



Regulator Statement of Intent

This Statement of Intent (SOI) sets out my intentions as the Accountable Authority of the Department of Education regarding how I will meet the expectations outlined by the Minister for Education, the Hon Jason Clare MP, in the Ministerial Statement of Expectations (SOE) he signed on 5 July 2024. These expectations concern departmental regulatory functions under the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, as guided by the *Regulator Performance Resource Management Guide 128 (RMG 128)*.

Introduction

Education has the power to transform lives. It supports children and young people to realise their potential by providing the knowledge and skills required to develop into lifelong learners who participate in the economy and in society, while also contributing to their wellbeing. In the first years of life, early childhood education and care supports positive learning and developmental outcomes for children, while enabling parents and carers to work or study. In the longer term, education provides invaluable opportunities for Australians to improve their personal wealth and social mobility, helping to alleviate entrenched disadvantage in communities and create a more equitable society. Our education system also plays an important role in Australia's productivity by supporting workforce and skills growth in priority sectors. Accessible, safe and high-quality education is an investment in our nation's prosperity.

Australia's education system is currently undergoing a period of significant reform. This has been underscored over the past 2 years by a series of comprehensive reviews proposing ambitious reform agendas focused on improving equity, accessibility, quality and safety across the education system. As Secretary of the Department of Education, I am committed to ensuring that the department is well positioned to support this reform agenda as it shifts into an implementation phase, including by undertaking our crucial role as a regulator of parts of Australia's education system as outlined below.

Our regulatory role

The Department of Education aims to create a better future for all Australians through education. It provides strategic direction and national leadership of Australia's education system, stewarding the government's vision for reform. The department's regulatory functions play a key role in ensuring the Australian education system is characterised by safety, quality and financial integrity.

I acknowledge the department's responsibility for a range of regulatory functions, which are outlined within Appendix A of the Minister's Statement of Expectations. Broadly, the department regulates:

- early childhood service providers, under *A New Tax System (Family Assistance) Act 1999*
- schools, under the *Australian Education Act 2013 (Cth)* and the *Australian Education Regulations 2023*
- higher education providers, under the *Higher Education Support Act 2003*
- the use of the word 'university' in domain, company and business names under the *Tertiary Education Quality and Standards Agency Act 2011*
- education delivery by schools with international students, under the *Education Services for Overseas Students Act 2000*.

These regulatory functions work alongside other Commonwealth, state and territory regulators across the early childhood, schools, higher education, research and international education sectors, and we will continue to engage closely with them as appropriate. For example, the Education Portfolio's Tertiary Education Quality and Standards Agency (TEQSA) and Tuition Protection Service (TPS) also perform important regulatory functions for the Commonwealth. As standalone regulators, these agencies will issue their own SOIs.

This SOI establishes my plan, as the Accountable Authority, for fulfilling the Minister's expectations of the department's regulatory conduct, as outlined in the corresponding SOE. These intentions set out how our regulatory functions will deliver on those expectations to achieve regulatory objectives, carry out regulatory functions, and exercise powers.

Government policy priorities and objectives

Supporting regulatory reform

The department holds in high regard the importance of its role to progress the Government's policy priorities and objectives. In particular, the department will support the APS Regulatory Reform Agenda by maintaining effective and fit-for-purpose regulation, to support a well-functioning regulatory framework with improved transparency, productivity and capability. The department will continue to find opportunities to:

- streamline processes and reduce duplication of regulatory functions
- implement the regulator best practice principles in its decision-making, policies, processes and communication practices
- maintain effective and collaborative partnerships with other Commonwealth, state and territory agencies
- enhance regulatory outcomes and compliance by maintaining open working relationships with its regulated entities
- assess its performance and stakeholder engagement by applying the RMG 128 guidance
- incorporate regulator performance reporting into the department's reporting processes in line with the *PGPA Act* and the *PGPA Rule*.¹

The department's functions will continue to support a fit-for-purpose education regulatory framework, through the education life course. Core to this will be continuing to maintain a high level of visibility over the completion and response to major reviews of the Australian education system

¹ *Public Governance, Performance and Accountability Rule 2014*



that have been recently completed or are due to be finalised shortly. These include the *Australian Universities Accord*, the *Review to Inform a Better and Fairer Education System*, and the reviews of the early childhood education and care sector undertaken by the Productivity Commission and the Australian Competition and Consumer Commission.

