals portal to reduce administrative burden and increase efficiencies across government.</p>
Methodology	<p>The result is determined by comparing CCS payment data against the information provided by families in random sample parent check interviews.</p> <p>The child care attendance times reported by parents (primary data source) were compared with the session times reported by child care services via the CCS System (secondary data source).</p>
Source	DESE, program administrative data: random sample parent check interviews, an online survey and the CCS System.

Measure PM002 **Proportion of accurate child care payments to all services**

Contributing program 1.2 Child Care Subsidy

Key activity Provide support to families who rely on subsidised child care to work, train, study or volunteer

Measure PM055 **Lower the proportion of students in the bottom two bands in NAPLAN for reading for Year 3 students**

Target Lower than 2018 (8.6%) by the end of 2023^{viii ix}

Result rating Not on track

Result value 9.9%

Analysis Between 2018 and 2021, the proportion of students in the bottom 2 bands in NAPLAN for reading for Year 3 students increased by 1.3 percentage points (from 8.6% in 2018 to 9.9% in 2021), a statistically significant increase. Restrictions introduced to combat the COVID-19 pandemic and the resulting arrangements for schooling across the country may have impacted NAPLAN results.

Full implementation of NAPLAN Online was achieved in 2022. The new online assessments are adaptive, matching questions to each student's level based on their prior answers and thus allowing for a more precise assessment of student ability.

Methodology Total percentage of students at or below the national minimum standard (bands 1 and 2), compared with all students.

Source National Assessment Program – Literacy and Numeracy Achievement in Reading, Writing, Language Conventions and Numeracy: National Report for 2021.^x

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

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

Measure PM056	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students
Target	Lower than 2018 (11.5%) by the end of 2023 ^{viii ix}
Result rating	Not on track
Result value	13.0%
Analysis	<p>The 1.5 percentage point increase in the bottom 2 bands in NAPLAN for numeracy for Year 3 students from 11.5% in 2018 to 13.0% in 2021 was statistically significant. Restrictions introduced to combat the COVID-19 pandemic and the resulting arrangements for schooling across the country may have impacted NAPLAN results.</p> <p>The Australian Government funds a number of early years and schools science, technology, engineering and maths (STEM) initiatives to help support Australia improving its overall results in NAPLAN and international tests, particularly in mathematics and science. In 2021–22 the Australian Government supported the Research into Best Practice Models for Online Teaching of Mathematics project. The project will reflect on what worked well in lifting mathematics and numeracy outcomes during COVID-19 and what key aspects could potentially be further explored and developed as enduring augmentations to mathematics teaching.</p> <p>Full implementation of NAPLAN Online was achieved in 2022. The new online assessments are adaptive, matching questions to each student’s level based on their prior answers and thus allowing for a more precise assessment of student ability.</p>
Methodology	Total percentage of students at or below the national minimum standard (bands 1 and 2), compared with all students.
Source	National Assessment Program – Literacy and Numeracy Achievement in Reading, Writing, Language Conventions and Numeracy: National Report for 2021. ^x
Contributing program	<p>1.3 Government Schools National Support</p> <p>1.4 Non-Government Schools National Support</p> <p>1.5 Early Learning and Schools Support</p>
Key activities	<ul style="list-style-type: none"> ■ Provide consistent, transparent and needs-based funding to government schools ■ Provide consistent, transparent and needs-based funding to non-government schools ■ Provide support for a range of curriculum, assessment, teaching and wellbeing programs ■ Provide national leadership and work with states on national policy reform

Measure PM057	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students
Target	Higher than 2018 (53.2%) by the end of 2023 ^{viii ix}
Result rating	On track
Result value	55.3%
Analysis	<p>This measure helps parents, teachers, schools, education authorities, governments, and the broader community to determine whether young Australians are developing the literacy skills that provide the critical foundation for other learning and for their productive and rewarding participation in the community.</p> <p>In 2021, 55.3% of students were in the top 2 bands in NAPLAN for reading for Year 3 students, a statistically significant (2.1 percentage point) increase from 2018.</p> <p>Full implementation of NAPLAN Online was achieved in 2022. The new online assessments are adaptive, matching questions to each student's level based on their prior answers and thus allowing for a more precise assessment of student ability.</p>
Methodology	Total percentage of students in the top 2 bands (bands 5 and 6), compared with all students.
Source	National Assessment Program – Literacy and Numeracy Achievement in Reading, Writing, Language Conventions and Numeracy: National Report for 2021. ^x
Contributing program	<p>1.3 Government Schools National Support</p> <p>1.4 Non-Government Schools National Support</p> <p>1.5 Early Learning and Schools Support</p>
Key activities	<ul style="list-style-type: none"> ■ Provide consistent, transparent and needs-based funding to government schools ■ Provide consistent, transparent and needs-based funding to non-government schools ■ Provide support for a range of curriculum, assessment, teaching and wellbeing programs ■ Provide national leadership and work with states on national policy reform

Measure PM058	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students
Target	Higher than 2018 (39.2%) by the end of 2023 ^{viii ix}
Result rating	Not on track
Result value	36.2%
Analysis	<p>Between 2018 and 2021, the proportion of students in the top 2 bands in NAPLAN for numeracy for Year 3 students decreased by 3 percentage points (from 39.2% in 2018 to 36.2% in 2021), a statistically significant decline. Restrictions introduced to combat the COVID-19 pandemic and the resulting arrangements for schooling across the country may have impacted NAPLAN results.</p> <p>The Australian Government funds a number of early years and schools STEM initiatives to help support Australia improving its overall results in NAPLAN and international tests, particularly in mathematics and science. In 2021–22 the Australian Government supported the Research into Best Practice Models for Online Teaching of Mathematics project. The project will reflect on what worked well in lifting mathematics and numeracy outcomes during COVID-19 and what key aspects could potentially be further explored and developed as enduring augmentations to mathematics teaching.</p> <p>Full implementation of NAPLAN Online was achieved in 2022. The new online assessments are adaptive, matching questions to each student’s level based on their prior answers and thus allowing for a more precise assessment of student ability.</p>
Methodology	Total percentage of Year 3 students in the top 2 bands (bands 5 and 6) in NAPLAN for numeracy, compared with all Year 3 students.
Source	National Assessment Program – Literacy and Numeracy Achievement in Reading, Writing, Language Conventions and Numeracy: National Report for 2021. ^x
Contributing program	<p>1.3 Government Schools National Support</p> <p>1.4 Non-Government Schools National Support</p> <p>1.5 Early Learning and Schools Support</p>
Key activities	<ul style="list-style-type: none"> ■ Provide consistent, transparent and needs-based funding to government schools ■ Provide consistent, transparent and needs-based funding to non-government schools ■ Provide support for a range of curriculum, assessment, teaching and wellbeing programs ■ Provide national leadership and work with states on national policy reform

Measure PM059	Increase the proportion of students attending school 90% or more of the time
Target	Higher than 2018 (75.2%) by the end of 2023 ^{viii}
Result rating	Not on track
Result value	71.2%
Analysis	In 2021, 71.2% students attended school 90% or more of the time, a 4 percentage point decline from 2018. Student attendance in 2021 was affected by the COVID-19 pandemic and the different arrangements for schooling across the country that were put in place in response to local health advice.
Methodology	Total proportion of students whose attendance ^{xi} rate is equal to or greater than 90%. Attendance rate is calculated as the number of actual full-time equivalent student days attended by full-time students in years 1 to 10 in Semester 1 as a percentage of the total number of possible student days attended in Semester 1.
Source	ACARA National Student Attendance Data Collection, accessible through the National Report on Schooling in Australia Data Portal.
Contributing program	1.3 Government Schools National Support 1.4 Non-Government Schools National Support 1.5 Early Learning and Schools Support
Key activities	<ul style="list-style-type: none"> ■ Provide consistent, transparent and needs-based funding to government schools ■ Provide consistent, transparent and needs-based funding to non-government schools ■ Provide support for a range of curriculum, assessment, teaching and wellbeing programs ■ Provide national leadership and work with states on national policy reform

Measure PM060	Increase the proportion of people (age 20–24) who have completed Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above
Target	Increase to 96% by 2031 (from 89.4% in 2020) ^{xii}
Result rating	On track
Result value	89.5%
Analysis	<p>In 2021, 89.5% of people aged 20–24 in Australia had completed a qualification at Year 12 or equivalent or at Certificate III or higher. This is the highest rate ever achieved and is within the survey margin of error of the projected attainment rate for 2021 that would be required to achieve an attainment rate of 96% in 2031.</p> <p>Evidence shows that people who complete Year 12 or equivalent or a Certificate III or higher qualification have significantly better employment outcomes compared with those who have less education. In recognition of the long-term economic and social benefits, all Australian governments have been working to increase student attainment, and educational attainment has been steadily increasing in Australia for several decades.</p>
Methodology	<p>Computation for this measure is $100 \times (\text{Numerator} \div \text{Denominator})$.</p> <p>Numerator: number of people aged 20–24 who have attained a school qualification of Year 12 or equivalent, or attained a non-school qualification at Certificate level III or above based on the Australian Qualifications Framework.</p> <p>Denominator: number of people aged 20–24.</p> <p>The methodology for the Survey of Education and Work, from which the data is derived, is published on the ABS website (www.abs.gov.au/methodologies/education-and-work-australia-methodology/may-2021).</p>
Source	ABS, Survey of Education and Work, 2021.
Contributing program	<p>1.3 Government Schools National Support</p> <p>1.4 Non-Government Schools National Support</p> <p>1.5 Early Learning and Schools Support</p>
Key activities	<ul style="list-style-type: none"> ■ Provide consistent, transparent and needs-based funding to government schools ■ Provide consistent, transparent and needs-based funding to non-government schools ■ Provide support for a range of curriculum, assessment, teaching and wellbeing programs ■ Provide national leadership and work with states on national policy reform

Figure 2.1: Attainment rate each year



Measure PM008	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above
Target	Increase to 96% by 2031 (from 63.2% in 2016) ^{xiii}
Result rating	Data not available
Result value	<p>The primary data source for the target is the ABS Census of Population and Housing. There is no new data available since the baseline result in 2016.</p> <p>The 2021 ABS Census of Population and Housing was held on 10 August 2021 and the relevant data needed for this target is expected to be released in October 2022. The data is expected to be publicly reported through the December 2022 update of the ACARA National Report on Schooling in Australia data portal and the June 2023 update of the Productivity Commission Closing the Gap Information Repository Dashboard.</p>
Analysis	<p>In 2016 almost two-thirds (63.2%) of Indigenous youth aged 20–24 had a Year 12 or equivalent or a Certificate III or higher qualification, a significant increase (23.8 percentage points) from 2001.</p> <p>A higher or increasing attainment rate indicates an improvement in educational outcomes. Students with Year 12 or equivalent or Certificate III or above qualifications tend to be more socially engaged and have higher employment rates and higher relative earnings. This level of educational attainment is also positively associated with greater participation in formal and non-formal adult education and training.</p>

Measure PM008 **Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above**

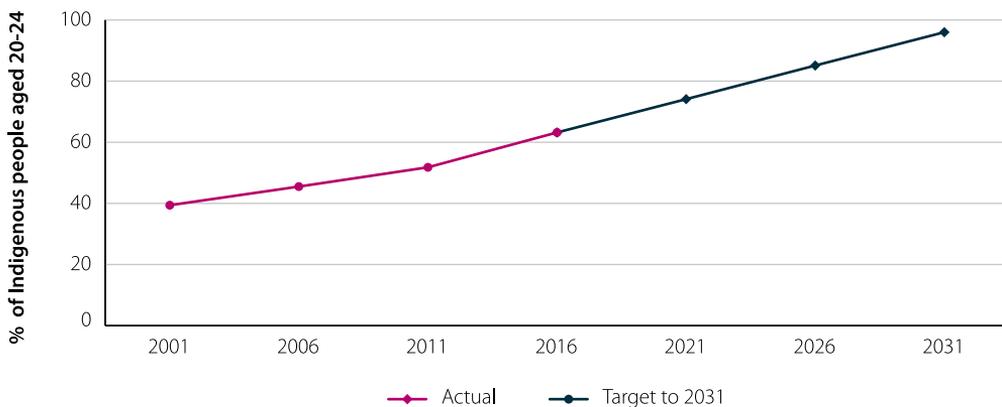
Methodology The result is calculated using the number of Indigenous people aged 20–24 who have attained Year 12 (or equivalent) or Certificate Level III or above, over the total population of Indigenous Australians aged 20–24.

Source ABS, Census of Population and Housing, 2016.^{xiv}

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

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

Figure 2.2: Indigenous attainment rate in Census years



Source: Productivity Commission Closing the Gap Information Repository Dashboard.

Measure PM003	Proportion of Indigenous children enrolled in early childhood education in the year before full-time school who are enrolled for 600 hours per year
Target	95% or higher ^{xv}
Result rating	Achieved
Result value	96.3%
Analysis	<p>The Australian Government funds state and territory governments to provide quality preschool programs through the UANP.^{xvi} This has facilitated very high enrolment rates in early education programs for Indigenous children the year before they start full-time school, particularly for 15 hours per week (or 600 hours per year).</p> <p>This performance measure has been consistently met since 2017. The Commonwealth has provided a funding contribution to states and territories to support access to preschool programs for 600 hours in the year before full-time school since 2009. A 2020 review of the UANP found that since 2014 the UANP has continued to build on predecessor agreements to improve participation in preschool in the year before full-time school.</p>
Methodology	<p>The result is calculated using data from the ABS Preschool Education, Australia publication. Tables 2 and 4 from the publication's summary release provide the data, which is the number of 4- and 5-year-old Indigenous children receiving 600 hours a year in preschool as a proportion of all 4- and 5-year-old Indigenous children who are enrolled in preschool regardless of the number of hours.</p> <p>Additional information^{xvii} can be provided by the states and territories to supplement the figures sourced from the ABS publication. This is in acknowledgement that the ABS Preschool Education data may not capture all children undertaking an early education program in their preschool year or may overstate the relevant population of children. This process is documented in the UANP agreement, which is where this performance measure originates.</p> <p>Specifically, the UANP agreement 2018–2021 (clause 26) allows for states and territories to provide supplementary and/or contextual information to the Commonwealth (DESE) to aid in calculation of the performance indicators on which their payments are based. This data may include impacts of COVID-19 disruptions and/or impacts of shifts in enrolment numbers. If agreed to by DESE, the supplementary data and/or contextual information will be used to inform assessment of the relevant jurisdiction's achievement of performance benchmarks. The supplementary data must be provided in a timely manner to assist in assessing performance benchmarks. DESE assesses this data for its suitability, then additional numbers of Indigenous children are added into the numerator and/or the denominator and the result for Australia is recalculated.</p>

**Measure
PM003**
Proportion of Indigenous children enrolled in early childhood education in the year before full-time school who are enrolled for 600 hours per year

For the 2021–22 performance statements, supplementary data from the NT was supplied. A summary of this is provided below. No other jurisdiction supplied supplementary data for this measure for the reporting period.

Supplementary data from the Northern Territory: On behalf of the NT, the ABS supplied information on the NT’s Families as First Teachers (FaFT) program for its supplementary data submission. The NT provides FaFT unit record level data to the ABS so that it can be ascertained how many of these children were also enrolled in a quality early childhood education program and therefore already included in the ABS preschool data. Indigenous children in the FaFT program who are not already enrolled in a service covered by the ABS preschool data are added into the preliminary numbers, which alters this performance measure.

FaFT is delivered in schools and provides early learning playgroups and parenting programs on child development and health to enhance children’s early learning and prepare children for successful entry to school. It is offered to children of varied ages. Generally FaFT programs are delivered for 4 hours per day/4 days per week/40 weeks per year; therefore they qualify to be included for all 6 paid UANP performance indicators.

Source	ABS, Preschool Education, Australia, 2021, plus additional information approved by DESE when supplied by states and territories. ^{xviii}
Contributing program	1.5 Early Learning and Schools Support
Key activity	Support children to have access to quality early learning, particularly in the year before reaching school

Measure PM004	Proportion of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours per year
Target	95% or higher ^{xvi}
Result rating	Achieved
Result value	95.5%
Analysis	<p>The Australian Government funds state and territory governments to provide quality preschool programs through the UANP.^{xvii} This has facilitated very high enrolment rates in early education programs for vulnerable and disadvantaged children the year before they start full-time school, particularly for 15 hours per week (or 600 hours per year).</p> <p>This performance measure has been met since 2019. In 2018 the result was 94.2% – just under the 95% target. The Commonwealth has provided a funding contribution to states and territories to support access to preschool programs for 600 hours in the year before full-time school since 2009. A 2020 review of the UANP found that since 2014 the UANP has continued to build on predecessor agreements to improve participation in preschool in the year before full-time school.</p>
Methodology	<p>The result is calculated using data from the ABS Preschool Education, Australia publication. Tables 2 and 3 from the publication’s summary release provide the data, which is the number of 4- and 5-year-old vulnerable and disadvantaged children^{xix} receiving 600 hours a year in preschool as a proportion of all 4- and 5-year-old vulnerable and disadvantaged children who are enrolled in preschool regardless of the number of hours.</p> <p>Additional information^{xvii} can be provided by the states and territories to supplement the figures sourced from the ABS publication. This is in acknowledgement that the ABS Preschool Education data may not capture all children undertaking an early education program in their preschool year or may overstate the relevant population of children.</p> <p>This process is documented in the UANP agreement, which is where this performance measure originates.</p> <p>Specifically, the UANP agreement 2018–2021 (clause 26) allows for states and territories to provide supplementary and/or contextual information to the Commonwealth (DESE) to aid in calculation of the performance indicators on which their payments are based. This data may include impacts of COVID-19 disruptions and/or impacts of shifts in enrolment numbers. If agreed to by DESE, the supplementary data and/or contextual information will be used to inform assessment of the relevant jurisdiction’s achievement of performance benchmarks. The supplementary data must be provided in a timely manner to assist in assessing performance benchmarks.</p> <p>DESE assesses this data for its suitability, then additional numbers of vulnerable and disadvantaged children are added into the numerator and/or denominator and the result for Australia is recalculated.</p>

**Measure
PM004**
Proportion of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours per year

For the 2021–22 performance statements, supplementary data from the NT and the Australian Capital Territory (ACT) was supplied. A summary of this is provided below. No other jurisdiction supplied supplementary data for this measure for the reporting period.

Supplementary data from the Northern Territory: On behalf of the NT, the ABS supplied information on the NT’s FaFT program for its supplementary data submission. The NT provides FaFT unit record level data to the ABS so that it can be ascertained how many of these children were also enrolled in a quality early childhood education program and therefore already included in the ABS preschool data. Vulnerable and disadvantaged children in the FaFT program who are not already enrolled in a service covered by the ABS preschool data are added into the preliminary numbers, which alters this performance measure.

FaFT is delivered in schools and provides early learning playgroups and parenting programs on child development and health to enhance children’s early learning and prepare children for successful entry to school. It is offered to children of varied ages. Generally FaFT programs are delivered for 4 hours per day/4 days per week/40 weeks per year; therefore they qualify to be included for all 6 paid UANP performance indicators.

Supplementary data from the Australian Capital Territory: In its submission, the ACT proposed to use data from the 2018 Australian Early Development Census (AEDC) to calculate performance against performance indicators (PIs) for vulnerable and disadvantaged children (PI 3.3). Due to the ACT’s small population size and a mixture of socio-economic status within all suburbs, the department has agreed that using the ABS’s SEIFA measure is not appropriate for measuring vulnerability and disadvantage in the ACT. As a result, this approach (using AEDC data) is set out in the ACT’s National Partnership Implementation Plan (IP) and was used in 2016, 2017 and 2018, using data from the 2015 AEDC. IPs are agreed to in the UANP bilateral negotiations with states and territories. For UANP performance reporting, the ACT IP states that vulnerable and disadvantaged children are defined in the ACT as those residing in communities identified in the AEDC as having above the national average rates of vulnerability in 2 or more domains.

Source ABS, Preschool Education, Australia, 2021, plus additional information approved by DESE if supplied by states and territories.^{xviii}

Contributing program 1.5 Early Learning and Schools Support

Key activity Support children to have access to quality early learning, particularly in the year before reaching school

2 Outcome 2

Measure PM009	The proportion of the 25 to 34 year old population with a tertiary qualification
Target	Increase from previous year
Result rating	Not achieved
Result value	75.4%
Analysis	<p>In 2021, 75.4% of the 25- to 34-year-old population held a non-school qualification, down from 76.2% in 2020 (noting this is an increase from the 75.0% recorded in 2019).</p> <p>The 2021 results are likely to have been affected by deferred enrolments and lower application rates due to COVID-19.^{xx}</p>
Methodology	Number of people aged 25–34 with a tertiary qualification over the total number of people aged 25–34, compared with the previous year.
Source	ABS, Education and Work, Australia, May 2021, Table 24.
Contributing program	2.1 Commonwealth Grant Scheme
Key activity	Support students' access to higher education and transition to employment

Measure PM010	The rate of attrition for domestic Bachelor students
Target	Lower than 15%
Result rating	Achieved
Result value	12.8% (result based on preliminary 2021 data)
Analysis	<p>The attrition rate in 2021 (12.8%) was lower than the attrition rate in 2020 (13.2%). The inclusion of the attrition rate in the performance-based funding for the Commonwealth Grant Scheme calculations is intended to incentivise universities to focus on teaching and support services to lower the attrition rate for students likely to drop out.</p> <p>The attrition rate is also affected by general economic and labour market conditions. The COVID-19 pandemic initially reduced options for students who might otherwise have left their studies, for example to join the labour market or travel overseas. This is likely to have contributed to the decline in the attrition rate from the previous year.</p> <p>This result is based on preliminary 2021 information and will be updated when final 2021 information is available in Q4, 2022. Final information will be published on the Department of Education's website. The version of the 2021–22 Annual Report that was tabled in parliament and is available on www.transparency.gov.au will remain unchanged.</p>
Methodology	The result is calculated using the number of commencing domestic students who do not complete or who do not return to study in year (x+1) over the total number of commencing domestic students enrolled in year (x).
Source	DESE, program administrative data, Higher Education Statistics Collection.
Contributing program	2.1 Commonwealth Grant Scheme
Key activity	Enhance the quality of the higher education system

Measure PM011	Proportion of undergraduates who are employed within four months of completing a degree
Target	85% or higher
Result rating	Not achieved
Result value	84.8%
Analysis	<p>The result is outside the margin of error of the survey. However, the target is very close to being achieved, in the context of survey variability.</p> <p>The impact of the COVID-19 pandemic continued to be felt in the Australian labour market throughout the period covered by the 2021 Graduate Outcomes Survey, with graduate employment rates lower than typically recorded before the pandemic.</p> <p>Other factors that may impact on the achievement of the result include a number of programs that seek to enhance students' employment after graduating:</p> <ul style="list-style-type: none"> ■ the National Priorities and Industry Linkage Fund ■ the Job-ready Graduates reforms, which seek to encourage students into courses with labour market demand ■ performance-based funding for the Commonwealth Grant Scheme, which double-weights graduate employment.
Methodology	Number of domestic undergraduates employed within 4 months of completing a degree over the total number of domestic graduates available for work in that 4 months.
Source	Quality Indicators for Learning and Teaching (QILT), Graduate Outcomes Survey. ^{xxi}
Contributing program	2.1 Commonwealth Grant Scheme
Key activity	Enhance the quality of the higher education system

Measure PM012	Proportion of eligible universities able to meet specified superannuation expenses
Target	100%
Result rating	Achieved
Result value	100%
Analysis	<p>The department has provided funding based on information reported by the universities and their superannuation funds. This has allowed 100% of eligible universities to meet their specified superannuation expenses.</p> <p>This program has been in place since 1975 to cover unfunded superannuation liabilities for universities. It was initiated as part of the arrangements transferring primary funding responsibilities for universities from states to the Commonwealth.</p> <p>The payments are made using determinations based on calendar years. Therefore, payments are spread across determinations for 2021 and 2022.</p>
Methodology	<p>Number of eligible universities that are able to meet specific superannuation expenses over the total eligible universities.^{xxii}</p> <p>The final payment is acquitted and adjusted (if required) in the following calendar year. All claims are certified by an authorised university officer and are verified by the department against supporting documentation before processing in Unipay.</p>
Source	DESE, program administrative data.
Contributing program	2.2 Higher Education Superannuation Program
Key activity	Support eligible current and former university employees for certain superannuation expenses

Measure PM014	Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1)
Target	16% or higher
Result rating	Achieved
Result value	16.6% (result based on preliminary 2021 data)
Analysis	<p>Low socio-economic status (SES) students are more responsive to continued strong labour market conditions. While the proportion of higher education students who are from a low-SES background (by Statistical Area level 1) has remained broadly stable at 16.6%, it has fallen in recent years (down from 17.0% in 2018).</p> <p>This result is based on preliminary 2021 information and will be updated when final 2021 information is available in Q4, 2022. Final information will be published on the Department of Education’s website. The version of the 2021–22 Annual Report that was tabled in parliament and is available on www.transparency.gov.au will remain unchanged.</p>
Methodology	<p>The number of undergraduates from a low-SES background over the total of domestic undergraduate students registered in the TCSI.</p> <p>Socio-economic background is measured at Statistical Area level 1, as defined by the ABS.</p>
Source	DESE, program administrative data, Higher Education Statistics Collection.
Contributing program	2.3 Higher Education Support
Key activity	Support students’ access to higher education and transition to employment

Measure PM015	Proportion of higher education students who are Indigenous
Target	2% or higher
Result rating	Achieved
Result value	2.1% (result based on preliminary 2021 data)
Analysis	<p>The proportion of higher education students who are Indigenous increased from 2020 (from 2.0% to 2.1%). This continues the trend of steady improvement in Indigenous higher education access and participation.</p> <p>Targeted initiatives that contribute to the participation and retention of Indigenous students include the Indigenous Student Success Program and Away from Base program, managed by the National Indigenous Australians Agency.</p> <p>The Higher Education Participation and Partnerships Program also contributes to this measure, by funding campus support programs for Indigenous students who are also from a low-SES background, and outreach activities to widen aspiration and capability to attend university.</p> <p>This result is based on preliminary 2021 information and will be updated when final 2021 information is available in Q4, 2022. Final information will be published on the Department of Education's website. The version of the 2021–22 Annual Report that was tabled in parliament and is available on www.transparency.gov.au will remain unchanged.</p>
Methodology	<p>The result is calculated using the number of students who identify as Indigenous in enrolment data over the total of domestic students registered.</p> <p>The number of undergraduates is based on student enrolment data collected through the department's TCSI system.</p>
Source	DESE, program administrative data, Higher Education Statistics Collection.
Contributing program	2.3 Higher Education Support
Key activity	Support students' access to higher education and transition to employment

Measure PM016	Proportion of undergraduate students who rate the teaching quality at their institution positively
Target	80% or higher
Result rating	Not achieved
Result value	79%
Analysis	In 2021, 79% of undergraduate students rated the teaching quality at their institution positively, up from 78% in 2020, but this continued to be affected by government-mandated and public health restrictions introduced due to the COVID-19 pandemic.
Methodology	Number of students rating the teaching received as positive over the total number of students with valid survey responses. ^{xxiii}
Source	QILT, Student Experience Survey. ^{xxi}
Contributing program	2.3 Higher Education Support
Key activity	Enhance the quality of the higher education system

Measure PM017	Proportion of employers who are satisfied with the skills of graduates (overall across all skills)
Target	85% or higher
Result rating	Achieved
Result value	85%
Analysis	The survey indicates that in general employers have high levels of satisfaction with graduates produced by the Australian higher education system.
Methodology	Number of employers of graduates satisfied with the skills of the graduate over the number of employers who responded to the survey question.
Source	QILT, Employer Satisfaction Survey. ^{xxi}
Contributing program	2.3 Higher Education Support
Key activity	Enhance the quality of the higher education system

Measure PM018	The proportion of HELP debt not expected to be repaid
Target	Equal to or lower than the previous year (15.07%) ^{xxiv}
Result rating	Achieved
Result value	11.82%
Analysis	<p>The Higher Education Loans Program (HELP) ‘debt not expected to be repaid’ (DNER) is an indicator of the affordability of higher education compared to earnings of those with these debts.^{xxv}</p> <p>Policy changes that increase employment opportunities, accelerate repayments and decrease incurred HELP debts will reduce DNER on new debt and DNER on outstanding debt over time.</p> <p>Changes to the methodology, including the addition of an extra 2 years of income data in the modelling, have produced increases in expected repayments and a corresponding reduction in DNER.</p> <p>The department’s financial statements include reporting of all HELP debt (page 152 of this annual report). The full Australian Government Actuary report <i>Reporting of HELP Receivable</i> is available at www.education.gov.au/higher-education-publications.</p>
Methodology	<p>DNER is the estimated HELP ‘debt not expected to be repaid’ of new HELP debt incurred in the current year.^{xxvi} ^{xxvii} The actuarial determined DNER and the expected repayment value of HELP debt is based on modelling of longitudinal data including loan recipient age, sex, repayment, and default history.</p> <p>One significant change and several refinements to the income modelling methodology have been made since the previous year. For the first time the Australian Government Actuary has used the latest income data (i.e. 2020–21 incomes) for income projection purposes. This means that, compared with last year’s model, 2 additional years of income data have been used to update income projections. The impact of the more optimistic economic assumptions and the inclusion of an extra 2 years of income data in the modelling approach are the dominant causes of the increase in repayments from one year to the next.</p>
Source	Australian Taxation Office, Annual HELP Data Report, Reporting of HELP Receivable.
Contributing program	2.4 Higher Education Loan Program
Key activity	Support students’ access to higher education and transition to employment

Measure PM019	The proportion of research publications in Australia that are among the world's top 10% most highly-cited journals
Target	Above the OECD average
Result rating	Achieved
Result value	5.31%
Analysis	<p>This measure reflects the influence Australian research has on the world and reflects the quality of research being conducted.</p> <p>In 2021 the average share of the world's top 10% most highly cited research publications among Organisation for Economic Co-operation and Development (OECD) countries was 2.63%.</p> <p>Australia's share is above this average at 5.31%, which ranks Australia fourth behind the United States, the United Kingdom and Germany.</p> <p>Australia's ranking remains the same as in the previous year and has remained relatively stable over the past 5 years.</p>
Methodology	The result is calculated using the number of Australian research publications in the top 10% most cited over the total number of publications, compared with the average share of OECD countries.
Source	SciVal/Scopus (bibliometric abstract and citation database). ^{xxviii}
Contributing program	2.5 Investment in Higher Education Research
Key activity	Support the research sector, research training and national research infrastructure

Measure PM020	Proportion of research postgraduates who are employed within four months of completing their degree
Target	90% or higher
Result rating	Not achieved
Result value	88.1%
Analysis	<p>The result is outside the margin of error considered for the QILT Graduate Outcomes Survey (GOS) for research postgraduates. However, the target is very close to being achieved, in the context of survey variability.</p> <p>Data from the GOS shows that overall employment of postgraduate research students has declined from 90.0% in 2020 to 88.1% in 2021. Restrictions to combat the COVID-19 pandemic and the resulting downturn in the labour market temporarily reduced employment opportunities for recent research postgraduates.</p> <p>Reference period: The 2021 GOS was released in October 2021. Data is based on surveys conducted annually across 3 rounds, in November 2020, February 2021 and May 2021.</p>
Methodology	Number of research postgraduates employed 4 months after completing a degree over the total number available for work.
Source	QILT, Graduate Outcomes Survey. ^{xxi}
Contributing program	2.5 Investment in Higher Education Research
Key activity	Support the research sector, research training and national research infrastructure

Measure PM021	Indigenous Higher Degree by Research (HDR) completions
Target	Increase from previous year
Result rating	Not achieved
Result value	The number of Indigenous HDR completions reported in 2021 is 69, compared with 71 Indigenous HDR completions reported in 2020, ^{xxix} which represents a decrease of 2 completions (result based on preliminary 2021 data).
Analysis	<p>The decrease in Indigenous HDR completions for 2021 is consistent with an overall decrease in all HDR completions from 2020 to 2021 (8,941 in 2021 compared with 10,257 in 2020).</p> <p>The number of Indigenous HDR completions is small, which can lead to some fluctuation on year-by-year basis reporting. However, the number of Indigenous HDR completions is trending upwards over the longer term, with 43 Indigenous HDR completions reported in 2011 and 72 Indigenous HDR completions reported in 2019. The main reason for this longer term growth is an increase in Indigenous HDR commencing students over 10 years to 2020 (122%). The government's Research Training Program includes financial incentives for higher education providers with Indigenous HDR completions.</p> <p>This result is based on preliminary 2021 information and will be updated when final 2021 information is available later in 2022. Final information will be published on the Department of Education website. The version of the 2021–22 Annual Report that was tabled in parliament and is available on www.transparency.gov.au will remain unchanged.</p>
Methodology	A comparison of the number of Indigenous higher education research completions to the previous year.
Source	DESE, Higher Education Student Statistics.
Contributing program	2.5 Investment in Higher Education Research
Key activity	Support the research sector, research training and national research infrastructure

Measure PM023	Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs
Target	90% or higher
Result rating	Unable to make an assessment
Result value	In the course of the ANAO audit it was identified that the department had not verified the third party survey data.
Analysis	The unverified 2021–22 survey results show that 92.46% of researchers who responded to the survey believe that National Collaborative Research Infrastructure Strategy (NCRIS) research infrastructure improved research quality and outputs. COVID-19 continued to impact some research infrastructure facilities over the period, especially around social distancing requirements, in some cases reducing the number of researchers who could access facilities.
Methodology	Number of respondents who report NCRIS has improved research quality and outcome over the total number of survey respondents.
Source	NCRIS user satisfaction surveys. ^{xxx}
Contributing program	2.6 Research Capacity
Key activity	Support the research sector, research training and national research infrastructure

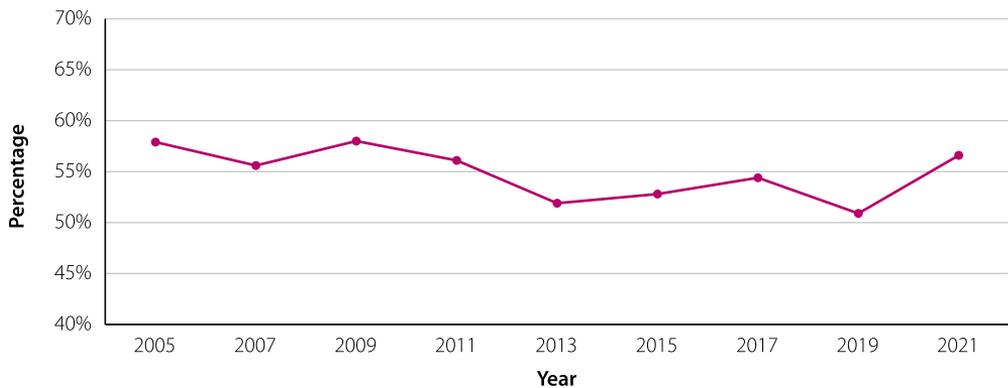
Measure PM026	Proportion of international students employed or enrolled in further study after graduation
Target	85% or higher
Result rating	Not achieved
Result value	72.3%
Analysis	<p>This measure will track employability and further study of international students,^{xxxix} a key competitive indicator of the performance of Australia's education sector in assisting international students to meet their career and personal goals.</p> <p>The proportion of international students employed or enrolled in further study after graduation as of 2021 is 72.3%. The 2021 result is an improvement from 70.0% in 2020 and is close to the 2019 result of 72.5%; however, it remains lower than the 74.3% recorded in 2018.</p> <p>The target has been changed from 60% in 2020 to 85% in 2021 to align the target with the outcomes for domestic students and encourage improvements as the labour market and the international education sector recover from the COVID-19 pandemic.</p>
Methodology	Number of international undergraduates employed or undertaking further study within 4 months of completing a degree over the total number of international graduates. ^{xxxix}
Source	QILT, Graduate Outcomes Survey. ^{xxxix}
Contributing program	2.7 International Education Support
Key activity	Support a high-quality and sustainable international education sector

