



Australian Government
Department of Education

25 | Annual 26 | Report



25 | Annual 26 | Report



2981-8966 (Online)

2981-8958 (Print)



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Use of the Coat of Arms

The terms under which the Coat of Arms can be used are detailed on the Department of the Prime Minister and Cabinet website at pmc.gov.au/government/commonwealth-coat-arms.

Note to reader

The Department of Education acknowledges diversity and respectfully uses both 'First Nations' and 'Aboriginal and Torres Strait Islander peoples' interchangeably in this document.

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Online version

Web address of this report: education.gov.au/about-us/corporate-reporting/annual-report

AI use

Some content in this report was prepared with the assistance of artificial intelligence (AI) tools. All content was reviewed, validated and approved by departmental staff before publication.

Letter of transmittal



Australian Government
Department of Education

Secretary
Mr Tony Cook PSM

The Hon Jason Clare MP Minister for Education	Senator the Hon Dr Jess Walsh Minister for Early Childhood Education Minister for Youth	The Hon Julian Hill MP Assistant Minister for International Education
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Dear Ministers

I am pleased to present the Department of Education Annual Report 2025–26.

This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act) for presentation to the Parliament.

The report reflects matters dealt with and legislation administered by the department as at 30 June 2026. It includes the department's annual performance statements and audited financial statements in accordance with section 39(1) and section 43(4) of the PGPA Act.

As required by section 17AG(2)(b) of the PGPA Rule, I certify that:

- fraud and corruption risk assessments and fraud and corruption control plans have been prepared and are in place for the department
- appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud and corruption that meet the specific needs of the department are in place for the department
- all reasonable measures have been taken to deal appropriately with fraud and corruption relating to the department.

The report appendices also include the following legally required information:

- information required under section 113 of the *Australian Education Act 2013* (Cth) in relation to recoverable payments
- the Australian Tertiary Education Commission annual report, as required under section 72 of the *Universities Accord (Australian Tertiary Education Commission) Act 2025* (Cth)
- the Tuition Protection Services Annual Report 2025–26 as required under section 170B of the *Education Services for Overseas Students Act 2000* (Cth)
- an annual report for the Higher Education Gender-based Violence Regulator as required under section 47 of the *Universities Accord (National Higher Education Code to Prevent and Respond to Gender-based Violence) Act 2025* (Cth).

Yours sincerely

Tony Cook
11 September 2026

50 Marcus Clarke Street, Canberra ACT 2601
GPO Box 9880, Canberra ACT 2601 | Phone 1300 566 046

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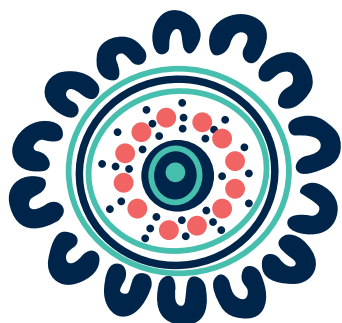
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Acknowledgement of Country

The Department of Education respectfully acknowledges the Traditional Owners and Custodians of Country throughout Australia. We pay our deepest respects to Elders past and present and to all First Nations peoples, and to their deep and enduring connection to land, waters and community.

We acknowledge that First Nations peoples have been teaching, learning, and sharing knowledge on these lands for tens of thousands of years. This legacy of education – grounded in culture, Country, and community – continues to thrive today.

As steward of Australia's education system, we recognise and honour these contributions and the role First Nations cultures, histories and ways of knowing, being and doing, play in shaping the design, content and delivery of education. We undertake our stewardship role with humility and a commitment to working in partnership to ensure First Nations learners thrive within our education system.



01

Overview

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Secretary's review



This year we continued in our role providing national leadership and stewardship of Australia's education system: from early childhood education and care (ECEC) and schools through to higher education, research and international education.

In 2025–26 we continued to advance the Australian Government's ambitious reform agenda including delivering ECEC system reforms, implementing the Better and Fairer Schools Funding agreements (BFSA), and driving delivery of the Australian Universities Accord reforms.

Across all areas of responsibility, we collaborated with stakeholders and jurisdictions to build an education system that supports opportunity, participation and prosperity for all Australians.

Early childhood education and care

The safety and wellbeing of children in ECEC remained a shared priority across all Australian governments. We played a central role in implementing the Australian Government's \$226 million reform package to strengthen safety, quality and accountability across the ECEC sector, working in close partnership with state and territory governments and the Attorney-General's Department.

On 31 July 2025, the Australian Government passed legislation to make it clear that the government expects all Child Care Subsidy (CCS) approved providers and services to be providing high-quality and safe ECEC as a condition of gaining and maintaining approval to administer the CCS. From then to 30 June 2026, compliance action was taken against 115 ECEC services that had persistently failed to meet the National Quality Standards relating to child health and safety.

The National Early Childhood Worker Register went live on 27 February 2026. It is now mandatory for ECEC providers approved under the ECEC National Law to enter and maintain up-to-date information about their employees and educators. It also became mandatory for everyone working or volunteering in an ECEC service regulated under the National Quality Framework to undertake national child safety training.

A national assessment of the use of CCTV in ECEC settings commenced in April 2026, involving 309 services throughout Australia. The assessment will provide advice to all governments on best-practice use of CCTV and build an evidence base to inform future policy.

From 5 January 2026, Australian children became eligible for 3 days of subsidised early education per week under the Australian Government's 3 Day Guarantee. This replaced the CCS activity test and in its first year more than 100,000 families are estimated to be entitled to more hours of subsidised care. Under the 3 Day Guarantee, eligible families can get at least 72 hours of subsidised ECEC per fortnight, regardless of their circumstances.

As part of the 3 Day Guarantee, families caring for a First Nations child can get 100 hours of subsidised ECEC per child, each fortnight. This supports Target 4 of the National Agreement on Closing the Gap which aims for 55% of First Nations children to be developmentally on track in all Australian Early Development Census domains by 2031.

The Worker Retention Payment (WRP) continued to deliver a pay increase for eligible ECEC workers and improve affordability for parents. In December 2025, the payment rate increased from 10% to 15% above the applicable award rate. In June 2026, the government announced an extension of the WRP to 30 June 2028.

We continued to deliver on the government's \$1 billion commitment through the Building Early Education Fund, which included \$500 million to help build or expand early learning services in areas of need.