Recent examples of the department's work to improve the efficiency of Australia's education regulatory framework over the coming years include:

- The department is currently developing regulatory frameworks to improve the safety and quality of In Home Care (IHC) services and services under Community Child Care Fund -Restricted (CCCF-R) Grants. These frameworks will be underpinned by the regulator principles of best practice, informed by engagement with the sector, and align where possible to the National Quality Framework (NQF). This will help to ensure Australia's regulatory landscape for the early childhood education and care system effectively supports communities in regional and remote areas, particularly those experiencing disadvantage and vulnerability, to have access to safe and high-quality early childhood education and care.
- The department is undertaking work to strengthen non-Government schools funding integrity. This measure will expand the department's regulatory assurance and compliance activities to prevent, detect and respond to non-compliance and fraud in the non-government school sector, supporting an enhanced regulatory framework and safeguarding the Australian Government's significant investment in school education.

Supporting access to early childhood education and care

The department recognises the importance of the Government's priority to improve accessibility and affordability of early childhood education and care for Australian families. Its regulatory functions will continue to support relevant initiatives across the Commonwealth, state and territory governments.

In particular, the department will continue to play a leading role in administering the Child Care Subsidy, including through regulating the financial integrity functions which safeguard Australia's early childhood education and care system against fraud and non-compliance. These functions are performed alongside work to implement key changes to the Child Care Subsidy and deliver wider reforms. The department is committed to ensuring these regulatory functions complement continuing engagement with Services Australia on the shared delivery of the Child Care Subsidy for families.

Principles of regulator best practice

Consistent with RMG 128, and in line with the Minister's expectations, the department will support and embody the three principles of regulatory best practice as outlined below. We will embed these principles into the operation of our regulatory functions and related performance reporting processes.

In the implementation of new government policy, the department will continue to maintain its strong commitment to regulatory best practice. We will also ensure that any work to identify and improve on regulatory processes will consider relevant findings and recommendations of key policy reviews, legislative requirements, and other government direction.



1. Continuous improvement and building trust

The department continues to take a whole-of-system perspective, continuously improving its performance, capability and culture to build trust and confidence in Australia's regulatory settings. This includes:

- using quantitative and qualitative analysis as key tools for assessing and reporting on performance and supporting continuous improvement
- ensuring information is requested and handled in an appropriate and secure manner which enables effective regulation and minimises burdens on regulated entities
- ensuring governance processes support best practice program assurance, program management, compliance and regulatory practices
- supporting capacity building to ensure staff have relevant industry knowledge and are empowered to identify and implement improved practices as appropriate
- promoting a work culture that builds public confidence in the department's work and fosters trust in government decision-making.

The department embeds a firm commitment to ongoing improvement, for example, through its *Child Care Subsidy Financial Integrity Strategy 2023-27* (CCS Strategy). In line with the CCS Strategy, we continuously observe and monitor the operating environment, the behaviour of providers and the effectiveness of compliance action to inform ongoing learning and refinement of Child Care Subsidy regulatory approaches. The Strategy also elevates transparency and accountability as core principles. Public trust is promoted through impartial, clearly evidenced decision-making, and by ensuring the department's responses to non-compliance and fraud are recorded and made visible to the public, families, child care providers and their employees. Further, the department has developed a Framework to assist departmental staff involved in related integrity activities to maximise the use of data, while minimising risks of data being used inappropriately.

The department is also transforming the way it administers funding under the *Australian Education Act 2013* by investing in a new platform. The new platform will deliver an easy and streamlined way to assess eligibility and calculate school funding, as well as support the school sector comply with funding requirements. The department will be working with the sector over the next three years to design and implement the new system.

Our delivery against performance measures will continue to be reported in documents such as the Portfolio Budget Statements, Corporate Plan and Annual Report.



2. Risk-based and data driven:

The department will manage risks proportionately and maintain essential safeguards while minimising regulatory burden. Additionally, it will leverage data and digital technology to support its regulated entities to comply and enhance their understandings of the requirements of each scheme the department administers. This includes:

- seeking opportunities to remove duplication and streamline processes in order to improve efficiency and lift productivity, including international harmonisation and alignment with international regulators as appropriate
- actively understanding, engaging with and effectively mitigating strategic risks in order to successfully manage its regulatory functions, without unnecessarily impeding the operations of regulated entities
- using data sources that meet relevant data assurance standards for assessing and reporting on the quality of statistical information
- maintaining and reviewing compliance and enforcement policies that outline regulatory approaches to identify and manage risk
- seeking to make complying with regulation as efficient as possible while increasing voluntary compliance.

The department applies targeted data analysis and intelligence collection to monitor and enforce compliance of higher education providers obligations under the *Higher Education Support Act 2003*, and various programs including the Commonwealth Grant Scheme. These data-driven methods support a range of activities, such as monitoring provider estimates against actual data on student enrolment, identifying and investigating providers whose financial viability is at risk, and ensuring providers are allocated the appropriate amount of funding.