Measure PM027	Number of students enrolled in offshore and transnational education and training delivered by Australian providers
Target	Numbers stabilised
Result rating	Achieved
Result value	23.8% (result based on preliminary 2021 data)
Analysis	<p>The levels of growth experienced in 2020 (26.7%) and 2021 (23.8%) were higher than in previous years due to the impact of the COVID-19 pandemic and related international travel restrictions. The fact that many students intending to study in Australia in 2020 and 2021 were unable to come onshore increased the total number of offshore students in 2021. With the opening of borders in November 2021 and the return of international students to onshore study, we are likely to see the number of students offshore decrease. However, a number of initiatives are underway across the government to support continued uptake of offshore and transnational education and training by Australian providers moving forward.</p> <p>This result is based on preliminary 2021 information and will be updated when final 2021 information is available. Final information will be published on the Department of Education’s website. The version of the 2021–22 Annual Report that was tabled in parliament and is available on www.transparency.gov.au will remain unchanged.</p>
Methodology	Number of overseas students studying Australian higher education offshore courses compared with the previous year.
Source	DESE, Higher Education Statistics Collection.
Contributing program	2.7 International Education Support
Key activity	Support a high-quality and sustainable international education sector

Measure PM028	Proportion of employers that report use of the VET system
Target	50% or higher
Result rating	Achieved
Result value	56.6%
Analysis	<p>The most recent result is from 2021. This result shows that VET remains a training system of choice for a substantial proportion of employers.</p> <p>Two in 5 employers (40.2%) reported they had jobs requiring vocational qualifications. Employers using the VET system were generally satisfied: 78.7% of employers were satisfied with their use of nationally recognised training and 74.2% of employers with apprentices and trainees were satisfied with the capabilities of those employees.</p> <p>The proportion of employers who report they use VET has exceeded 50% since the survey commenced in its current form in 2005 (as shown in Figure 2.3). From 2005 to 2019, the proportion of employers using VET was in decline.</p> <p>The relatively large increase in 2021, to 56.6% from 50.9% in 2019, has brought the proportion closer to 2005 levels. The increase in employers accessing VET between 2019 and 2021 is likely to be due to new training needs as employers adapt to changing conditions. For example, 44.0% of employers had new training requirements due to the impacts of the COVID-19 pandemic. Of those employers that had new training requirements:</p> <ul style="list-style-type: none"> ■ 83.6% needed training so that they could effectively/safely operate in the COVID-19 environment ■ 32.8% needed to train staff to undertake new tasks and/or responsibilities ■ 30.8% needed to access training to help manage business operations in the COVID-19 environment. <p>In response to the previous declines, the department has been supporting initiatives to strengthen industry engagement in the VET system, designing industry-relevant training products and streamlining and simplifying existing national qualifications to make the VET system more relevant to industry and employer needs.</p>

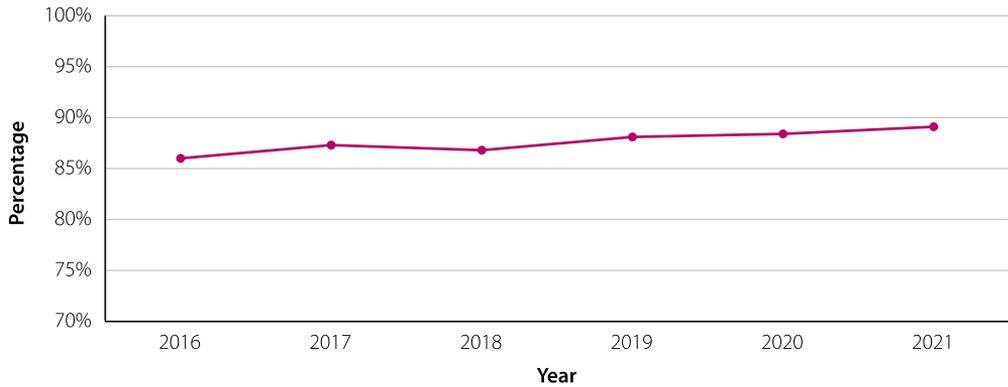
Measure PM028	Proportion of employers that report use of the VET system
Methodology	The indicator is calculated as the number of businesses with employees that, in the previous 12 months, have used nationally recognised training, have apprentices/trainees, or have jobs that require a vocational qualification, over the total number of businesses with employees. Note that the numbers of employers are based on weighted Survey of Employers' Use and Views of the VET System (SEUV) responses, as described below.
Source	National Centre for Vocational Education Research (NCVER) statistics: Employers' Use and Views of the VET System (NCVER 2021, Employers' use and views of the VET system, NCVER, Adelaide). ^{xxxiii}
Contributing program	3.1 Building Skills and Capability
Key activity	Respond to national future skills needs through access to VET graduates with the required skills

Figure 2.3: Proportion of employers that report use of the VET system



Measure PM029	Proportion of graduates who are satisfied with the overall quality of the training
Target	85% or higher
Result rating	Achieved
Result value	89.1%
Analysis	<p>The proportion of graduates who are satisfied with the overall quality of training shows the quality of experience provided by vocational education and training. The measure aims to provide an overarching system-wide insight into the quality of the sector from the perspective of graduates.</p> <p>From 2016 to 2020, students undertaking vocational education and training consistently reported high levels of satisfaction with the training they received (as shown in Figure 2.4). In 2021 the result for this measure again exceeded the target of 85%.</p>
Methodology	<p>The result is based on the annual survey, consistent with previous reporting. The latest survey results for 2021–22 are from the 2021 National Student Outcomes Survey.</p> <p>The result is calculated using the number of VET graduates who were satisfied or very satisfied with the overall quality of their training, over the total number of VET graduates.</p> <p>The sample results are weighted to minimise any survey bias so that the weighted sample represents the population and is used to produce accurate estimates.</p>
Source	NCVER, National Student Outcomes Survey, 2021.
Contributing program	3.1 Building Skills and Capability
Key activity	Enhance the quality of vocational education and training

Figure 2.4: Proportion of graduates who are satisfied with overall quality of training



Measure PM030	Proportion of VET graduates who are employed or enrolled in further study after training
Target	80% or higher
Result rating	Achieved
Result value	82.9%

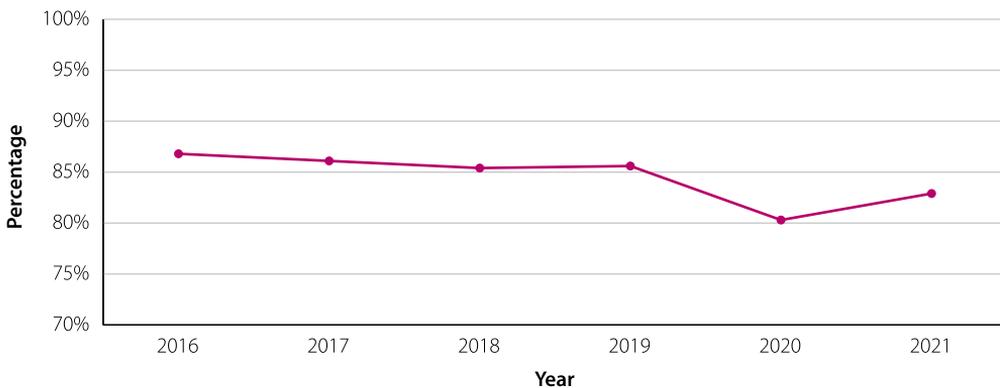
Analysis Enrolment in further study or training is an indicator of the quality of education being provided, and recognition that study and training results in better employment outcomes. Vocational education and training graduates continue to report strong labour market outcomes, including improved employment status after training and receiving at least one job-related benefit from their training. More than a third report that they are enrolled in further study after training, with just under a quarter going into study at a higher training level.

The measure continues to exceed the target of 80%.

The results have been largely consistent from 2016 until 2020 (as shown in Figure 2.5). The decrease in 2020 results and the small recovery in 2021 are likely to reflect the effects of the social and economic restrictions put in place to manage the COVID-19 pandemic. Research reports by the NCVET have highlighted the adverse effects of the COVID-19 pandemic on businesses, training organisations and students.

Measure PM030	Proportion of VET graduates who are employed or enrolled in further study after training
Methodology	The result is calculated using the number of VET graduates who self-reported a labour force status of 'employed' or were enrolled in further study at the time of the survey, over the total number of VET graduates.
Source	NCVER, National Student Outcomes Survey, 2021. The measure combines the outcomes for graduates 'employed after study' and 'enrolled in further study'.
Contributing program	3.1 Building Skills and Capability
Key activity	Enhance the quality of vocational education and training

Figure 2.5: Proportion of VET graduates who are employed or enrolled in further study after training



Measure PM031	Maintain the number of apprenticeship commencements
Target	Maintain numbers from 2019–20 (pre-COVID-19 commencement levels)
Result rating	Achieved
Result value	55.6% increase
Analysis	<p>The number of apprenticeship commencements in the first half of the 2021–22 financial year increased by 55.6% compared with the first half of 2019–20. There were 98,375 commencements in the first 6 months of 2021–22, compared with 63,220 in the first 6 months of 2019–20.</p> <p>This increase in commencements can be attributed to the much higher level of Australian Government support available to employers in 2021–22 to take on an apprentice, through the Boosting Apprenticeship Commencements measure.</p>
Methodology	Number of apprenticeship commencements in the first 6 months of the 2021–22 financial year compared to the number of commencements in the first 6 months of the 2019–20 financial year. ^{xxxiv}
Source	<p>NCVER, National Apprentice and Trainee Collection, December quarter 2021.</p> <p>Note: NCVER releases data 6 months in arrears, so the December quarter 2021 data was released on 26 July 2022. The full 2021–22 financial year data will not be available until December 2022.</p>
Contributing program	3.1 Building Skills and Capability
Key activity	Respond to national future skills needs through access to VET graduates with the required skills

Measure PM032	Proportion of participants assessed in targeted programs that increase one or more levels on the Australian Core Skills Framework (ACSF) or the Digital Literacy Skills Framework (DLSF)
Target	80% or higher
Result rating	Achieved
Result value	95%
Analysis	<p>This measure helps the government to determine whether participants receiving tailored language, literacy, numeracy and digital (LLND) skills training in the Skills for Education and Employment (SEE) program and the Foundation Skills for Your Future Program (FSFYF) are developing the critical LLND skills they need to improve their employment and training pathways.</p> <p>An increase was achieved by 95% of participants in one or more levels of the 5 core skills of the ACSF or the DLSF as a result of undertaking training in these programs. This result is consistent with the result in 2020–21.</p> <p>The ACSF is a tool which assists both specialist and non-specialist English language, literacy, and numeracy practitioners to describe an individual’s performance in the 5 core skills of learning, reading, writing, oral communication and numeracy. Digital skills are described using the DLSF. Together they provide a consistent national approach to identifying and developing the core skills in 3 diverse contexts: personal and community, workplace and employment, and education and training.</p>
Methodology	<p>The result value is calculated using a weighted average of results for the SEE and FSFYF programs.</p> <ul style="list-style-type: none"> ■ SEE uses the number of SEE clients assessed as achieving an increase in one or more indicators after completing 200 hours or more of training, over the total number of assessed program participants.^{xxxv} ■ FSFYF uses the number of FSFYF clients achieving an increase in one or more indicators over the total number who completed training. <p>Results for the FSFYF program are included for the first time in 2021–22. In its first full year of operations, FSFYF achieved a result of 76% of participants increasing their skill level by one or more levels on the ACSF or DLSF.</p>
Source	ACSF and DLSF assessments completed by service providers.
Contributing program	3.1 Building Skills and Capability
Key activity	Improve language, literacy, and numeracy and digital (LLND) literacy for target groups

Measure PM033	Proportion of VET Student Loans (VSL) Students who are satisfied with the quality of their training provider^{xxxvi}
Target	80% or higher
Result rating	Achieved
Result value	81.20%
Analysis	<p>Satisfaction with training providers indicates the quality of training being provided. Quality training leads to increased employment opportunities, or further training and study.</p> <p>VSL students undertaking vocational education and training continue to report high levels of satisfaction with their training provider, with the measure exceeding the target in 2021–22.</p> <p>Since 2019 the satisfaction rate has marginally increased. This may be attributable to an increasing number of continuing students being included in the result or changes to student arrangements due to the COVID-19 pandemic. The department will continue:</p> <ul style="list-style-type: none"> ■ taking student satisfaction into account when determining provider fee limits (i.e. the maximum amount the department will issue in loans for a given provider), approved courses, and re-approvals of providers as their respective periods of approval approach expiry ■ encouraging providers to raise the quality of their training through provider discussions and performance review.
Methodology	Number of VSL students who responded to the electronic Commonwealth assistance form (e-CAF) survey and who provided a rating of ‘satisfied’ or ‘very satisfied’, over the total number of VSL students who responded to the e-CAF survey.
Source	VSL student surveys submitted through the e-CAF for the 2021 calendar year.
Contributing program	3.2 VET Student Loans
Key activity	Reduce barriers to undertaking quality vocational education and training

Measure PM034	Proportion of VET Student Loans (VSL) Students who complete units of study
Target	70% or higher
Result rating	Achieved
Result value	79.74%
Analysis	<p>Completing units of study is an indication that VSL has successfully reduced or removed barriers to study.</p> <p>VSL students continue to have strong units of study completion rates. To foster these consistently strong outcomes the department:</p> <ul style="list-style-type: none"> ■ continued its focus on approving/re-approving only high-quality providers for participation in the VSL program ■ encouraged high-quality providers to continue to engage with the program (e.g. allowing higher provider fee limits up to the maximum amount the department will pay in loans for a given provider) ■ monitored provider outcomes ■ initiated provider discussions and performance reviews as relevant.
Methodology	<p>The results for student completion rates for each year are based on data extracted in July of the year following the reporting year. The lag before extraction of the data allows additional time for providers to complete their submissions of units of study data into the system.</p> <p>The result is calculated using the number of reported equivalent full-time study load (EFTSL) units of study completed, over the total number of EFTSL units of study.</p>
Source	Student completions data submitted by VET Student Loans approved course providers through the department's TCSI for the 2021 calendar year.
Contributing program	3.2 VET Student Loans
Key activity	Reduce barriers to undertaking quality vocational education and training

4 Outcome 4

Measure PM036	Proportion of job placements sustained to 26 weeks
Target	30% or higher
Result rating	Achieved
Result value	42.7%
Analysis	<p>This measure is an indicator of the ability of the department’s job placement programs to achieve ongoing sustainable employment outcomes.</p> <p>The conversion rate of 42.7% for job placements recorded from 5 November 2020 to 4 November 2021 is a significant improvement from the figure of 34.0% provided in the 2020–21 Annual Report.</p> <p>Performance against this measure is improving due to improved labour market conditions and an increase in the proportion of job-ready participants on the jobactive provider-servicing caseload. The result for 2021–22 is roughly similar to the result for the most recent full year before the impact of the COVID-19 pandemic (42.9% for 2018–19). However, the recovery has not been consistent across all key groups. For example, only 29.5% of job placements for Indigenous participants were sustained to a 26-week outcome in the most recent results, compared with 34.8% in 2018–19.</p>
Methodology	<p>This measure tracks sustainable employment gained through jobactive by reporting on the proportion of job placements that converted into a 26-week outcome.^{xxxvii} A jobactive provider receives a 26-week outcome payment if the participant remains employed for 26 weeks and reduces their reliance on income support by 100%. Adjustments are also made for participants with modified mutual obligation requirements. The results are based on the 12-month period from 5 November 2020 to 4 November 2021.</p> <p>The result is calculated using the number of job placements that were sustained to a 26-week employment outcome over the total number of job placements that could have achieved a 26-week outcome, in a 12-month period.</p>
Source	DESE’s administrative system, ESSWeb, which is used to administer employment services.
Contributing program	4.1 Employment Services
Key activity	Help job seekers find and keep a job

Measure PM037	Proportion of job seekers employed three months following participation in employment services
Target	45% or higher
Result rating	Achieved
Result value	50.8%
Analysis	<p>This measure is an indicator of the ability of the department’s programs to achieve employment outcomes.</p> <p>The employment rate for participants in jobactive provider servicing from 1 January 2021 to 31 December 2021 is 50.8%, which is above the target of 45% and is a significant improvement from the figure of 41.8% provided in the 2020–21 Annual Report.</p> <p>This figure has been steadily increasing as the labour market recovers from the impacts of COVID-19 and affected participants return to employment. As these participants are typically more job-ready than those who have been out of the workforce for long periods, the overall proportion in employment has increased.</p>
Methodology	<p>The department’s post-program monitoring survey samples jobactive provider-serviced participants on their employment (labour market) status around 3 months after participation. The survey data provides additional information not available from administrative data, such as the employment and education status of exited participants. It provides a fuller picture of employment outcomes, as not all employment undertaken by jobactive participants is recorded in the department’s job placement records.^{xxxviii}</p> <p>The results are based on the 12-month period between 1 January 2021 and 31 December 2021. The result is calculated by estimating the number (of a representative sample) of job seekers employed 3 months following participation in jobactive over the total number of job seekers who participated in jobactive during the reference period (a rolling 12-month period).</p> <p>The population for this measure does not include participants in Online Employment Services or the New Employment Services Trial.</p>
Source	DESE, program administrative data. Employment rates are sourced from the post-program monitoring survey.
Contributing program	4.1 Employment Services
Key activity	Help job seekers find and keep a job

Measure PM039	Proportion of Work for the Dole participants who report increased motivation to find a job
Target	75% or higher
Result rating	Achieved
Result value	76.3%
Analysis	<p>Work for the Dole is a work experience program that offers participants the opportunity to demonstrate their capabilities, contribute to their local community and build skills to help them find secure work.</p> <p>Of the participants who commenced in Work for the Dole between 1 February 2021 and 31 January 2022, 76.3% reported that the activity had increased their desire to find a job. This is above the target of 75%.</p> <p>The program was suspended between March 2020 and September 2020 due to the impacts of COVID-19, and no post-program monitoring survey was conducted on Work for the Dole participants. While this means there is limited recent historical data available, the current result is consistent with pre-pandemic results, which varied between 75% and 77.5% for participants who commenced in 2018 and 2019.</p>
Methodology	<p>The results are based on responses to the post-program monitoring survey from participants who commenced in Work for the Dole between 1 February 2021 and 31 January 2022. Participants are surveyed 6 weeks after commencement in a Work for the Dole activity.^{xxxix}</p> <p>The survey measures the impact of Work for the Dole participation on job seekers' soft skills and outlook and, in particular, the proportion of participants reporting an improvement in their desire to find a job 6 weeks after commencing in a Work for the Dole activity.</p> <p>The result is calculated using a representative sample of job seekers, surveyed 6 weeks after participating in Work for the Dole, who reported that participation in the activity improved their desire to find a job, over the total number of job seekers who responded to the survey following participation in Work for the Dole.</p>
Source	DESE, program administrative data and post-program monitoring survey.
Contributing program	4.1 Employment Services
Key activity	Help job seekers find and keep a job

Measure PM041	Proportion of job seekers (with mutual obligation requirements) who are actively looking for work
Target	90% or higher
Result rating	Not achieved
Result value	72.5%
Analysis	<p>The target rate of job seekers meeting their job search requirement is intentionally aspirational.</p> <p>Results for this measure are positively skewed during periods when job search mutual obligation requirements are suspended for part or all of the country. The 2021–22 result reflects the impacts – including suspensions of mutual obligation requirements – of COVID-19 lockdowns and natural disasters.</p> <p>The result was slightly lower than the result of 75.8% in 2020–21, when COVID-19 and the gradual resumption of mutual obligations had a greater impact.</p>
Methodology	Number of active job seekers meeting their job search requirement or with no job search requirement, over the total number of job seekers who may be required to undertake job search as part of their mutual obligation requirements.
Source	DESE, program administrative data.
Contributing program	4.1 Employment Services
Key activity	Help job seekers find and keep a job

Measure PM043	Proportion of jobactive organisations that meet their service delivery commitments
Target	80% or higher
Result rating	Achieved
Result value	89.7%
Analysis	<p>A high proportion of jobactive providers met the service delivery commitment expectations outlined in their individual service delivery offers. This represents a positive outcome given the ongoing challenges to the operating environment, including COVID-19 and other natural disruptions to service experienced across the period.</p> <p>The result for this performance period was comparable to the result achieved in 2020–21 (90%).</p>
Methodology	<p>jobactive providers were monitored to provide assurance that they were making available to job seekers, employers, and other stakeholders the services to which they committed in their service delivery offers. The department monitored these commitments through its contract management process.</p> <p>The result is calculated as the proportion of jobactive providers that met at least 80% of their assessed service delivery commitments across all jobactive providers.</p> <p>In each 6-month period, department account managers review at least 25% of provider service delivery commitments, with all provider commitments reviewed at least once across a 2-year period.</p> <p>This year's calculation includes the last 6-month period of the 2-year assessment process. As such, it includes a check to support that all valid commitments have been assessed at least once over the 2 years.⁴¹</p>
Source	DESE, program administrative data extracted from Provider 360.
Contributing program	4.1 Employment Services
Key activity	Deliver high-quality and efficient services

Measure PM044	Cost per employment outcome
Target	\$2,500
Result rating	Achieved
Result value	\$2,059
Analysis	<p>Cost per employment outcome is an efficiency measure of jobactive provider servicing.</p> <p>The cost per employment outcome has decreased slightly over the last year, from \$2,117 as reported in the 2020–21 Annual Report to \$2,059 for the most recent year.^{xii}</p> <p>The key drivers of jobactive expenditure are outcome payments, administration fees and the Employment Fund. The jobactive payment model has a strong focus on outcomes, and during periods where jobactive providers have performed well, outcome payments will be the key driver of jobactive expenditure.</p> <p>Costs increased in the 2021 calendar year – particularly those related to outcome payments and the Employment Fund – but this has been offset by an increase in the number of participants in employment, particularly those exiting jobactive provider servicing. This reflects stronger labour market conditions and more job-ready participants in the program over the past year compared with the previous year.</p>
Methodology	<p>The cost per employment outcome is a measure of efficiency and is the average sum of money spent per employment outcome. The total expenditure on jobactive includes expenditure such as administration fees, outcome payments and support provided from the Employment Fund.^{xiii}</p> <p>Employment outcomes are estimated as the number of participants employed 3 months after participating in jobactive, as measured by the post-program monitoring survey.^{xiii} Note that this is not the same as the number of employment outcomes paid to providers.</p> <p>The reference period for this measure is participants in jobactive from 1 January 2021 to 31 December 2021.</p> <p>The result is calculated using the total expenditure on jobactive job seekers within the relevant reference period, over the estimated number of job seekers who were employed 3 months after participating in jobactive.</p> <p>Participants in and costs associated with Online Employment Services and the New Employment Services Trial are excluded from the measure, to maintain comparability with previous years.</p>
Source	DESE's financial data, program administrative data, and responses to the post-program monitoring survey.

Measure PM044	Cost per employment outcome
Contributing program	4.1 Employment Services
Key activity	Deliver high-quality and efficient services

Measure PM046	Proportion of ParentsNext participants who increase their work readiness
Target	75% or higher
Result rating	Achieved
Result value	75.27%
Analysis	<p>Analysis of previous data demonstrated incremental increases in this measure over time. Previous results are:</p> <ul style="list-style-type: none"> ■ 2019–20: 67.90% ■ 2020–21: 75.02%. <p>Typically the more time parents spend in the program, and consequently the more work readiness assessments they complete, the more likely it is that improvements in work readiness will be observed. Analysis as at 31 May 2022 shows that the average score for initial work readiness assessments is 7.2 out of 10. This average score generally increases with each assessment done, up to the sixth assessment (average score 8.2 out of 10).</p>
Methodology	<p>Using the Star Online Work Star assessment tool, trained providers undertake an initial assessment with participants^{xliv} and are encouraged to conduct subsequent assessments every 6 months.^{xlv} To be included in the population for analysis, a participant must have had at least 2 work readiness assessments, with at least one of these in the 2021–22 performance period.^{xlvi} In 2021–22, 11,978 ParentsNext participants had at least one subsequent assessment conducted.</p> <p>The result is calculated using the number of participants who increased their work readiness based on their results in the Work Star assessment tool (9,016), over the total number of participants who had more than one work readiness assessment using the tool (11,978).</p>
Source	Outcomes Star Online system: Work Star Online Service User Report.
Contributing program	4.1 Employment Services
Key activity	Support target groups to improve their work readiness and find employment

Measure PM047	Number of participants who improve their education (completion of an education course higher than the participant’s previous education level) or find employment
Target	5,000 or higher ^{xlvii}
Result rating	Achieved
Result value	16,478
Analysis	<p>With a result of 16,478 for the number of participants who improve their education or find employment, ParentsNext has significantly exceeded the target of 5,000 or higher for this measure.</p> <p>This is a continuation of the strong results against targets for this measure since the measure was introduced in 2019–20. Previous results are:</p> <ul style="list-style-type: none"> ■ 2019–20: 13,733 ■ 2020–21: 17,564. <p>New program eligibility rules introduced on 1 July 2021 resulted in significant caseload changes as participants who were no longer eligible were exited from the program and newly eligible participants were referred. More than 30,000 participants were exited in July 2021 and more than 70,000 new participants have been referred to the program across the performance period. Despite the fact that the target has been met, the change has impacted the 2021–22 result. The result is down on 2020–21 as it takes time for new participants to complete education or find employment – noting that the focus of the program is on pre-employment.</p> <p>The result demonstrates that ParentsNext is achieving the objective of increasing parents’ readiness to participate in education and employment. This result contributes to Outcome 4, to assist job seekers into work.</p>

Measure PM047	Number of participants who improve their education (completion of an education course higher than the participant’s previous education level) or find employment
Methodology	<p>Program administrative data is used to:</p> <ul style="list-style-type: none"> ■ establish participants who were commenced on the caseload from 1 July 2021 to 30 June 2022 (performance period) ■ establish highest education level as captured at the referral date ■ determine whether participants increased their education from completed activity commencements or approved/pending education outcome claims within the period ■ determine whether participants found employment within the performance period from declared earnings data, exits with stable employment, or approved or pending employment outcome claims. <p>The result is calculated using the number of participants who improved their education or found employment within the performance period.</p>
Source	DESE, program administrative data, including DSS declared earnings data.
Contributing program	4.1 Employment Services
Key activity	Support target groups to improve their work readiness and find employment

Measure PM052	Transition to Work – Proportion of placements that are converted to sustainability outcomes
Target	40% or higher
Result rating	Achieved
Result value	51.6%
Analysis	<p>The result for this measure is significantly above the target of 40% and has increased substantially from the result of 41.6% for the 2020–21 financial year.</p> <p>This is in line with expectations, as the result for the previous financial year was significantly affected by the impacts of COVID-19. Many Transition to Work participants were placed into jobs before March 2020 and not able to sustain those jobs for 26 weeks.</p> <p>The first job placements in scope for the current result were those in May 2020, with outcomes achieved 6 months later in November 2020. By this time, the labour market was recovering and there were more opportunities for young people to find sustainable employment.</p> <p>The conversion rate of job placements to sustainability outcomes peaked at 57.6% for those who had a placement in July 2020, before tapering to 45.7% for those with a placement in April 2021. This reflects restrictions in parts of Australia in late 2021, around the time those placements became eligible for a sustainability outcome.</p>
Methodology	<p>This measure reports the proportion of Transition to Work placements that converted to sustainability outcomes. Sustainability outcomes occur when a participant continues in their employment or education placement for an additional 14 consecutive weeks following the completion of their 12-week employment or hybrid outcome.^{xlviii}</p> <p>The reference period for job placements is a placement occurring in the 12 months between 8 May 2020 and 7 May 2021 with outcomes achieved up to 30 June 2022. The result is calculated using the number of job placements converted to a 26-week sustainability outcome, over all job placements that can achieve a 26-week sustainability outcome over a 12-month period.</p>
Source	DESE, program administrative data from the ESSWeb system, which is used to administer employment services.
Contributing program	4.1 Employment Services
Key activity	Support target groups to improve their work readiness and find employment

Endnotes

- i Disadvantage is measured by the ABS's SEIFA index, which looks at relative advantage and disadvantage according to geographic location, based on the most recent Census data. In this context, children are counted as disadvantaged if they reside in an area for which the SEIFA score is in the bottom quintile (i.e. bottom 20% of scores across Australia).
- ii The target for this measure for the forward estimates 2023–26 will be 'equal to or higher than 2022–23'.
- iii The ABS will release the updated SEIFA indices in 2023. These new geographical boundaries will be used for future measures.
- iv This measure reports on the department's administrative data, which is based on data sourced externally from the Department of Social Services Grant Processing System.
- v This measure is assessed on 11 months of data. Surveys and interviews for this measure are not conducted in January each year, and therefore data does not include this period.
- vi Interviews to collect data for this measure are conducted by third parties (Lighthouse Data Collection, CanvasU, Action Market Research) on behalf of the department.
- vii The measure uses a number of data sources which are compiled and undergo independent actuarial assessment as the final step.
- viii Annual targets for the years leading up to 2023 are not available, as this is a medium-term measure. This measure is one of the sub-outcomes of the NSRA, which was agreed to by the Commonwealth and state and territory governments. The analysis, results and statuses published against this target until the end of 2023 will examine progress and activities towards meeting the target.
- ix NAPLAN performance measures reflect the nationally agreed outcomes in the National School Reform Agreement (NSRA), signed by all jurisdictions in 2018–19.
These measures are to increase the proportion of students in the top 2 bands and decrease the proportion of students in the bottom 2 bands (the first sub-outcome of the first outcome in the NSRA). The data against these measures is drawn from the NAPLAN national report, which does not disaggregate by sector.
- x Full NAPLAN reports are available at www.nap.edu.au.
- xi This measure only reports attendance for students in years 1–10 as the Australian Education Regulations 2013 define attendance rate to include full-time students who are in years 1–10, which forms the basis for the National Standards for Student Attendance Data Reporting.
- xii Annual targets for the years leading up to 2031 are not available, as this is a long-term measure. This measure is a national target agreed to by the Commonwealth, and state and territory governments in the NSRA and is part of the National Agreement on Closing the Gap developed in partnership with the Coalition of Aboriginal and Torres Strait Islander Peak Organisations. The analysis, results and statuses published against this target until the end of 2031 will examine progress and activities towards meeting the target.
- xiii The target is based on one of the socio-economic outcomes of the National Agreement on Closing the Gap. All governments agreed to working together towards achieving the socio-economic outcomes articulated in the agreement.
- xiv The Census of Population and Housing is a survey of the Australian population conducted by the ABS every 5 years.
- xv The Commonwealth and state and territory governments have agreed to the new Preschool Reform Agreement, which will provide additional attendance targets and reporting by 2024.
- xvi The 'key activity' under the UANP was to maintain universal access to quality preschool programs for 15 hours a week. Universal access relates to access, rather than participation, in recognition of the fact that preschool is a non-compulsory sector. Access is best measured through enrolments. The UANP included a secondary focus on 'increasing participation', but this is not considered the 'key activity' under the agreement. Participation is best measured through attendance.
The data currently available on attendance is not suitable for reporting against performance targets. Work is underway to improve data and establish agreed attendance targets by 2024 under the new Preschool Reform Agreement.
The agreed outcomes of the UANP (at clause 15) are:
 - all children, including vulnerable children and children experiencing disadvantage, have access to, and participate in, an affordable, quality early childhood education program
 - all Indigenous children have access to, and participate in, an affordable, quality early childhood education program
 - all Indigenous 4-year-olds in remote communities have access to early childhood education.

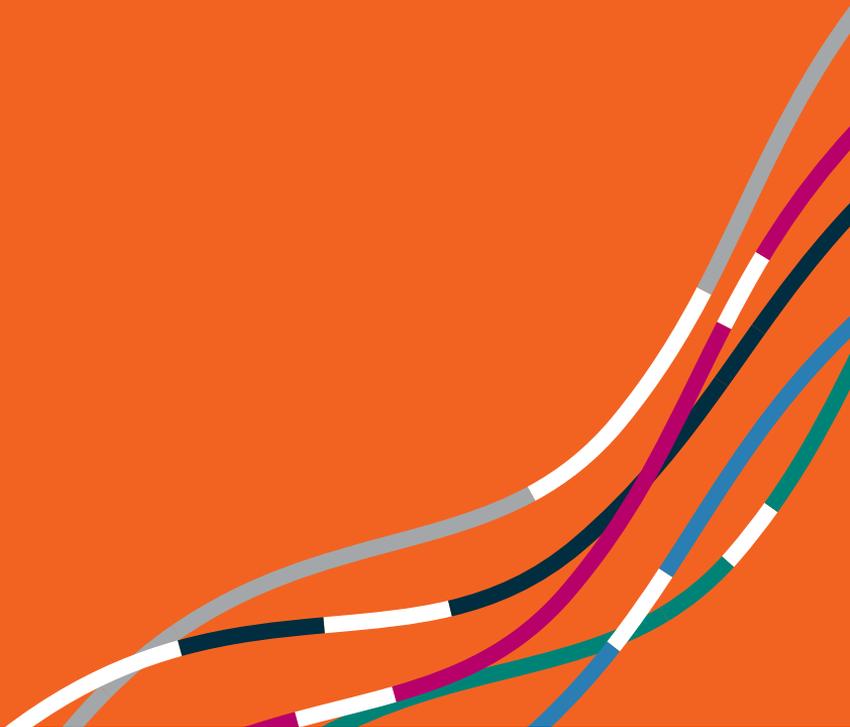
It is therefore appropriate to have performance measures relating specifically to enrolment for Indigenous and disadvantaged children, noting that a performance measure for all children will be added in 2022–23. In 2021, 96.3% of all children enrolled in early childhood education in the year before full-time school were enrolled for 600 hours per year.

- xvii Additional information can be provided by the states and territories to supplement the figures sourced from the ABS publication. This is in acknowledgement that the ABS Preschool Education data may not capture all children undertaking an early education program in their preschool year or may overstate the relevant population of children. The department assesses this data for its suitability. Additional numbers of children, including numbers for Indigenous or disadvantaged children, are then added into the numerator and/or denominator, and the result for Australia is recalculated. This process is documented in the PRA, which is where this performance measure originates.
- xviii The ABS provides the data for this measure from its Preschool Education, Australia publication. The ABS is engaged by the department specifically to collect this data to inform the assessment of the performance of the states and territories under the UANP. As part of the collection and processing of the data, the ABS employs robust and stringent quality control processes to ensure the reliability and validity of the data. The states and territories are able to provide supplementary data as part of their performance assessments, which are evaluated by the department. The department assesses this additional data, verifies it, and includes it if it is acceptable under the conditions of the UANP.
- xix The methodology published in the 2021–22 Corporate Plan referred to ‘Indigenous children’ when it should have referred to ‘vulnerable and disadvantaged children’.
- xx Programs such as Undergraduate Certificates will continue to be available under the Australian Qualifications Framework (AQF) for at least 3 and a half years in response to the COVID-19 pandemic, with the aim of providing opportunities for Australians to reskill and upskill.
- xxi The QILT survey is conducted by the Social Research Centre (SRC), which is owned by the Australian National University.
- xxii There are no employees in Queensland in eligible schemes; therefore none receive Higher Education Superannuation Program funding and they are not reported in this measure. The Northern Territory is also not reported in this measure, as its superannuation liabilities under the program have been paid out in full.
- xxiii Due to available populations and the large number of reporting strata, the SES is in practice conducted as a census of all available sample with the exception of a small number of universities.
- xxiv The target published in the 2021–22 Corporate Plan was ‘Equal to or lower than 2019–20 (14.69%)’. This has been corrected to ‘Equal to or lower than the previous year’, which is equivalent to 2020–21, when the final result was 15.07%.
- xxv The DNER figure is not determined by the department, and there are few factors influenced by the department that contribute to this performance measure in the short term.
- xxvi This measure reports on data available to 30 June 2021.
- xxvii The methodology published in the 2021–22 DESE Corporate Plan did not state that this measure was reporting on new debt. This was an omission from the Corporate Plan rather than a change to the measure, which has historically reported on new debt.
- xxviii The data is sourced from <https://scival.com>, which is an online tool that provides access to research performance worldwide using bibliometrics (statistical methods to analyse books, articles and other publications). The underlying data used by SciVal is Scopus, which is the largest abstract and citation database of peer-reviewed literature: scientific journals, books and conference proceedings.
- xxix The result reported in the 2020–21 Annual Report for 2020 Indigenous HDR completions was 67, which was based on preliminary higher education student data. Subsequently this value was finalised as 71 completions following tabling of the 2020–21 Annual Report.
- xxx User satisfaction surveys are conducted within each NCRIS facility and are aggregated to inform user satisfaction with the NCRIS network as a whole. NCRIS facilities and platforms also attract investment from various sources including partner universities, state or territory government funding, other non-corporate Commonwealth entities, and corporate Commonwealth entities.