Six Federation funding agreements had been signed with the governments of South Australia, Tasmania, the Australian Capital Territory, Victoria, Queensland, and New South Wales as at 30 June 2026. Two projects have been agreed through the government's \$100 million co-investment partnership with the Investment Dialogue for Australia's Children. In total, these agreements

provide \$235.2 million of Commonwealth funding through the Building Early Education Fund to deliver at least 2,391 additional child care places across 38 projects.

Promoting safe and respectful communities through education

On 18 December 2025, the Prime Minister appointed David Gonski AC to lead the national Antisemitism Education Taskforce to help Australia's education system prevent, tackle and respond to antisemitism. Formed as part of the Australian Government's response to the Special Envoy's Plan to Combat Antisemitism, the taskforce is working to improve Holocaust and antisemitism education, strengthen social cohesion, and provide educators with high-quality resources to address discrimination and foster respect and understanding among students. As at 30 June 2026, the taskforce had met 6 times and released its Antisemitism Education Taskforce Midpoint Update, outlining progress and setting out key priorities for the second half of its 12-month term.

The department actively collaborated with the taskforce to develop and implement resources and programs to strengthen students' and educators' ability to recognise, prevent and respond to antisemitism. This included supporting professional development initiatives and engaging with Jewish community representatives.

Additionally, the department provided comprehensive assistance to the Royal Commission on Antisemitism and Social Cohesion, facilitating evidence gathering and reporting to inform the commission's work on addressing antisemitism in education settings.

The department received and responded to several notices from the Royal Commission. The statements provided in response to the notices covered a range of actions including measures the department has adopted and considered to address antisemitism within the education system, the work of the Antisemitism Education Taskforce, and training provided to staff to address antisemitism and other forms of racism.

The final report from the Anti-Bullying Rapid Review was released on 18 October 2025. Education Ministers agreed to all recommendations and, as an initial response, the Australian Government committed \$10 million to support the development of targeted resources for school communities and a national awareness campaign to understand and help prevent and respond to bullying and harmful behaviours.

In February 2026, Education Ministers endorsed the *Anti-Bullying Rapid Review Implementation Plan*. Under the plan, all education sectors and schools will embed the expectations of the *National Framework for Addressing Bullying in Australian Schools* in their policies and procedures by Term 1, 2027, and make those policies publicly available. This includes a requirement for schools to make reasonable efforts to initiate safety and support planning and communication within 2 school days of becoming aware of bullying or other harmful behaviour matters.

Together, these efforts demonstrate the department's commitment to ensuring education settings are safe, inclusive and respectful, while equipping learners to be active and engaged citizens, consistent with government priorities and community expectations.

School funding and teacher workforce

We continued to support implementation of the BFSA to put public schools on a pathway to full and fair funding. All states and territories have signed bilateral agreements under the BFSA.¹ The agreements tie additional funding to reforms to improve student achievement, support student wellbeing and engagement, and build a strong and sustainable teacher workforce to ensure better outcomes for all students.

The Commonwealth Teaching Scholarships Program continues to support the attraction of high-quality candidates into the teaching profession. This initiative commenced in late 2023, with a commitment of 5,000 scholarships valued at \$160.1 million over 8 years. The third application round opened on 17 November 2025, offering scholarships to new undergraduate (up to \$40,000) and postgraduate (up to \$20,000) teaching students, with a focus on addressing workforce shortages and encouraging greater participation of priority and under-represented groups.

We continued to advance the delivery of the new Education Funding System (EFS), one of our most significant technology projects and a cornerstone of our digital transformation agenda. The EFS commenced delivery on 17 November 2025 with initial functionality made available to approved education authorities. Once fully complete, the EFS will replace SchoolsHUB as the primary digital platform for releasing schools' payments, data collections and secure system access.

¹ On 8 December 2025, Victoria signed a 2-year bilateral agreement and committed to agree a long-term bilateral agreement in 2026.

We also commenced discussions on the potential for a new Teaching and Learning Commission (the Commission) following the in-principle agreement of Education Ministers announced on 18 October 2025. The potential commission would consolidate the Australian Curriculum, Assessment and Reporting Authority (ACARA), the Australian Institute for Teaching and School Leadership (AITSL), Education Services Australia (ESA) and the Australian Education Research Organisation (AERO). The potential commission presents a significant opportunity to provide greater coordination, coherence and efficiency between curriculum, teaching, national assessment, research and reporting of key schooling data – with the whole being greater than the sum of its parts – to support all students to become more successful and confident learners. By bringing these key national school education functions together, a potential commission would better support the substantial investment being delivered through the BFSa.

Higher education

Significant progress has been made in implementing key government reforms across higher education, research and international education.

On 1 July 2025, the Australian Tertiary Education Commission (ATEC) commenced operation in an interim capacity, acting as an independent steward of Australia's higher education sector. It was established permanently on 29 April 2026 following the passage of the *Universities Accord (Australian Tertiary Education Commission) Act 2026* (Cth). The ATEC provides strategic direction and guidance for the higher education system to ensure the sector delivers for students, and on national economic and social objectives.

Professor Barney Glover was appointed Chief Commissioner of the ATEC with the Hon Fiona Nash, Mr David Coltman and Professor Stephen Duckett appointed as statutory Commissioners. In 2025–26 Professor Tom Calma AO performed in an interim role as the ATEC's First Nations Commissioner.

The Commonwealth Prac Payment commenced on 1 July 2025, providing financial support to eligible students undertaking mandatory placements in teaching, nursing, midwifery, social work, higher education and Vocational Education and Training (VET) courses. The payment is expected to support 73,000 eligible students per year, assisting them to manage the financial costs associated with undertaking placements and supporting the future workforce needs of the education and health care sectors.

We implemented a 20% reduction in Higher Education Loan Program and other student loan debts, providing more than \$16 billion in relief to more than 3 million Australians.

To reduce administrative burden on the higher education sector, the Better Regulation Working Group was established in February 2026 to identify opportunities to streamline processes and improve efficiencies across higher education regulation.

Protections for students and staff have been strengthened through the introduction of the *National Higher Education Code to Prevent and Respond to Gender-based Violence*. Legislation was passed on 25 August 2025, and the framework took effect from 1 January 2026. The *Respect at Uni Study* by the Australian Human Rights Commission, examining the prevalence and impact of racism in universities, was

released on 17 February 2026, providing important evidence to support ongoing action to improve safety and wellbeing across the sector.

The expansion of university study hubs has continued to improve access to tertiary education in regional, rural and outer suburban communities. Since 1 July 2025, 7 new Regional University Study Hubs and 11 new Suburban University Study Hubs have also been established across Australia.