The department has also been taking a more active regulatory approach to ensure funding for non-government schools is used appropriately for school education. Core to this is enhancing the use of data to support its work to prevent, detect and respond to non-compliance. This includes increasing the use of data analytics to identify approved authorities for schools that may require further investigation by the department. Data integrity will also be improved by increasing the number of schools examined each year, to ensure a strong understanding of student enrolments in non-government schools that underpins the Australian Government recurrent funding under the *Australian Education Act 2013*.

Further, as the Education Services for Overseas Students (ESOS) Agency for schools, the department undertakes risk assessments of providers utilising systems data, including key legislative performance indicators. The department's approach involves engaging with state regulators, the Department of Home Affairs and other ESOS agencies with a focus on specific regulatory requirements for schools and the unique risks for school-age students. Systemic environmental risks are identified through monitoring trends of international school student data and sharing this information with Designated State Authorities² (DSAs) to investigate risks and support compliance. This work is enhanced by qualitative data, drawn from the recommendations of DSAs, which inform the department's identification, monitoring and response to provider risks.

² DSAs are the education agency responsible for approving schools to operate in their state or territory:
<https://www.education.gov.au/esos-framework/esos-agencies>



3. Collaboration and engagement:

The department will ensure it is transparent and responsive, implementing regulations in a modern and collaborative way. This includes:

- open, transparent and consistent engagement with stakeholders in industry, government and the broader community to maintain competent and innovative regulatory practices
- seeking opportunities to engage and consult genuinely with stakeholders
- being receptive to feedback and diverse stakeholder views
- being transparent in decision-making processes
- providing up-to-date, clear and accessible guidance and information to assist regulated entities with compliance.

The department will continue to engage with its regulated entities across early childhood, schools and higher education in a range of ways to support compliance and understanding of the regulatory framework. Where possible and appropriate, the department uses an educative approach to regulation that is responsive and targeted. Key examples include:

- In December 2023, *Get Early Childhood Compliance Knowledge Online* ('Geccko') was launched to assist providers and educators to understand and comply with obligations under the Family Assistance Law. Geccko users have access to free self-paced eLearning courses and resources such as videos and tip sheets. By June 2024, Geccko had over 4000 registered users and around 6400 course completions.
- The department also engages regularly with higher education providers, peak bodies and internal stakeholders, to support compliance under the various higher education programs. This includes making use of organised forums such as the Australian Network of University Planners. The department uses these opportunities to promote consistent long-term behavioural change and voluntary compliance, helping to foster fair and equitable services and maintain the overall integrity of the higher education sector.
- Further, the department engages comprehensively before making legislative changes with regulatory impact, and to ensure the development of regulatory frameworks, guides and resources are fit for purpose. For example, in developing an enhanced IHC regulatory framework, the department has engaged the Australian Children's Education and Care Quality Authority (ACECQA) to develop and pilot the framework and its supporting Standards from early April to late July 2024. This work will be underpinned by collaboration with the IHC sector and relevant co-regulators.

Innovation and regulatory change

The department's operating environment is influenced by a range of factors that affect how its functions are delivered. Some factors are global in nature and difficult to predict. It is therefore important to assess our changing social and economic landscape, to improve preparedness, and to adapt and respond accordingly.



The department will continually monitor the environment it operates in to ensure that its regulatory approaches keep pace with changes in technology, industry practices and community expectations. It will consider impacts on regulators, regulated entities and the communities who engage with and rely on education services. The department will also regularly review and, where necessary, adjust policies, protocols and operating procedures, to ensure it can respond to the changing social, technological and commercial context in which it operates.

As indicated earlier, we will also ensure that, as part of any future changes to our regulatory role, we will continue to embed the principles of regulator best practice.

Engagement between Education Ministers and the department

The department recognises its significant role in supporting Ministers and the government more broadly in ensuring effective regulation for the education system. We will continue to foster productive relationships through consistent, timely and transparent engagement, ensuring they are informed on relevant regulatory and policy developments.

Reporting and transparency

Consistent with RMG 128 guidance, the department will reflect the information provided in this SOI and its corresponding SOE into its performance information, in the Portfolio Budget Statements and the Corporate Plan, and performance reporting in the Annual Report. This SOI and its corresponding SOE will be made publicly available on both the Department of Education website and linked to on the Department of Finance's Regulator Stocktake website.



Tony Cook PSM

Secretary

Department of Education

6 August 2024