- xxxi International students are identified by the citizenship indicator, which shows whether a student's citizenship or residence status is domestic or overseas.
- xxxii The methodology published in the 2021–22 Corporate Plan did not clarify the 4-month time period after completing a degree. The correct methodology has been used and is consistent with how this measure was reported in the 2020–21 Annual Report.
- xxxiii The SEUV, from which this performance measure is taken, is undertaken as a randomly selected sample, stratified by state/territory, employer size and industry. Survey responses are weighted to population benchmarks from the Australian Bureau of Statistics Business Register. The estimates in the SEUV publication are subject to sampling variability, as they are based on a sample rather than a population; that is, they may differ from the estimates that would have been produced if all employers had been included and had responded to the survey. In 2021 around 5,600 employers responded to the survey. The SEUV is run every 2 years. As such, this measure is only reported on in years when survey data is available.
- xxxiv The methodology published in the 2021–22 Corporate Plan did not clarify that the methodology compares commencements in the first 6 months of the current financial year (2021–22) with commencements in the first 6 months of the target financial year (2019–20). The correct methodology has been used and is consistent with how this measure was reported in the 2020–21 Annual Report.
- xxxv The measure includes only individuals who have completed and passed between 100 and 200 hours of training.
- xxxvi This measure considers the proportion of VSL students who are satisfied with the quality of their training provider, who are enrolled in the calendar year.
- xxxvii As this is a measure of sustainability of employment, any participant who did not have a job placement recorded during the period is excluded from this measure.
- xxxviii This measure combines results for participants on the jobactive provider-serviced caseload and those who exited jobactive provider servicing to produce a composite figure. This figure is intended as a reasonable approximation of overall performance. This measure assumes that participants accurately and honestly report their labour force status when surveyed. Due to restrictions as a result of COVID-19, the computer-assisted telephone interview component of the surveys did not operate for the full period. This may have had a small impact on the final result.
- xxxix This measure uses a participant's own assessment of changes in their motivation, which may be influenced by personal factors as well as program factors.
- xl This measure reports on provider assessments collected between 1 July 2020 and 30 June 2022.
- xli There are limitations on comparing this measure across years, as the nature of jobactive expenditure changes considerably as new employment programs are added. For example, having the most job-ready participants in the Online Employment Service affects the cost per employment outcome result.
- xliv Certain costs are excluded from the total expenditure used to calculate the measure. These include programs not limited to jobactive participants, such as structural adjustment packages; income support payments, including payments associated with jobactive programs such as the PaTH Internship Incentive payment; costs historically not associated with jobactive, such as those for the Work for the Dole program, to allow comparison with results from previous years and fixed costs, such as those for the National Harvest Labour Information System.
- xlvi Due to the use of survey data in the methodology, there is a slight mismatch in the date ranges used for the numerator and denominator. Participants in jobactive in 2021 were surveyed about their labour force status up to May 2022.
- xliv As Work Star assessments are conducted collaboratively between the trained provider and the participant, results may not align with an individual's own assessment. However, the department performed a sense check comparing individual data from the Work Star assessment tool in the 2021–22 reporting period with responses to a census conducted on ParentsNext participants in the first half of 2022. This showed that participants whose work readiness had improved according to the Work Star assessment tool were more likely to have responded positively to a related question from the census, compared to those whose work readiness had not improved.
- xlvi The measure only reports where assessments have been completed by both the practitioner and the participant.
- xlvi From 2021–22, participants who score the maximum possible score at their initial assessment (and therefore cannot improve) are excluded from the analysis.
- xlvii This target has been easily exceeded in the past 3 performance periods. The measure will be changed in 2022–23 to 'Proportion of participants who complete training or education, or participate in employment', with a target of 20%.
- xlviii This measure allows a significant length of time to determine whether a participant achieved a sustainable outcome. As a result, this measure may only be minimally affected by recent program or labour market changes.

03 MANAGEMENT AND ACCOUNTABILITY

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Corporate governance

Governance framework

Our governance arrangements supported the delivery of key priorities consistent with our legal, accountability and policy obligations.

The Executive Board was the department’s key decision-making body, chaired by the Secretary with membership consisting of Deputy Secretaries. The Executive Board was responsible for supporting the Secretary to set the department’s strategic direction, ensure delivery against the Australian Government’s objectives and ensure compliance with the department’s obligations under the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

The department had a range of committees that reported to the Executive Board and supported it in providing direction and organisational stewardship for key objectives and priorities. All committees – except the Investment and Implementation Committee, which made decisions related to capital budgets – were advisory bodies and reported to the Executive Board or the Secretary.

The Audit and Assurance Committee (AAC) reported directly to the Secretary, as it was integral to the Secretary meeting their obligations under the PGPA Act.

A range of other committees and working groups provided advice, oversight and direction about our work as required. These included senior management committees; senior officials network groups; advisory, steering and working groups; and consultative and interdepartmental committees.

Figure 3.1: The department’s governance structure as at 30 June 2022



Audit and Assurance Committee

The department's AAC provided independent advice and assurance to the Secretary on the appropriateness of the department's:

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

The AAC's roles and responsibilities are clearly set out in section 45 of the PGPA Act and section 17 of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). The AAC's charter is at www.education.gov.au/AAC. The AAC met 7 times during the year.

At 30 June 2022 the AAC had 5 external members. Table 3.1 provides details of the AAC members' roles on current audit committees, details of the AAC members' remuneration (inclusive of goods and services tax and their qualifications and experience.

Advisors and observers also attended the AAC:

- *Advisors:* Deputy Secretary, Skills and Training; First Assistant Secretary, Procurement, Quality and Deed Division; and Assistant Secretary, School Assurance Branch.
- *Observers:* Deputy Secretary, Corporate and Enabling Services (Chief Operating Officer); Chief Financial Officer; Chief Information Officer; Chief Risk Officer; Chief Internal Auditor and representatives from the ANAO.

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

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

Table 3.1: Audit and Assurance Committee member details

Member name and role	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)*
Mrs Jenny Morison AM Audit and Assurance Committee Chair, Performance Reporting Subcommittee Member	<ul style="list-style-type: none"> ■ Fellow, Chartered Accountant ■ Bachelor of Economics (Sydney University) ■ Held senior positions in major international accounting firms and as a national board member of the Chartered Accountants of Australia and New Zealand ■ Chair of Commonwealth audit and risk committees and financial statement subcommittees for large and small government entities, including chief financial officer (CFO) of a public listed company ■ Experience in accounting, commerce and government ■ Member of the Order of Australia, awarded for significant service to business in the field of accountancy, and to professional associations. 	7/7	\$71,847

Member name and role	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)*
<p>Mr Tim Youngberry FCPA, FCA, CPFA</p> <p>Audit and Assurance Committee Member, Financial Statements Subcommittee Chair</p>	<ul style="list-style-type: none"> ■ Fellow, CPA Australia; Fellow, Chartered Accountants Australia New Zealand; Member, Chartered Institute of Public Finance and Accountancy (UK) ■ Bachelor of Business (major in accounting) ■ Member of International Public Sector Accounting Standards Board (2010–2015) ■ Held senior positions including CFO in large Commonwealth entities. Has worked with the National Australia Bank, Ernst & Young, Australian National Audit Office and Department of Finance ■ Experience in designing and implementing public finance management and system reform in Australia and overseas, and with International Monetary Fund and Organisation for Economic Co-operation and Development (OECD). 	6/7**	\$21,120
<p>Mr Jeff Lamond PSM</p> <p>Audit and Assurance Committee Member, Performance Reporting Subcommittee Chair</p>	<ul style="list-style-type: none"> ■ Bachelor of Economics (ANU) with majors in economics and accounting, Graduate Diploma in Legal Studies ■ Held senior positions, including as APS Merit Protection Commissioner, and internal ombudsman in 2 agencies ■ Held roles as Chair of Commonwealth audit and risk committees, and financial statement subcommittees for large and small government entities ■ Experience in the government sector, including employment, values and ethics and personnel. 	7/7	\$37,310

Member name and role	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)*
Dr David Bryant Audit and Assurance Committee member, Investment and Implementation Committee observer	<ul style="list-style-type: none"> ■ Bachelor of Information Technology, MBA in Technology Management, Doctor of Philosophy in Management Information Systems, Australian Computer Society Certified Professional and Certified Practising Project Director (Australian Institute of Project Management) ■ ICT sector experience, including ICT governance, risk management, ICT projects and services in the public sector environment. 	7/7	\$23,750
Mr Richard Eccles Audit and Assurance Committee member, Risk, Security and Governance Committee observer	<ul style="list-style-type: none"> ■ Bachelor of Arts (ANU) Master of Arts (UNSW) ■ Former deputy secretary (2010–2020) of several portfolios, including Department of Health and Aged Care; Department of the Prime Minister and Cabinet; and Department of Communications and the Arts ■ Current company directorships include the Copyright Agency Ltd; Bangarra Dance Theatre Pty Ltd; Public Interest Journalism Initiative Ltd ■ Advisory services to National Gallery of Australia and Canberra Health Services. 	4/7***	\$25,245

Member name and role	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)*
Mr Darren Box Audit and Assurance Committee member, Financial Statements Subcommittee Chair	<ul style="list-style-type: none"> ■ Fellow, CPA Australia ■ Bachelor of Business (Acc); qualifications in Professional Coaching ■ A highly experienced senior executive with over 30 years' experience spanning national social service to national security across the Commonwealth and United Kingdom. Extensive financial management and organisational reform experience ■ Held the position of Acting Chief Operating Officer at the Australian Federal Police (AFP) from January 2020 to October 2020. Prior to that has held senior leadership roles within federal agencies such as AFP, Department of Defence and Department of Human Services. 	3/7***	\$30,000

* Includes annual remuneration for membership of the Audit and Assurance Committee and associated subcommittees.

** Remaining meeting held after contract concluded.

*** Remaining meetings held before contracts commenced.

Corporate and business planning

The Corporate Plan was the department’s primary planning document. It set the direction for how we worked, built our capability, and engaged with risk to deliver on our purpose. The Corporate Plan reflected the requirements of the Commonwealth Performance Framework.

Our 2021–22 Corporate Plan set out our purpose and outcomes. The plan was integral to our annual planning cycle. The performance measures published in the Corporate Plan and Portfolio Budget Statements formed the basis for the annual performance statements in Part 2 of this report.

The department’s divisions and branches undertook an integrated planning approach to business, risk and workforce planning that aimed to align with and address the activities, deliverables and outcomes in the Corporate Plan.

Our business planning helped the department:

- action strategic priorities
- define delivery strategies
- ensure accountability
- enhance approaches to create better outcomes.

Figure 3.2: Annual planning cycle



Risk management

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

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

Our Executive Board had overarching responsibility for the enterprise risk management arrangements. Supporting the Executive Board, the Risk, Security and Governance Committee (RSGC) and the AAC provided oversight of the effectiveness and appropriateness of risk management arrangements, including systems of internal controls. The RSGC had an independent external chair and focused on key enterprise risks, such as fraud, physical, personnel and cyber security risks, business continuity and privacy.

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

During the year, the department continued to make improvements to the enterprise risk management system to ensure obligations under section 16 of the PGPA Act were met.

Fraud control

As a Commonwealth entity, the department had to ensure public resources were used appropriately to achieve its purpose and promote financial sustainability.

The department's robust Fraud Control Framework complemented a suite of arrangements to prevent, detect, investigate and report suspected fraud against the department's programs and other interests.

The department continued exploring solutions to effectively manage fraud risk and incidents of fraud. The department made continued improvements to our processes and policies, refining data and analytical capability, strengthening existing controls, improving intelligence capabilities and implementing processes to reduce fraud risk.

The department used a range of reporting channels for fraud tip-offs, including a dedicated phone line, email address and Whispli, an anonymous fraud reporting tool.

During the year the Fraud Prevention and Investigations team continued activities measuring the effectiveness of fraud controls and ensuring they were maintained or updated.

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

- Child Care Fraud Investigations in the Tactical Operations, Early Childhood and Child Care Group, which investigated fraud in the child care sector. This team also helped detect and prevent fraud in child care through strategic collaboration with other government agencies
- Fraud Investigations in the Corporate and Enabling Services Group, which conducted fraud investigations across the department's remaining activities.

As well as fraud investigation activities, the Fraud Prevention and Investigations team:

- implemented and maintained the Fraud Control Framework and undertook the enterprise fraud risk assessment
- undertook operational and strategic intelligence activities to analyse potential instances of fraud and support fraud investigations
- promoted awareness of individuals' roles and responsibilities to prevent and detect fraud through targeted communication and training
- advised employees on reporting suspected fraud, the investigations process and other general fraud-related matters
- advised business areas on considering fraud risks when designing, implementing and managing new policies and programs
- provided annual reporting against the Commonwealth Fraud Control Framework 2017
- responded to the annual Australian Institute of Criminology fraud census.

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

Shared services arrangements

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

- The Department of Finance's Service Delivery Office provided transactional services such as payroll and payroll system administration, accounts payable and accounts receivable.
- The Department of Social Services (DSS) Community Grants Hub and the Department of Industry, Science, Energy and Resources Business Grants Hub provided grants administration services.
- Services Australia was responsible for the delivery of payments and services in child care and employment programs. The department also had a joint initiative arrangement with Services Australia to improve the collection of data and to manage data exchange.

The department provided technology and some corporate services to other government agencies under separate arrangements. This included application hosting, network access, end-user computing, service desk support, records management, Learnhub and financial viability assessments.

The department also provided application services to the National Indigenous Australians Agency for Indigenous employment services, DSS for Disability Employment Services, and the Department of Home Affairs for the SkillSelect IT application.

People management

Our people

During 2021–22 we had more than 4,000 staff in locations around Australia and in overseas posts in various locations around the world. Our purpose statement described why and how we delivered, so that our people could see how their work contributed to the work of the department.

Our 2021–2023 People Strategy guided our priorities in delivering outcomes and supporting our people. It ensured we had the skills and capabilities to provide advice to our ministers, effectively implement government policies and deliver programs. Under our Enterprise Workforce Plan, we implemented our learning and development strategy and undertook several recruitment campaigns, including specific affirmative measures campaigns.

Internal response to COVID-19

During 2021–22 our internal response to COVID-19 continued to be overseen by the department's corporate COVID-19 working group.

We had robust COVID-safe working arrangements, supported by an intranet page with resources including a COVID-safe transition framework and a COVID-safe plan to manage safe working arrangements. Senior management held regular webinars for Senior Executive Service (SES) and managers which were widely attended, provided additional support for staff and enabled real time discussion on matters of safety and wellbeing.

In line with the Australian Government's national COVID-19 vaccination rollout, the department continued to support attendance at vaccination appointments.

The department remained committed to maintaining COVID-safe workplaces and continued to adjust the approach to reflect the latest health advice and minimise our business continuity risks.

Managing the way we work

During 2021–22 we reviewed our flexible work approach and implemented a new Remote Working Policy. The policy used lessons learned during COVID-19 to support new hybrid arrangements that sought to maximise employee engagement and maintain productivity.

Entry-level programs

We provided a range of entry-level programs and pathway opportunities for people seeking a career in the Australian Public Service (APS). These programs aimed to attract early talent and build capability for priority job roles.

We worked collaboratively with other agencies to recruit talented individuals with specialised skill sets. We participated in specialty graduate programs that were implemented and coordinated under the Australian Government Graduate Program (AGGP). We recruited information and communications technology (ICT) graduates through the AGGP Digital stream and other specialised graduates through the APS Human Resources Graduate Development Program, the AGGP Data stream, the Indigenous Graduate Pathway, the AGGP STEM Stream and the AGGP Economics Stream.

Our graduate program was open to those with higher education (university) qualifications and consisted of 2 work placements: on-the-job training and a structured learning and development schedule. The program included career streams which were designed to give graduates the opportunity to be placed in areas relevant to their qualifications and career of choice.

We administered the whole-of-government Indigenous Australian Government Development Program (IAGDP). The IAGDP is an entry-level employment program open to First Nations people with an interest in working for the APS. As part of the 2021–22 program, IAGDP participants studied a Diploma of Government while working full-time over a 12-month period.

In 2021 we expanded our entry-level program to pilot a vocational education and training (VET) program. The program provided an opportunity for individuals to enter the APS and study a Diploma of Government. Pilot program participants are due to complete their program in October 2022.

We participated in the whole-of-government Career Starter Program, which is aimed at school leavers who join a department and undertake a Certificate IV in Government. We also participated in the Australian Government Human Resource (HR) School Leaver Program, which is aimed at recent high school graduates. The program gives participants the opportunity to commence an HR career in the APS. We also engaged in the Science Fellowships Program, which is a pathway for early career to mid-career scientists to become skilled policy practitioners to bring scientific expertise to the policy process.

In 2021, 62 participants completed the DESE graduate program and 9 participants completed the AGGP Digital graduate program. Across the department's other entry-level programs, 15 Australian Government Apprenticeship Program participants commenced and will complete their program in October 2022 and 3 Career Starter participants, one Science Fellowship participant and one IAGDP participant completed their respective programs.

In 2022, 81 participants joined the department as part of the DESE graduate program, 7 participants joined the AGGP Digital graduate program, 11 participants joined the Career Starter Program, and 2 participants joined the HR School Leaver Program.

Remuneration

The Secretary's remuneration was set by the Remuneration Tribunal under section 13 of the *Remuneration Tribunal Act 1973*.

Remuneration and conditions for SES officers were covered by section 24(1) determinations made by the Secretary under the *Public Service Act 1999*. These determinations provided for a total remuneration approach to SES remuneration and conditions. Salary levels for SES employees were generally set at rates within a salary band applicable to each SES classification. SES arrangements did not provide for performance pay. Governance arrangements for SES remuneration included an annual review of performance overseen by the Executive Board, with movements in salary determined by the Secretary based on a range of criteria, including employee performance. Table 3.2 shows the number of SES employees covered by section 24(1) determinations, and Table G.16 in Appendix G shows the salary ranges for SES employees. Additional statistics on remuneration for key management personnel, senior executives and other highly paid employees are provided in tables G.17 to G.19 in Appendix G.

On 29 October 2021, a section 24(1) determination was issued for non-SES employees. The determination provided for pay rises of 1.9% in 2022, with further pay rises scheduled for 2023 and 2024 in line with the Wage Price Index. All terms and conditions for employees of the department were provided under the *Department of Education and Training Enterprise Agreement 2016–2019*.

Table 3.2 shows the number of non-SES employees covered under the Enterprise Agreement as their primary employment instrument, and Table G.16 in Appendix G details their salary ranges under the section 24(1) determination. Non-SES arrangements did not provide for performance pay. The department also used individual flexibility arrangements to secure expertise or specialist skills that were critical to business needs. As at 30 June 2022, 62 employees had individual flexibility arrangements in place.

Appendix G provides statistics on employees by First Nations status, classification, employment status and location, including breakdowns by gender.

Table 3.2: Primary employment arrangements of SES and non-SES, 2021–22

	SES	Non-SES	Total
Enterprise Agreement	–	3,977	3,977
Section 24(1) determinations	130	–	130
Total	130	3,977	4,107

Note: Excludes the Secretary, as remuneration arrangements for departmental secretaries are determined by the Remuneration Tribunal.

Diversity and inclusion

In 2022 the department reaffirmed its commitment to creating an inclusive and diverse workplace by launching the new Inclusion and Diversity Strategy 2022–2024 and companion Action Plan. The strategy outlined the core focus areas of engagement and representation, capability and connection, and alignment and reporting; and aligned to deliverable outcomes under APS-wide Commonwealth Diversity Strategies.

The department's progress against APS-wide diversity and inclusion targets were monitored through the:

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

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

There were 5 active employee networks in the department, with SES-level champions appointed to each:

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

We maintained memberships with peak diversity organisations – the Australian Network on Disability, Diversity Council Australia and Pride in Diversity.

The department was a Breastfeeding Friendly Workplace (BFW), accredited by the Australian Breastfeeding Association (ABA). Following re-accreditation in 2022, DESE was awarded BFW Best Practice standard by the ABA. We continued to participate in the Australian Network on Disability's Stepping Into program, which provides paid work experience for university students with disability. We applied a diversity and inclusion lens in our recruitment practices by implementing First Nations people and disability streams in our entry-level programs and bulk recruitment exercises.

Indigenous business is everyone's business

The department supported the Australian Government's priority to work with First Nations people, communities and businesses to improve opportunities and build a better future. Policies and programs were developed and delivered by working with First Nations people, respecting their cultures and building our own cultural capability. Our employees were encouraged to embrace and value the important contribution First Nations people made to the department and wider Australian society.

We proudly supported the Australian Government's Indigenous Procurement Policy, creating opportunities and employment for First Nations People.

Our Indigenous Business is Everyone's Business Committee comprised senior leaders and representatives from across the department. The committee was primarily responsible for driving reconciliation activities including the delivery of online and face-to-face cultural awareness training for over 4,000 employees and supporting 5 participants in the Jawun secondment program, to strengthen our overall cultural responsiveness. The committee also steered the initial development of a new Reconciliation Action Plan (RAP) and oversaw the broader First Nations people policy agenda.

Reconciliation Action Plan

We continued to deliver on our commitments under the 2018–2020 RAP while working with Reconciliation Australia to develop a new RAP. Priority areas of the new RAP will include:

- incorporating reconciliation activities into our everyday practices
- continuing to deliver cultural awareness training for all staff
- increasing representation of First Nations staff at higher classifications, Executive Level (EL) and SES
- providing career development opportunities for First Nations staff.

Our people participated in National Reconciliation Week and NAIDOC Week activities demonstrating our commitment to reconciliation. Activities included learning how to deliver an Acknowledgment of Country and On Country Cultural Immersion Tours delivered in the Canberra surrounds.

Learning and development

We supported capability development activities aligned to our purpose, strategic plan and leadership development priorities. Throughout the year we offered a range of professional and personal development activities to staff, with a continued focus on online and virtual activities due to the impacts of COVID-19. Delivery outcomes included:

- a cohesive approach to policy capability development with programs targeted across levels
- an EL2 Talent Assessment program to identify readiness for SES Band 1 roles
- introduction of an SES Masterclass series, with an emphasis on key leadership behaviours
- structured mentoring programs including a program focused on mentoring First Nations staff
- an updated approach to essential training (induction, mandatory and role-specific modules).

The department continued to support general leadership development at the APS6, EL1, EL2 and SES levels. The focus on leadership and talent resulted in the implementation of a bespoke suite of tailored leadership programs delivered to 340 employees, as well as participation in the APS Policy Academy.

The department provided further targeted leadership development for EL1, EL2 and SES employees through a range of externally delivered coaching and executive education programs. These high-calibre programs were aligned to individual development requirements and the department's vision to create a future-ready workforce. In 2021–22, 60 staff participated in these courses.

Across a range of professional and business topics, DESE virtual classrooms and webinars were delivered to 1,973 employees.

Table 3.3: Number of participants in DESE workshops (including remote participation), 2021–22

	2021–22
Number of participants	340
Number of programs	22

Table 3.4: Number of participants in DESE virtual classroom training sessions, 2021–22

	2021–22
Number of participants	1,973
Number of programs	63

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

Table 3.5: Completion of self-paced learning activities, 2021–22

	2021–22
Number of self-paced activities completed*	48,892

* Self-paced learning was available to employees through Learnhub. This included APS and department-specific e-learning modules and a large collection of resources available through a third-party provider, LinkedIn Learning.

Work health and safety

The department committed to providing a safe and healthy workplace for all workers and visitors and prioritising work health and safety matters. We strived to minimise and mitigate risks to health and safety through consultation, communication, and systematic hazard identification, risk assessment, and control measures.

The Work Health and Safety Committee was the department's principal consultative mechanism, established in accordance with the *Work Health and Safety Act 2011* (Cth) (WHS Act). Its role was to ensure the department had effective measures in place to support workers' health and safety. It provided accountability and transparency on work health and safety matters. The committee met 4 times and provided a report to the Executive Board twice.

The department took a whole-person, whole-of-career approach to supporting the health and safety of staff through our Health and Wellbeing Strategy 2021–2023.

National networks of health and safety representatives and employee support officers guided the department's strong safety culture. We reinforced our philosophy that the responsibility for health, safety, and wellbeing rests with every one of us. This responsibility was supported by departmental initiatives we delivered, including:

- our annual national influenza vaccination program
- our ergonomic workstation assessment program
- our early intervention program
- flexible working arrangements, particularly in response to the COVID-19 pandemic
- our Employee Assistance Program, including confidential counselling services
- National Safe Work Month activities
- R U OK Day promotion
- the NewAccess Workplaces program
- support to obtain COVID-19 vaccinations.

In 2021–22 the department had one notifiable incident as defined in section 35 of the WHS Act. No investigations or actions were taken under Part 10 of the WHS Act.

Information and communications technology

The department's ICT Strategy 2020–2023 set out its ICT vision and 6 core ICT priorities. They were excellence in service delivery; delivering the workplace of the future; transforming applications to simplify program and service delivery; investing in a flexible and capable workforce; improving platform security, adaptability, and resilience; and enabling data-driven policy and operations through partnerships across government and industry.

The department's technology capability was delivered by 2 divisions that focused on infrastructure, platforms and services, and on application development. Technology investment was guided by the Information and Technology Committee and governed by the Investment and Implementation Committee.

The Technology and Services Division, managed by the Chief Information Officer, provided ICT infrastructure, end-user computing, cyber security, and support functions. The Digital Solutions Division, managed by the Chief Digital Officer, developed and supported a range of education, employment, skills, business and program applications.

The department's Digital Business Strategy, which was developed and adopted in 2022, outlined how the department sought to improve interactions and services for its clients. The department continued to invest in contemporary tools and platforms to provide the best possible support for its clients. This included applying the principles of human-centred design to ensure people were at the centre of the services the department delivered.

In 2021–22 the department continued to implement multiple major system changes to support the Australian Government's COVID-19 response and other measures to deliver support to job seekers, apprentices, students, providers and employers. This included preparation for the delivery of the new Workforce Australia Digital Platform for individuals, providers and businesses and the Apprenticeship Data Management System to support apprentices and businesses. The department continued to provide and support flexible work arrangements for its staff so they could deliver continuity of its programs and services through the pandemic.

We worked with our users to co-design and enhance online services, modernise technology and build our data and analytics capability in line with the department's [Data Strategy 2021–2022](https://www.education.gov.au/about-us/resources/data-strategy-2021-22) (www.education.gov.au/about-us/resources/data-strategy-2021-22).

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

In 2021–22 the department successfully completed a major project to uplift its core operating environment to manage information classified up to the PROTECTED level. This project delivered significant efficiency to our staff, enabling them to work from a single PROTECTED desktop. The upgrade also delivered improvements to the department's cyber posture.

The department utilised its ICT capability and resources to deliver and share ICT services with other Australian Government agencies under memorandum of understanding arrangements. This included desktop and mobile computing support, application and website hosting services, and a security classified segregated PROTECTED environment.

Financial performance

The department's financial statements are presented in Part 4 of this report, along with the Auditor-General's unmodified audit opinion. A summary of the financial performance for departmental and administered activities is provided below.

Departmental activities

Funding received by the department for 2021–22 included funding for supporting jobs in the economic recovery and the new employment service model. During 2021–22 the department prioritised delivery of previously delayed measures, resulting in an increase in contractors and consultants for project work across the department. The department continued to operate in an environment of strong financial discipline and has reported a small surplus of \$1.8 million after adjusting for unfunded expenses.

As at 30 June 2022, the department reported a net asset position of \$633.6 million, reflecting a sound financial position.

Administered activities

During 2021–22, the department administered 15 programs on behalf of government, with expenses including:

- \$35.9 billion in funding for schools national support and higher education institutions
- \$9.8 billion in child care personal benefits
- \$1.9 billion relating to employment services (including jobactive)
- \$4.6 billion on supporting apprenticeships and trainees in Australia.

Administered income comprises interest from the Higher Education Loan Program and Vocational Student Loans, and revenue from Trades Recognition Australia assessments.

As at 30 June 2022, administered assets were \$54.9 billion, which largely consists of concessional loans for higher education, trade support and vocational student support. Assets decreased from 2021–22, mainly due to the decrease in the fair value of the concessional loans resulting from changes in actuarial assumptions.

Administered liabilities have reduced to \$6.0 billion as at 30 June 2022, largely due to the decrease in the fair value of the higher education superannuation provision.

Purchasing

Purchasing and procurements

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

The department published its procurement activities over \$10,000 (GST inclusive) and business opportunities of \$80,000 and above (GST inclusive) on the [AusTender website](http://www.tenders.gov.au) (www.tenders.gov.au). No contracts were exempt from reporting on AusTender in 2021–22.

Procurement initiatives to support small business

The department supported small business participation in the Commonwealth procurement market. Small and medium enterprise (SME) and small enterprise participation statistics are available on the [Department of Finance's website](http://www.finance.gov.au) (www.finance.gov.au).

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

The department recognised the importance of ensuring small businesses are paid on time. Electronic invoicing arrangements continued to support small businesses to reduce their administration, create savings and improve the timeliness of payment.

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

Indigenous Procurement Policy

The department, through the Indigenous Procurement Policy, was committed to growing its engagement with First Nations businesses. For 2021–22 the department had 276 contracts in place with majority First Nations owned businesses, valued at \$58,880,622. This exceeded the Commonwealth First Nations procurement target of \$12,605,698 set for the department by the National Indigenous Australians Agency.

Contracts and consultancies

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

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

The decision to engage a consultant was made in accordance with the PGPA Act and related rules.

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

- investigate or diagnose a defined issue or problem
- carry out defined research, reviews or evaluations
- provide independent advice, information or creative solutions to assist the department in decision-making.

In the 2021–22 financial year, 105 new consultancy contracts (as reported on AusTender) were entered into, involving total actual expenditure of \$17,557,049. In addition, 62 ongoing consultancy contracts (previously reported on AusTender) were active during the period, involving total actual expenditure of \$9,575,969.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the [AusTender website](http://www.tenders.gov.au) (www.tenders.gov.au).

Table 3.6: Expenditure on reportable consultancy contracts, 2021–22

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	105	17,557,049
Ongoing contracts entered into during a previous reporting period	62	9,575,969
Total	167	27,133,018

In the 2021–22 financial year, 2,214 new non-consultancy contracts (as reported on AusTender) were entered into, involving total actual expenditure of \$272,425,581. In addition, 1,995 ongoing non-consultancy contracts (previously reported on AusTender) were active during the period, involving total actual expenditure of \$344,473,158.

Table 3.7: Expenditure on reportable non-consultancy contracts, 2021–22

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	2,214	272,425,581
Ongoing contracts entered into during a previous reporting period	1,995	344,473,158
Total	4,209	616,898,739

Table 3.8: Top 5 organisations receiving a share of reportable consultancy contract expenditure, 2021–22

Name of organisation	Expenditure \$ (GST inc.)
Deloitte Touche Tohmatsu	2,450,808
Ernst & Young	1,447,196
Parkville Institute Ltd	2,073,500
PriceWaterhouseCoopers	1,478,351
The Boston Consulting Group Pty Ltd	4,198,093

Table 3.9: Top 5 organisations receiving a share of reportable non-consultancy contract expenditure, 2021–22

Name of organisation	Expenditure \$ (GST inc.)
Bendigo Kangan Institute	13,184,553
DXC Australia Pty Limited	14,273,234
Hays Personnel Services	13,460,732
MTC Work Solutions	31,976,391
Queensland Tertiary Admissions	14,708,089

Grant programs

Information on grants awarded by the department in 2021–22 is available on the [GrantConnect website](http://www.grants.gov.au) (www.grants.gov.au).

Advertising and marketing

In 2021–22 the department conducted the JobTrainer campaign and the VET Skills campaign. Information about the campaigns is available at www.education.gov.au/about-us/corporate-reporting/campaign-activities and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.

Tables 3.10 to 3.12 list payments of \$14,500 or more (GST inclusive) to advertising agencies and market research, polling and direct mail and media advertising organisations, as required under section 311A of the *Commonwealth Electoral Act 1918* (Cth).

Table 3.10: Payments to advertising agencies, 2021–22

Organisation	Service provided	Total paid in 2021–22 \$ (GST inc.)
Clemenger BBDO	Creative development and production for the VET Skills campaign	1,899,863
Clemenger BBDO	Creative development and production for the JobTrainer campaign phase 3	1,060,047

Table 3.11: Payments to market research and polling organisations, 2021–22

Organisation	Service provided	Total paid in 2021–22 \$ (GST inc.)
Hall & Partners Pty Ltd	Benchmark, tracking and evaluation research for the VET Skills campaign	80,739
Hall & Partners Pty Ltd	Benchmark, tracking and evaluation research for the JobTrainer campaign phases 2 and 3	132,094
Monash University	Research into barriers and drivers related to school leaver information service	137,821
WhereTo Research Based Consulting	Concept testing and refinement research for the VET Skills campaign	366,557
WhereTo Research Based Consulting	Concept testing and refinement research for the JobTrainer campaign phase 3	138,762
WhereTo Research Based Consulting	Research to inform the workforce communication strategy	99,000

Table 3.12: Payments to media advertising organisations, 2021–22

Organisation	Service provided	Total paid in 2021–22 \$ (GST inc.)
Universal McCann	Advertising for the VET Skills campaign	2,143,232
Universal McCann	Advertising for the JobTrainer campaign phases 2 and 3	3,871,835
Universal McCann	Digital advertising for the School Leavers Information Kit	33,464
Universal McCann	Digital advertising for school leaver information	63,073
Universal McCann	Digital advertising for Australian Training Awards	18,174
Universal McCann	Digital advertising for AgMove Initiative	22,825
Universal McCann	Digital advertising for Career Transition Assistance program	35,366
Universal McCann	Digital advertising for Harvest Trail program	22,476

Environmental sustainability and performance

The department reported on the environmental impacts of its activities under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). This includes:

- how the department accorded with and contributed to the principles of ecologically sustainable development
- the environmental performance of the department, including the impact of its activities on the natural environment, how these were mitigated and how they were intended to be further mitigated.

Ecologically sustainable development

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

The department continued to focus on optimising the occupancy rates of its property portfolio and improving energy efficiency, including through the use of standard Commonwealth lease clauses requiring compliance with energy efficiency requirements.

National Office buildings at 10, 12 and 14 Mort Street, 140–180 City Walk, 11 and 12 Moore Street, and 50 Marcus Clarke Street in Canberra continued to maintain a high overall occupancy rate. Tenancies in the states and territories continued to be reviewed and rationalised as leases expired, and vacant space was made available to other Commonwealth agencies wherever possible.

Environmental performance

The department's environmental performance is summarised in tables 3.13 to 3.16, with comparison to figures from 2020–21.

Office and building energy use

The department continued to work with building managers to identify and maximise building energy efficiency where possible, including using LED lighting and heating, ventilation and air-conditioning controls.

Multi-agency electricity procurement arrangements to which the department had previously subscribed to purchase 10% Green Power for ACT buildings ceased on 30 June 2021.

The cessation of the Green Power arrangements resulted in a marginal increase (2%) in greenhouse emissions despite an overall reduction in tenant light and power energy use. The new Green Power purchase arrangements will be adopted by DESE's successor departments when these become available, to offset emissions moving forward.