Strong and sustainable international education and research

We continued our work to strengthen the integrity and sustainability of Australia's international education system, supporting the government's commitment to high-quality education that delivers long-term benefits for students and the economy through sustainable growth.

Legislation that passed Parliament on 28 November 2025 enacted reforms to strengthen regulatory oversight and ban commission payments related to student transfers between education providers.

International engagement also remained a priority. The third meeting of the Australia–India Education and Skills Council was held in Delhi on 8 December 2025, reinforcing cooperation on education, skills development and research collaboration.

Our workforce

Strengthening the capability of our people has underpinned delivery of major reforms and key policy priorities over the past year.

We continued to strengthen organisational capability through implementation of the department's *Capability Review Action Plan* focusing on leadership, collaboration, workforce planning and enabling services.

We improved the tools, systems and guidance available to staff to support effective decision-making and service delivery. This included a continued focus on responsible use of AI, information management, financial capability and the use of data and evidence.

Support for staff at key points in the employee experience remained a priority, including through the EmpowerED Induction program, learning and development opportunities, and resources to help staff build the skills and knowledge needed to contribute effectively throughout their careers.

The achievements highlighted in this report are testament to the hard work, skill and professionalism of our staff. Their commitment, flexibility and responsiveness have been essential to delivering government priorities and improving education outcomes for all Australians.



Tony Cook PSM

Secretary,
Australian Government
Department of Education

11 September 2026

Our portfolio

As at 30 June 2026

Ministers



The Hon Jason Clare MP
Minister for Education



Senator the Hon Dr Jess Walsh
Minister for Early Childhood Education
Minister for Youth



The Hon Julian Hill MP
Assistant Minister for International Education

Departmental outcomes and programs

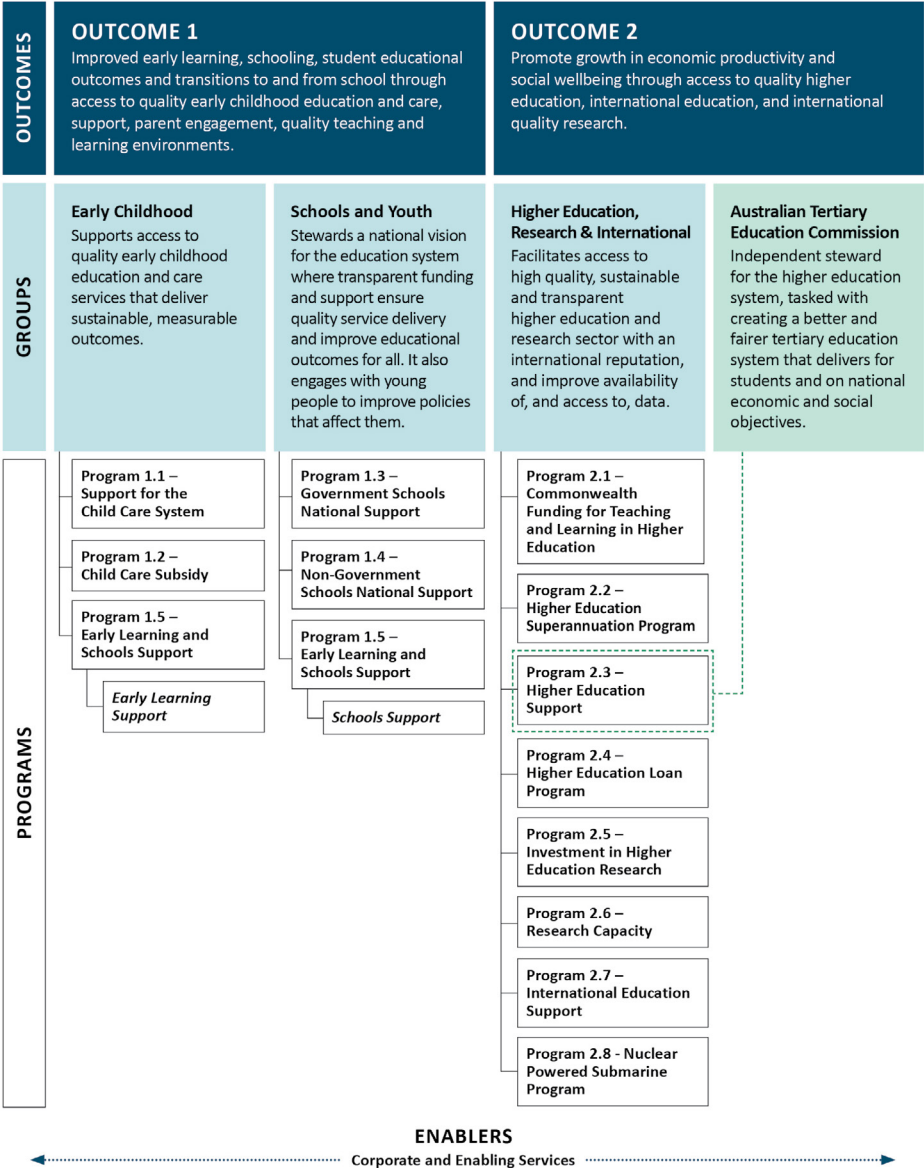
Purpose

We create a better future for all Australians through education.

Outcomes and programs

In 2025–26 the department achieved its purpose through the delivery of 2 outcomes and 13 programs.

Figure 1.1: Our departmental outcomes and programs



Roles and functions

As at 30 June 2026, the Department of Education was responsible for national policy, programs and funding across ECEC, school education, higher education, research, international education and youth engagement. We worked with state and territory governments, education providers, communities and industry to improve access, quality and outcomes across the education system.

In ECEC, the department administered policies and programs that support children's learning and development while improving affordability and access for families. We worked with jurisdictions and the sector to progress reforms leading to a universal ECEC system and to strengthen workforce quality, safety and accountability across the sector. The department also maintained a major compliance program of work, including work with other Commonwealth agencies to assure the government's significant investment in the ECEC sector.

In school education, the department led national policy and funding arrangements to improve student outcomes, support quality teaching and strengthen pathways through education. This included major work in partnership with state and territory governments. The department continued work to safeguard government's investment in school education, by preventing, detecting and responding to instances of non-compliance. We also supported opportunities for young people to contribute to government policy development and decision-making processes.

In higher education, we administered funding to universities and higher education providers, supported access and participation for students, and strengthened regulatory and integrity settings. The department fostered collaboration between education providers, researchers, industry and international partners to continue to grow Australia's research system and productivity.

The department played a key role in establishing the ATEC as an independent steward of the higher education system. An interim ATEC was established as a division within the department on 1 July 2025 to support implementation activities ahead of its permanent establishment on 29 April 2026.

Across all areas of work, the department partnered with First Nations peak organisations, communities and education stakeholders to improve outcomes for First Nations peoples throughout the education lifecycle, consistent with the National Agreement on Closing the Gap and the philosophy that Indigenous Business is Everyone's Business.

Authority

Table 1.1: Details of the accountable authority during the reporting period, 2025–26

Name	Position title	Date of commencement	Date of cessation
Mr Tony Cook PSM	Secretary	4 April 2023	-

Portfolio entities

As at 30 June 2026



Australian Curriculum, Assessment and Reporting Authority

Mr Stephen Gniel
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

Mr Tim Bullard
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

Professor Ute Roessner
Chief Executive Officer

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



Australian Government
Tertiary Education Quality
and Standards Agency

Tertiary Education Quality and Standards Agency (TEQSA)

Dr Mary Russell
Chief Executive Officer

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



**Australian
National
University**

Australian National University

Professor Rebekah Brown
Interim Vice-Chancellor & President,
Provost & Senior Vice-President

The Australian National University (ANU) is a research intensive educational institute, established by the *Australian National University Act 1991* (Cth). The ANU is not part of the general government sector.



Our departmental structure

As at 30 June 2026

Tony Cook PSM, Secretary



Kylie Crane PSM
Deputy Secretary

EARLY CHILDHOOD

Child Care Integrity

Early Learning Programs

Evidence and Reform



Nathan Smyth
Deputy Secretary
Senior Responsible Officer

BUILDING EARLY EDUCATION FUND TASKFORCE



Meg Brighton
Deputy Secretary

SCHOOLS AND YOUTH

Funding and
Data Collection

Teaching and Learning

National Reform
and Youth

Improving Student
Outcomes



Jasmina Joldić PSM
Deputy Secretary

HIGHER EDUCATION, RESEARCH AND INTERNATIONAL

International

Programs and Student
Experience

Policy, Payments
and Data

Antisemitism Education
Taskforce



Marcus Markovic
Deputy Secretary

CORPORATE AND ENABLING SERVICES

People, Parliamentary and
Communications

Financial Management

Strategy, Data and
Measurement

Education Funding
System and Digital
Services

Legal



David Turvey PSM
Acting Chief Executive Officer

AUSTRALIAN TERTIARY EDUCATION COMMISSION

Kate Tagg
Acting Director
Tuition Protection Service

 Statutory Office

Highlighting our work:



Key facts and figures: Early Childhood sector

Services

Centre Based Day Care (CBDC)	Family Day Care (FDC)	Outside School Hours Care (OSHC)	In Home Care (IHC)
10,405	353	5,561	28

Note: Children and families can use more than one care type.
Source: Department of Education administrative data, 2025–26.

Children and families

Children

Centre Based Day Care (CBDC)	Family Day Care (FDC)	Outside School Hours Care (OSHC)	In Home Care (IHC)
1,029,230	89,850	757,590	2,010

Note: Children and families can use more than one care type.
Source: Department of Education administrative data, 2025–26.

Families

Centre Based Day Care (CBDC)	Family Day Care (FDC)	Outside School Hours Care (OSHC)	In Home Care (IHC)
823,080	62,560	554,620	1,170

Note: Children and families can use more than one care type.
Source: Department of Education administrative data, 2025–26.

Early Childhood Education Workforce

Support type	Services
Worker Retention Payment	11,248

Note: Data as at 30 June 2026.

Funding

Support Type	Funding (\$ b)
Child care subsidy	15.3
Support for child care system	2.0
Total	17.3

Note: Data refers to 2025–26 financial year actuals.

Building Early Education Fund

Building Early Education Fund	Projects
Total Projects	38
On or adjacent to Schools	30 (79%)
Regional	21 (55%)
Remote	2 (5%)
Very Remote	1 (3%)
Aboriginal Community-Controlled Organisation-led	3 (8%)

Note: Data refers to 2025–26 financial year.

Totals may not sum to 38 as categories are not mutually exclusive and may overlap.

Preschool

Support Type	Funding (\$ m)
Preschool Reform Agreement	489.8

Note: The total represents payments made to jurisdictions based on performance milestones agreed under their respective 2025 Implementation Plans for the Preschool Reform Agreement.

Preschool enrolments	Increase
350,491	2.6%

Note: Data refers to 2025 calendar year.

Source: Preschool Education, 2025, Australian Bureau of Statistics (ABS), 17 April 2026.

Early Childhood key achievements

- Commenced the 3 Day Guarantee on 5 January 2026, replacing the CCS activity test and providing all CCS-eligible families with a baseline entitlement of at least 72 hours of subsidised ECEC per fortnight per eligible child.
- Delivered about \$1.6 billion in Worker Retention Payment funding to around 78,000 workers across 11,248 services and secured a further \$3.6 billion to extend the program and its fee growth cap to 30 June 2028.
- Achieved CCS payment accuracy of 98.2% through integrity, compliance and fraud prevention initiatives.
- The Australian Government invested \$226 million to strengthen child safety and quality in ECEC, including implementation of the National Early Childhood Worker Register, mandatory child safety training, and improved transparency under the ECEC National Quality Framework.
- Executed Federation funding agreements with all states and territories under the \$22 million Joint Compliance Monitoring Program to coordinate compliance and enforcement activities across the ECEC sector.
- Agreed to 38 projects under the \$1 billion Building Early Education Fund, delivering 2,391 additional ECEC places and providing \$235.2 million in funding targeting areas of under-supply and socio-economic disadvantage.
- Progressed the development of an initial business case for Commonwealth ownership and leasing of ECEC centres, to be funded by the remaining \$500 million of the Building Early Education Fund, to inform future government decisions.



Key facts and figures: Schools and Youth sector

Schools

	Government	Catholic	Independent
Schools	6,737	1,758	1,178
Percentage	69.6%	18.2%	12.2%

Source: Schools, 2025, ABS.

Students

	Government	Catholic	Independent
Student FTE	2,608,098.30	831,534.50	715,386.00
Percentage	62.8%	20.0%	17.2%

Source: Schools, 2025, ABS.

Note: Figures are based on the student full-time equivalent (FTE) by sector.

Teaching workforce

	Government	Catholic	Independent
Staff FTE	201,279	62,712	61,200
Percentage	61.9%	19.3%	18.8%

Source: Schools, 2025, ABS.

Note: Figures are based on the staff FTE by sector.