Table 3.13: Summary of office and building energy use, 2021–22

Indicator	2020–21	2021–22	Variance
Office tenant light and power energy use per full-time equivalent (MJ/FTE)	4,540.5	4,139.8	-9%
Office tenant light and power energy use per square metre (MJ/m ²)	166.2	152.6	-8%
Greenhouse emissions attributed to office tenant light and power energy use (tonnes CO _{2-e})	3,604	3,666	2%
Green power purchased, as a percentage of total electricity consumption	7.8%	N/A	N/A

CO_{2-e} = carbon dioxide equivalent; FTE = full time equivalent (the most appropriate indicator of staff numbers); kWh = kilowatt hour; MJ = megajoule.

Information and communications technology

The number of desktop computers per end user reduced to 1.4 following the disposal of decommissioned end-of-life devices that were replaced during the previous year. The number of computers per printer was 16.1, which also reflects the reduction in the number of computers.

Table 3.14: Summary of ICT sustainability, 2021–22

Indicator	2020–21	2021–22	Variance
Desktop computers per printer	22.2	16.1	-27%
Desktop devices per end user	2.2	1.4	-36%

Vehicle fleet and air travel

The total number of fleet vehicles held during the year was 39, which is a slight reduction from 2020–21. Over 20% of the fleet comprised hybrid or electric vehicles, and this was anticipated to increase to more than 30% during 2022–23. Vehicles continued to see lower than normal use, and total greenhouse emissions reduced accordingly. DESE's successor departments will continue to replace ageing vehicles with more efficient models, with precedence given to hybrid vehicles where possible to further minimise environmental impacts.

Total flight distance increased during 2021–22 by 30% as COVID-19 travel restrictions began to ease during the year, resulting in a subsequent increase in emissions.

Table 3.15: Summary of vehicle fleet and air travel, 2021–22

Indicator	2020–21	2021–22	Variance
Total number of fleet vehicles	43	39	-9%
Percentage of fleet comprising hybrid or electric vehicles	–	20.5%	N/A
Average fuel consumption of vehicle fleet (litres/100 km)	7.5	6.9	-8%
Total direct greenhouse emissions of fleet (tonnes CO ₂)	29.2	22.5	-23%
Total distance of flights (km)	2,621,370	3,417,077	30%
Greenhouse emissions attributed to flights (tonnes CO ₂)	321.2	390.3	22%

CO_{2-e} = carbon dioxide; km = kilometres.

Resource efficiency and waste

Total office paper purchased by the department reduced significantly during 2021–22, largely due to reduced staff presence in the office and an ongoing shift to digital platforms. As reported in 2020–21, nearly 99% of paper purchased was either 100% post-consumer recycled stock or carbon neutral.

Total landfill waste (comprising general landfill and bioreactor landfill) reduced significantly from 79.64 kg per FTE to 54.97 kg per FTE (-31%) despite a small increase in general landfill waste. Comingled and paper recycling also both decreased substantially. This is largely due to ongoing reduced staff numbers in the office, resulting in an overall reduction to most forms of waste produced by the department during 2021–22.

Table 3.16: Summary of resource efficiency and waste, 2021–22

Indicator	2020–21	2021–22	Variance
Office paper purchased (A4 reams/FTE)	4.4	2.5	-43%
Percentage of paper purchased with recycled content	98.9%	98.9%	0%
Office paper recycled (kilograms per FTE)*	82.1	41.8	-49%
Total landfill waste produced (kilograms per FTE)*	3.0	7.9	162%
Total bioreactor waste produced (kilograms per FTE)*	76.6	47.1	-39%
Total comingled recycling (kilograms per FTE)*	50.3	27.6	-45%
Total organic recycling (kilograms per FTE)*	7.5	3.4	-48%

* Waste and recycling data only available for Australian Capital Territory (ACT) sites where the department was the sole tenant.

FTE = full-time equivalent

External scrutiny

Reports by the Auditor-General

In 2021–22 the Auditor-General tabled one audit report on the operations of the Department of Education, Skills and Employment:

Auditor-General Report No. 31 for 2021–22 Jobactive – Integrity of Payments to Employment Service Providers.

This report can be found on the [ANAO's website](http://www.anao.gov.au) (www.anao.gov.au).

Reviews by the Joint Committee of Public Accounts and Audit

No inquiry into the above ANAO report was made by the Joint Committee of Public Accounts and Audit.

Reports by parliamentary committees

The department provided evidence and/or submissions to a number of parliamentary committee inquiries in 2021–22, as outlined in Table 3.17.

Table 3.17: Evidence and submissions to parliamentary committee inquiries, 2021–22

Committee	Inquiry
House of Representatives Standing Committee on Social Policy and Legal Affairs	<ul style="list-style-type: none"> ■ Constitutional reform and referendums
Joint Standing Committee on Treaties	<ul style="list-style-type: none"> ■ Global convention on the recognition of qualifications concerning higher education
Joint Standing Committee on Foreign Affairs, Defence and Trade	<ul style="list-style-type: none"> ■ Certain aspects of the Department of Foreign Affairs and Trade Annual Report 2019–20 ■ Strengthening Australia’s relationships with countries in the Pacific region
Senate Select Committee on COVID-19	<ul style="list-style-type: none"> ■ COVID-19
Senate Select Committee on Job Security	<ul style="list-style-type: none"> ■ Job security
Senate Standing Committees on Education and Employment	<ul style="list-style-type: none"> ■ Australian Research Council Amendment (Ensuring Research Independence) Bill 2018
Senate Standing Committees on Finance and Public Administration	<ul style="list-style-type: none"> ■ Social Security Legislation Amendment (Remote Engagement Program) Bill 2021
Senate Standing Committees on Community Affairs	<ul style="list-style-type: none"> ■ Provision of general practitioner and related primary health services to outer metropolitan, rural and regional Australians ■ Purpose, intent and adequacy of the Disability Support Pension
Senate Standing Committees on Economics	<ul style="list-style-type: none"> ■ The Australian manufacturing industry

Judicial decisions

In 2021–22 there were no decisions of any court that had, or may have had, a significant impact on the operations of the department.

Decisions of administrative tribunals

In 2021–22 there were no decisions of administrative tribunals that had, or may have had, a significant impact on the operations of the department.

Decisions by the Australian Information Commissioner

In 2021–22 there were no decisions by the Australian Information Commissioner that had, or may have had, a significant impact on the operations of the department.

Reports on the operations of the entity by the Commonwealth Ombudsman

In 2021–22 there were no reports by the Commonwealth Ombudsman on the operations of the department.

Information Publication Scheme

Agencies subject to the *Freedom of Information Act 1982* (Cth) are required to publish information as part of the Information Publication Scheme. This requirement is in Part II of the *Freedom of Information Act 1982* and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements. The department's plan is available at www.education.gov.au/about-us/corporate-reporting/information-publication-scheme-ips.

Disability reporting

Australia's Disability Strategy 2021–31 is Australia's overarching framework for disability reform. It acts to ensure that the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's mainstream policies and programs. It will drive change over the next decade for people with disability, their families and carers. One of the initial ways the department is contributing to the goals of the strategy is through the implementation of the recommendations of the 2020 Review of the Disability Standards for Education 2005.

The strategy is being jointly implemented by all Australian governments. Governments will be held accountable for the implementation of the strategy through progress reporting to the Australian, state, territory and local governments. Progress reports will be made available through Australia's Disability Strategy Hub: [Australia's Disability Strategy Hub | Disability Gateway](#).

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

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Auditor-General for Australia



INDEPENDENT AUDITOR'S REPORT

To the Minister for Education

To the Minister for Skills and Training

To the Minister for Employment and Workplace Relations

To the Minister for Early Childhood Education

To the Minister for Youth

Opinion

In my opinion, the financial statements of the Department of Education, Skills and Employment (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of

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the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How the audit addressed the matter
<p>Valuation of the Higher Education Loan Program (HELP) receivable</p> <p><i>Refer to Note D1.6 'Fair value losses', and Note F1.2 'Receivables – Advances and Loans'</i></p> <p>I focused on the Entity's HELP receivable as the valuation of the receivable involves significant and complex judgements about the timing and recoverability of HELP debts.</p> <p>These judgements include assumptions about discount factors, future employment and salary rates and future collectability of repayments that contain a significant degree of uncertainty and are influenced by the economic environment.</p> <p>The receivable is subject to an actuarial assessment and relies on the completeness and accuracy of taxation data and information provided by a number of universities.</p> <p>For the year ended 30 June 2022, the Entity recognised a HELP receivable of \$47.4 billion, and fair value losses of \$5.3 billion.</p>	<p>To address this key audit matter, I:</p> <ul style="list-style-type: none"> • evaluated the design, implementation and operating effectiveness of key actuarial controls, including data reconciliations and the Entity's review and approval of the estimate; • evaluated the reasonableness of the Entity's actuarial methodology. This included considering the work and findings of the external actuarial expert engaged by the Entity; and • assessed the reasonableness of key actuarial assumptions by comparing them with accepted industry benchmarks for discount rates and salary growth rates in a range of occupations.
<p>Valuation of Higher Education Superannuation Program (HESP) provision</p> <p><i>Refer to Note D2.4 'Fair value gains', and Note F4 'Provisions'</i></p> <p>I focused on the HESP liability as the valuation of the provision is complex and involves significant judgement about the value of the Commonwealth's superannuation liability in respect of current and former university employees. These judgements include the selection of discount rates and estimation of salary growth rates.</p> <p>The provision is subject to an actuarial assessment and relies on the completeness and accuracy of data provided by a number of universities and their individual actuaries.</p> <p>A cost sharing arrangement that includes recovery of a proportion of funds from participating States underpins the proportion of the provision that is reported by the Entity which adds to the complexity of the calculation.</p> <p>For the year ended 30 June 2022, the provision was reported as \$5.2 billion, and the fair value gains were \$899.7 million.</p>	<p>To address this key audit matter, I:</p> <ul style="list-style-type: none"> • evaluated the design, implementation and operating effectiveness of key actuarial controls, including data reconciliations and the Entity's review and approval of the estimate; • evaluated the appropriateness of the Entity's actuarial methodology. This included review of the model underpinning the valuation used by the Entity's actuaries; • assessed the reasonableness of key actuarial inputs including, demographic inputs and discount rates by comparing them against accepted industry benchmarks; and • assessed the reasonableness of the allocation of the total unfunded liability against the funding agreements between the Commonwealth and participating States. This included reviewing the underlying methodology and parameters used for allocation of the total unfunded liability.

Key audit matter	How the audit addressed the matter
<p>Accuracy of 'Assistance to families with children' personal benefit expenses.</p> <p><i>Refer to Note D1.2 'Personal benefits – Assistance to families with children',</i></p> <p>I focused on the personal benefit expenses because the expenses are based on information provided by the payment recipients and the accurate recording of expenses may be significantly impacted by the provision of inaccurate information.</p> <p>During 2021–22 the Entity recognised personal benefit expenses of \$9.8 billion.</p>	<p>To address this key audit matter, I:</p> <ul style="list-style-type: none"> assessed the design, implementation and operating effectiveness of key internal controls related to the accreditation and registration of child care providers that submit claims for personal benefit payments; assessed, on a sample basis, the registration and eligibility of parents for child care fee assistance; and assessed the compliance framework, including testing a sample of attendance checks to verify information provided to the Entity that is used as a basis for payment calculations.

Accountable Authority's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Australian National Audit Office



Grant Hehir
Auditor-General

Canberra
2 September 2022

Department of Education, Skills and Employment
STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Education, Skills and Employment¹ will be able to pay its debts as and when they fall due.

Signed.....

Michele Bruniges

Dr Michele Bruniges AM

Secretary

2 September 2022

Signed.....

Craig Boyd

Craig Boyd FCPA

Chief Financial Officer

02 September 2022

¹Under the Administrative Arrangements Orders of 1 June 2022 and 23 June 2022, the former Department of Education, Skills and Employment was renamed the Department of Education. These financial statements are signed by the enduring departments', Department of Education, Accountable Authority and Chief Financial Officer, respectively Dr Michele Bruniges AM and Craig Boyd FCPA.

Department of Education, Skills and Employment
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Department of Education, Skills and Employment
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

Departmental Primary Statements

	Notes	2022 \$'000	2021 \$'000	Original Budget ¹ 2022 \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	C1.1	479,058	442,353	429,898
Supplier	C1.2	385,428	272,311	443,103
Grants		302	236	-
Interest on lease liabilities		3,771	4,100	6,430
Depreciation and amortisation	E2.1	145,557	130,984	150,201
Impairment loss on financial assets	I2.2	242	5,026	-
Write-down and impairment of other assets	E2.1	5,012	3,281	-
Losses from asset sales		27	100	-
Total expenses		1,019,397	858,391	1,029,632
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers	C2.1	24,727	34,864	34,358
Rental income	C2.2	4,052	4,380	4,963
Resources received free of charge	C2.3	2,949	3,398	10,730
Total own-source revenue		31,728	42,642	50,051
Gains				
Other gains		6	207	-
Total gains		6	207	-
Total own-source income		31,734	42,849	50,051
Net cost of services		(987,663)	(815,542)	(979,581)
Revenue from Government	C2.4	905,325	858,178	881,528
Surplus/(Deficit) on continuing operations		(82,338)	42,636	(98,053)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		-	(532)	-
Total other comprehensive income		-	(532)	-
Total comprehensive income/(loss)		(82,338)	42,104	(98,053)

¹ Budget reported in the 2021-22 Portfolio Budget Statements published on 11 May 2021.

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

Department of Education, Skills and Employment
STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget ¹ 2022 \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	E1.1	8,205	5,741	9,276
Trade and Other receivables	E1.2	<u>428,892</u>	<u>440,108</u>	<u>234,923</u>
Total financial assets		<u>437,097</u>	<u>445,849</u>	<u>244,199</u>
Non-financial assets				
Buildings ²	E2.1	289,581	332,382	321,050
Leasehold improvements	E2.1	40,594	41,392	99,512
Infrastructure, plant and equipment	E2.1	65,644	60,154	36,748
Computer software	E2.1	322,528	240,695	394,990
Prepayments		<u>32,787</u>	<u>29,303</u>	<u>14,500</u>
Total non-financial assets		<u>751,134</u>	<u>703,926</u>	<u>866,800</u>
Total assets		<u>1,188,231</u>	<u>1,149,775</u>	<u>1,110,999</u>
LIABILITIES				
Payables				
Supplier payables		61,756	70,139	41,838
Other payables	E3.1	<u>16,766</u>	<u>12,629</u>	<u>10,390</u>
Total payables		<u>78,522</u>	<u>82,768</u>	<u>52,228</u>
Interest bearing liabilities				
Leases	E4.1	<u>313,324</u>	<u>356,119</u>	<u>376,983</u>
Total interest bearing liabilities		<u>313,324</u>	<u>356,119</u>	<u>376,983</u>
Provisions				
Employee provisions	H1.1	<u>162,792</u>	<u>161,234</u>	<u>160,843</u>
Total provisions		<u>162,792</u>	<u>161,234</u>	<u>160,843</u>
Total liabilities		<u>554,638</u>	<u>600,121</u>	<u>590,054</u>
Net assets		<u>633,593</u>	<u>549,654</u>	<u>520,945</u>
EQUITY				
Contributed equity		876,850	710,573	873,474
Reserves		1,379	1,379	1,911
Accumulated deficit		<u>(244,636)</u>	<u>(162,298)</u>	<u>(354,440)</u>
Total equity		<u>633,593</u>	<u>549,654</u>	<u>520,945</u>

¹ Budget reported in the 2021-22 Portfolio Budget Statements published on 11 May 2021.

² Right-of-use (ROU) assets are included in the 'Buildings' line item.

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

Department of Education, Skills and Employment
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget ¹ 2022 \$'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		710,573	510,439	708,807
Adjustment for rounding		-	(5)	-
Adjusted opening balance		710,573	510,434	708,807
Transactions with owners				
Distribution to owners				
Equity return ²		(1,771)	(3,546)	-
Contributions by owners				
Equity injection - appropriations		102,851	126,754	102,851
Departmental capital budget		65,044	76,931	61,816
Restructuring	J2.1	153	-	-
Total transactions with owners		166,277	200,139	164,667
Closing balance as at 30 June		876,850	710,573	873,474
ACCUMULATED DEFICIT				
Opening balance				
Balance carried forward from previous period		(162,298)	(205,269)	(256,387)
Other		-	335	-
Adjusted opening balance		(162,298)	(204,934)	(256,387)
Comprehensive income				
Surplus/ (Deficit) on continuing operations		(82,338)	42,636	(98,053)
Total comprehensive income		(82,338)	42,636	(98,053)
Closing balance as at 30 June		(244,636)	(162,298)	(354,440)
ASSET REVALUATION RESERVES				
Opening balance				
Balance carried forward from previous period		1,379	1,911	1,911
Adjusted opening balance		1,379	1,911	1,911
Comprehensive income				
Other comprehensive income		-	(532)	-
Total comprehensive income		-	(532)	-
Closing balance as at 30 June		1,379	1,379	1,911
Total equity as at 30 June		633,593	549,654	520,945

¹ Budget reported in the 2021-22 Portfolio Budget Statements published on 11 May 2021.

² Equity return includes \$1.8 million quarantined under section 51 in Appropriation Act (No. 1) Departmental Capital Budget 2020-21.

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

Department of Education, Skills and Employment
STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget ¹ 2022 \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		928,016	765,548	886,697
Sale of goods and rendering of services		27,913	42,993	39,321
Net GST received		53,623	37,105	-
Special Account		9,354	5,607	-
Other		3,805	6,999	5,523
Total cash received		1,022,711	858,252	931,541
Cash used				
Employee benefits		480,001	434,112	429,176
Suppliers		443,299	295,212	437,896
Grants		302	236	-
Section 74 receipts transferred to the OPA		31,735	67,650	-
Interest payments on lease liabilities		3,771	4,100	6,430
Total cash used		959,108	801,310	873,502
Net cash from operating activities		63,603	56,942	58,039
INVESTING ACTIVITIES				
Cash received				
Proceeds from sales of infrastructure, plant and equipment		78	70	-
Total cash received		78	70	-
Cash used				
Purchase of property, plant and equipment		14,985	40,893	61,659
Purchase of leasehold improvements		8,327	3,910	-
Purchase/development of intangibles		156,062	98,706	108,208
Total cash used		179,374	143,509	169,867
Net cash used by investing activities		(179,296)	(143,439)	(169,867)
FINANCING ACTIVITIES				
Cash received				
Contributed equity - equity injection		103,696	100,083	102,851
Contributed equity - departmental capital budget		75,870	36,037	61,816
Total cash received		179,566	136,120	164,667
Cash used				
Return of contributed equity		-	3,546	-
Principal payments of lease liabilities		61,409	49,297	51,793
Total cash used		61,409	52,843	51,793
Net cash from financing activities		118,157	83,277	112,874
Net increase in cash held		2,464	(3,220)	1,046
Cash and cash equivalents at the beginning of the reporting period		5,741	8,961	8,230
Cash and cash equivalents at the end of the reporting period	E1.1	8,205	5,741	9,276

¹ Budget reported in the 2021-22 Portfolio Budget Statements published on 11 May 2021.

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

Department of Education, Skills and Employment
BUDGET VARIANCES COMMENTARY
for the year ended 30 June 2022

<p>Departmental Budget Variance Commentary: The table below provides commentary for significant major variances between the department's original budget estimates, as published in the 2021-22 Portfolio Budget Statements, and the final financial outcome in the 2021-22 financial statements. Major variances are those relevant to an analysis of the department's performance, not merely on numerical differences between actual amounts and budget. Unless otherwise individually significant, no additional commentary has been included.</p>	
Explanation of major variances	Affected line items (and statement)
<p>Expenditure on employee benefits is higher than budget due to:</p> <p>Higher than anticipated expenditure on allowances such as higher duties and salary allowances, superannuation contributions, and employee leave taken being lower than budgeted.</p>	<p>Employee benefits (Statement of Comprehensive Income) Payments to employees (Statement of Cashflows)</p>
<p>Expenditure on supplier expenses is lower than budget due to:</p> <p>Lower than budgeted expenditure on contractors, consultancies and travel due to COVID-19 impacts.</p>	<p>Supplier expenses (Statement of Comprehensive Income)</p>
<p>Revenue is lower than budget due to:</p> <p>Less revenue received from Services Australia as the Tertiary Collection of Student Information (TCSI) project was completed in the previous year.</p>	<p>Revenue from contracts with customers (Statement of Comprehensive Income) Sale of Goods and Services (Statement of Cashflows)</p>

Department of Education, Skills and Employment
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

Administered Schedules				Original Budget ¹ 2022 \$'000
	Notes	2022 \$'000	2021 \$'000	
NET COST OF SERVICES				
Expenses				
Grants	D1.1	36,089,078	34,765,891	35,658,649
Personal benefits	D1.2	9,929,824	8,810,822	9,715,138
Supplier	D1.3	2,202,458	2,106,655	2,864,690
Subsidies	D1.4	4,135,599	2,018,980	2,929,747
Interest	D1.5	102,000	66,000	92,111
Impairment loss on financial assets		184,010	51,390	-
Finance costs		28,064	15	25
Depreciation	F2.1	97	97	92
Fair value losses	D1.6	6,685,532	866,825	1,975,812
Employee benefits		321	315	-
Total expenses		59,356,983	48,686,990	53,236,264
Income				
Revenue				
Taxation revenue				
Levies		17	10,491	11,543
Total taxation revenue		17	10,491	11,543
Non-taxation revenue				
Revenue from contracts with customers	D2.1	34,820	25,635	-
Interest	D2.2	953,593	675,605	1,129,337
Other	D2.3	139,900	170,302	182,749
Total non-taxation revenue		1,128,313	871,542	1,312,086
Total revenue		1,128,330	882,033	1,323,629
Gains				
Fair value gains	D2.4	899,745	589,616	462,635
Reversal of previous asset impairment		-	2,287	-
Total gains		899,745	591,903	462,635
Total income		2,028,075	1,473,936	1,786,264
Net cost of services		(57,328,908)	(47,213,054)	(51,450,000)
OTHER COMPREHENSIVE INCOME				
Change in asset revaluation reserve		19,896	104,790	-
Total other comprehensive income		19,896	104,790	-
Total comprehensive loss		(57,309,012)	(47,108,264)	(51,450,000)

¹ Budget reported in the 2021-22 Portfolio Budget Statements published on 11 May 2021.

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

Department of Education, Skills and Employment
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget ¹ 2022 \$'000
ASSETS				
Financial assets				
Cash	F1.1	103,466	104,319	90,628
Trade and Other Receivables	F1.2	51,832,847	55,261,520	56,424,357
Investments	F1.3	2,921,184	2,901,288	2,796,499
Total financial assets		54,857,497	58,267,127	59,311,484
Non-financial assets				
Buildings	F2.1	995	1,091	1,164
Prepayments		758	-	25,092
Total non-financial assets		1,753	1,091	26,256
Total assets administered on behalf of Government		54,859,250	58,268,218	59,337,740
LIABILITIES				
Payables				
Personal benefits		30,511	87,667	281,338
Supplier		167,456	204,338	138,827
Subsidies		49,013	62,794	24,443
Grants	F3.1	8,229	19,448	9,221
GST payable		3,864	4,167	39,918
Total payables		259,073	378,414	493,747
Interest bearing liabilities				
Leases - buildings		1,014	1,106	1,333
Total interest bearing liabilities		1,014	1,106	1,333
Provisions				
Personal benefits	F4	526,228	469,566	796,040
Higher education superannuation program	F4	5,176,000	6,407,000	6,487,420
Total provisions		5,702,228	6,876,566	7,283,460
Total liabilities administered on behalf of Government		5,962,315	7,256,086	7,778,540
Net assets		48,896,935	51,012,132	51,559,200

¹ Budget reported in the 2021-22 Portfolio Budget Statements published on 11 May 2021.

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

Department of Education, Skills and Employment
ADMINISTERED RECONCILIATION SCHEDULE
for the year ended 30 June 2022

	2022 \$'000	2021 \$'000
Opening assets less liabilities as at 1 July	51,012,132	47,533,573
Net cost of services		
Income	2,028,075	1,473,936
Expenses		
Other than corporate Commonwealth entities	(59,356,983)	(48,666,990)
Other comprehensive income		
Revaluations transferred to reserves	19,896	104,790
Transfers (to) from the Australian Government		
Appropriation transfers from the OPA		
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	7,229,960	5,037,149
Payments to entities other than corporate Commonwealth entities - GST	285,757	-
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	54,927,682	51,626,063
Appropriation transfers to the OPA		
Transfers to the OPA	(7,221,995)	(5,987,618)
Transfers to the OPA (withholdings)	(25,764)	(7,832)
Other movements	(1,825)	(80,939)
Closing assets less liabilities as at 30 June	<u>48,896,935</u>	<u>51,012,132</u>

Administered Cash Transfers to and from the Official Public Account

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

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

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Department of Education, Skills and Employment
ADMINISTERED CASH FLOW STATEMENT
for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
OPERATING ACTIVITIES			
Cash received			
Net GST refunds		1,841,092	1,602,812
Levies		17	10,491
Other revenue		53,107	55,252
Total cash received		1,894,216	1,668,555
Cash used			
Suppliers		2,341,907	2,021,368
Subsidies		4,149,396	1,980,629
Personal benefits		9,110,673	8,559,762
Grants		39,085,122	36,675,146
Total cash used		54,687,098	49,236,905
Net cash used by operating activities		(52,792,882)	(47,568,350)
INVESTING ACTIVITIES			
Cash received			
Repayments of loans		5,198,096	4,286,503
Total cash received		5,198,096	4,286,503
Cash used			
Loans provided		7,627,471	7,375,124
Total cash used		7,627,471	7,375,124
Net cash used by investing activities		(2,429,375)	(3,088,621)
Net decrease in cash held		(55,222,257)	(50,656,971)
Cash from the Official Public Account			
Appropriations		62,443,399	56,663,212
Total cash from the Official Public Account		62,443,399	56,663,212
Cash to the Official Public Account			
Administered Receipts		(7,221,995)	(5,987,618)
Total cash to the Official Public Account		(7,221,995)	(5,987,618)
Net increase/(decrease) in cash held		(853)	18,623
Cash and cash equivalents at the beginning of the reporting period		104,319	85,696
Cash at the end of the reporting period	F1.1	103,466	104,319

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

Department of Education, Skills and Employment
BUDGET VARIANCES COMMENTARY
for the year ended 30 June 2022

<p>Administered Budget Variance Commentary: The table below provides commentary for significant major variances between the original budget estimates, as published in the 2021-22 Portfolio Budget Statements, and the final financial outcome in the 2021-22 financial statements. Unless otherwise individually significant, no additional commentary has been included.</p>	
Explanation of major variances	Affected line items (and statement)
<p>Expenditure on supplier expenses is lower than budget due to:</p> <p>Lower than anticipated take up of several demand driven programs primarily related to the provision of Employment Services and Building Skills and Capability.</p>	<p>Supplier expenses (Statement of Comprehensive Income)</p>
<p>Expenditure on subsidies expense is higher than budget due to:</p> <p>Higher than anticipated expenditure on</p> <p>COVID-19 Support Government measures relating to Building Skills and Capability, Education and Employment Services.</p>	<p>Subsidy expenses (Administered Schedule of Comprehensive Income)</p>
<p>Variances due to:</p> <p>The fair values of the Higher Education Superannuation Program provision and Higher Education Loan Program, VET Student Loans and Trade Support Loans receivables are based on actuarial assumptions. Due to the timing of the original budget and data used to estimate the balance as at 30 June 2021; the fair value calculated at 30 June 2022 is based upon updated data. Any changes in the actuary's assessment, economic factors and the Government bond rates used to discount future cash flows will cause the balance to fluctuate when compared to the original budget.</p> <p>The decrease in the estimated fair value of the Higher Education Loan Program receivable, represented by a fair value loss in the current year, was largely driven by an increase to the discount factor due to higher Commonwealth bond rates compared to the previous year.</p>	<p>Fair value gains (Administered Schedule of Comprehensive Income)</p> <p>Fair value losses (Administered Schedule of Comprehensive Income)</p> <p>Interest Expense (Administered Schedule of Comprehensive Income)</p> <p>Interest Revenue (Administered Schedule of Comprehensive Income)</p> <p>Receivables (Administered Schedule of Assets and Liabilities)</p> <p>Provisions (Administered Schedule of Assets and Liabilities)</p>

Department of Education, Skills and Employment

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Notes to the Financial Statements

A. About This Report

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

The department's purpose is to contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways. The department provides advice to its Ministers and effectively implements Government policies and programs. In doing this, the department draws on the best available research, evidence and data and works collaboratively across Government and with industry, stakeholders, and state and territory governments.

The Department conducts the following administered activities on behalf of the Government.

- Support for the Child Care System: Provide targeted support to families, children and child care centres who need it.
- Child Care Subsidy: Support to families who rely on subsidised child care to work, train, study or volunteer.
- Government Schools National Support: Provides consistent, transparent and needs-based funding to government schools.
- Non-Government Schools National Support: Provides consistent, transparent and needs-based funding to non-government schools.
- Early Learning and Schools Support:
 - Support children to have access to quality early learning, particularly in the year before reaching school,
 - Provide support for a range of curriculum, assessment, teaching and wellbeing programs,
 - Provide national leadership and work with states on national policy reform.
- Commonwealth Grant Scheme:
 - Support students' access to higher education and transition to employment,
 - Enhance the quality of the higher education system.
- Higher Education Superannuation: Support eligible current and former university employees for certain superannuation expenses.
- Higher Education Support:
 - Support students' access to higher education and transition to employment,
 - Enhance the quality of the higher education system.
- Higher Education Loan Program: Support students' access to higher education and transition to employment.
- Investment in Higher Education Research: Support the research sector, research training and national research infrastructure.
- Research Capacity: Support the research sector, research training and national research infrastructure.
- International Education Support: Support a high-quality and sustainable international education sector.
- Building Skills and Capability:
 - Enhance the quality of vocational education and training,
 - Respond to national future skills needs through access to VET graduates with the required skills,
 - Reduce barriers to undertaking quality vocational education and training.
- VET Student Loans: Reduce barriers to undertaking quality vocational education and training.
- Employment Services:
 - Help job seekers find and keep a job,
 - Deliver high-quality and efficient services,
 - Support target groups to improve their work readiness and find employment.

Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The Basis of Preparation

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

The financial statements have been prepared in accordance with Division 4 of Part 2-3 of the *PGPA Act Rule 2014*, *PGPA (Financial Reporting) Rule 2015 (FRR)* and the *Australian Accounting Standards and Interpretations* – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

General disclosures to the financial statements are to one decimal place, except where appropriate to two decimal places to support disclosures.

Reporting of Administered activities

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

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

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

Significant Accounting Judgements and Estimates

During the 2021-22 financial year, the department made a number of judgements and applied estimates that had an impact on the amounts recorded in the financial statements. Judgements and estimates that are material to the financial statements are found in the following notes:

- Employee Provisions (H1)
- Non-financial Assets (E2)
- Jobactive and Transition to Work accruals (D1.3 and D1.4)
- Personal benefits – Child Care Subsidy program (F1.2)
- Higher Education Loan Program (HELP) (D1.6, D2.4 and F1.2)
- Higher Education Superannuation Program (HESP) (D2.4, F1.2 and F4)
- Vocational Student Loans (includes both VET Student Loans (VSL) and VET FEE-HELP (VFH) (D1.6 and F1.2)
- Trade Support Loans (D1.2, D1.6 and F1.2).

Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

All new, revised, amending standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period, unless otherwise stated, are not expected to have a material effect on the department's financial statements in 2021-22 or future years.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

With the introduction of AASB 1060 simplified disclosures relating to leases were made available to Tier 2 entities.

Taxation

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

Shared Service Arrangements

The department has established a memorandum of understanding with the Department of Finance, Service Delivery Office, for the provision of shared services arrangements. The department receives core transactional services from the Department of Finance. The department also receives grant hub support from the Department of Social Services (DSS), child care debt management and payment support from Services Australia, and grant hub support from Department of Industry, Science, Energy and Resources (DISER).

Changes in Accounting Policy

There has been a minor change in Note B1 where comparatives have been adjusted to conform with current financial reporting requirements. No other significant changes in accounting policy have occurred for 2021-22.

Section 83 of the Constitution

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

The department has primary responsibility for administering legislation related to Education, Skills and Employment. The department made payments totalling \$54.9 billion against Special Appropriations during 2021-22 (refer G1.4). Payments are administered by both the department through the Service Delivery Office for the *Australian Education Act 2013*, *Higher Education Support Act 2003*, *VET Students Loans Act 2016*, and *Trade Support Loans Act 2014*, and via Services Australia for payments under *A New Tax System (Family Assistance) Administration Act 1999*.

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

Certain legislation administered by the department contains specific or objective criteria that rely on information from recipients and provides for the recovery of overpayments which are actively managed.

Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The department administers six pieces of legislation, as disclosed in Note G1.4, with Special Appropriations involving statutory requirements for payments.

The department is committed to implementing measures to ensure that the possibility of unintentional breaches of section 83 has as low a financial risk and impact as possible.

The department will continue to review legislation and New Policy Proposals that create or modify payment eligibility and to ensure that business rules and processes are in place to minimise the risk of breaches of section 83 of the Constitution.

Events impacting the Australian Government in 2021-22

Australia has continued to face unexpected and significant events in 2021-22 resulting in impacts on the financial statements of the department including ongoing effects of the worldwide COVID-19 pandemic.

There have also been devastating floods and environmental issues impacting people in many communities. The Australian Government announced a number of measures in response to COVID-19 and these issues including revised payment terms and providing additional funding to programs such as Employment Services, Research Support to Universities, Non-government Schools National Support, Childcare Support, and Building Skills and Capability.

Further details of impacts on the financial statements are disclosed in the relevant notes including:

- change in costs for service delivery, and / or changes in demand and economic activity;
- change in fair value of assets, asset impairment and valuation of investments; and
- financial components which are subject to actuarial assessment or judgements.

Actuarial advice has considered the COVID-19 impacts on the actuarial assessments conducted for the department. The department acknowledges the advice confirms that making assumptions about the impact of COVID-19 on the economy and future income levels is highly uncertain and will evolve over time.

Events after the Reporting Period

Following the announcement of the Prime Ministers' Ministry and the release of the 1 June 2022 and 23 June 2022 **Administrative Arrangements Order**, the department was renamed the Department of Education and a new entity was created, the Department of Employment and Workplace Relations from 1 July 2022. Responsibility from 1 July 2022 for the functions of the departments are as follows:

The Department of Education:

- Early Childhood and Youth
- Schools
- Higher Education, Research and International.

The new Department of Employment and Workplace Relations:

- Employment and National Workforce (from the department)
- Skills and Training (from the department)
- National Skills Commission (from the department)
- Industrial Relations (from Attorney General's Department)
- Pacific Australia Labour Mobility (PALM) scheme (from Department of Foreign Affairs and Trade).
- Automatic Mutual Recognition (AMR) (from the Department of Prime Minister and Cabinet)

The details of this will be stated in the restructuring note to the 2022-23 financial statements.

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

B. Departmental Operating Result Reconciliation

B1: Net Cash Appropriation Arrangements

	2022	2021
	\$'000	\$'000
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income ¹	(82,338)	42,104
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) ²	87,913	78,082
Plus: depreciation of right-of-use assets ³	57,644	52,902
Less: lease principal repayments ⁴	<u>(61,409)</u>	<u>(49,297)</u>
Net Cash Operating Surplus	<u>1,810</u>	<u>123,791</u>

¹ The total comprehensive income includes appropriations for expenses the department has recognised in 'other' periods.

² From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

³ The inclusion of depreciation/amortisation expenses related to Right-of-Use (ROU) leased assets and the lease liability principal repayment amount reflects the impact of *AASB 16 Leases*, and does not directly reflect a change in appropriation arrangements.

⁴ Lease principal repayments for 2020-21 have been restated to conform with current financial reporting requirements.