Commonwealth Teaching Scholarships

State	Round 3 scholarships awarded
NSW	302
Vic	230
Qld	215
SA	73
WA	105
Tas	34
ACT	23
NT	18
Total	1,000

Source: Commonwealth Teaching Scholarship Round 3 outcome is internal program data.

Recurrent Funding

State / Territory	Government (\$b)	Catholic (\$b)	Independent (\$b)
NSW	3.5	3.1	2.7
Vic	2.9	3.0	2.1
Qld	2.7	2.2	2.1
SA	0.8	0.8	0.7
WA	1.4	0.8	1.1
Tas	0.3	0.3	0.1
ACT	0.2	0.2	0.1
NT	0.3	0.1	0.1
Australia	12.0	10.5	8.9

Note: Figures are actual 2025 payment data to Approved Authorities. State and territory figures may not sum to national totals due to rounding.

Outcomes

Year 12 retention

Sector	%
Government	76.4%
Catholic	86.2%
Independent	91.8%
All students	81.5%

Note: Data refers to 2025 calendar year.

Young people

Office for Youth	%
Program participants who felt they influenced a government policy or program ¹	59%
Australian Government departments that felt the Office for Youth supported them to engage with young people ²	82%

Note: The results reported for 2025–26 reflect responses collected in the 2025 calendar year.

¹ Refer PM077 for more information (see page 77).

² Refer PM078 for more information (see page 80).

Anti-Bullying Rapid Review

Submissions from	Number
Young people	187
Parents or guardians	1,061
Individuals/organisations in the education sector	458
Total	1,706

Consultation type	Number
In-person	38
Virtual	72
Hybrid	5
Total	115

Note: Data as at August 2025, the completion of the review.

Source: Department of Education website.

First Nations Education Policy

Submissions from	Number
Individuals	121
Individuals who identify as Aboriginal and/or Torres Strait Islander	45 (of 121)*
Students/parents of students	36 (of 121)*
Organisations	55
Total	176

* Demographic questions were optional. Some questions allowed for multiple responses. Figures may not add up to the total received responses.



Schools and Youth Group key achievements

- Implemented the BFSA 2025–2034 in partnership with state and territory governments, supporting evidence-based reforms that improve equity, wellbeing, student engagement and workforce sustainability.
- Supported the Minister for Education to deliver the first BFSA Statement and *Better and Fairer Schools Agreements Progress Report* to Parliament, highlighting achievements from the first year of implementation of the BFSA and strengthening transparency and accountability.
- Progressed the implementation of the Anti-Bullying Rapid Review, led by co-chairs Dr Charlotte Keating and Professor Jo Robinson AM, resulting in a nationally agreed implementation plan and a commitment to embed a new *National Framework for Addressing Bullying in Australian Schools* by Term 1, 2027.
- Led the development of a \$10 million national anti-bullying awareness campaign and resources for students, parents, carers and the school workforce to help prevent and respond to bullying.
- In partnership with First Nations peak organisations and education stakeholders, commenced co-design and development of the First Nations Education Policy to establish a shared national framework to improve First Nations outcomes across the education lifecycle.
- Awarded 1,000 Commonwealth Teaching Scholarships to students commencing study in 2026, strengthening the pipeline of future teachers and supporting workforce needs in priority schools and communities.
- Continued delivery of the new Education Funding System, improving the security, efficiency and accessibility of education funding, payments and data services through EducationHUB and Digital Identity.
- Facilitated more than 100 young people taking part in Youth Meets Parliament and the National Youth Forum in Canberra in March 2026, supporting their engagement with Australian Government Ministers and officials on key policy issues such as youth mental health, sports participation, climate change, civic engagement and the prevention of gender-based violence.



Key facts and figures: Higher education, research and international sector

Providers

Category	TEQSA Registered Provider	Approved under HESA
Australian University	44	43
University College	8	8
Institute of Higher Education	167	97
Total	219	148

Source: TEQSA National Register of Higher Education Providers (www.teqsa.gov.au/national-register).

Note: Data as at 30 June 2026.

Students

	2025	% Change from 2024
Undergraduate	1,110,213	4.5%
Post graduate	600,174	4.5%
Indigenous students	25,723	4.7%
Low SES	175,828	2.2%
Students with disability	144,449	8.4%
Regional students	200,288	1.6%
Remote students	9,581	-0.3%
Total domestic	1,105,531	1.7%
Total overseas	648,633	10.1%
Total students	1,754,164	4.7%

Source: Department of Education, Higher Education Student Statistical collection.

Preliminary data, final data will be published on the department's website (October 2026).

Note: Data is provided on a headcount basis.

Total overseas students refer to non-domestic students studying in Australia on a student or other visa type, as well as students studying at overseas campuses of Australian Universities.

Commonwealth supported places	2025	% Change from 2024
Equivalent full-time student load (EFTSL)	655,919	5.2%
Headcount	880,558	2.8%

Source: Department of Education, Higher Education Student Statistical collection.

Note: Preliminary data; final data will be published on the department's website (October 2026).

Funding

Higher Education Funding	\$ b
Commonwealth Grant Scheme	7.7
HELP Loans	8.3
Research Training Program	1.3
Research Support Program	1.1

Note: Data refer to 2025–26 financial year actuals.

Outcomes

Attainment rate

Bachelor degree or higher	2025
25–34 years	46.7%
15–74 years	33.8%

Source: ABS (May 2025) Education and Work, Australia.

International students

Sector	Enrolments YTD May 2026	Change from YTD May 2025
Higher Education	452,364	2.3%
Vocational Education and Training (VET)	219,994	-19.7%
English language courses for overseas students	44,775	-27.1%
Non-award	19,750	-1.5%
Schools	15,901	-7.6%

Source: Department of Education, International student monthly enrolments, year to date (YTD) May 2026.

Note: Data provided is on an enrolment basis.

Outcomes	
Attrition rate for domestic bachelor students ¹	10.7%
Proportion of employers who are satisfied with the skills of graduates ²	84.2%
Proportion of domestic research postgraduates who are employed within 4 to 6 months of completing their degree ³	90.9%
Number of First Nations higher degree by research (HDR) completions ⁴	117
Number of students enrolled in offshore education and training delivered by Australian providers ⁵	117,961

Note: Figures based on preliminary data.

¹ Refer PM010 for more information (see page 94).

² Refer PM017 for more information (see page 109).

³ Refer PM020 for more information (see page 116).

⁴ Refer PM021 for more information (see page 118).

⁵ Refer PM027 for more information (see page 122).



Higher education, research and international key achievements

- Cut HELP and other student loan balances with a 20% reduction, wiping more than \$16 billion debt for more than 3 million Australians, and supported the legislation of a fairer repayment system from 1 July 2025 – raising the minimum repayment threshold from \$54,435 to \$67,000 and introducing a marginal repayment system.
- Implemented the Commonwealth Prac Payment from 1 July 2025, providing cost-of-living support for eligible nursing, midwifery, teaching and social work students undertaking mandatory placements, with the payment to support about 73,000 higher education and VET students every year.
- Established the ATEC as the independent steward of the higher education system through the *Universities Accord (Australian Tertiary Education Commission) Act 2026* (Cth), effective from 29 April 2026.
- Implemented the *National Higher Education Code to Prevent and Respond to Gender-based Violence* from 1 January 2026 and established a new Gender-based Violence Regulator to strengthen compliance across higher education providers.
- Introduced demand-driven Commonwealth supported places for First Nations medical students from 1 January 2026, to grow the First Nations health workforce towards population parity.
- Expanded University Study Hubs to 71 locations nationwide, including 18 new hubs in regional and suburban areas, supporting more than 8,000 students in under-represented communities to access tertiary education.
- Quadrupled the Disability Support Fund to \$53 million annually and strengthened governance and reporting to improve access and participation for students with disability.
- Strengthened registration requirements for international education providers and introduced new powers to cancel courses where integrity concerns exist, and assisted 6 Australian universities to establish branch campuses in India.

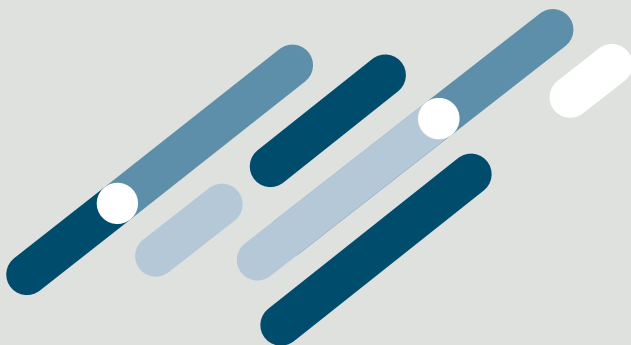


02

Performance

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Statement by the accountable authority

I, as the Accountable Authority of the Department of Education, present the Annual Performance Statements for 2025–26 as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, the Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with section 39(2) of the PGPA Act.

In 2025–26, the department's Annual Performance Statements were audited by the Australian National Audit Office (ANAO) for the fifth consecutive year.

The department is committed to producing meaningful, transparent and accurate performance reporting. In 2026–27 the department will continue to review and refine its performance measures to ensure they clearly reflect its priorities in achieving its purpose.



Mr Tony Cook PSM

02 September 2026

2025–26 Performance measure mapping

OUTCOME

1

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

OUR PURPOSE

We create a better future for all Australians through education

Key Activities

Programs

Performance Measures (PM)

Provide targeted support to families, children and early childhood education and care providers who need it

Support to families who rely on subsidised early childhood education and care to work, train, study or volunteer

Provide consistent, transparent, and needs-based funding to government schools

Provide consistent, transparent, and needs-based funding to non-government schools

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

Provide national leadership and work with states on national policy reform

Provide support for a range of curriculum, assessment, teaching and wellbeing programs

Improve Australian Government engagement with young people on issues, programs and policies that impact them

1.1
Support for the Child Care System

1.2
Child Care Subsidy

1.3
Government Schools National Support

1.4
Non-Government Schools National Support

1.5
Early Learning and Schools Support

PM054

The proportion of services supported by the Community Child Care Fund (CCCCF) and Inclusion Support Program (ISP) that are in socio-economically vulnerable and disadvantaged communities

PM002

Proportion of accurate Child Care Subsidy payments to all services

PM067

Average early childhood education and care hours attended by children that are supported by Additional Child Care Subsidy

PM055

Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally)

PM056

Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally)

PM059

Increase the proportion of students attending school 90% or more of the time

PM079

Timely lodgement of acquittal certificates by states and territories for government schools by 30 June, as set out within the *Australian Education Act 2013*

PM055

Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally)

PM056

Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally)

PM059

Increase the proportion of students attending school 90% or more of the time

PM080

Timely lodgement of acquittal certificates and audited financial statements by approved authorities for non-government schools by 30 June, as set out within the *Australian Education Act 2013*

PM069

Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year

PM055

Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally)

PM056

Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally)

PM059

Increase the proportion of students attending school 90% or more of the time

PM069

Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year

PM072

Increase the proportion of people (age 20–24) attaining Year 12 certification, or equivalent, or gaining a qualification at Certificate III or above

PM055

Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally)

PM056

Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally)

PM059

Increase the proportion of students attending school 90% or more of the time

PM072

Increase the proportion of people (age 20–24) attaining Year 12 certification, or equivalent, or gaining a qualification at Certificate III or above

PM077

Percentage of Office for Youth program participants who felt they influenced a government policy or program

PM078

Percentage of Australian Government departments and agencies that worked with the Office for Youth and felt supported to engage with young people