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

C. Departmental Financial Performance

C1: Expenses

	2022	2021
C1.1: Employee benefits	\$'000	\$'000
Salaries and entitlements	375,935	343,135
Superannuation:		
Defined benefit plans	31,514	33,249
Defined contribution plans	40,850	34,931
Leave and other entitlements	22,582	22,509
Separations and redundancies	4,302	5,126
Other	3,875	3,403
Total employee benefits	479,058	442,353

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

C1.2: Supplier

Goods and services supplied or rendered

Consultants and contractors	237,610	143,305
IT services	72,684	61,577
Managed services	26,930	24,224
Resources received free of charge	2,949	3,398
Property	12,273	8,796
Travel	2,311	2,187
Other	28,438	26,723
Total goods and services supplied or rendered	383,195	270,210
Goods supplied	21,218	18,762
Services rendered	361,977	251,448
Total goods and services supplied or rendered	383,195	270,210
Other supplier expenses		
Workers compensation expenses	2,233	2,101
Total other supplier expenses	2,233	2,101
Total supplier expenses	385,428	272,311

The department does not recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

C2: Income		
	2022	2021
	\$'000	\$'000
<u>C2.1: Revenue from contracts with customers</u>		
Sale of goods	499	479
Rendering of services	24,228	34,385
Total revenue from contract with customers	24,727	34,864
Disaggregation of revenue from contracts with customers		
Revenue from services	2,436	2,716
Corporate services	18,091	17,506
IT services	3,192	13,063
Other	1,008	1,579
Total	24,727	34,864
Type of customer:		
Australian Government entities (related parties)	23,719	33,285
Non-government entities	1,008	1,579
	24,727	34,864
Timing of transfer of goods and services:		
Over time	3,444	4,295
Point in time	21,283	30,569
	24,727	34,864

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

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

Revenue from contracts with customers is recognised either:

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

The principal activities from which the department generates its revenue include:

- Revenue from services - such as Trades Recognition Australia, audio visual services and the National Customer Service line. Trades Recognition Australia revenue is received and recognised at the point in time when an application is lodged. Audio visual services revenue is recognised once the services specified in the individual agreements are satisfied. The remaining service revenue is received in advance and recognised over the period to which it relates.
- Services specifically to other Government departments, including corporate services, property and IT services. These agreements are mostly MoUs which include terms that are sufficiently specific as to the services to be provided and revenue is recognised at the point in time when those requirements have been satisfied. For agreements with fixed annual fees where the services are provided across the period, the revenue is recognised over the relevant period. It is unlikely that this revenue will be subject to refunds.

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2022	2021
	\$'000	\$'000
<u>C2.2: Rental income</u>		
Subleasing right-of-use assets	4,052	4,380
Total rental income	4,052	4,380

The department has sub-leases for commercial properties with other government agencies. Due to the nature of these arrangements the risk associated with any rights it retains in the underlying asset is low.

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

This note should be read in conjunction with notes E4.1 and E2.1.

Maturity analysis of operating lease income receivables

Within 1 year	4,525	2,982
One to two years	4,694	3,031
Two to three years	3,526	3,135
Three to four years	-	2,656
Total undiscounted operating lease payments receivable	12,745	11,804

C2.3: Resources received free of charge

Australian Taxation Office collection of revenues on behalf of the department	1,649	2,098
Australian National Audit Office financial statement audit fee	1,300	1,300
Total resources received free of charge	2,949	3,398

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

Other gains include incidental transactions and events outside of ordinary operations such as contributions of assets at no cost or for nominal consideration recognised at their fair value when the asset qualifies for recognition and reversals of provisions.

C2.4: Revenue from Government

Appropriations		
Departmental appropriations	900,336	852,037
Supplementation	(534)	534
Special Account	5,523	5,607
Total revenue from Government	905,325	858,178

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

Departmental appropriations include supplementation of \$0.5 million recognised in the previous year.

Appropriated amounts that are designated as equity injections (less any formal reductions) and the departmental capital budget are recognised directly in contributed equity in that year.

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

D. Administered Financial Performance		
D1: Expenses		
	2022	2021
<u>D1.1: Grants</u>	\$'000	\$'000
Public sector		
Australian Government entities	75,099	38,555
State and Territory Governments	25,042,128	22,160,547
Private sector		
Not-for-profit organisations	168,058	164,543
Multi-jurisdictional sector	10,603,371	11,286,405
Other	200,422	1,115,841
Total grants	36,089,078	34,765,891

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

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

D1.2: Personal benefits

Assistance to families with children	9,801,476	8,743,025
Trade support loans discount	20,911	24,733
Student assistance	8,283	177
Vocational and industry training	8,733	6,095
Labour market assistance to job seekers and industry	90,421	36,792
Total personal benefits	9,929,824	8,810,822

The department administers personal benefit programs on behalf of the Government that provide entitlements to individuals. Payments are determined in accordance with the funding agreements for the New Enterprise Incentive Scheme and Youth Jobs PaTH under jobactive. The Trade Support Loans discount represents the value of the discount that applies on successful completion of the apprenticeship as assessed by the Australian Government Actuary on new debt. Direct personal benefits is \$123.0 million (2020-21: \$63.9 million), whilst indirect personal benefits is \$9.8 billion (2020-21: \$8.7 billion).

D1.3: Supplier

Services rendered		
Provider services	1,513,218	1,545,692
Vocational and industry training	508,334	397,545
School education - specific funding	74,063	70,536
Assistance to families with children	78,635	67,603
Higher education	23,864	24,643
General research	1,256	615
Other	3,088	21
Total services rendered	2,202,458	2,106,655
Total supplier expenses	2,202,458	2,106,655

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<u>D1.4: Subsidies</u>	2022 \$'000	2021 \$'000
Vocational and industry training	3,782,841	1,732,935
Assistance to families with children	90,118	85,493
Labour market assistance to job seekers and industry	<u>262,640</u>	<u>200,552</u>
Total subsidies	<u>4,135,599</u>	<u>2,018,980</u>

The jobactive and Transition to Work accruals for Supplier and Subsidies expense, developed by the department have been reviewed by an independent actuary.

D1.5: Interest

Higher education superannuation program	<u>102,000</u>	<u>66,000</u>
Total interest	<u>102,000</u>	<u>66,000</u>

D1.6: Fair value losses

Higher education loans	5,336,193	-
Vocational student loans	1,156,248	827,095
Trade support loans	<u>193,091</u>	<u>39,730</u>
Total fair value losses	<u>6,685,532</u>	<u>866,825</u>

As at 30 June 2022, the Australian Government Actuary estimated the fair value of the HELP loans to be \$47.2 billion (Note F1.2 refers), applying an interest rate of 3.7% (2020-2021: 1.3%).

The decrease in the estimated fair value of the HELP was largely driven by movements in the yield curve but also takes into account a net movement of new loans and repayments made in 2021-22; unwinding of the concessional loan discount and actuarial impairment / fair value adjustments. The net actuarial assessment resulted in a fair value loss in 2021-22 of \$5.3 billion (2020-21: \$137.4 million fair value gain).

As at 30 June 2022, the Australian Government Actuary estimated the fair value of the vocational student loans to be \$2.9 billion (Note F1.2 refers), applying an interest rate of 3.8% (2020-21: 1.3%).

The decrease of the estimated fair value of the vocational student loans takes into account a transfer of the portion of loans previously reported under HELP; the net movement of new loans and repayments made during 2021-22; unwinding of the concessional loan discount and actuarial impairment / fair value adjustments.

As at 30 June 2022, the Australian Government Actuary estimated the fair value of the Trade Support Loans to be \$723.9 million (Note F1.2 refers), applying an interest rate of 3.7% (2020-21: 0.9%).

The decrease of the estimated fair value takes into account the net movement of new loans and repayments made during 2021-22, completion discount; unwinding of concessional loans and actuarial impairment / fair value adjustments.

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

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

D2: Income		
	2022	2021
<u>D2.1: Revenue from contracts with customers</u>	\$'000	\$'000
Rendering of services	34,820	25,635
Total revenue from contracts with customers	34,820	25,635
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Cost Recovery	34,820	25,635
Total	34,820	25,635

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

Administered revenue recognised is primarily from Trades Recognition Australia assessments and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) annual registrations. CRICOS fees were waived in 2021-22 (2020-21: waived).

Trades Recognition Australia revenue is recognised when applications are received, in 2021-22 this was \$33.2 million (2020-21: \$25.1 million).

D2.2: Interest

HELP and vocational student loans	941,598	669,392
Trade support loans	11,995	6,204
Other sources	-	9
Total interest	953,593	675,605

Interest revenue is recognised using the effective interest method.

D2.3: Other revenue

Loan fee revenue	1,062	-
Refunds of prior year payments	132,106	13,894
Special accounts	1,586	1,548
Vocational student loans	5,146	154,860
Total other revenue	139,900	170,302

Refunds of prior year payments and other revenue are recognised under AASB 1058. Refunds of prior year payments may include items such as repayments of grants that were not spent by the grantee. These amounts are recognised when received, however are then returned to the Consolidated Revenue Fund.

D2.4: Fair value gains

Higher education loans	-	137,393
Higher education superannuation program	899,745	452,223
Total fair value gains	899,745	589,616

Higher Education Superannuation Program (HESP) provides supplementary funding to eligible higher education providers to cover certain superannuation expenses incurred for staff who are members of identified State government emerging cost superannuation schemes. A portion of the funding is recovered from the relevant States under cost-sharing arrangements. The Australian Government Actuary estimates the provision and receivable balances relying upon data provided by the State superannuation schemes, adjusting for the differing valuation dates and economic basis underpinning the estimates of the liabilities. The actuarial assessment resulted in a fair value gain of \$899.7 million in 2021-22 (2020-21: \$452.2 million fair value gain).

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

Department of Education, Skills and Employment
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E. Departmental Financial Position

E1: Financial Assets

	2022	2021
	\$'000	\$'000
E1.1: Cash and cash equivalents		
Cash on hand or on deposit	1,313	1,024
Cash held in the OPA - special account	<u>6,892</u>	<u>4,717</u>
Total cash and cash equivalents	<u>8,205</u>	<u>5,741</u>

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

E1.2: Trade and Other Receivables

Goods and services receivable		
Goods and services	<u>23,392</u>	<u>25,144</u>
Total goods and services receivable	<u>23,392</u>	<u>25,144</u>
Appropriations receivable		
Operating annual appropriations	315,879	312,357
Operating - departmental capital budget	34,959	47,556
Equity injections	<u>47,252</u>	<u>48,097</u>
Total appropriations receivable	<u>398,090</u>	<u>408,010</u>
Other receivables		
GST receivable from the Australian Taxation Office	<u>7,652</u>	<u>7,065</u>
Total other receivables	<u>7,652</u>	<u>7,065</u>
Total trade and other receivables (gross)	<u>429,134</u>	<u>440,219</u>
Less impairment loss allowance	<u>(242)</u>	<u>(111)</u>
Total impairment loss allowance	<u>(242)</u>	<u>(111)</u>
Total trade and other receivables (net)	<u>428,892</u>	<u>440,108</u>

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

Department of Education, Skills and Employment
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E2: Non-Financial Assets

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

	Buildings improvements \$'000	Leasehold improvements \$'000	Infrastructure, plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2021					
Gross book value	431,575	41,392	60,166	485,545	1,018,678
Accumulated depreciation, impairment and amortisation	(99,193)	-	(12)	(244,850)	(344,055)
Net value as at 1 July 2021	332,382	41,392	60,154	240,695	674,623
Additions					
By purchase	-	8,327	15,104	-	23,431
By development	-	-	-	156,124	156,124
Right-of-use assets	14,843	-	-	-	14,843
Reclassification	-	(77)	5,725	(5,648)	-
Write-down and impairment recognised in net cost of services	-	(9)	(22)	(4,981)	(5,012)
Depreciation and amortisation	-	(9,039)	(15,212)	(63,662)	(87,913)
Depreciation on right-of-use assets	(57,644)	-	-	-	(57,644)
Disposals	-	-	(105)	-	(105)
Net value as at 30 June 2022	289,581	40,594	65,644	322,528	718,347
Net value as at 30 June 2022 represented by					
Gross book value	446,418	49,633	80,814	630,101	1,206,966
Accumulated depreciation, impairment and amortisation	(156,837)	(9,039)	(15,170)	(307,573)	(488,619)
Net value as at 30 June 2022	289,581	40,594	65,644	322,528	718,347
Carrying amount of right-of-use assets	289,581	-	-	-	289,581

Asset Recognition Threshold

Purchases of non-financial assets are recognised initially at cost in the statement of financial position, except for purchases costing less than the asset capitalisation thresholds. All assets in the desktop hardware class (desktops and laptops) are to be capitalised regardless of value. Purchases below the threshold are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to the restoration provisions in property leases taken up by the department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the department's leasehold improvements with a corresponding provision for the 'restoration' recognised.

The asset thresholds and useful lives for leasehold improvements, infrastructure, plant and equipment and computer software remain unchanged from 2021.

Asset class	2022 Useful life	2022 Threshold
Leasehold improvements	Lease term	\$50,000
Infrastructure, plant and equipment	3-25 years	\$5,000
Computer software	2-15 years	\$200,000

Impairment

All assets were assessed for impairment at 30 June 2022. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

the asset would be replaced if the department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Depreciation

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

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

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

Leasehold improvements

There are two (2021: nil) leased properties that the department manages which are due to expire within the next 12 months that have leasehold improvement assets. All leasehold improvements are assessed for impairment and \$0.01 million was written off for two properties in 2021-22 (2020-21: \$1.8 million).

Infrastructure, plant and equipment

No material amounts of infrastructure, plant and equipment are expected to be sold or disposed of within the next 12 months. All infrastructure, plant and equipment are assessed for impairment and \$0.02m was recognised in 2021-22 (2020-21: \$0.07 million).

Intangibles

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

All computer software assets are assessed for impairment and this resulted in impairment expenses of \$5.0 million in 2021-22 (2020-21: \$1.4 million).

Lease ROU Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Acquisition of Assets

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

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

Revaluations

Fair values for each class of asset are determined as shown below:

Asset Class	Fair value measurement
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. This volatility is assessed before the end of each reporting period.

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Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

In 2021-22, the Department engaged Jones Lang LaSalle Pty Ltd to undertake a market review of the tangible asset base. The department concurred with the materiality review of the report which concluded that given a full valuation was conducted May 2021 and no additional risk is identified in the review, the risk of potential for a material difference between carrying amounts and fair value measurements is considered low. On this basis, no revaluation was undertaken.

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

As at 30 June 2022, contractual commitments for the acquisition of property, plant and equipment, and intangible assets amounted to \$5.7 million (2020-21: \$2.1 million).

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E3: Payables		
	2022	2021
E3.1: Other payables	\$'000	\$'000
Separations and redundancies	1,086	1,443
Wages and salaries	11,162	8,722
Unearned revenue from contracts with customers	1,111	839
Superannuation	1,692	1,277
Other employee benefits	1,715	348
Total other payables	16,766	12,629

E4: Interest Bearing Liabilities		
	2022	2021
E4.1: Leases	\$'000	\$'000
Lease Liabilities	313,324	356,119
Total leases	313,324	356,119

Total cash outflow for leases for the year ended 30 June 2022 was \$65.2 million (2021: \$53.4 million).

E4.2: Leases - Maturity

Maturity analysis - contractual undiscounted cash flows

Within 1 year	62,753	57,060
Between 1 to 5 years	201,616	221,651
More than 5 years	61,069	92,955
Total leases	325,438	371,666

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

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

The department has a large and geographically dispersed building lease portfolio.

The majority of the lease liability balance relates to commercial properties which are typically long term and contain extension options. Where practicable, the department seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the department and not by the lessors. The department assesses whether it is reasonably certain to exercise the extension options. The department in its capacity as lessee has no lease arrangements with below market terms.

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F. Assets and Liabilities Administered on behalf of Government

F1: Administered - Financial Assets

	2022	2021
<u>F1.1: Cash and cash equivalents</u>	\$'000	\$'000
Cash on hand or on deposit	48	19
Cash held in the OPA - special accounts	103,418	104,300
Total cash	103,466	104,319

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

F1.2: Trade and Other Receivables

Goods and services receivable		
Goods and services receivable	276,308	294,152
Total goods and services receivable	276,308	294,152
Advances and loans		
Higher education loans	47,396,656	49,789,663
Vocational student loans	2,921,411	3,786,392
Trade Support Loans	723,938	808,088
Child care loans	8	2
Total advances and loans	51,042,013	54,384,145
Other receivables		
Higher education superannuation program receivable	262,000	342,000
Personal benefits receivable	620,046	471,598
GST receivable	34,334	45,856
Total other receivables	916,380	859,454
Total receivables (gross)	52,234,701	55,537,751
Less impairment allowance		
Goods and services receivable	(218,654)	(78,679)
Personal benefits receivable	(183,200)	(197,552)
Total impairment allowance	(401,854)	(276,231)
Total receivables (net)	51,832,847	55,261,520

Where receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit or loss.

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	2022	2021
<u>Concessional loan</u>	<u>\$'000</u>	<u>\$'000</u>
Higher education loans - student		
Nominal value	67,747,053	62,175,403
Unexpired discount	(2,659,710)	3,357,294
Impairment	<u>(17,906,945)</u>	<u>(15,743,034)</u>
Carrying amount	<u>47,180,398</u>	<u>49,789,663</u>
Higher education loans - provider		
Nominal value	244,308	-
Unexpired discount	(28,050)	-
Impairment	<u>-</u>	<u>-</u>
Carrying amount	<u>216,258</u>	<u>-</u>
Vocational student loans		
Nominal value	7,435,555	7,058,588
Unexpired discount	(990,315)	217,932
Impairment	<u>(3,523,829)</u>	<u>(3,490,128)</u>
Carrying amount	<u>2,921,411</u>	<u>3,786,392</u>
Trade support loans		
Nominal value	1,069,024	985,242
Unexpired discount	(73,881)	50,874
Impairment	<u>(271,205)</u>	<u>(228,028)</u>
Carrying amount	<u>723,938</u>	<u>808,088</u>
Child care loans		
Nominal value	<u>8</u>	<u>2</u>
Carrying amount	<u>8</u>	<u>2</u>
Total concessional loans	<u>51,042,013</u>	<u>54,384,145</u>

In the determination of the fair value of these loans, consideration is given to: projections of future income of debtors; pattern and timing of repayments; changes in legislation; the recoverability of concessional debt; yield curve for discounting future cash flows and the impact of COVID-19 on the economy and future income levels which has been concluded as highly uncertain and will evolve over time. Only measures that have been legislated are incorporated into the estimates for financial statement reporting purposes.

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

VET Student Loans is an income contingent loans to eligible students undertaking vocational education and training in eligible courses. It is administered under the VET Student Loans Act 2016.

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

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

VET FEE-HELP (VFH) was introduced in 2009 following an expansion of HELP. VFH was closed to new students on 31 December 2016 with a grandfathering provision for continuing students.

The VET Student Loans, program commenced on 1 January 2017 and provides income contingent loans to eligible students undertaking vocational education and training in eligible courses. The Australian Government Actuary has developed a model to provide a number of financial measures related to the receivable, including an estimate of debt not expected to be repaid.

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The Trade Support Loans program is an income contingent loan scheme that came into effect during 2014-15 to assist apprentices with costs of living while training towards their qualification. The Australian Government Actuary has taken into consideration the debt not expected to be repaid due to compulsory thresholds not being met, the deferral adjustment and the discount arising upon the successful completion of the apprenticeship.

F1.3: Investments	2022	2021
	\$'000	\$'000
Australian National University	2,908,727	2,891,704
Australian Institute for Teaching and School Leadership	8,392	5,234
Australian Curriculum, Assessment and Reporting Authority	4,065	4,350
Total investments	2,921,184	2,901,288

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

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

Administered investments are measured at their fair value as at 30 June 2022. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities.

Movements between years are recognised at fair value through other comprehensive income. In 2021-22 the increase was \$19.9 million (2020-21: \$104.8 million increase).

F2: Administered - Non-Financial Assets**F2.1: Reconciliation of the opening and closing balances of buildings**

	Buildings	Total
	\$'000	\$'000
As at 1 July 2021		
Gross book value	1,285	1,285
Accumulated depreciation and impairment	(194)	(194)
Net value 1 July 2021	1,091	1,091
Depreciation and amortisation	-	-
Depreciation on right-of-use assets	(97)	(97)
Other movements of right-of-use assets	1	1
Net book value 30 June 2022	995	995
Net book value as of 30 June 2022 represented by		
Gross book value	1,285	1,285
Accumulated depreciation and impairment	(290)	(290)
Net book value 30 June 2022	995	995
Carrying amount of right-of-use assets	995	995

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F3: Payables		
	2022	2021
F3.1: Grants payable	\$000	\$000
Private sector		
Non-profit organisations	-	4,374
Other	8,229	15,074
Total grant payables	8,229	19,448

Settlement is usually within 20 days of performance or eligibility according to the conditions of each grant.

F4: Provisions		
	HESP	Personal
	2022	benefits
	\$'000	2022
		\$'000
Opening balance as at 1 July	6,407,000	469,566
Amounts used	(386,746)	(3,927)
Increase (decrease) recognised in net cost of services	(844,254)	60,589
Total as at 30 June	5,176,000	526,228

As at 30 June 2022, the Australian Government Actuary estimated the Higher Education Superannuation Program present value of the Commonwealth's total superannuation liability in respect of current and former university employees who are members of State superannuation schemes. The current cost share arrangements are based on allocating the emerging cost of benefits between the States and the Commonwealth based on the split of responsibility at the time the benefits accrued.

Prior to any Child Care Subsidy payment being made, a withholding percentage (default 5% of entitlement) is applied. Withheld amounts are used to offset potential debts generated when families lodge their tax with the Australian Taxation Office, triggering the reconciliation process. The Personal benefits provision represents the balance of Child Care Subsidy withholding amounts as at 30 June 2022.

Department of Education, Skills and Employment
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G. Funding
G1: Appropriations

Annual Appropriations for 2022

	Annual Appropriation \$'000	Adjustments to appropriation - s75 transfers ¹ \$'000	Adjustments to appropriation - s74 receipts \$'000	Total appropriation \$'000	Appropriation applied in 2022 (current and prior years) \$'000	Variance ¹ \$'000
Departmental						
Ordinary annual services	904,242	(3,906)	31,735	932,071	(927,139)	4,932
Capital Budget ²	65,044	-	-	65,044	(75,870)	(10,826)
Other services						
Equity/Injections	102,851	-	-	102,851	(103,696)	(845)
Total departmental	1,072,137	(3,906)	31,735	1,099,966	(1,106,705)	(6,739)
Administered						
Ordinary annual services						
Administered items	8,103,331	-	21,230	8,124,561	(7,076,678)	1,047,882
Other services						
States, ACT, NT and Local government	168,188	-	-	168,188	(170,554)	(2,366)
Total administered	8,271,519	-	21,230	8,292,749	(7,247,232)	1,045,516

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

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

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

**Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Annual Appropriations for 2021

	Annual Appropriation \$'000	Adjustments to appropriation - s74 receipts \$'000	Total appropriation \$'000	Appropriation applied in 2020 (current and prior years) \$'000	Variance ¹ \$'000
Departmental					
Ordinary annual services	852,037	67,650	919,687	(771,784)	147,903
Capital Budget ²	76,931	-	76,931	(36,037)	40,894
Other services					
Equity injections	126,754	-	126,754	(100,083)	26,671
Total departmental	1,055,722	67,650	1,123,372	(907,904)	215,468
Administered					
Ordinary annual services					
Administered items	6,919,809	-	6,919,809	(4,558,566)	2,361,243
Other services					
States, ACT, NT and Local government	219,993	-	219,993	(221,480)	(1,487)
Total administered	7,139,802	-	7,139,802	(4,780,046)	2,359,756

¹ The departmental variance is made up of the movement in cash, GST receivable and appropriation receivable. The Administered variance represents the movement in the balance of appropriations, quarantining of current year appropriations, and cash spent from the balance of prior year appropriations.

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

Department of Education, Skills and Employment
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	2022	2021
	\$'000	\$'000
G1.2: Departmental - Unspent annual appropriations ('recoverable GST exclusive')		
<i>Appropriation Act (No. 1) Departmental Capital Budget 2018-19¹</i>	-	8,608
<i>Appropriation Act (No. 1) 2019-20²</i>	5,157	5,157
<i>Coronavirus Economic Response Package Act (No. 1) 2019-20³</i>	5,086	5,086
<i>Appropriation Act (No. 1) 2020-21</i>	-	185,491
<i>Appropriation Act (No. 1) Departmental Capital Budget 2020-21⁴</i>	1,771	21,592
<i>Supply Act (No. 1) 2020-21</i>	-	116,238
<i>Supply Act (No. 1) Departmental Capital Budget 2020-21</i>	-	25,042
<i>Supply Act (No. 2) 2020-21</i>	-	8,164
<i>Appropriation Act (No. 2) 2020-21⁵</i>	43,321	43,321
<i>Appropriation Act (No. 3) 2020-21</i>	-	5,012
<i>Appropriation Act (No. 3) Departmental Capital Budget 2020-21</i>	-	922
<i>Appropriation Act (No. 4) 2020-21</i>	158	158
<i>Appropriation Act (No. 1) 2021-22</i>	310,793	-
<i>Appropriation Act (No. 1) Departmental Capital Budget 2021-22</i>	31,731	-
<i>Appropriation Act (No. 3) Departmental Capital Budget 2021-22</i>	3,228	-
<i>Appropriation Act (No. 2) Equity Injection 2021-22</i>	7,319	-
<i>Cash at bank</i>	1,313	1,024
Total unspent annual appropriations	409,877	425,815

¹ This appropriation was repealed on 1 July 2021.

² This appropriation includes \$5.2 million quarantined under section 51. Appropriation Act (No. 1) 2019-20 which was repealed on 1 July 2022.

³ This appropriation was repealed on 1 July 2022.

⁴ This appropriation includes a quarantine amount of \$1.8 million, but legally available at 30 June 2022.

⁵ This appropriation includes a quarantine amount of \$3.5 million, but legally available at 30 June 2022.

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	2022 \$'000	2021 \$'000
<u>G1.3: Administered - Unspent annual appropriations ('recoverable GST exclusive')</u>		
<i>Appropriation Act (No. 1) 2018-19¹</i>	-	376,809
<i>Appropriation Act (No. 3) 2018-19¹</i>	-	35,093
<i>Supply Act (No. 2) 2020-21</i>	97	97
<i>Appropriation Act (No. 1) 2019-20²</i>	159,041	166,734
<i>Appropriation Act (No. 3) 2019-20³</i>	11,955	11,955
<i>Appropriation Act (No. 4) 2019-20</i>	2,649	7,649
<i>Appropriation Act (No. 5) 2019-20³</i>	19,335	19,335
<i>Appropriation (Coronavirus Economic Response Package) Act (No. 1) 2019-20⁴</i>	85,000	85,000
<i>Appropriation Act (No. 1) 2020-21⁵</i>	1,941,317	2,133,746
<i>Supply Act (No. 1) 2020-21⁶</i>	132,451	152,588
<i>Appropriation Act (No. 3) 2020-21</i>	231,497	231,559
<i>Appropriation Act (No. 1) 2021-22⁷</i>	1,268,204	-
<i>Appropriation Act (No. 2) 2021-22</i>	59	-
<i>Appropriation Act (No. 4) 2021-22</i>	2,575	-
Cash at bank	47	19
Total unspent annual appropriations	<u>3,854,227</u>	<u>3,220,584</u>

¹ This appropriation was repealed on 1 July 2021.

² This appropriation was repealed on 1 July 2022 including a quarantine of \$49.9 million.

³ This appropriation was repealed on 1 July 2022.

⁴ This appropriation includes a quarantine amount of \$15.1 million, but legally available at 30 June 2022.

⁵ This appropriation includes a quarantine amount of \$59.8 million, but legally available at 30 June 2022.

⁶ This appropriation includes a quarantine amount of \$87.9 million, but legally available at 30 June 2022.

⁷ This appropriation includes a quarantine amount of \$42.5 million, but legally available at 30 June 2022.

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

<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	10,112,605	9,441,895
<i>Australian Education Act 2013</i>	26,377,548	23,222,164
<i>Higher Education Support Act 2003, section 238-12</i>	17,999,588	18,505,305
<i>Trade Support Loans Act 2014, section 104</i>	201,422	190,234
<i>VET Student Loans Act 2016, section 115</i>	236,512	266,387
<i>Public Governance, Performance and Accountability Act 2013, section 77¹</i>	7	78
Total special appropriations applied	<u>54,927,682</u>	<u>51,626,063</u>

¹ Section 77 payments (2021-22) includes 2 items amounting to \$7,259,30.

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

The department had drawing rights for the National Indigenous Australians Agency (NIAA) administered annual appropriation for the community development program; payments were \$430.5 million (2020-21: \$417.8 million).

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G2: Special Accounts

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

	Student Identifiers Special Account ¹	
	2022	2021
	\$'000	\$'000
Balance as at 1 July (represented by cash held in the OPA)	4,717	4,307
Increases		
Appropriations credited to special account	5,523	5,607
Other receipts	3,831	3,165
Total increases	<u>9,354</u>	<u>8,772</u>
Available for payments	<u>14,071</u>	<u>13,079</u>
Decreases		
Payments made	(7,179)	(8,362)
Total decreases	<u>(7,179)</u>	<u>(8,362)</u>
Balance as at 30 June 2022 (represented by cash held in the OPA)	<u>6,892</u>	<u>4,717</u>

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

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Special Account	Establishing Instrument	Purpose
¹ Services for Other Entities and Trust Monies Special Account	<i>PGPA Act Determination (Education SOETM Special Account 2018)</i> , section 5.	To disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth; in connection with services performed for a corporate Commonwealth entity, Commonwealth company or other government; in connection with joint activities performed on behalf of another government, organisation or person; with an agreement between the Commonwealth and another government; and to repay amounts where a court order, Act or other law requires or permits the repayment of an amount received.
² VET Student Loans (VSL) Tuition Protection Fund Special Account	<i>Education Legislation Amendment (Tuition Protection and Other Measures) Act 2019</i> , section 66J, commenced 1 January 2020.	The purposes of the VSL Tuition Protection Fund are as follows: a) making payments in connection with tuition protection; b) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the VSL Tuition Protection Director's functions, including in managing the VSL Tuition Protection Fund; c) paying any remuneration and allowances payable to the VSL Tuition Protection Director; d) paying any remuneration and allowances payable to the members of the VSL Tuition Protection Fund Advisory Board; e) paying any amount that is required or permitted to be repaid; and f) reducing the balance of the Fund (and therefore the available appropriation for the Fund) without making a real or notional payment.
³ Early Years Quality Fund Special Account	<i>Early Years Quality Fund Special Account Act 2013</i> , section 5.	To provide funding to approved centre based long day care services to be used exclusively for paying remuneration and other employment-related costs and expenses in relation to employees in the early childhood education and care sector. As at 1 July 2018 \$42.1 million was quarantined pending return to the OPA.
⁴ Overseas Students Tuition Fund	<i>Education Services for Overseas Students Act 2000</i> , taking into account amendments to <i>Education Services for Overseas Students Legislation Amendment (Tuition Protection Services and Other Measures) Act 2012</i> , section 52A.	For expenditure in connection with assisting international students whose education providers are unable to deliver their course of study in full.
⁵ Higher Education Tuition Protection Fund	<i>Higher Education Support Act 2003</i> , Compilation No. 78, section 167 1, commenced 28 May 2021. This instrument continues the existence of the HELP Tuition Protection Fund established under the <i>Higher Education Support Act 2003</i> , Compilation No. 71, section 167 1, with a new name.	The purposes of the Higher Education Tuition Protection Fund are as follows: a) making payments in connection with tuition protection under this Act and the Higher Education Provider Guidelines; b) making payments in connection with tuition protection under the TEQSA Act and the Up-front Payments Guidelines; c) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Higher Education Tuition Protection Director's functions, including in managing the Fund; d) paying any remuneration and allowances payable to the Higher Education Tuition Protection Director; e) paying any remuneration and allowances payable to the members of the Higher Education Tuition Protection Fund Advisory Board; f) paying any amount that is required or permitted to be repaid; and g) reducing the balance of the Fund (and therefore the available appropriation for the Fund) without making a real or notional payment.

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G3: Regulatory charging

	2022	2021
	\$'000	\$'000
G3.1: Regulatory charging summary		
Amounts applied		
Annual appropriation	26,320	24,514
Total amounts applied	26,320	24,514
Expenses		
Employee benefits	17,504	15,505
Supplier	8,816	10,342
Total expenses	26,320	25,847
External revenue		
Cost Recovery	-	1,334
Total external revenue	-	1,334

G3.2: Administered - regulatory charging summary

Expenses		
Suppliers	26,551	21,832
Total expenses	26,551	21,832
External revenue		
Cost recovery	35,849	26,702
Total external revenue	35,849	26,702
Write-down and impairment	(5)	(9)

The department undertakes regulatory charging activities relating to:

- The Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS);
- Certain programs managed by Trades Recognition Australia (TRA);
- The VET Student Loans (VSL) program; and
- Higher Education Loan Program (HELP).

Further information on the above activities is available at:

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

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

H. People and Relationships

H1: Employee Provisions

	2022	2021
	\$'000	\$'000
H1.1: Employee provisions		
Annual and long service leave provisions	162,792	161,234
Total employee provisions	162,792	161,234

As required by AASB 119 *Employee Benefits*, the estimate of future cash outflows takes into account estimated attrition, probability factors, future salary rates and ancillary costs. In 2021-22, the Australian Government Actuary undertook an assessment of leave provisions taking into account the likely tenure of existing staff, patterns of leave claims and payouts, future salary movements and discount rates. The Australian Government Actuary confirmed their assessment on 22 June 2022.

Liabilities for short-term employee benefits expected to be paid within 12 months of the end of reporting period are measured at the one year Commonwealth Government bond rate of 2.34 per cent (2021: 0.009 per cent). Liabilities for long term employee benefits are discounted using the 10 year Commonwealth Government bond rate of 3.66 per cent (2021: 1.49 per cent).

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

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

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered financial statements. The department makes employer contributions to defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The department accounts for the contributions as if they were contributions to defined contribution plans. The payable for superannuation recognised at 30 June 2022 represents outstanding contributions owed by the department to the superannuation schemes.

H2: Key management personnel remuneration (KMP)

H2.1: KMP remuneration the Department for the period 1 July 2021 to 30 June 2022

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

	2022	2021
	\$'000	\$'000
Short-term employee benefits	3,516	3,209
Post-employment benefits	585	527
Other long-term employee benefits ¹	64	64
Termination benefits	-	223
Total key management personnel remuneration expenses	4,165	4,023

¹ Other includes motor vehicle allowances, other allowance and reportable fringe benefits.

The above table includes the remuneration for ten officers (six for the full period and four for part of the period) occupying KMP positions for the department during the year (2020-21: eight officers (seven for the full period and one for part of the period)). The remuneration and benefits for the Portfolio Minister are excluded from the table as they are set by the Remuneration Tribunal and are not paid by the department.

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

H3: Related party disclosures

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

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

Transactions with entities where KMP have an interest

Several of the department's KMP are members of the board of directors for a number of educational institutions and councils as required by their respective roles in the department. During 2021-22 and 2020-21, the department purchased services from these entities in relation to the:

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

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

<u>H3.1: Related party disclosures</u>	2022 \$'000	2021 \$'000
Expenses		
Supplier expenses	1,345	682
Grant expenses	-	236
Total expenses	<u>1,345</u>	<u>918</u>

H3.2: Administered - Related Party Disclosures

Expenses		
Supplier expenses	<u>2,894</u>	3,400
Total expenses	<u>2,894</u>	<u>3,400</u>

Department of Education, Skills and Employment

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

I. Managing Uncertainties

11: Contingent Assets and Liabilities

11.1: Departmental contingent assets and liabilities

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

Quantifiable contingencies

As at 30 June 2022, the total amount of departmental quantifiable contingent liabilities is \$1.1 million (2021: nil), in respect of one or more claims against the department, and there are no departmental quantifiable contingent assets (2021: nil).

Unquantifiable contingencies

As at 30 June 2022, there are no departmental unquantifiable contingent assets or liabilities (2021: nil).

11.2: Administered contingent assets and liabilities

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

Quantifiable contingencies

As at 30 June 2022, there are three administered quantifiable contingent assets amounting to \$1.7 million (2021: \$6.6 million), in respect of litigation matters with childcare and VET FEE-HELP providers.

As at 30 June 2022, there are two administered quantifiable contingent liabilities amounting to \$129.0 million (2021: \$318.1 million), in respect of ParentsNext and jobactive programs. Providers accumulate one-off credits under the ParentsNext program accrue one-off credits to the provider's Participation Fund on commencement of an intensive stream participant. Currently ParentsNext providers are forecast to spend less than the value of the available credits, creating an accumulating surplus of credits that present a contingent liability. The timing of payments under these initiatives are uncertain and will occur over time. The jobactive program ceased on 30 June 2022 and was replaced with Workforce Australia; previously unspent credits from the Employment Fund were extinguished.

Unquantifiable contingencies

VET FEE-HELP payments:

There is a potential financial risk to the Commonwealth in the event that compliance action results in student loan debts being remitted however the Commonwealth is unable to recover the payments from providers or tuition assurance operators where the provider has closed.

The Government continues to undertake compliance action, wherever appropriate under the legislation, to recover VET FEE-HELP payments from providers who inappropriately enrolled students in units and courses for which they incurred a VET FEE-HELP debt. In 2019-20, the Commonwealth was awarded compensation related to VET FEE-HELP recoveries in the Federal Court. A proof of debt was provided to liquidators and for 2021-22 the contingency remains unquantifiable.

Child Care Subsidy:

From 2 July 2018 the Child Care Subsidy program replaced the Child Care Fee Assistance program. A feature of the program is that the payments are subject to eligibility requirements including a year-end reconciliation.

Contingent assets and liabilities predominantly arise from the Child Care Subsidy program's reconciliation process. The reconciliation process is dependent on the lodgement of the recipients' income tax return which occurs after 30 June each year. Estimate of all reconciliation payables and debts outcomes that have not yet been established due to the income tax returns not yet lodged are treated as unquantifiable contingencies as at 30 June 2022.

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

12: Financial Instruments

Financial assets

The department classifies its financial assets in the following categories:

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

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

Financial liabilities

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

	2022	2021
	\$'000	\$'000
12.1: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	8,205	5,741
Goods and services receivable	<u>23,150</u>	<u>25,033</u>
Total financial assets at amortised cost	<u>31,355</u>	<u>30,774</u>
Total financial assets	<u>31,355</u>	<u>30,774</u>
Financial liabilities measured at amortised cost		
Supplier payables	<u>61,756</u>	<u>70,139</u>
Total financial liabilities measured at amortised cost	<u>61,756</u>	<u>70,139</u>
Total financial liabilities	<u>61,756</u>	<u>70,139</u>

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

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

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

12.2: Net Gains or Losses on Financial Assets

Financial assets at amortised cost		
Impairment of receivables - goods and services	<u>(242)</u>	<u>(5,026)</u>
Net gains/(losses) on financial assets at amortised cost	<u>(242)</u>	<u>(5,026)</u>
Net gains/(losses) on financial assets	<u>(242)</u>	<u>(5,026)</u>

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2022 \$'000	2021 \$'000
<u>12.3: Categories of financial instruments</u>		
FINANCIAL ASSETS		
Financial assets at amortised cost		
Cash	103,466	104,319
Goods and services receivable	57,654	215,473
Total financial assets at amortised cost	161,120	319,792
Financial assets at fair value through other comprehensive income		
Investments	2,921,184	2,901,288
Total financial assets at fair value through other comprehensive income	2,921,184	2,901,288
Financial assets at fair value through profit or loss (designated)		
Concessional loans		
Higher education loans	47,396,656	49,789,663
Vocational student loans	2,921,411	3,786,392
Trade support loans	723,938	808,088
Child care loans	8	2
Total financial assets at fair value through profit or loss (designated)	51,042,013	54,384,145
Total financial assets	54,124,317	57,605,225
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Supplier payables	167,456	204,338
Grants payable	8,229	19,448
Total financial liabilities measured at amortised cost	175,685	223,786
Total financial liabilities	175,685	223,786
<u>12.4: Net gains or losses on financial assets</u>		
Financial assets at amortised cost		
Interest revenue / expense	-	9
Write-down and impairment / reversal	(200,230)	2,287
Net gains/(losses) on financial assets at amortised cost	(200,230)	2,296
Investments in equity instruments at fair value through other comprehensive income (designated)		
Gains/(losses) recognised in equity	19,896	104,790
Net gains/(losses) on investments in equity instruments at fair value through other comprehensive income (designated)	19,896	104,790
Financial assets at fair value through profit or loss		
Interest revenue	953,593	675,596
Loan fee revenue	1,062	-
Trade support loan discount	(20,911)	(24,733)
Fair value gains/(losses)	(6,685,532)	(729,432)
Net gains/(losses) at fair value through profit or loss	(5,751,788)	(78,569)
Net gains/(losses) on financial assets	(5,932,122)	28,517

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

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2022 \$'000	2021 \$'000
<u>12.5: Financial instruments designated at fair value through profit or loss</u>		
FINANCIAL ASSETS		
Fair value changes due to credit risk		
During the period	(836,814)	(1,072,665)
Prior periods	<u>(16,069,463)</u>	<u>(15,106,427)</u>
Cumulative change	<u>(16,906,277)</u>	<u>(16,179,092)</u>
<u>12.6: Credit risk</u>		
The financial assets measured at amortised cost are not exposed to a high level of credit risk and the department manages this risk by applying debt recovery policies and procedures. The risk of default on payments has been assessed and an impairment provision brought to account. Note F1.2 refers.		
The financial assets at fair value through other comprehensive income represent the Government's proportional interest in the net assets of the entities which are not exposed to a high level of credit risk. Note F1.3 refers.		
The financial assets at fair value through profit or loss are subject to annual fair value actuarial assessments which take into account the future income projections, pattern and timing of repayments and debt not expected to be repaid. Note F1.2 refers.		
<u>12.7: Liquidity risk</u>		
The department is exposed to minimal liquidity risk and is appropriated funding from the Australian Government. The department manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.		
<u>12.8: Market risk</u>		
The value of concessional loans held at fair value, such as Higher Education Loan Program, are also impacted by changes in market interest rates. For example, if the interest rates were to increase by 0.1%, the fair value of these loans would decrease by approximately 1%. However, interest rate changes will have no impact on the future cash flows or principal amounts at maturity.		

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

13: Fair Value

13.1: Fair value measurement of level 3 financial instruments

The following table provides an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy. Level 3 of the fair value hierarchy are defined as unobservable inputs for the asset or liability.

Fair value measurement as at 30 June					
	2022	2021		Valuation	Inputs used
	\$'000	\$'000	Level ²	technique ³	
Financial assets					
Concessional loans					
Higher education loans	47,396,656	49,789,663	3	Loan conditions	Principal due
Vocational student loans	2,921,411	3,786,392	3	Loan conditions	Principal due
Trade support loans	723,938	808,088	3	Loan conditions	Principal due
Child care loans	8	2	3	Loan conditions	Principal due
				Net assets	Net assets
Investments	2,921,184	2,901,288	3	of the entity	of the entity
Total¹	53,963,197	57,285,433			

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

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

³The methods and valuation techniques used for the purpose of measuring fair value of assets in 2022 are unchanged from the previous reporting period.

13.2: Movement in level 3 fair value measurement

	Financial assets			
	Concessional loans		Investments	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
As at 1 July	54,384,145	51,374,093	2,901,288	2,796,498
Total gains/(losses) recognised in net cost of services	(5,084,346)	762,380	-	-
Total gains/(losses) recognised in comprehensive income	-	-	19,896	104,790
Issues	7,101,852	7,033,645	-	-
Settlements	(5,359,638)	(4,785,973)	-	-
As at 30 June	51,042,013	54,384,145	2,921,184	2,901,288

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

J. Other Information

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

	2022	2021
	\$'000	\$'000
<u>J1.1: Current/non-current distinction for assets and liabilities</u>		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	8,205	5,741
Trade receivables	423,558	440,108
Prepayments	21,724	22,615
Accrued revenue	5,334	-
Total no more than 12 months	458,821	468,464
More than 12 months		
Leasehold improvements	40,594	41,392
Buildings	289,581	332,382
Infrastructure, plant and equipment	65,644	60,154
Computer software	322,528	240,695
Prepayments	11,063	6,688
Total more than 12 months	729,410	681,311
Total assets	1,188,231	1,149,775
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	61,756	70,139
Other payables	16,766	12,629
Leases	40,771	29,624
Employee provisions	41,776	38,766
Total no more than 12 months	161,069	151,158
More than 12 months		
Leases	272,553	326,495
Employee provisions	121,016	122,468
Total more than 12 months	393,569	448,963
Total liabilities	554,638	600,121

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

J1.2: Administered - Current/non-current distinction for assets and liabilities		
	2022	2021
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash	103,466	104,319
Receivables	5,381,863	5,118,583
Prepayments (all current assets)	758	-
Total no more than 12 months	5,486,087	5,222,902
More than 12 months		
Receivables	46,450,984	50,142,937
Investments	2,921,184	2,901,288
Buildings	995	1,091
Total more than 12 months	49,373,163	53,045,316
Total assets	54,859,250	58,268,218
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	167,456	204,338
Subsidies	49,013	62,794
Grants	8,229	19,448
Personal benefits	30,511	87,667
GST payable	3,864	4,167
Leases - buildings	91	122
Provision for Higher education superannuation program	337,000	382,000
Total no more than 12 months	596,164	760,536
More than 12 months		
Leases - buildings	923	984
Personal benefits	526,228	469,566
Provision for Higher education superannuation program	4,839,000	6,025,000
Total more than 12 months	5,366,151	6,495,550
Total liabilities	5,962,315	7,256,086

Department of Education, Skills and Employment
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

J2: Restructuring

J2.1: Departmental restructuring

	2022
Function	Seasonal Worker Programme
Entity	DFAT ¹
	\$'000
FUNCTIONS RELINQUISHED	
Assets Relinquished	
Appropriations Receivable	1,255
Total assets relinquished	1,255
Liabilities Relinquished	
Employee provisions	1,408
Total liabilities relinquished	1,408
Net assets relinquished	(153)

¹Seasonal Worker Programme functions were relinquished to the Department of Foreign Affairs and Trade (DFAT) portfolio due to the Machinery of Government change (MoG) announced on 23 November 2021, with an effective date of 31 January 2022.

J2.2: Administered restructuring

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



05 APPENDICES

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Appendix A – Agency resource statement and expenses for outcomes

Further information on the department's 2021–22 financial performance, including variance analysis, is available in Part 4 Financial Statements of this report.

Table A.1: Agency Resource Statement, 2021–22

	Actual available appropriations for 2021–22 \$'000	Payments made 2021–22 \$'000	Balance remaining \$'000
Ordinary Annual Services			
Departmental appropriation			
Annual appropriations – ordinary annual services ^{1 2}	1,361,655	1,003,889	357,766
Annual appropriations – other services – non-operating ³	154,494	103,696	50,798
Total	1,516,149	1,107,585	408,564
Administered expenses			
Outcome 1	565,066	422,487	
Outcome 2	374,984	361,563	
Outcome 3	4,693,295	4,323,877	
Outcome 4	2,427,518	1,947,521	
Total	8,060,863	7,055,448	
Total ordinary annual services	9,577,012	8,163,033	

Table A.1: Agency Resource Statement, 2021–22 (continued)

	Actual available appropriations for 2021–22 \$'000	Payments made 2021–22 \$'000	Balance remaining \$'000
Other services			
Administered expenses			
Specific payments to states, ACT, NT and local government⁴			
Outcome 1	175,934	170,554	
Total	175,934	170,554	
Total other services	175,934	170,554	
Total available annual appropriations	9,752,946	8,333,587	
Special appropriations			
Special appropriations limited by criteria/entitlement			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>		10,112,605	
<i>Australian Education Act 2013</i>		26,377,548	
<i>Higher Education Support Act 2003</i>		17,999,588	
<i>VET Student Loans Act 2016</i>		236,512	
<i>Trade Support Loans Act 2014</i>		201,422	
<i>Public Governance, Performance and Accountability Act 2013 – section 77</i>		7	
Total special appropriations		54,927,682	

Table A.1: Agency Resource Statement, 2021–22 (continued)

	Actual available appropriations for 2021–22	Payments made 2021–22	Balance remaining
	\$'000	\$'000	\$'000
Special accounts			
Opening balance	109,017		
Appropriation receipts	7,554		
Non-appropriation receipts to special accounts	4,875		
Payments made		11,136	
Closing balance			110,310
Total resourcing and payments	9,874,392	63,272,405	
Less appropriations drawn from annual or special appropriations above and credited to special accounts	(7,554)	(7,554)	
Total net resourcing and payments for DESE	9,866,838	63,264,851	

1 *Appropriation Act (No. 1) 2021–22 and Appropriation Act (No. 3) 2021–22.* This also includes prior-year departmental appropriation and section 74 external revenue.

2 Departmental capital budgets are not separately identified in Appropriation Bill (No. 1, 3, 5) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

3 *Appropriation Act (No. 2) 2021–22 and Appropriation Act (No. 4) 2021–22.*

4 *Appropriation Act (No. 2) 2021–22 and Appropriation Act (No. 4) 2021–22.* This also includes prior-year available appropriations.

Table A.2: Expenses for Outcome 1, 2021–22

	Budget* (2021–22)	Actual expenses (2021–22)	Variation (2021–22)
Outcome 1	\$'000 A	\$'000 B	\$'000 A–B
Administered expenses			
Program 1.1: Support for the Child Care System			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)			
Child Care Services Support	372,071	266,842	105,229
Special Appropriations			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	4,000	7,227	(3,227)
Special Account Expenses			
<i>Early Years Quality Fund Special Account Act 2013</i>	0	70	(70)
Services for Other Entities and Trust Monies (SOETM) – Child Care	0	50	(50)
Total for Program 1.1	376,071	274,188	101,883
Program 1.2: Child Care Subsidy			
Special Appropriations			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	9,936,246	9,796,463	139,783
Total for Program 1.2	9,936,246	9,796,463	139,783
Program 1.3: Government Schools National Support			
Other Services (Appropriation Act Nos 2 and 4)			
Additional Support for Northern Territory	14,242	14,242	0
Special Appropriations			
<i>Australian Education Act 2013</i>	9,711,774	9,656,918	54,856
Total for Program 1.3	9,726,016	9,671,160	54,856

Table A.2: Expenses for Outcome 1, 2021–22 (continued)

	Budget* (2021–22)	Actual expenses (2021–22)	Variation (2021–22)
Outcome 1	\$'000 A	\$'000 B	\$'000 A–B
Program 1.4: Non-Government Schools National Support			
Other Services (Appropriation Act Nos 2 and 4)			
NPSI – AIS	17,000	19,503	(2,503)
Catholic Education Commission	23,013	25,451	(2,438)
Adjustment assistance	1,676	1,676	0
Choice and Affordability Fund	107,682	107,681	1
Special Appropriations			
<i>Capital Grants – AEA – Non-Government</i>	180,253	174,097	6,156
<i>National Education Reform Agreement – AEA – NG</i>	14,967,663	15,036,804	(69,141)
Total for Program 1.4	15,297,287	15,365,213	(67,926)
Program 1.5: Early Learning and Schools Support			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)			
Universal Access	2,679	2,695	(16)
Preschools Data Framework	5,250	739	4,511
Australian Early Development Census	12,315	11,013	1,302
Early Language Learning for Indigenous Children	1,084	1,043	41
Grants and Awards	1,408	975	433
Helping Children with Autism	6,139	5,808	331
High Achieving Teachers Program and Future Leaders Program	15,900	15,900	0
National Assessment Reform	2,200	2,200	0
National Schools Reform	19,485	23,344	(3,859)
Australian Education Research Organisation (National Institute for School Excellence)	10,000	10,000	0
National School Resourcing Board	960	230	730

Table A.2: Expenses for Outcome 1, 2021–22 (continued)

Outcome 1	Budget*	Actual	Variation
	(2021–22)	expenses	(2021–22)
	\$'000	\$'000	\$'000
	A	B	A–B
Quality Outcomes	38,840	31,640	7,200
Science, Technology, Engineering and Mathematics (STEM)	550	550	0
Students Support Package	36,060	23,902	12,158
Delivering Respect Matters	1,875	1,122	753
Online Resources and Professional Development for Mathematics Teachers	2,825	2,825	0
Life Education – Being Healthy, Being Active	700	700	0
Rural Inspire Initiative	500	500	0
National Phonics Check	4,300	4,280	20
Respectful Interfaith School Education	1,000	1,000	0
Attracting Quality Teachers and School Leaders	3,113	2,163	950
Closing the Gap – Schools and Youth Initiatives	12,219	3,250	8,969
Other Services (Appropriation Act Nos 2 and 4)			
Closing the Gap – Schools and Youth Initiatives	2,575	0	2,575
Literacy Support for Tasmanian Students	2,000	2,000	0
Special Account Expenses			
SOETM – Students with Disabilities	0	40	(40)
SOETM – National School Reform Agreement State Contributions	0	77	(77)
SOETM – Post-Schools Destinations	0	791	(791)
SOETM – Learner Profiles	0	250	(250)
Total for Program 1.5	183,977	149,038	34,939

Table A.2: Expenses for Outcome 1, 2021–22 (continued)

	Budget* (2021–22)	Actual expenses (2021–22)	Variation (2021–22)
	\$'000 A	\$'000 B	\$'000 A–B
Outcome 1			
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)	551,473	412,721	138,752
Other services (Appropriation Act Nos 2 and 4)	168,188	170,554	(2,366)
Special Appropriations	34,799,936	34,671,508	128,428
Special Accounts	0	1,279	(1,279)
Departmental expenses			
Ordinary Annual Services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	169,120	173,949	(4,829)
Expenses not requiring appropriation in the Budget year ¹	3,196	1,868	1,328
Total for Outcome 1	35,691,913	35,431,878	260,035
Average staffing level (number)	800	810	(10)

* Full-year budget, including any subsequent adjustment made to the 2021–22 budget at Additional Estimates.

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

Table A.3: Expenses for Outcome 2, 2021–22

Outcome 2	Budget*	Actual	Variation
	(2021–22)	expenses	(2021–22)
	\$'000	\$'000	\$'000
	A	B	A-B
Administered expenses			
Program 2.1: Commonwealth Grant Scheme			
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Cluster Fund and Place Loadings	7,206,905	7,280,939	(74,034)
Transition Fund Loading	348,420	346,180	2,240
Total for Program 2.1	7,555,325	7,627,119	(71,794)
Program 2.2: Higher Education Superannuation Program			
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Higher Education Superannuation Program	131,494	103,038	28,456
Total for Program 2.2	131,494	103,038	28,456
Program 2.3: Higher Education Support			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)			
National Disability Coordination Officer	4,480	4,257	223
National Microcredentials Marketplace	1,060	1,060	0
Quality Indicators for Learning and Teaching	7,126	4,963	2,163
Rural and Regional Enterprise Scholarships	15,449	15,449	0
Tertiary Access Payment	27,584	10,049	17,535
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Central Coast Health and Wellbeing Precinct	2,500	2,500	0
Central Queensland School of Mining and Manufacturing	15,000	10,100	4,900
Collaboration Pilots – Industry 4.0	3,560	1,714	1,846

Table A.3: Expenses for Outcome 2, 2021–22 (continued)

Outcome 2	Budget*	Actual	Variation
	(2021–22)	expenses	(2021–22)
	\$'000	\$'000	\$'000
	A	B	A-B
Collaboration Pilots – Naval Shipbuilding	521	0	521
Disability Support Program	8,023	7,923	100
Improved Support for Regional Universities	14,021	7,836	6,185
Indigenous, Regional and Low SES Attainment Fund	267,749	250,627	17,122
Jobs and Growth in Tasmania	65,000	65,000	0
National Institutes	233,895	238,894	(4,999)
National Priorities and Industry Linkage Fund	226,264	230,663	(4,399)
Quality Initiatives	528	0	528
Tertiary Access Payment	0	14,280	(14,280)
Women in STEM	6,549	530	6,019
Total for Program 2.3	899,309	865,845	33,464
Program 2.4: Higher Education Loan Program			
Special Appropriations			
Higher Education Loan Program	1,656,973	5,419,570	(3,762,597)
Special Account Expenses			
HELP Tuition Protection Fund	2,679	160	2,519
Total for Program 2.4	1,659,652	5,419,729	(3,760,077)
Program 2.5: Investment in Higher Education Research			
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Research Support Program	930,659	930,659	0
Research Training Program	1,069,182	1,069,181	1
Total for Program 2.5	1,999,841	1,999,840	1

Table A.3: Expenses for Outcome 2, 2021–22 (continued)

Outcome 2	Budget* (2021–22)	Actual expenses (2021–22)	Variation (2021–22)
	\$'000 A	\$'000 B	\$'000 A-B
Program 2.6: Research Capacity			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)			
National Collaborative Research Infrastructure Strategy	273,567	273,567	0
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Centre for Augmented Reasoning	5,000	5,000	0
Enhance Research Capacity of Regional Universities	13,255	8,200	5,055
Higher Education Research Promotion	5,700	5,674	26
Strategic University Reform Fund	20,090	13,775	6,315
Total for Program 2.6	317,612	306,215	5,082
Program 2.7: International Education Support			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)			
International Education Support	47,505	39,191	8,314
Special Account Expenses			
Overseas Student Tuition Fund	1,695	1,597	98
SOETM – Cheung Kong	1,538	1,122	416
Total for Program 2.7	50,738	41,911	8,827

Table A.3: Expenses for Outcome 2, 2021–22 (continued)

Outcome 2	Budget* (2021–22)	Actual expenses (2021–22)	Variation (2021–22)
	\$'000 A	\$'000 B	\$'000 A-B
Outcome 2 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)	376,771	348,536	28,235
Special Appropriations	12,231,288	16,012,282	(3,780,994)
Special Accounts	5,912	2,879	3,033
Departmental expenses			
Ordinary Annual Services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	107,710	114,829	(7,119)
Expenses not requiring appropriation in the Budget year ¹	8,600	5,035	3,565
Total for Outcome 2	12,730,281	16,483,561	(3,753,280)
Average staffing level (number)	504	512	(8)

* Full-year budget, including any subsequent adjustment made to the 2021–22 budget at Additional Estimates.

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

Table A.4: Expenses for Outcome 3, 2021–22

Outcome 3	Budget* (2021–22) \$'000 A	Actual expenses (2021–22) \$'000 B	Variation (2021–22) \$'000 A-B
Program 3.1 Building Skills and Capability			
Sub-Program 3.1.1: Skills Development			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)			
Australian Apprenticeship Support Network	344,506	305,809	38,697
Australian Apprenticeships Incentives Program	3,941,571	3,795,837	145,734
Commonwealth Scholarships Program for South Australia	100	110	(10)
Commonwealth Scholarships Program for Young Australians	5,582	4,593	989
Skills Checkpoint for Older Workers Program	5,687	4,296	1,391
Trades Recognition Australia	44,491	26,551	17,940
MidCareer Checkpoint	12,150	2,062	10,088
Accelerating Australian Apprenticeships Pilot	2,955	20	2,935
Migrant Skills Incentive	11,476	3,742	7,734
Special Appropriations			
<i>Trade Support Loans</i>	53,667	214,454	(160,787)
Total component 3.1.1	4,422,185	4,357,475	64,710
Sub-Program 3.1.2: Access to Training			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)			
Skills for Education and Employment	116,715	89,301	27,414
Foundation Skills for Your Future Program	14,283	4,125	10,158
Foundation Skills for Your Future – Remote Community Pilots	3,284	3,200	84
Total component 3.1.2	134,282	96,626	37,656

Table A.4: Expenses for Outcome 3, 2021–22 (continued)

Outcome 3	Budget*	Actual	Variation
	(2021–22)	expenses	(2021–22)
	\$'000	(2021–22)	
	A	\$'000	\$'000
		B	A-B
Sub-Program 3.1.3: Support for the National Training System			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)			
Australian Industry and Skills Committee	1,550	438	1,112
Industry Training Hubs	14,722	3,167	11,555
Industry Workforce Training	40,025	34,656	5,369
Integrated Information Service	1,820	2,188	(368)
Licensing of International Vocational Education and Training (VET) Courses	1,193	657	536
My Skills Website	585	543	42
National Careers Institute and Ambassador	14,009	12,219	1,790
National Centre for Vocational Education Research	715	715	0
National Skills Commission	9,200	4,173	5,027
National Training System Commonwealth Own Purpose Expenses (COPE)	46,980	29,165	17,815
Skills Communication Campaign	19,433	12,603	6,830
Skills Organisation Pilots	15,195	15,195	0
VET Data Streamlining	16,111	2,069	14,042
VET Information Strategy	943	791	152
VET Student Loans Cost Recovery	0	8	(8)
Nationally Consistent and Accessible Subsidy and Apprenticeship Information	4,329	0	4,329
Industry Clusters	7,044	1,238	5,806
Total component 3.1.3	193,854	119,824	74,030
Total for Program 3.1	4,750,321	4,573,925	176,396

Table A.4: Expenses for Outcome 3, 2021–22 (continued)

Outcome 3	Budget* (2021–22) \$'000 A	Actual expenses (2021–22) \$'000 B	Variation (2021–22) \$'000 A-B
Special Appropriations			
VET FEE-HELP	0	1,068,492	(1,068,492)
<i>VET Student Loans Act 2016</i>	134,269	224,898	(90,629)
Special Account Expenses			
<i>VSL Tuition Protection Fund</i>	917	159	758
Total for Program 3.2	135,186	1,293,549	(1,067,734)
Outcome 3 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)	4,696,654	4,359,471	337,183
Special Appropriations	187,936	1,507,844	(1,319,908)
Special Accounts	917	159	758
Departmental expenses			
Ordinary Annual Services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	228,099	220,090	8,009
Special Accounts	5,523	7,179	(1,656)
Expenses not requiring appropriation in the Budget year ¹	17,532	10,151	7,381
Total for Outcome 3	5,136,661	6,104,894	(968,233)
Average staffing level (number)	924	879	45

* Full-year budget, including any subsequent adjustment made to the 2021–22 budget at Additional Estimates.

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

Table A.5: Expenses for Outcome 4, 2021–22

Outcome 4	Budget* (2021–22)	Actual expenses (2021–22)	Variation (2021–22)
	\$'000 A	\$'000 B	\$'000 A-B
Administered expenses			
Program 4.1: Employment Services			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)			
jobactive	1,872,415	1,508,273	364,142
New Employment Services Model	8,456	3,249	5,207
Seasonal Worker Programme	500	500	0
Transition to Work	225,403	208,945	16,458
Time to Work	3,422	3,134	288
ParentsNext	115,906	111,089	4,817
Skills and Training Incentive	10,864	5,646	5,218
Entrepreneurship Facilitators	4,927	4,831	96
Career Revive Initiative	937	937	0
Local Jobs – COVID-19 Recovery	58,361	23,147	35,214
Total for Program 4.1	2,301,191	1,869,751	431,440

Table A.5: Expenses for Outcome 4, 2021–22 (continued)

Outcome 4 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Act Nos 1, 3 and 5)	2,301,191	1,869,751	431,440
Special Appropriations	0	0	0
Special Accounts	0	0	0
Departmental expenses			
Ordinary Annual Services (Supply Act No 1 and Appropriation Act Nos 1, 3 and 5)	374,693	412,487	(37,794)
Expenses not requiring appropriation in the Budget year ¹	126,171	73,809	52,362
Total for Outcome 4	2,802,055	2,356,047	446,008
Average staffing level (number)	1,417	1,439	(22)

* Full-year budget, including any subsequent adjustment made to the 2021–22 budget at Additional Estimates.

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

Appendix B – Annual Report of the Trade Support Loans program

Based on the requirements set out in the *Trade Support Loans Act 2014* (Cth), this report provides a summary of the administrative operation of the Trade Support Loans (TSL) program from 1 July 2021 to 30 June 2022.

Overview

The Australian Government's TSL program provides Australian apprentices with access to an income-contingent loan over the course of their apprenticeship.

It meets the government's commitment to deliver improved productivity and competitiveness to the Australian economy by ensuring there are highly skilled individuals in priority trades where there are skills shortages.

The program provides financial support to eligible Australian apprentices to help with expenses associated with living, learning and completing an apprenticeship, and helps them focus on completing their trade qualification. To be eligible for TSL payments, Australian apprentices must:

- live in Australia and be an Australian citizen, or the holder of a permanent visa
- be undertaking one or more of the following:
 - Certificate III or IV qualification that leads to an occupation on the TSL priority list
 - Certificate II, III or IV agricultural qualification specified on the TSL priority list
 - Certificate II, III or IV horticulture qualification specified on the TSL priority list, while working in rural or regional Australia
- meet the eligibility criteria outlined in the TSL program guidelines.

Subject to the passing of legislation, TSL will transition to the Australian Apprenticeship Support Loans program. Australian Apprenticeship Support Loans will be available for all apprentices and trainees in occupations on the Australian Apprenticeships Priority List. This transition will see apprentices and trainees supported in priority occupations rather than just trade occupations.

Governance

The program is governed by the *Trade Support Loans Act 2014* (Cth). Two legislative instruments are in place to administer the program:

- Trade Support Loans Rules 2014, which provide for matters relating to qualification for trade support loans, granting loans, application forms and other matters
- Trade Support Loans Priority List 2014, which was established and maintained by the Minister for Employment, Workforce, Skills, Small and Family Business to determine occupations or qualifications that the Minister considers a high priority.

The Department of Education, Skills and Employment, Australian Apprenticeship Support Network (AASN), and Australian Taxation Office jointly delivered the TSL program in 2021–22.

Operation of the program

Under the TSL program, apprentices apply for a loan through their local AASN provider. Monthly instalment amounts depend on which year of their apprenticeship they are in. The loan amounts are highest in the early years of training to support apprentices while their wages are lower. Apprentices who successfully complete their apprenticeship will have their loan reduced by 20%.

TSL payment rates

The TSL lifetime limit was set at \$21,779 for 2021–22. The yearly and monthly instalment rates for Australian apprentices for 2021–22 are shown in Table B.1.

Table B.1: TSL payment rates, 2021–22

Apprentice year	Yearly rate (\$)	Monthly instalment rate (\$)
First	\$8,712	\$725.97
Second	\$6,534	\$544.48
Third	\$4,356	\$362.99
Fourth	\$2,178	\$181.49

Apprentices repay TSL through the taxation system when their income reaches the minimum income threshold. The threshold in 2021–22 was \$47,014. Apprentices may also choose to make voluntary payments on the loan before they reach the repayment threshold. TSL debts are indexed annually in line with the Consumer Price Index.

Performance information

The TSL is in its eighth year and continues to provide eligible apprentices with substantial support, helping them with the costs of living and learning while undertaking an apprenticeship.

From program commencement to 30 June 2022 the department:

- approved 159,139 TSL applications
- made \$1.422 billion in payments to eligible apprentices.

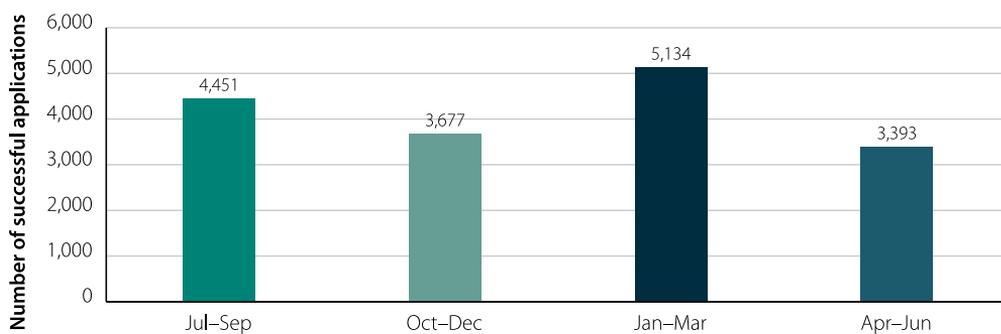
In 2021–22 the department:

- approved 16,655 TSL applications
- applied a completion discount to 12,612 apprentices who successfully completed their apprenticeship.

There were 50,428 Australian apprentices who received a TSL payment during 2021–22.

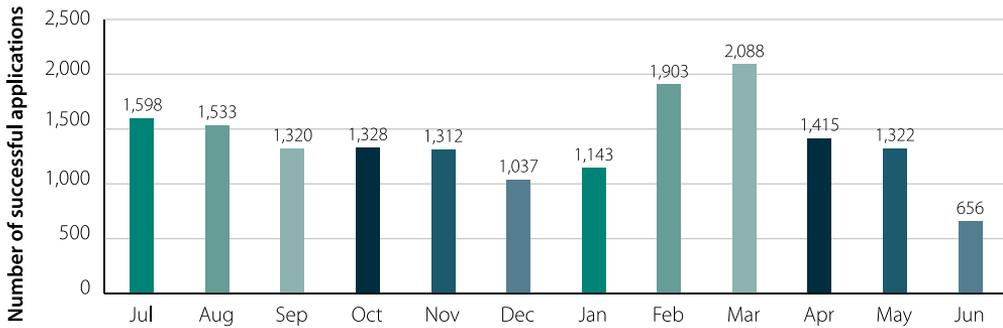
Figures B.1 to B.6 detail the number of successful TSL applications received by quarter, calendar month, apprenticeship stage, state and territory, and age, as well as the number of TSL payments made by quarter.

Figure B.1: Number of successful Trade Support Loan applications received by quarter, 2021–22



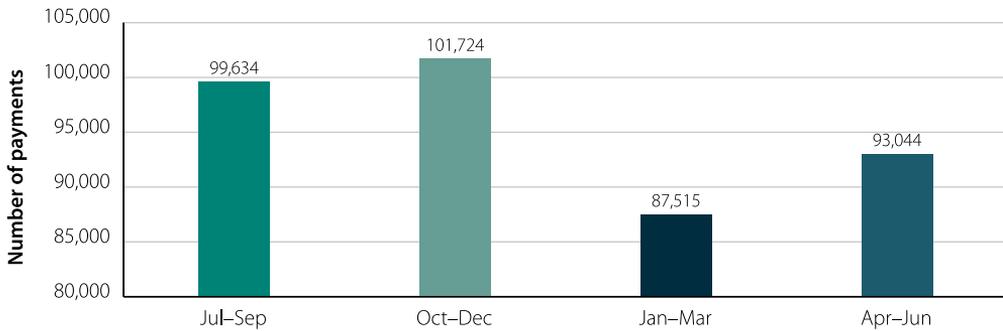
Data Source: Training and Youth Internet Management System (TYIMS) as at 1 July 2022.

Figure B.2: Number of successful Trade Support Loan applications received by month, 2021–22



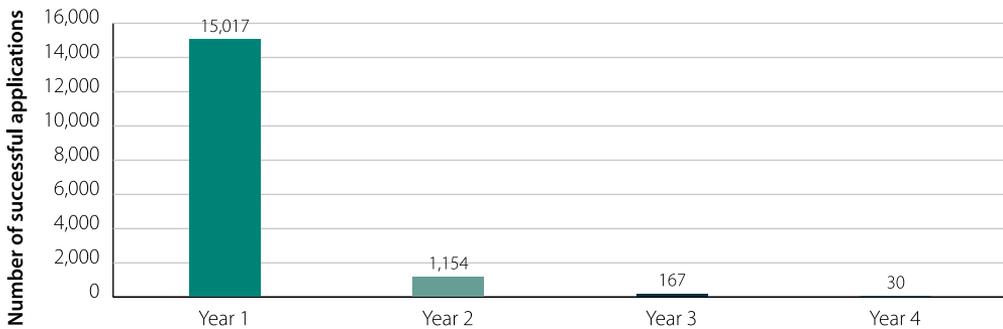
Data source: TYIMS as at 1 July 2022.