Outputs

Effectiveness

Efficiency

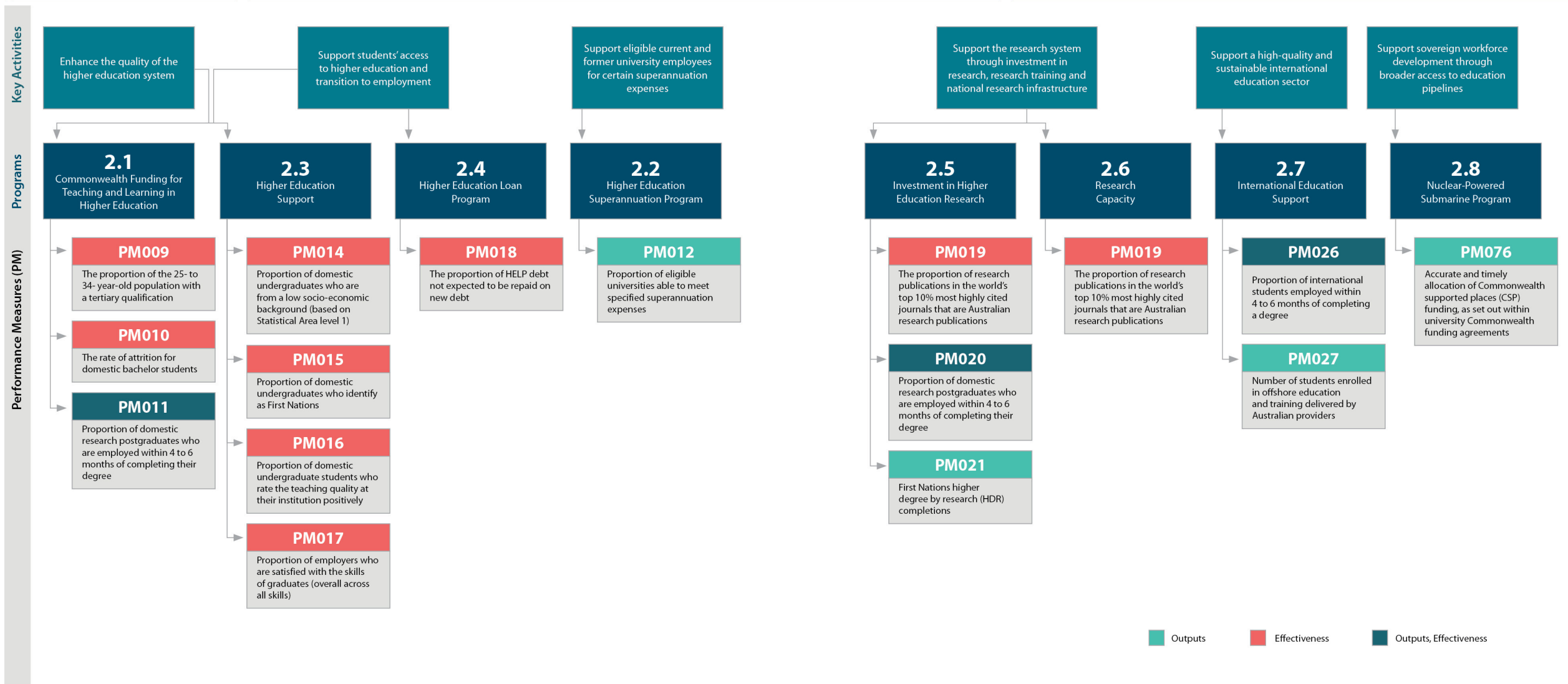
Outputs, Effectiveness

OUTCOME 2

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

OUR PURPOSE

We create a better future for all Australians through education



Overview of our performance

The Annual Performance Statements assess the department’s achievements against its purpose set out in the *2025–26 Corporate Plan*. Performance is measured by reporting actual results against the performance measures and targets published in the Portfolio Budget Statements (PBS) and Corporate Plan and by analysing the extent to which the department achieved its purpose. Reporting is supported by regular reviews of performance measures, independent assurances over the accuracy of results and compliance with reporting requirements, and clear explanations of changes between publications.

Table 2.1: Result ratings for performance measures

Achieved	The target was met or exceeded
On track	The target is on track to be achieved against future year targets
Not achieved	The target was not met during 2025–26
Not on track	Based on current information the performance measure is not on track to meet future year targets
N/a	Result not available or not measured in 2025–26

In 2025–26 the department had 27 performance measures, which measured a mix of outputs, efficiency and effectiveness. The department:

- achieved 19 targets
- did not achieve or was not on track to achieve 6 targets
- was unable to report on 2 targets (see pages 77 to 82).

Figure 2.1 compares overall performance between 2025–26 and the 2 previous years, while Tables 2.2 and 2.3 present performance measure results by outcome for 2025–26 and the 2 previous years.

Figure 2.1: 2023–24 and 2024–25 result ratings compared to 2025–26 result ratings

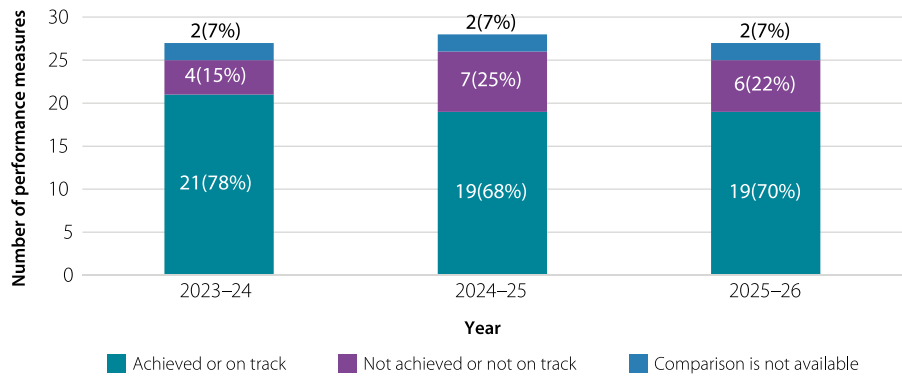


Table 2.2: Outcome 1 2025–26 result rating compared to 2023–24 and 2024–25 result ratings

PM#	2023–24 Achievement	2024–25 Achievement	2025–26 Achievement
PM002	✓	✓	✓
PM054	✓	✗	✗
PM055	—	✗	✓
PM056	—	✓	✓
PM059	✓	✗	✓
PM067	✓	✓	✓
PM069	✓	✓	✓
PM070	✓	✓	—
PM071	✓	✓	—
PM072	✗	✗	✗
PM073	✓	✓	—
PM075	✓	—	—
PM077	—	—	—
PM078	—	—	—
PM079	—	—	✓
PM080	—	—	✓

✓ Achieved and on track

✗ Not achieved and not on track

— Comparison is not available

Note: Performance measures PM079 and PM080 are not comparable because they are new measures.

PM077 and PM078 are not comparable because this is the first year of reporting data.

Table 2.3: Outcome 2 2025–26 result rating compared to 2023–24 and 2024–25 result ratings

PM#	2023–24 Achievement	2024–25 Achievement	2025–26 Achievement
PM009	✓	✗	✗
PM010	✓	✓	✓
PM011	✓	✓	✓
PM012	✓	✓	✓
PM014	✓	✓	✓
PM015	✓	✓	✓
PM016	✓	✗	✗
PM017	✗	✓	✗
PM018	✓	✓	✗
PM019	✓	✓	✓
PM020	✓	✓	✓
PM021	✓	✓	✓
PM026	✗	✓	✓
PM027	✗	✗	✓
PM074	✓	—	—
PM076	—	✓	✓

✓ Achieved and on track

✗ Not achieved and not on track

— Comparison is not available

Regulator performance

The department provides strategic direction and national leadership for Australia's education system. It also undertakes targeted regulatory activities that contribute to the safety, quality and financial integrity of the system, including ensuring compliance with relevant early childhood, school and higher education legislative requirements. Complementing this, the department works closely with state and territory governments which have primary responsibility for the oversight of operational matters, as well as other statutory agencies.