Figure B.3: Number of Trade Support Loan payments made by quarter, 2021–22



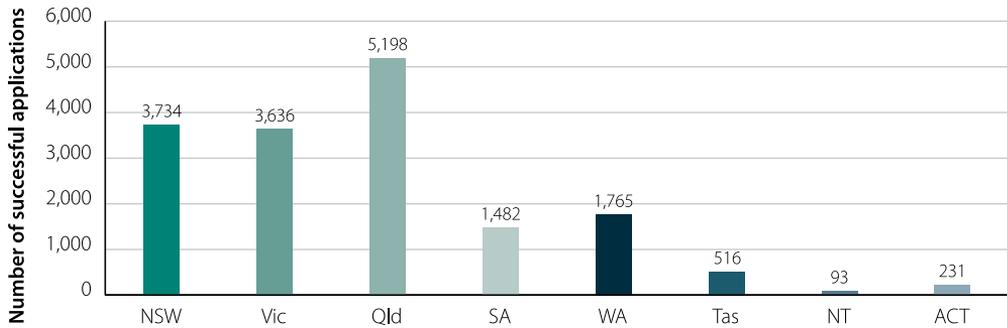
Data source: TYIMS as at 1 July 2022.

Figure B.4: Number of successful Trade Support Loan applications received by apprenticeship stage, 2021–22



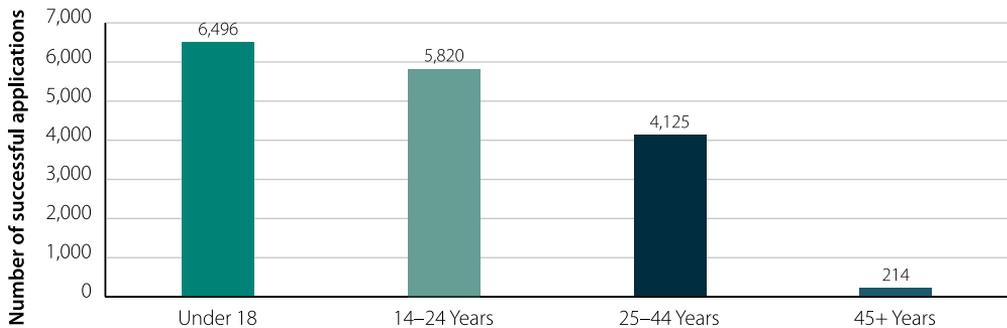
Data source: TYIMS as at 1 July 2022.

Figure B.5: Number of successful Trade Support Loan applications received by apprenticeship state/territory, 2021–22



Data source: TYIMS as at 1 July 2022.

Figure B.6: Number of successful Trade Support Loan applications received by apprenticeship age category, 2021–22



Data source: TYIMS as at 1 July 2022.

Appendix C – Annual Report of the Tuition Protection Service

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

The TPS helps students by either placing them into a similar course with an alternative institution, refunding tuition fees paid in advance for parts of the course that were not provided to the student, arranging the re-credit of a student's VSL, FEE-HELP or HECS-HELP balance. The TPS also helps international students who are eligible for a refund of tuition fees paid in advance where their education provider defaults by ceasing or not starting courses and fails to meet their obligations to the students.

This report summarises the activities of the TPS from 1 July 2021 to 30 June 2022, in compliance with section 170B of the *Education Services for Overseas Students Act 2000* (Cth). It includes an assessment of issues affecting TPS operations, the outlook for the year ahead and any potential risks to the Overseas Students Tuition Fund (OSTF), the Higher Education Tuition Protection Fund and the VSL Tuition Protection Fund.

The 2021–22 financial year began with the emergence of the new Delta variant of COVID-19 across eastern Australia, and overseas students continued to encounter closed borders. International students either were in Australia because they were here prior to the February 2020 closures or were forced to study online while offshore. Similarly, in the domestic sector, workplace learning and 'hands on' courses, particularly in the VET sector, were challenged by social distancing measures.

The TPS started the year prepared for education provider closures across the higher education, VET and English Language Intensive Courses for Overseas Students (ELICOS) sectors. However, a combination of financial support from the government and prudent management on the part of education providers meant the expected education provider closure activity did not occur at the anticipated level. While a few ELICOS providers closed down, the sector continued to survive the financial setback caused by border closures. Border restrictions and work from home requirements were not relaxed until early in 2022.

At the beginning of 2021–22 there were approximately 1,260 international education providers with approximately 548,663 international students; 174 VSL providers with approximately 12,500 VSL students; approximately 90 TPS FEE-HELP providers with some 64,000 FEE-HELP and HECS-HELP approved students; and 130 higher education providers that charged up-front fees to just under 35,000 students.

In 2021–22 the Department of Education, Skills and Employment engaged Nous Group to conduct a review of tuition protection arrangements. The review report, finalised in February 2022, found that TPS is a suitable tuition protection mechanism for international education and that its effectiveness for domestic students is untested as no domestic education provider defaults have occurred. The report found that the underlying rationale for intervention remains and there is little desire for change among stakeholders. The review made 22 recommendations to improve the design, effectiveness and efficiency of the TPS. The recommendations are under consideration by the TPS and the newly formed Department of Employment and Workplace Relations.

Tuition protection levies

The TPS is supported by 4 levies, one each for international and VSL, and 2 for higher education. The levies are used to administer the TPS and to build reserves in the OSTF, the VSL Tuition Protection Fund and the Higher Education Tuition Protection Fund. The 3 funds are maintained as distinctly separate special purpose accounts.

In formulating TPS levy settings, the TPS Advisory Board and the TPS Director aim for an appropriate balance between ensuring there are sufficient reserves in the relevant funds to meet potential demand, and ensuring the accumulated reserves are not excessive and the levy collected is reasonable for education providers. In finding this balance, the TPS Advisory Board seeks counsel from stakeholders across the sector, including industry peak bodies, the regulators and the Australian Government Actuary.

On 30 June 2022 the balance in the OSTF was \$44.6 million, which is within the TPS Advisory Board's strategic reserve target of \$35 million to \$60 million.

Based on actuarial advice, the TPS Advisory Board has set the strategic reserve target for the VSL Tuition Protection Fund in the range of \$6.75 million and \$9.5 million, and that of the Higher Education Tuition Protection Fund between \$21 million and \$25 million. The balance of the VSL Tuition Protection Fund on 30 June 2022 was \$7.9 million. The balance of the Higher Education Tuition Protection Fund on 30 June 2022 was \$7.2 million.

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

The TPS Advisory Board provided advice in relation to the risk-rated premium and special tuition protection components to the TPS Director on the 2022 international levy in October 2021 and again provided advice in the first half of 2022 to inform the 2022 domestic levy settings.

VSL and higher education domestic levies for 2021 were not charged to education providers, as part of the government's COVID-19 business support package. In its mid-year economic forecast in December 2021, the government announced that the 2022 international tuition protection levy would also be waived as a COVID-19 relief measure.

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

Table C.1: Financial status of the Overseas Students Tuition Fund, 2021–22

	\$'000
Opening balance at 1 July 2021	46,355
TPS annual levy collected	24
Other revenue collected	237
Total revenue	261
Student and education provider payments	(1,395)
TPS administrator services	(403)
Other operational/administrative expenses	(167)
Total expenditure	(1,965)
Closing balance as at 30 June 2022	44,651

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

Table C.2: Financial status of the VET Student Loans Tuition Protection Fund, 2021–22

	\$'000
Opening balance at 1 July 2021	7,012
Appropriation credited to special account (Repayable Seed Funding)	500
Appropriation credited to special account (Government Funding)	531
Total revenue	1,031
TPS administrator services	(27)
Other operational/administrative expenses	(133)
Total expenditure	(159)
Closing balance as at 30 June 2022	7,884

Note: The financial status of the VSL Tuition Protection Fund is reported on a cash basis, totals may not add due to rounding.

Table C.3: Financial status of the Higher Education Tuition Protection Fund, 2021–22

	\$'000
Opening balance at 1 July 2021	6,381
Appropriation credited to special account (Repayable Seed Funding)	1,000
Total revenue	1,000
TPS administrator services	(27)
Other operational/administrative expenses	(146)
Total expenditure	(173)
Closing balance as at 30 June 2022	7,208

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

TPS governance

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

Institutions delivering education services to international students pay annual tuition protection levies, as do education providers offering income-contingent loans or charging up-front fees to domestic higher education students. The TPS Advisory Board's primary function is to provide advice and recommendations to the TPS Director on the risk-rated premium component and special tuition protection component of the 4 annual levies.

On 6 August 2021 the then Minister for Education approved the appointment of the Hon Phil Honeywood to the TPS Advisory Board. In the 2021–22 financial year, Guy Thorburn, Peter Kohlhagen, Libor Pilecky and Anne Vickers were appointed or reappointed as representatives of the Australian Government Actuary, the Australian Prudential Regulation Authority, the Department of Finance and the Department of Home Affairs respectively.

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

Working with stakeholders

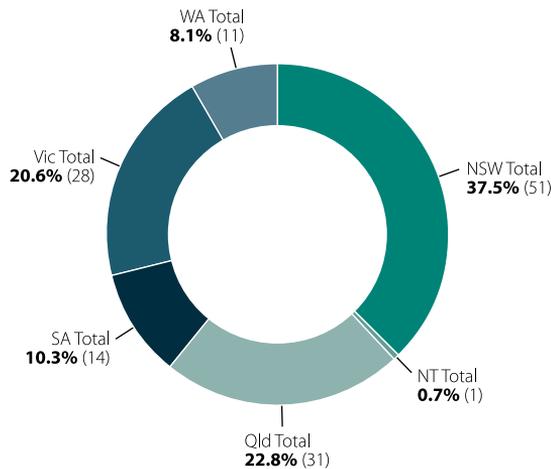
The TPS continues to maintain strong working relationships with education provider regulators and peak bodies to ensure the TPS can respond to regulatory action in a proactive and constructive manner to achieve good outcomes for students.

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

The TPS worked closely with the 3 relevant policy areas – international, VSL and higher education – in the Department of Education, Skills and Employment, providing feedback on the implementation of each of the tuition protection services to inform future policy development.

Early in 2022 it was possible to conduct stakeholder engagement face to face again, so meetings with peak bodies and information sessions for education providers on the TPS domestic levies were conducted around Australia in late April and May 2022. Information sessions were held in Perth, Brisbane, Sydney, Melbourne, Adelaide and online with 136 education providers. Nearly half of all domestic education providers attended at least one of the sessions.

Figure C.1: Number of providers that attended an information session on TPS domestic levies by state/territory, 2021–22



Outlook

While the general closure of international borders in 2020 and 2021 heavily impacted many providers of international education in Australia, the predicted large-scale education provider closures did not eventuate. Many international students were already in the country when the government brought in border restrictions in early 2020. Significant financial support packages from both the Commonwealth and state governments assisted the sector through 2020 and 2021 and had a positive impact on the financial sustainability of education providers.

A serious backlog in student visa approvals has compounded the pressures international education providers face even as border restrictions have eased.

In response to the COVID-19 pandemic and the government's response, many education providers moved to online-only teaching. As part of the gradual reopening and resumption of activities following the end of shutdown restrictions, some institutions have reopened their doors to students and are once again teaching in-person classes, often in a blended learning environment with a combination of face-to-face and online teaching modes.

Year-to-date student visa holder arrivals at the end of June 2022 were only 38% of what they were in 2019.

The impacts of COVID-19 have been most heavily felt in the ELICOS sector. ELICOS student numbers recovered during 2021–22 from the low of 2020–21. ELICOS commencements for the 6 months to July 2022 were 36,509, compared to 24,077 in the same period in 2021, which is still down from the previous high of 86,028 from the same 6 months in 2019.

The TPS worked with stakeholders to monitor financial viability through the COVID-19 situation. As at 30 June 2022 there have still been few closures resulting in a call on the OSTF as a direct result of the pandemic.

Tuition Protection Service placement and payment activity

There were no VSL or domestic higher education provider defaults in the 2021–22 financial year, and no VSL or higher education provider defaults have occurred since the TPS coverage was expanded. The TPS has been monitoring several education providers whose VSL approvals ceased or were revoked, to ensure students continue to be supported to the completion of their course.

Over the 12 months to 30 June 2022 there were 2 international providers who defaulted, which displaced 206 international students. One provider closure was because of a business decision to temporarily cease its operations and the other provider chose not to renew its registration.

Only one of the 2 international provider defaults required assistance from the TPS. In 2021–22 the TPS made 39 placements of or refunds to international students as a result of this one education provider default. Tables C.4 and C.5 show the time taken by the TPS to place students and make payments from the OSTF in 2021–22. The time taken by the TPS to place and refund students was slightly longer than it had previously been, due to many students remaining offshore and being harder to contact and in no hurry to progress their study plans in Australia due to the borders being closed until early 2022.

Table C.4: Time taken by the Tuition Protection Service to place students, 2021–22

Number of students placed	Within 30 days	Over 30 days	Total
International	0	118	118

Placement payments for 118 students were made during 2021–2022 and 400 students elected to receive a refund payment (a total of 518 payments were made in 2021–22 see Table C.2).

Table C.5: Time taken to make payments from the Overseas Students Tuition Fund, 2021–22

Payments made during 2021–22	Refunds to students		Placement payments to providers		Total paid \$'000
	Within 30 days	Over 30 days	Within 30 days	Over 30 days	
International	114	286	0	118	1,395

Note: Both refund and placement payments relate to amounts expensed in 2021–22, regardless of when the provider default took place.

Melinda Hatton

Director

Tuition Protection Service

Appendix D – Annual Report of the Student Identifiers Registrar

About the Unique Student Identifier

Since 2015, all students in the vocational education and training (VET) sector must have a Unique Student Identifier (USI). The requirement for a USI was extended to new higher education students seeking Commonwealth financial assistance on 1 January 2021. From 2023, all higher education students must have a USI to graduate and receive their award.

Over 13 million USIs have been assigned and during 2021–22 more than 3,500 education and training providers and VET or higher education related entities were using our system.

The USI is a randomly generated number. Students provide their USI when applying for a VET Student Loan or financial assistance to commence higher education. Students undertaking a nationally recognised VET course or completing an apprenticeship require a USI to receive their qualification. Registered training organisations affix USIs to training records sent to the National Centre for Vocational Education Research (NCVER), where they are stored. This enables the creation of a secure online record of the student's training and the production of an authenticated VET transcript. Students can use their transcript when applying for a job, seeking a credit transfer, or demonstrating training prerequisites.

The USI is a linkage key to enable more accurate data on vocational education enrolments, training completion and pathways. In this way it can support targeted policy making and resource allocation by the Commonwealth, state and territory governments.

Authorising legislation

The *Student Identifiers Act 2014* (Cth) provides for a Commonwealth statutory office holder, the Student Identifiers Registrar, to oversee the implementation and management of the USI nationally. The Registrar's functions include:

- assigning and verifying student identifiers
- preparing a student's authenticated transcript
- enabling students to give third parties access to their transcript
- protecting students' personal information from unauthorised access or misuse.

The Registrar is appointed on a full-time basis for up to 5 years by the Commonwealth minister administering the *Student Identifiers Act 2014* after consulting state and territory ministers. Janette Dines is the current Student Identifiers Registrar. She was appointed for 3 years on 15 April 2019 and reappointed on 16 April 2022 until April 2024.

In 2021–22 the Registrar was assisted by APS employees from the Department of Education, Skills and Employment, and by contractors. On 30 June 2022 there were a total of 57 staff supporting the Registrar.

The Registrar manages the Student Identifiers Special Account. The account is a special account for the purposes of the *Public Governance, Performance and Accountability Act 2013* (Cth). The appropriation for the 2021–22 financial year was \$9,354,000 and the total spend was \$7,178,484. The underspend reflects USI registry system enhancement work being delayed to 2022–23.

This report is prepared in compliance with section 51 of the *Student Identifiers Act 2014*.

Registrar overview

I have now been the Student Identifiers Registrar for 3 years. The USI Team has achieved much since my appointment in April 2019, including relocating from Canberra to Adelaide, building stakeholder relationships and the expansion of the USI to the higher education sector.

In April 2019 there were 9.7 million USI accounts. Now there are over 13 million. Self-service transactions in the USI registry system, help requests, and call numbers rose in the past year as increasing numbers of individuals undertook education or skills training.

Online help requests are easier to submit and resolved faster

Despite being busier, we have improved our service delivery and reduced customer effort considerably since 2019. An example is our processing of online help requests which arise if a customer has trouble creating a USI. In April 2019 the average time taken to respond to an online help request was 102 (business) hours and 36 minutes. In April 2022 this had dropped to 2 hours and 23 minutes, and in June 2022 we were responding within 1 hour and 52 minutes. This reflects better workforce planning, procedural changes reducing agent effort, and registry system enhancements. This year we reduced customer effort by enabling the secure upload of an identity document when submitting a help request and the ability to reopen a help request, avoiding the need for a customer to re-enter details.

More calls with less waiting and faster handling

We handled over 149,000 calls (nearly 9,000 more than last year and up 50,000 from 2019–20). Despite the higher number of calls, the average wait time was just 1 minute and 9 seconds, well below my target of 2 minutes and 30 seconds. The average call handling time was 1 minute shorter than last year.

Table D.1: Student Identifiers Registrar performance measures, 2021–22

Performance measure	Met
Average speed to answer does not exceed 2 minutes and 30 seconds	<input checked="" type="checkbox"/>
Average quality score of 85% across all support channels	<input checked="" type="checkbox"/>
85% of queries resolved with the first contact	<input checked="" type="checkbox"/>
85% of callers surveyed are satisfied with our service	<input checked="" type="checkbox"/>

Callers report high satisfaction. Of the 61,800 customers surveyed post call, 90% rated us 5 out of 5 stars and 5% rated us 4 out of 5 stars. We received some great feedback such as:

- *I was very stressed about not remembering my USI, and the issue was resolved in 10 minutes flat with no waiting on hold!*
- *Really polite, calm and quick. Good job.*
- *Having someone go above and beyond ... made the task of sorting out my USIs so much easier.*
- *I received the best support that I had not expected via your staff.*

Self-service is simple and secure

This year 97% of transactions were online self-service. Our USI registry system operated 24/7 and achieved 99% availability. On average, 6,000 students and 700 providers accessed our system daily. We continuously enhance the USI registry system to improve privacy and security, simplify the user experience and do our work more efficiently. This year there were 56 new software releases. In the coming year we will do a user-centred design review of the student portal, but in the meantime I was delighted by this feedback:

- *Hi, I have just used the USI site for the first time. I am 73 and have been involved with computers for almost 50 years. This has to be the clearest and most navigable piece of software I have used to date. Congratulations.*

Meet customers where they are

Most of our customers self-serve but we are highly available to those who cannot. We have made 3 changes to operating hours to better serve our customers. A Saturday afternoon shift reduces the waiting time for students who lodge a help request after close of business on Friday. In its first 6 months, 3,000 students benefited from this. Opening the contact centre on the non-public holidays between Christmas and the New Year meant 831 customers were not waiting until 4 January. Weekday operating hours are now 8.30am until 6.30pm AEST/AEDT. On average, 400 callers per month benefit from the early opening and 500 callers per month benefit from the later closing time.

Transcript enhancements

A USI gives VET students access to an authenticated record of their nationally recognised training. The authenticated VET transcript is a key value proposition for the student and contributes to the USI initiative's social licence to operate. This year we sought to increase student awareness of the VET transcript service. Alongside promotional activities, we modernised the transcript and added a QR code for easier sharing with third parties. This has yielded positive feedback and a 15% increase in transcript downloads and sharing:

- *The new transcripts look great and have improved our buy-in from universities on accepting them when submitted by applicants, which is a big step forward.*

This year I will be doing more to help students unlock the value of their authenticated VET transcript by giving them more choices as to how and where they share it.

A high-performing workforce

My team has demonstrated its commitment to best serving our customers, doing things differently and supporting each other.

We responded to COVID-19 outbreaks and restrictions, maximising health and safety without disrupting our services. We are adept at service delivery, staying connected and collaborating even when working remotely. During the year we agreed ongoing working arrangements of being in the office together from Tuesday to Thursdays with the option to work remotely on Monday and Fridays. This hybrid arrangement allows us to maximise the benefits of face-to-face and remote working and be intentional about what we do in both locations.

We survey staff quarterly and receive evidence of a highly engaged workforce that feels enabled and supported to do their work. On average, 99% of staff said they understand what is expected of them in their current role and 100% said they understand how their job contributes to the customer experience.

As well as ensuring everybody has the skills and resources to do their current jobs, we are preparing for the jobs of the future. We dug into the APS Workforce Strategy 2025 and invested in training including plain English writing, data literacy, leadership development and effective coaching skills.

It has been a pleasure to continue to support students and education providers over the past year and contribute to the government's priorities in the education, skills and employment portfolio. I am grateful for the chance to continue to lead this high-performing team delivering the USI initiative for a further 2 years.

Janette Dines

Student Identifiers Registrar

At a glance - 2021-22



986,989
new USIs,
bringing the total
to 13.08 million



8.2 million
self-service
transactions



1.07 million
transcript views/
downloads
(15% increase*)



20,155
USIs created using digital identity,
bringing the total to 30,423



4,857
USI accounts accessed
using digital identity



37
USI exemptions
granted



149,060
calls handled
(8,653 more calls*)



6 minutes 30 seconds
average daily call handle time
(1 minute and 1 second faster*)



1 minute 9 seconds
average daily call wait time
(2 minutes and
29 seconds shorter*)



96,893
online help
requests actioned



0
notifiable data breaches reported
to Office of the Australian
Information Commissioner

* compared to 2020-21 data.

USI mission statement



The infographic is a rounded rectangle divided into four quadrants by a central circle. Each quadrant contains an icon, a text block, and a secondary icon. The central circle contains a gear and lightbulb icon with text. At the bottom left is the text 'Mission statement' and 'Your lifelong education number'. At the bottom right are the Australian Government crest and the USI logo with the text 'Unique Student Identifier'.

Know our market (Icon: Three people)

Deliver a simple and secure customer experience (Icon: Shield)

Innovate to improve our USI customer experience and do our work more efficiently (Icon: Headset)

Support the Government and through it the nation (Icon: Column)

Enable and inspire team USI to take ownership and do its best work (Icon: Gear and lightbulb)

Mission statement
Your lifelong education number

Australian Government **USI** Unique Student Identifier

Performance information

GOAL 1: KNOW OUR MARKET

■ KPI 1.1: We know who our customers are and what they need from us

What we did

- Surveyed 61,800 customers post call, yielding a 5-star rating from 90% of respondents
- Participated in 12 career expos and 12 industry events attended by 118,000 attendees
- Released 3 e-news bulletins to a 9,500-subscriber list (2,000 more subscribers than last year)
- Promoted the USI and VET transcript on social media, reaching 100,000 people
- Provided over 48,400 higher education students with information on how to create/find a USI
- Held 2 meetings of the USI External Reference Group, comprising training providers, tertiary admissions centres and peak bodies representing employers and students
- Conducted 16 individual meetings or visits to state training authorities, tertiary admission centres and peak bodies representing education and training providers
- Established a reference group comprising software management system providers
- Attended 2 webinars with 81 members of the Heads of Student Administration to advise on matters relating to the expansion of the USI and to discuss higher education students
- Adapted procedures to support flood-affected customers and offshore New Zealand students

GOAL 2: DELIVER A SIMPLE AND SECURE CUSTOMER EXPERIENCE

What we did

- Simplified the evidence of identity process for:
 - callers updating their personal details
 - customers creating a help request
 - students without standard identity documentation.
- Reduced customer effort by:
 - allowing help requests to be re-opened, saving the customer from re-entering details
 - enabling contact centre agents to send a USI or VET transcript directly mid-call, reducing the need for a student to re-access their account.

- Strengthened privacy and security by:
 - enabling contact centre agents to quickly identify if an account holder has notified us of sensitive circumstances
 - updating our privacy notices to better explain how we handle personal information
 - adding a date of birth requirement for retrieving a USI using email
 - transitioning 2,902 providers to webservice version 4.

■ KPI 2.1: Customers are satisfied with our service

Target: 85% of callers surveyed are satisfied with our service*

Achievement: 90% of respondents gave us 5 out of 5 stars

* 61,800 customers took our post-call survey.

■ KPI 2.2: Speed of service

Target: Average speed to answer does not exceed **2 minutes and 30 seconds**

Achievement: Average call wait time of **1 minute and 9 seconds**

■ KPI 2.3: QUALITY OF SERVICE

Target: Average quality score of 85% across all support channels*

Achievement: 96%

* Service quality is assessed against 26 elements including adherence to policies and procedures, accuracy and the interpersonal skills displayed by our customer service officers in responding to calls, emails and system-generated help requests.

■ KPI 2.4: FIRST CONTACT RESOLUTION

Target: 85% of queries resolved with the first contact

Achievement: 99%

■ KPI 2.5: THE USI REGISTRY SYSTEM SUPPORTS SELF-SERVICE

Target: 90% of transactions are self-service

Achievement: 97%

■ KPI 2.6: THE USI REGISTRY SYSTEM IS HIGHLY AVAILABLE

Target: 99% of the time the Student Portal is available and operational

Achievement: 99%

■ KPI 2.7: NUMBER OF DATA BREACHES

Target: 0 reportable data breaches and no more than 8 non-reportable data breaches*

ACHIEVEMENT: 0 reportable breaches and 19 non-reportable breaches

* Reportable data breaches are those that may cause serious harm to an individual and therefore must be reported to the Office of the Australian Information Commissioner (OAIC).

■ KPI 2.8: STAFF PROTECT STUDENTS' PERSONAL INFORMATION

Target: 100% of staff are trained in, and aware of, their privacy obligations

Achievement:

- 99% of staff completed mandatory privacy, security, and fraud awareness training
- 100% of staff completed data breach training in accordance with OAIC requirements and our data breach response plan
- 97% of staff reported a strong privacy culture in the USI Team

GOAL 3: SUPPORT THE GOVERNMENT AND THROUGH IT THE NATION

■ KPI 3.1: WE SUPPORT AND ENABLE GOVERNMENT POLICY

What we did

- Simplified USI data access guidelines and better aligned them with National VET Data Policy
- Authorised the use of USI data to support the delivery of the National Student Outcomes Survey administered by the NCVET, and the Multi-Agency Data Integration Project
- Supported the DESE VET Data Streamlining Board and VET Data infrastructure projects
- Transitioned 3,500 providers from the Business Authorisation Manager to the Digital Identity system
- Moved the myGov ID beta into production with branding on our student and organisation portals
- Granted exemptions to 37 applicants who stated a genuine personal objection to having a USI
- Processed 17 requests for compliance information from law enforcement or regulatory agencies

■ KPI 3.2: GOVERNMENT PARTNERS ARE SATISFIED

Target: 90% of government agencies we interact with express satisfaction

Achievement:

- 86% rated the experience of their last interaction with us as satisfied or positive
- 86% indicated that their overall perception of us was satisfied or positive

■ KPI 3.3: COLLABORATION ACROSS GOVERNMENT

What we did

- Held 2 meetings of the USI Advisory Group, comprising all state/territory training authorities and the VET and higher education regulators
- Participated on the Digital Identity and myGov Portfolio Board and Steering Committee
- Contributed as a member of the DESE Schools USI Program Board and adviser to the Schools USI Pilot Participants Group
- Assisted the WA State Training Board to access historical apprenticeship and trainee data
- Supported Department of Social Services work on a digital skills passport for the disability support workforce
- Supported Digital Transformation Agency policy work on minimum age for a digital identity

GOAL 4: INNOVATE TO IMPROVE OUR USI CUSTOMER EXPERIENCE AND DO OUR WORK MORE EFFICIENTLY

■ KPI 4.1: WE ARE OPEN TO NEW WAYS OF DOING THINGS

What we did

- Extended our opening hours with effect from December 2021:
 - 3,000 customers benefited from a new Saturday afternoon shift responding to online help requests lodged after close of business on Friday
 - 831 customers benefited from our contact centre opening on the non-public holidays between Christmas and New Year
 - 5,157 callers were served during our earlier opening and later closing times
- Released a new-look VET transcript with a QR code for easier sharing with third parties
- Revised 19 procedures to reduce red tape for providers and improve customer experience in proving identity, authorising third parties, and accessing transcripts
- Released 56 software updates to continuously improve the USI Registry system for all users

GOAL 5: ENABLE AND INSPIRE THE USI TEAM TO TAKE OWNERSHIP AND DO ITS BEST WORK

KPI 5.1: OUR CULTURE SUPPORTS STAFF

What we did

- Held 8 all-staff events organised by our Culture Club in support of our culture statement
- Agreed hybrid working arrangements under which all staff attend the office from Tuesday to Thursday and may work from on home Mondays and Fridays
- Invested in training consistent with the APS Workforce Strategy 2025, individual performance agreements and mission statement goals, including:
 - plain English writing skills
 - leadership development
 - effective coaching
 - data literacy
 - contact centre best practice
 - mindfulness-based stress reduction



Culture Statement



Trust
We have a firm belief in one another to be reliable, truthful and capable.



Learning
We learn from the past to prepare for our future.



Working together
Even when working alone we are working together to support our mission statement.



Transparent communication
Everyone has a voice and we know the 'why' behind decisions.

■ KPI: WE ARE A GOOD PLACE TO WORK

Target: 100% of staff report role clarity, support, and a line of sight to our customers

Table D.2: Goal 5 performance measures, 2021–22

Achievement	Annual average strongly/agreed*
I understand what is expected of me and my current role	99%
I understand how my job contributes to the customer experience	100%
I believe the USI team has a strong privacy culture	97%
I know who to ask if I need help with any aspects of my current role	99%
I have the necessary resources I need to perform my duties	95%
I feel that my manager sees my wellbeing as a priority	95%
I feel that my ideas are welcome	88%
I understand the link between my job and the USI mission statement	97%
I have discussed my learning and development needs with my manager	93%

* Staff are surveyed quarterly – these percentages are an average of all 4 quarters where staff provided a response of either 'agreed' or 'strongly agreed'.

Appendix E – Annual Child Safety Statement

Commonwealth Child Safe Framework

Commitment to child safety

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

- Departmental staff were required to complete a mandatory Child Safe Framework e-learning module to build whole-of-department capability.
- Contract managers were required to consider child safety when entering into and managing procurement and grant agreements.
- When carrying out recruitment activities, staff were required to decide if the position should be classified as a child safe position.
- The department maintained a register of child safe positions and Working with Children Checks (WWCC).
- Staff were required to notify the Child Safe Framework Team of any child safety complaints made about the department or an individual staff member.

This was further supported by:

- a senior executive being the Child Safety Champion, to lead the commitment to child safety across the department
- regular communication regarding child safety with all staff
- supporting and celebrating National Child Protection Week.

The department undertook a review of the Child Safe Policy in the first half of 2022. On 11 May 2022 the revised policy was shared with all staff and updated on the department's intranet.

The updated Child Safe Policy incorporated the following key changes:

- the new requirement to publish an annual Child Safety Statement consistent with the Commonwealth Child Safe Framework (CCSF)
- more clarity around child safety mandatory reporting requirements
- more detailed information to help staff understand acceptable and unacceptable child safe professional behaviours.

The department celebrated National Child Protection Week from 5 to 11 September 2021 to promote, empower and further embed the CCSF. The celebration included:

- communication activities, including a Child Safety Champion all-staff email and intranet presence promoting the week and encouraging all staff to think about their responsibilities as members of a child safe organisation
- a Q&A session between the department's Child Safety Champion and Rebekah Kilpatrick, Head of the National Office for Child Safety in the Department of the Prime Minister and Cabinet, to highlight the importance of child safety at the department
- promotion of and access to National Child Protection Week webinars and the animation 'Keeping Our Kids Safe: Understanding Cultural Safety in Child Safe Organisations', giving staff an introduction to the National Principles for Child Safe Organisations through a cultural lens
- a video of staff sharing their thoughts on how they had applied a child safety lens in their day-to-day work.

The department put in place measures to implement the child safety requirements consistent with the CCSF in relation to third parties delivering services or activities that relate to or may impact children and young people.

Child safety training

The department made the CCSF training mandatory for all staff and shared the training module across Commonwealth agencies. The training module was reviewed regularly to ensure currency. The department also made the Australian Human Rights Commission Child Safe Organisation training modules available to all staff through its internal online training system. The additional training was mandatory for all staff working in identified child safe positions.

Throughout May 2021 the department delivered customised webinars covering mandatory reporting obligations and vicarious trauma informed practices training. The 2 webinars were published on the intranet and made available as an online training resource to staff.

Child safety risk assessment

The department evaluated risks to child safety annually in relation to its activities and operations, and monitored the strategies implemented in managing identified risks. In recognition of the department's commitment to child safety, the issues identified in the Child Safe Risk Plan were elevated to an enterprise-wide risk. In August 2021 the department conducted its annual child safety risk assessment.

Compliance with the CCSF

In May 2021 the department's Internal Audit Team coordinated a review to assess the department's compliance with the CCSF, with a particular focus on the management of third-party relationships. The review concluded that the department was fully compliant with the requirements of the CCSF. Throughout 2021–22 the department continued its focus on reinforcing the importance and relevance of child safety when developing policies, delivering programs and funding research through third-party providers.

Appendix F – Annual Report of the National Skills Commissioner

This report provides information about the performance of the National Skills Commissioner's functions under the *National Skills Commissioner Act 2020* (the Act) and the exercise of the Commissioner's powers during 2021–22.

About the National Skills Commissioner

The Commissioner provides advice to the Minister or the Secretary on:

- Australia's current, emerging and future workforce skills needs
- the development of efficient prices for vocational education and training (VET) courses
- the public and private return on government investment in VET qualifications
- the performance of Australia's system for providing VET
- issues affecting the state of the Australian and international labour markets
- opportunities to improve access, skills development and choice for regional, rural and remote Australia in relation to VET.

The Commissioner also informs the public on these matters and collects, analyses, publishes and shares data on the above to inform policy development and program delivery.

The Commissioner is also required to publish a report each calendar year on Australia's current, emerging and future workforce skills needs.

Governance

Mr Adam Boyton was appointed as the National Skills Commissioner on 13 October 2020. Mr Boyton was the National Skills Commissioner for the 2021–22 reporting period.

During 2021–22 the National Skills Commission (NSC) operated as a division of the Department of Education, Skills and Employment to support the Commissioner in the delivery of his functions. As at 30 June 2022, 168 staff and contractors across Australia were engaged by the NSC.

Commissioner's 2021–22 review

In 2021–22 the National Skills Commission continued to use innovative and dynamic approaches to provide advice on the Australian labour market and VET system.

Australia's current, emerging and future workforce skills needs; and issues affecting the state of the Australian and international labour markets

In December 2021 the NSC's first annual report on Australia's current, emerging and future skills needs was tabled. The report – *The State of Australia's Skills 2021: now and into the future* – found that Australia had generally managed well the structural changes that have occurred in the labour market over the past few decades.

The report also offered a series of markers to help influence and inform the development of Australia's education and skills system over the years ahead and examined the distribution of skills across the economy, as well as skills that are currently emerging.

The report noted that, aside from the shock of COVID-19, Australia's workforce and skill needs have been impacted by a range of big forces over recent decades.

These include a shift to higher skilled jobs and hence the importance of further education and training; an ongoing shift towards services; the resilience of non-routine and cognitive jobs in the face of automation; and the opportunities and new jobs being created by technology.

The NSC's analysis found that some of the most important and rapidly growing skills needs over coming years can be summarised as the 'Four Cs': care, computing, cognitive and communication skills.

In June 2021 the NSC published the Skills Priority List (SPL), which forms the backbone of labour market analysis intended to underpin a range of policy initiatives including apprenticeship supports and skilled migration. SPL analysis covered almost 800 occupations in 2021. The NSC expanded the Survey of Employers who have Recently Advertised (SERA) from 80 to 250 occupations from July 2021, to broaden the evidence base that informs the SPL.

The SPL provides a current labour market rating (whether an occupation is in shortage or not), along with a national future demand rating for each occupation. The assessment reflects quantitative data from employer surveys and key labour market indicators, as well as input from extensive consultation with state/territory government agencies, representative bodies, unions and employers.

Five-year employment projections were published by the NSC to examine the detailed pattern of employment growth over the next 5 years. The projections take the Treasury's projection of national employment growth for the next 5 years as a starting point and disaggregate overall employment by industry and occupation. The projections are used to assess future demand for occupations and influence a range of policies and programs.

The NSC updated and expanded the Australian Skills Classification (ASC). The ASC provides a common language of skills in the Australian labour market. The ASC assesses occupations that are listed in the Australian Bureau of Statistics (ABS) Australian and New Zealand Standard Classification of Occupations and describes the skills required to do each of these jobs.

There are 3 elements to the ASC:

- 10 core competencies underpinning all jobs, with the level of proficiency required for each occupation identified on a 1–10 scale
- 2,100 specialist tasks specific to jobs, with like skills clustered into 284 skills clusters and 29 skills cluster families
- 70 technology tools specific to jobs.

Skills profiles for over 1,100 occupations have been created, with a focus on occupations with VET pathways. The profiles include trending skills that have increased in demand over the last 5 years and emerging skills that are new to occupations within the last 5 years.

The ASC is used to support several policy initiatives, including informing Workforce Australia tools to assist job seekers in articulating the skills they have and to identify skills gaps and training opportunities.

Throughout the latter half of 2021 and into 2022, the NSC worked in partnership with the ABS to build Skills Tracker, a new linked dataset that brings together a range of administrative and survey data. Skills Tracker allows the NSC to produce timely estimates of the skills held across the population and can also provide detailed cohort analysis. Skills Tracker outputs formed part of *The State of Australia's Skills 2021: now and into the future*.

The NSC continues to extract valuable labour market intelligence through the Jobs and Education Data Infrastructure (JEDI) project. JEDI uses real-time data and machine learning techniques (such as natural language processing) to link disparate datasets. JEDI is used for a number of purposes, including:

- providing the data behind several online tools such as Job Switch and Jobs Hub, which matches job seekers to jobs in demand at a local level
- enabling advanced job matching capability and insights for Workforce Australia.

The NSC also continued to produce and publish the monthly Internet Vacancy Index (IVI), which is the only publicly available source of detailed data on online vacancies, including for around 350 occupations (at all skill levels), all states/territories and 37 regions across Australia.

The NSC also conducted the Recruitment Experiences and Outlook Survey (REOS) of approximately 1,200 employers each month to understand their experiences when recruiting staff, including any recruitment difficulty and key reasons why the recruitment needs of their business were not being met. The survey can be adapted to gain greater insights into recruitment difficulty for specific regions or cohorts. The survey methodology can also be used to assess the effectiveness of different interventions by seeking direct feedback from business.

In 2021–22 the NSC released an experimental dataset, Nowcast of Employment by Region and Occupation (NERO), that provides timely information on employment in 355 occupations across 88 regions in Australia on a monthly basis. Previously this type of data was only readily available every 5 years as part of the ABS Census of Population and Housing.

The NSC continues the quarterly publication of Small Area Labour Markets (SALM) estimates to provide regional estimates of unemployment. In addition, the NSC provides labour market insights and analysis for 51 employment regions as part of the Local Jobs Program.

Through 2021–22 the NSC continued to provide advice to ministers and the Secretary on regular labour market data releases from the ABS. To help further inform the public, in February 2022 the NSC launched a new quarterly labour market update publication (which is available on the NSC's website).

The NSC's work on vocational education and training

Throughout 2021–22 the NSC continued to develop a national pricing framework for VET courses in support of negotiations between the Australian Government and state and territory governments for a new national skills agreement.

In March 2022 efficient prices and allocations to fee and subsidy bands for over 700 courses were shared with governments. The fee and subsidy bands took into account data and analysis on the public and private returns from VET.

The NSC also progressed supporting research into the development of loadings for students with disability and for First Nations students. The NSC also undertook research and analysis to identify thin markets in VET, as well as examining the additional costs incurred in delivering VET in regional and remote Australia.

During the year, the NSC also commenced work on an analytical framework for and approach to assessing the delivery of VET in regional, rural and remote Australia. The framework examines providers and their offerings, how students access VET and the experience students have.

The NSC has been working with the ABS to release new data on the private and public returns from VET qualifications. This analysis is based on the newly created VET National Data Asset (VNDA), which links data on VET participants from the National Centre for Vocational Education Research (NCVER) with data on outcomes such as income, employment status, reliance on income support and participation in further study. VNDA is a collaboration between the NSC and the ABS. VNDA will expand on the insights currently available through the NCVER Student Outcomes Survey and provide new insights into both the public and private returns from VET, and how well the VET system is meeting the needs of the labour market and delivering outcomes for learners.

During 2021–22 the NSC released the VET Training Package Qualifications Similarity interface and an accompanying methodology paper. Using natural language processing methods, the NSC calculated similarity scores for each national VET qualification to all other qualifications across all training packages.

Care Workforce Labour Market Study

In March 2021 the Australian Government requested that the Commissioner undertake an in-depth study on factors affecting demand and supply in the care workforce, in both the near term and the longer term to 2050. The report was provided to the Australian Government on 30 September 2021.

The NSC established an inter-agency taskforce to assist with the study, which was informed by submissions and a number of roundtables with government departments and agencies, peak bodies, providers and unions.

Informing the public

Throughout the year the NSC actively provided the public with information and released all its major reports and regular data releases on its website and publicised them via social media channels. The Commissioner and other subject-matter experts have also presented at a range of public conferences.

The work of the NSC continued to expand in 2021–22 and built on the foundations laid in its first year of operation.

Adam Boyton

National Skills Commissioner

Appendix G – Workforce statistics

Table G.1: All ongoing employees, 2021–22

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Indeterminate	
NSW	85	2	87	68	22	90	–	–	–	177
Qld	39	3	42	89	16	105	–	–	–	147
SA	39	3	42	60	28	88	–	–	–	130
Tas	8	3	11	14	6	20	–	–	–	31
Vic	31	1	32	68	21	89	–	–	–	121
WA	15	–	15	29	11	40	–	–	–	55
ACT	1,199	65	1,264	1,603	393	1,996	–	–	–	3,260
NT	3	–	3	17	3	20	–	–	–	23
External territories	–	–	–	–	–	–	–	–	–	–
Overseas	3	–	3	7	–	7	–	–	–	10
Total¹	1,422	77	1,499	1,955	500	2,455	–	–	3	3,957

Note: Includes employees on leave without pay. Excludes inactive employees and the Secretary.

¹ Three employees identified as indeterminate gender. To protect their identification, they have been added to the total figure only.

Table G.2: All non-ongoing employees, 2021–22

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
NSW	2	–	2	2	1	3	–	–	–	5
Qld	2	–	2	6	–	6	–	–	–	8
SA	1	–	1	3	–	3	–	–	–	4
Tas	2	–	2	2	1	3	–	–	–	5
Vic	1	–	1	1	1	2	–	–	–	3
WA	–	–	–	2	–	2	–	–	–	2
ACT	26	19	45	54	19	73	–	–	–	118
NT	1	–	1	1	–	1	–	–	–	2
External territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	1	–	1	–	–	–	1
Total¹	35	19	54	72	22	94	–	–	2	150

Note: Includes employees on leave without pay. Excludes inactive employees and the Secretary.

¹ Two employees identified as indeterminate gender. To protect their identification, they have been added to the total figure only.

Table G.3: All ongoing employees, 2020–21

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
NSW	77	2	79	60	18	78	–	–	–	157
Qld	26	3	29	56	14	70	–	–	–	99
SA	28	3	31	54	26	80	–	–	–	111
Tas	7	3	10	12	4	16	–	–	–	26
Vic	31	1	32	45	18	63	–	–	–	95
WA	13	–	13	19	15	34	–	–	–	47
ACT	1,125	63	1,188	1,461	424	1,885	–	–	–	3,073
NT	2	–	2	15	3	18	–	–	–	20
External territories	–	–	–	–	–	–	–	–	–	–
Overseas	3	–	3	5	–	5	–	–	–	8
Total	1,312	75	1,387	1,727	522	2,249	–	–	–	3,636

Note: Includes employees on leave without pay. Excludes inactive employees and the Secretary.

Table G.4: All non-ongoing employees, 2020–21

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
NSW	–	1	1	–	3	3	–	–	–	4
Qld	2	2	4	2	1	3	–	–	–	7
SA	4	–	4	6	2	8	–	–	–	12
Tas	–	1	1	1	–	1	–	–	–	2
Vic	–	–	–	–	3	3	–	–	–	3
WA	–	–	–	1	2	3	–	–	–	3
ACT	24	9	33	44	14	58	–	–	–	91
NT	–	–	–	–	–	0	–	–	–	0
External territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	2	–	2	–	–	–	2
Total	30	13	43	56	25	81	–	–	–	124

Table G.5: APS ongoing employees by classification, gender and employment status, 2021–22

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
SES3	4	–	4	3	–	3	–	–	–	7
SES2	12	–	12	18	–	18	–	–	–	30
SES1	33	–	33	55	3	58	–	–	–	91
Principal Gov Lawyer	6	–	6	11	2	13	–	–	–	19
Senior Gov Lawyer	9	–	9	21	10	31	–	–	–	40
Gov Lawyer	5	–	5	11	–	11	–	–	–	16
EL2	179	6	185	238	40	278	–	–	–	463
EL1 IT	22	–	22	3	–	3	–	–	–	25
EL1	449	36	485	603	179	782	–	–	–	1,267
APS6	357	23	380	468	161	629	–	–	–	1,009
APS5	173	6	179	282	69	351	–	–	–	530
APS4	86	5	91	160	28	188	–	–	–	279
APS3	33	1	34	24	8	32	–	–	–	66
APS2	4	–	4	3	–	3	–	–	–	7
APS1	–	–	–	–	–	–	–	–	–	–
Graduates	–	–	–	–	–	–	–	–	–	–
Trainees ¹	6	–	6	12	–	12	–	–	–	18
Trainees ²	–	–	–	1	–	1	–	–	–	1
Total³	1,422	77	1,499	1,955	500	2,455	–	–	3	3,957

Note: Excludes inactive employees.

¹ Trainees are at APS1 classification.

² Trainees are participants in the Indigenous Apprenticeships Program (IAP) at APS3 Classification.

³ Three employees identified as indeterminate gender. To protect their identification, they have been added to the total figure only.

Table G.6: APS non-ongoing employees by classification, gender and employment status, 2021–22

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
SES3	–	–	–	–	–	–	–	–	–	–
SES2	–	–	–	–	–	–	–	–	–	–
SES1	–	–	–	2	–	2	–	–	–	2
EL2	2	1	3	2	–	2	–	–	–	5
EL1	3	1	4	11	–	11	–	–	–	15
APS6	8	–	8	7	–	7	–	–	–	15
APS5	8	–	8	20	1	21	–	–	–	29
APS4	2	1	3	20	2	22	–	–	–	25
APS3	7	6	13	4	4	8	–	–	–	21
APS2	5	10	15	6	15	21	–	–	–	36
APS1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Total¹	35	19	54	72	22	94	–	–	2	150

Note: Excludes inactive employees.

¹ Two employees identified as indeterminate gender, and to protect their identification they have been added to the total figure only.

Table G.7: APS ongoing employees, 2020–21

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
SES3	3	–	3	3	–	3	–	–	–	6
SES2	12	–	12	16	–	16	–	–	–	28
SES1	34	–	34	51	3	54	–	–	–	88
Principal Gov Lawyer	9	–	9	10	2	12	–	–	–	21
Senior Gov Lawyer	7	–	7	23	9	32	–	–	–	39
Gov Lawyer	4	–	4	9	2	11	–	–	–	15
EL2	148	7	155	197	38	235	–	–	–	390
EL1 IT	17	–	17	3	–	3	–	–	–	20
EL1	429	30	459	516	183	699	–	–	–	1,158
APS6	349	29	378	436	170	606	–	–	–	984
APS5	154	4	158	255	71	326	–	–	–	484
APS4	84	5	89	135	38	173	–	–	–	262
APS3	19	–	19	21	6	27	–	–	–	46
APS2	2	–	2	3	–	3	–	–	–	5
APS1	–	–	–	–	–	–	–	–	–	–
Graduates	–	–	–	–	–	–	–	–	–	–
Trainees	3	–	3	11	–	11	–	–	–	14
Total	1,312	75	1,387	1,727	522	2,249	–	–	–	3,636

Note: Trainees are at APS1 classification. Excludes inactive employees.

Table G.8: APS non-ongoing employees, 2020–21

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
SES3	–	–	–	–	–	–	–	–	–	–
SES2	–	–	–	–	–	–	–	–	–	–
SES1	–	–	–	1	–	1	–	–	–	1
EL2	2	1	3	3	1	4	–	–	–	7
EL1	5	3	8	4	6	10	–	–	–	18
APS6	3	4	7	11	6	17	–	–	–	24
APS5	3	1	4	12	–	12	–	–	–	16
APS4	9	–	9	16	4	20	–	–	–	29
APS3	5	1	6	3	7	10	–	–	–	16
APS2	3	3	6	6	1	7	–	–	–	13
APS1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Total	30	13	43	56	25	81	–	–	–	124

Table G.9: APS employees by classification and employment status, 2021–22

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES3	7	–	7	–	–	–	7
SES2	30	–	30	–	–	–	30
SES1	88	3	91	2	–	2	93
Principal Gov Lawyer	17	2	19	–	–	–	19
Senior Gov Lawyer	30	10	40	–	–	–	40
Gov Lawyer	16	–	16	–	–	–	16
EL2	417	46	463	4	1	5	468
EL1 IT	25	–	25	–	–	–	25
EL1	1052	215	1267	14	1	15	1282
APS6	825	184	1009	15	–	15	1024
APS5	455	75	530	28	1	29	559
APS4	246	33	279	22	3	25	304
APS3	57	9	66	11	10	21	87
APS2	7	–	7	11	25	36	43
APS1	–	–	–	–	–	–	–
Graduates	86	–	86	–	–	–	86
Trainees ¹	18	–	18	–	–	–	18
Trainees ²	1	–	1	–	–	–	1
Total³	3,377	577	3,957	107	41	150	4,107

Note: Excludes inactive employees.

¹ Trainees are at APS1 classification.

² Trainees are participants in the Indigenous Apprenticeships Program (IAP) at APS3 Classification.

³ Five employees identified as indeterminate gender. To protect their identification, they have been added to the total figure only.

Table G.10: APS employees by classification and employment status, 2020–21

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES3	6	–	6	–	–	–	6
SES2	28	–	28	–	–	–	28
SES1	85	3	88	1	–	1	89
Principal Gov Lawyer	19	2	21	–	–	–	21
Senior Gov Lawyer	30	9	39	–	–	–	39
Gov Lawyer	13	2	15	–	–	–	15
EL2	345	45	390	5	2	7	397
EL1 IT	20	–	20	–	–	–	20
EL1	945	213	1158	9	9	18	1,176
APS6	785	199	984	14	10	24	1,008
APS5	409	75	484	15	1	16	500
APS4	219	43	262	25	4	29	291
APS3	40	6	46	8	8	16	62
APS2	5	–	5	9	4	13	18
APS1	–	–	–	–	–	–	–
Graduates	76	–	76	–	–	–	76
Trainees	14	–	14	–	–	–	14
Total	3,039	597	3,636	86	38	124	3,760

Note: Trainees are at APS1 classification. Excludes inactive employees.

Table G.11: APS ongoing and non-ongoing employees by location, 2021–22

	Ongoing	Non-ongoing	Total
NSW	177	5	182
Qld	148	8	156
SA	130	4	134
Tas	31	5	36
Vic	121	3	124
WA	55	2	57
ACT	3,262	120	3,382
NT	23	2	25
External territories	–	–	–
Overseas	10	1	11
Total	3,957	150	4,107

Note: Includes employees on leave without pay. Excludes inactive employees and the Secretary.

Table G.12: APS ongoing and non-ongoing employees by location, 2020–21

	Ongoing	Non-ongoing	Total
NSW	157	4	161
Qld	99	7	106
SA	111	12	123
Tas	26	2	28
Vic	95	3	98
WA	47	3	50
ACT	3,073	91	3,164
NT	20	–	20
External territories	–	–	–
Overseas	8	2	10
Total	3,636	124	3,760

Note: Includes employees on leave without pay. Excludes the Secretary.

Table G.13: APS ongoing and non-ongoing employees by First Nations status, 2021–22

	Total
Ongoing	107
Non-ongoing	4
Total	111

Table G.14: APS ongoing and non-ongoing employees by First Nations status, 2020–21

	Total
Ongoing	104
Non-ongoing	3
Total	107

Table G.15: Primary employment arrangements of SES and non-SES employees, 2021–22

	SES	Non-SES	Total
Enterprise Agreement	–	3,977	3,977
Section 24(1) determinations	130	–	130
Total	130	3,977	4,107

Note: Excludes the Secretary as remuneration arrangements for departmental secretaries are determined by the Remuneration Tribunal.

Table G.16: APS salary ranges by classification level (minimum/maximum), 2021–22

	Minimum salary	Maximum salary
SES3	321,606	426,239
SES2	232,833	319,216
SES1	175,730	302,770
Principal Gov Lawyer	150,644	163,053
Senior Gov Lawyer	112,617	137,955
Gov Lawyer	70,648	100,710
EL2	132,522	159,076
EL1 IT	130,689	136,912
EL1	112,617	124,466
APS6	91,584	100,710
APS5	81,464	87,093
APS4	73,783	78,907
APS3	67,828	70,648
APS2	60,736	64,722
APS1	31,027	56,541
Minimum/maximum range	31,027	426,239

Table G.17: Remuneration for key management personnel, 2021–22

Name	Position title	Short-term benefits			Post-employment benefits Superannuation contributions ⁵	Other long-term benefits		Termination benefits	Total remuneration ¹	Term as KMP ²
		Base salary ³ \$	Bonuses \$	Other benefits and allowances ⁴ \$		Long service leave ⁶ \$	Other long-term benefits \$			
Dr Michele Bruniges	Secretary	710,128	0	58,492	107,944	5,148	0	0	881,712	Full
Dr Roslyn Baxter	Deputy Secretary	384,727	0	11,611	72,259	13,508	0	0	482,105	Full
Mr Tony Cook	Deputy Secretary	320,145	0	1,347	47,968	9,711	0	0	379,171	Part term from 11/10/2021
Ms Alexandra Gordon	Deputy Secretary	327,271	0	12,201	74,471	6,891	0	0	420,834	Full
Mr Robert Heferen	Deputy Secretary	13,905	0	31	0	0	0	0	13,936	Part term until 06/07/2021
Mr Marcus Markovic	Deputy Secretary	393,269	0	12,278	74,471	10,070	0	0	490,088	Full
Mr Brenton Philp	Deputy Secretary	353,945	0	1,869	65,272	13,538	0	0	434,624	Part term from 06/07/2021
Mr Nathan Smyth	Deputy Secretary	411,598	0	1,869	71,895	(5,134)	0	0	480,228	Full
Ms Nadine Williams	Deputy Secretary	385,884	0	11,683	55,084	8,868	0	0	461,519	Full
Ms Karen Sandercock	A/g Deputy Secretary	94,219	0	9,742	15,298	1,875	0	0	121,134	Part term until 10/10/2021
Totals		3,395,091	0	121,123	584,662	64,475	0	0	4,165,351	

Notes

¹ Total remuneration is calculated on an accrual basis in accordance with AASB 119 Employee Benefits. This means there is a difference between the total remuneration included on an individual's annual payment summary and the remuneration disclosed in the table. This will also result in differences between the Remuneration Tribunal determination and the accrued total remuneration.

² The full term for KMPs in the Department of Education, Skills and Employment was 1 July 2021 to 30 June 2022.

³ Base salary includes salary paid and accrued, salary paid while on leave, annual leave accrued and temporary performance allowances.

⁴ Other benefits and allowances includes monetary and non-monetary benefits such as provision of a car park.

⁵ Accumulation superannuation schemes (for example PSSap and super choice) include employer superannuation contribution amounts. Defined benefit schemes (for example CSS and PSS) include the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.

⁶ Long service leave comprises the amount of leave accrued and taken in the period. It is subject to on-costs and discount factors in line with AASB 119.

Table G.18: Remuneration for senior executives, 2021–22

Total remuneration bands \$	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration ¹
		Average base salary ² \$	Average bonuses \$	Average other benefits and allowances ³ \$	Average superannuation contributions ⁴ \$	Average long service leave ⁵ \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$0 – \$220,000	46	90,202	0	3,911	15,264	2,895	0	4,287	116,559
\$220,001 – \$245,000	4	179,896	0	13,265	29,296	3,457	0	0	225,914
\$245,001 – \$270,000	30	201,459	0	8,823	34,498	5,174	0	7,131	257,085
\$270,001 – \$295,000	35	223,966	0	8,855	38,804	8,108	0	0	279,733
\$295,001 – \$320,000	15	246,230	0	10,101	41,868	8,515	0	0	306,714
\$320,001 – \$345,000	8	269,553	0	8,760	48,294	2,842	0	0	329,449
\$345,001 – \$370,000	11	268,936	0	9,023	49,310	5,211	0	25,817	358,297
\$370,001 – \$395,000	4	313,113	0	8,033	55,919	3,561	0	0	380,626
\$395,001 – \$420,000	2	170,729	0	96,196	28,991	6,777	0	115,265	417,958
\$495,001 – \$520,000	2	327,652	0	120,564	51,703	6,117	0	0	506,036
\$545,001 – \$570,000	1	205,859	0	8,848	37,177	4,337	0	312,827	569,048
\$595,001 – \$620,000	1	257,554	0	284,305	55,409	5,767	0	0	603,035
\$670,001 – \$695,000	1	297,764	0	10,310	35,782	8,159	0	337,201	689,216

Notes

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

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

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

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

⁴ Accumulation superannuation schemes (for example PSSap and super choice) include employer superannuation contribution amounts. Defined benefit schemes (for example CSS and PSS) include the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.

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

Table G.19: Remuneration for other highly paid employees, 2021–22

Total remuneration bands \$	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary ¹ \$	Average bonuses \$	Average other benefits and allowances ² \$	Average superannuation contributions ³ \$	Average long service leave ⁴ \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$235,001 – \$245,000	2	176,490	0	21,712	45,125	-2,421	0	0	240,906
\$245,001 – \$270,000	1	225,471	0	0	33,285	3,812	0	0	262,568
\$270,001 – \$295,000	1	165,885	0	200	28,220	-78,093	0	163,137	279,349
\$320,001 – \$345,000	5	147,085	0	132,274	25,679	2,149	0	27,834	335,021
\$370,001 – \$395,000	2	146,397	0	237,491	39,958	-39,390	0	0	384,456
\$395,001 – \$420,000	1	166,529	0	198,927	29,906	3,080	0	0	398,442
\$445,001 – \$470,000	1	166,232	0	248,371	29,349	2,488	0	0	446,440
\$470,001 – \$495,000	1	444,085	0	17,864	23,568	6,693	0	0	492,210

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

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

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

² Other benefits and allowances include monetary benefits and non-monetary benefits such as provision of a car park, overseas posting allowances, such as cost of overseas living adjustment (COLA), cost of overseas posting allowance (COPA), provision of housing, and associated reportable fringe benefits tax (RFBT) and departmental FBT.

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

⁴ Long service leave comprises the amount of leave accrued and taken for the period. It is subject to on-costs and discount factors in line with AASB 119.

Appendix H – Expenditure on employment programs

In accordance with section 1062D of the *Social Security Act 1991* (Cth), this appendix provides information about the total amounts paid under employment programs, and the total number of new employment program arrangements and grants, from 2 April to 30 June 2022.

Section 1062D of the *Social Security Act 1991* came into force on 2 April 2022, and this is the first time the information has been required to be included in the Department of Education, Skills and Employment Annual Report.

Table H.1: Employment program expenditure and new arrangements and grants, 2021–22

Program	Payments to providers	Other payments	Total	Number of new arrangements and grants*
jobactive	\$205,840,902.17	\$178,198,171.58	\$384,039,073.75	–
Transition to Work	\$44,204,812.00	\$5,113.80	\$44,209,925.80	–
ParentsNext	\$24,492,458.28	\$4,164,928.49	\$28,657,386.77	–
Workforce Australia	\$3,136,363.26	–	\$3,136,363.26	–

* No new arrangements or grants were made for employment programs during the reporting period. Payments continued to be made through existing arrangements.

Appendix I – Corrigendum

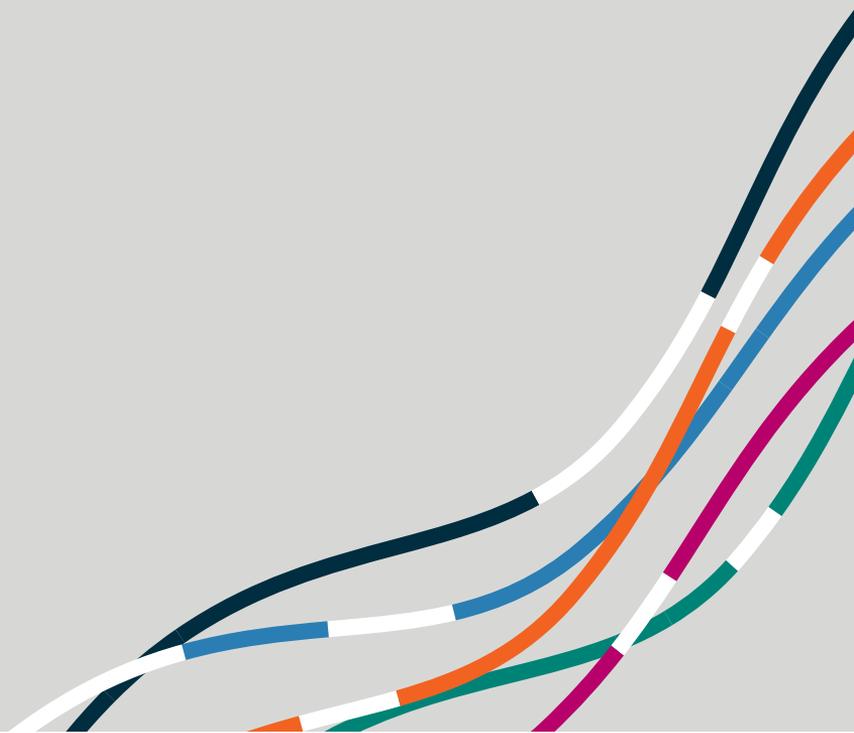
Table I.1 outlines errors that were published in the Department of Education, Skills and Employment Annual Report 2020–21. It also provides the corrected information and the reason for correction.

Table I.1: Corrections to the Department of Education, Skills and Employment Annual Report 2020–21

Incorrect wording	Correct wording	Reason for change	Page number
Table 3.14: Summary of ICT sustainability, 2020–21	Table 3.14: Summary of ICT sustainability, 2020–21	The published figure represented the ratio of end users per printer and not the ratio of desktop computers per printer	118
Desktop computers to printer ratio for 2020–21 10.7:1	Desktop computers to printer ratio for 2020–21 22.2:1		

06 INDEXES

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List of requirements

The table below contains a list of annual report requirements – prepared in accordance with paragraph 17AJ(d) of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) – and page references for the department’s compliance with these requirements.

PGPA Rule Reference	Description	Requirement	Page
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	iii
17AD(h)	Aids to access		
17AJ(a)	Table of contents	Mandatory	vi
17AJ(b)	Alphabetical index	Mandatory	260
17AJ(c)	Glossary of abbreviations and acronyms	Mandatory	252
17AJ(d)	List of requirements	Mandatory	243
17AJ(e)	Details of contact officer	Mandatory	ii
17AJ(f)	Entity’s website address	Mandatory	ii
17AJ(g)	Electronic address of report	Mandatory	ii
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity	Mandatory	1–3
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity	Mandatory	5
17AE(1)(a)(ii)	A description of the organisational structure of the entity	Mandatory	8–9
17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity	Mandatory	12–13
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan	Mandatory	12

PGPA Rule Reference	Description	Requirement	Page
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory	5
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory	5
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	5
17AE(1)(b)	An outline of the structure of the portfolio of the entity	Portfolio departments – mandatory	5–7
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, mandatory	n/a
17AD(c)	Report on the performance of the entity		
	Annual Performance Statements		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory	11–85
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance	Mandatory	104
17AF(1)(b)	A table summarising the total resources and total payments of the entity	Mandatory	175–190
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory	n/a

PGPA Rule Reference	Description	Requirement	Page
Corporate governance			
17AG(2)(a)	Information on compliance with section 10 (fraud systems)	Mandatory	94–95
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	iii (Transmittal letter)
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory	iii (Transmittal letter)
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory	iii (Transmittal letter)
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	87–95
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	If applicable, mandatory	n/a
Audit Committee			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	88
17AG(2A)(b)	The name of each member of the entity's audit committee	Mandatory	89–92
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	89–92
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	89–92
17AG(2A)(e)	The remuneration of each member of the entity's audit committee	Mandatory	89–92

PGPA Rule Reference	Description	Requirement	Page
External Scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	114–115
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory	116
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman	If applicable, mandatory	114
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period	If applicable, mandatory	n/a
Management of Human Resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	96–102
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location	Mandatory	222–232
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: (a) statistics on staffing – classification level (b) statistics on full-time employees (c) statistics on part-time employees (d) statistics on gender (e) statistics on staff location (f) statistics on employees who identify as Indigenous	Mandatory	222–232

PGPA Rule Reference	Description	Requirement	Page
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the Public Service Act 1999	Mandatory	98
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c)	Mandatory	104
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level	Mandatory	233
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees	Mandatory	234–239
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory	n/a
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory	n/a
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory	n/a
17AG(4)(d)(iv)	Information on aggregate amount of performance payments	If applicable, mandatory	n/a
Assets management			
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	n/a
Purchasing			
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules	Mandatory	105

PGPA Rule Reference	Description	Requirement	Page
Reportable consultancy contracts			
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	106
17AG(7)(b)	A statement that 'During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].'	Mandatory	106
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	106
17AG(7)(d)	A statement that 'Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.'	Mandatory	106
Reportable non-consultancy contracts			
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	106–107

PGPA Rule Reference	Description	Requirement	Page
17AG(7A)(b)	A statement that "Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."	Mandatory	106
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		107
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory	n/a
Australian National Audit Office Access Clauses			
17AG(8)	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory	n/a
Exempt contracts			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory	n/a
Small business			
17AG(10)(a)	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory	105

PGPA Rule Reference	Description	Requirement	Page
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	105
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory	105
Financial Statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory	119–172
Executive Remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule	Mandatory	234–239
17AD(f) Other Mandatory Information			
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that ‘During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.’	If applicable, mandatory	108–109
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory	n/a
17AH(1)(b)	A statement that ‘Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].’	If applicable, mandatory	107
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory	117

PGPA Rule Reference	Description	Requirement	Page
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of the Freedom of Information Act 1982 can be found	Mandatory	116
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	241
17AH(2)	Information required by other legislation	Mandatory	191–195, 196–202, 203–214, 217–221, 240

Abbreviations and acronyms

AAC	Audit and Assurance Committee
AASB	Australian Accounting Standards Board
AASN	Australian Apprenticeship Support Network
ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACSF	Australian Core Skills Framework
ACT	Australian Capital Territory
ADMS	Apprenticeships Data Management System
AEDC	Australian Early Development Census
AGGP	Australian Government Graduate Program
ANAO	Australian National Audit Office
ANU	Australian National University
APS	Australian Public Service
APSC	Australian Public Service Commission
AQF	Australian Qualifications Framework
ASC	Australian Skills Classification
ASQA	Australian Skills Qualification Authority
ATO	Australian Taxation Office
CCCF	Community Child Care Fund
CCS	Child Care Subsidy
CCSF	Commonwealth Child Safe Framework
CFO	Chief Financial Officer
Cth	Commonwealth
CO ₂ -e	carbon dioxide equivalent
COLA	cost of overseas living adjustment
COPA	cost of overseas posting allowance

CPA	Certified Practising Accountant
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
CRN	Customer Reference Number
CRO	Chief Risk Officer
CSS	Commonwealth Superannuation Scheme
DESE	Department of Education, Skills and Employment
DFAT	Department of Foreign Affairs and Trade
DISER	Department of Industry, Science, Energy and Resources
DLSF	Digital Literacy Skills Framework
DMI	Direct Measure of Income
DNER	Debt not expected to be repaid
DSS	Department of Social Services
e-CAF	electronic Commonwealth assistance form
EFTSL	equivalent full-time study load
EL	Executive Level
ELICOS	English Language Intensive Courses for Overseas Students
FaFT	Families as First Teachers
FBT	fringe benefits tax
FSFYF	Foundation Skills for Your Future
FTE	full-time equivalent
GOS	Graduate Outcomes Survey
GST	goods and services tax
HDR	higher degree by research
HECS	Higher Education Contribution Scheme
HELP	Higher Education Loan Program
HESP	Higher Education Superannuation Program
HR	human resources
IAGDP	Indigenous Australian Government Development Program
IAP	Indigenous Apprenticeships Program

ICT	information and communications technology
ISP	Inclusion Support Program
IT	information technology
JEDI	Jobs and Education Data Infrastructure
LJP	Local Jobs Program
KMP	key management personnel
KPI	key performance indicator
LLND	Language, literacy, numeracy and digital literacy skills
MJ/FTE	megajoule/full-time equivalent
MOUs	Memorandum of Understanding
NAPLAN	National Assessment Program – Literacy and Numeracy
NCI	National Careers Institute
NCRIS	National Collaborative Research Infrastructure Strategy
NCVER	National Centre for Vocational Education Research
NERO	Nowcast of Employment by Region and Occupation
NEST	New Employment Service Trial
NIAA	National Indigenous Australians Agency
NSC	National Skills Commission
NSRA	National School Reform Agreement
NT	Northern Territory
OAIC	Office of the Australian Information Commissioner
OECD	Organisation for Economic Co-operation and Development
OFAI	Online Formative Assessment Initiative
OPA	Official Public Account
OSTF	Overseas Students Tuition Fund
PALM	Pacific Australia Labour Mobility scheme
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014

PIs	Performance indicators
PMC	Department of the Prime Minister and Cabinet
PRA	Preschool Reform Agreement
PSS	Public Sector Superannuation Scheme
PSSap	PSS accumulation plan
QILT	Quality Indicators for Learning and Teaching
RAP	Reconciliation Action Plan
REOS	Recruitment Experiences and Outlook Survey
RFBT	reportable fringe benefits tax
RSGC	Risk, Security and Governance Committee
RTO	registered training organisation
RTP	Research Training Program
RUC	Regional University Centres
SA1	Statistical Area level 1 defined by the Australian Bureau of Statistics
SA2	Statistical Area Level 2 defined by the Australian Bureau of Statistics
SAT	Supporting Apprentices and Trainees
SciVal/Scopus	Bibliography tools that enable users to benchmark and analyse publication output at an individual, group and institutional level
SEE	Skills for Education and Employment
SEIFA	Socio-Economic Indexes for Areas
SES	Senior Executive Service
SME	small and medium enterprise
SNAICC	Secretariat of National Aboriginal and Islander Child Care – National Voice for our Children
SOETM	Services for Other Entities and Trust Money
SPL	Skills Priority List
SRC	Social Research Centre
STEM	science, technology, engineering and mathematics
SWP	Seasonal Worker Programme

TCSI	Tertiary Collection of Student Information
TPA	Teaching Performance Assessment
TPS	Tuition Protection Service
TRA	Trades Recognition Australia
TSL	Trade Support Loans
UANP	National Partnership on Universal Access to Early Childhood Education
USI	Unique Student Identifier
VET	vocational education and training
VNDA	VET National Data Asset
VFH	VET FEE-HELP
VSL	VET Student Loans
WHS	Work health and safety
WHS Act	<i>Work Health and Safety Act 2011</i>
WWCC	Working With Children Checks

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