The Higher Education Gender-based Violence Regulator (GBV Regulator) was established within the department in 2025 and commenced operating on 1 January 2026. The GBV Regulator plays a central role in driving long-term sustainable cultural change across the higher education sector, with a focus on ensuring higher education providers foster safe, respectful and supportive environments for working, living and learning.

The Minister for Education's Statement of Expectations and the department's Regulatory Statement of Intent (signed 23 March and 30 April 2026 respectively) are published on the department's website (www.education.gov.au/about-department/corporate-reporting/regulatory-statement-expectations-and-statement-intent). These statements outline the government's expectations of the department's regulatory role and approach.

The department's approach to regulatory performance is reviewed regularly and remains fit for purpose, proportionate to risk, and responsive to changes in regulatory responsibilities. The department's regulatory activities are underpinned by the government's 3 best-practice principles of regulation, set out in the Resource Management Guide – Regulator Performance (RMG128).

Figure 2.2 shows the best-practice principles and associated performance measures. Following a review against the Commonwealth definition of regulatory activities, 3 performance measures (see pages 98–105) were reclassified as non-regulatory for reporting purposes.

Figure 2.2: Regulator best-practice principles

Principles of regulator best-practice	Measures
 Continuous improvement and building trust	PM002 PM079 PM080
 Risk based and data driven	PM002 PM079 PM080
 Collaboration and engagement	PM002 PM079 PM080

Overarching analysis

Early Childhood

The department has direct responsibility for administering the Child Care Subsidy (CCS), which is Australia's primary funding mechanism for the delivery of early childhood education and care (ECEC).

The CCS operates in conjunction with the Child Care Safety Net to support access and inclusion for children and their families. The safety net includes the Additional Child Care Subsidy (ACCS) to provide extra assistance with the costs of care to families experiencing difficulty (PM067 refers); the Community Child Care Fund (CCCF) to support disadvantaged communities; and the Inclusion Support Program (ISP) to help services accommodate children with additional needs (PM054 refers).

From 5 January 2026, all CCS-eligible families are entitled to at least 72 hours of subsidised ECEC per fortnight (3 days per week) regardless of a parent's hours of work or study. This removes a barrier to access for vulnerable and low-income families who benefit most from ECEC.

In 2025–26, \$15.3 billion in expenditure was made to service providers via the Child Care Subsidy System (CCSS) to support about 1.2 million families with the cost of ECEC.

Leading quality, safety and inclusion in ECEC

Safe, high-quality and inclusive ECEC supports children's learning, development and wellbeing; helps families access affordable care to boost their workforce participation; and aims to reduce disadvantage for vulnerable communities.

In late 2025, the Australian Government invested \$226 million in a reform package to strengthen safety, quality and accountability across the ECEC sector, working in close partnership with state and territory governments and the Attorney-General's Department. This investment followed the passage of legislation on 31 July 2025 to clarify that all CCS-approved providers and services are expected to provide high-quality and safe ECEC as a condition of gaining and maintaining approval to administer the CCS.

Part of the government's investment funded the National Early Childhood Worker Register (National Worker Register), which went live in February 2026. It is now mandatory for ECEC providers approved under the National Law to enter and maintain up-to-date information about their employees and educators, in the National Worker Register. From February to July 2026, more than 97% of services submitted worker details in the National Worker Register. National actions also included the introduction of mandatory child safety training to help staff identify, prevent and respond to child safety incidents, with more than 330,000 completions of the foundation training recorded from February to July 2026. A summary of these measures and an implementation timeline are available on the department's website (www.education.gov.au/early-childhood/about/quality-and-safety).

The department protects the significant CCS investment from loss due to fraud and non-compliance. It undertakes compliance checks of CCS providers, investigates reports of non-compliance in coordination with state and territory regulators, and provides guidance and resources to help providers and services understand their obligations as CCS-approved providers (PM002 refers).

Supporting the ECEC workforce and affordability

Quality outcomes for children depend on a highly skilled, well-supported and professionally recognised ECEC workforce. In 2025–26 the department continued to administer the Worker Retention Payment (WRP) into its second year. The WRP supports the government’s objectives of improving workforce retention and supporting affordability, by providing a wage uplift for eligible ECEC workers while also limiting fee growth. On 17 June 2026 the government announced an extension of the WRP to 30 June 2028, at a cost of an additional \$3.65 billion, along with the extension of its associated fee growth cap.

As at 30 June 2026, 3,726 grant agreements had been executed with CCS providers to receive the WRP. This is up by 2,121 from 30 June 2025, showing continuing strong sector participation. At May 2026, almost 80% of charged CCS hours attracted WRP, demonstrating its importance to supporting the ECEC workforce and delivery of care.

Fee growth data for the first full year (8 August 2024 to 7 August 2025) also shows lower fee growth for services participating in the WRP compared to those outside the program. For Centre Based Day Care (CBDC), fee growth was 3.5% for services with WRP agreements compared with 7.2% for those without agreements. For Outside School Hours Care (OSHC) services, fee growth was 4.1% for those with WRP agreements compared with 8% for those without agreements. While fee growth is influenced by multiple factors, these results demonstrate the role of the Fee Growth Cap in supporting both wage growth and affordability for families.

Building early education infrastructure

In 2025–26 the department continued implementing the \$1 billion Building Early Education Fund to give more families access to quality not-for-profit ECEC services (new or expanded) in areas of under-supply and relative socio-economic disadvantage. In 2025–26, 38 projects were agreed, delivering 2,391 additional ECEC places with \$235.2 million in investment from the first \$500 million tranche of the Building Early Education Fund.

Almost 80% of the agreed projects are planned to be on or adjacent to school sites, 63% are in regional or remote locations, and 3 of the agreed projects will be led by Aboriginal Community Controlled Organisations (ACCOs). In 2025–26, grant opportunities were also opened for not-for-profit providers and ACCOs, with at least \$110 million committed from the Building Early Education Fund.

Schools

The delivery of schooling in Australia is a shared responsibility. The Australian Government has a key role in providing strategic direction and national leadership for Australia's education system, as well as administering Commonwealth funding for education in accordance with legislation. State and territory governments and non-government education authorities are responsible for the day-to-day operation and management of schools and the teaching workforce. The Australian Government also collaborates with portfolio agencies, including the Australian Institute for Teaching and School Leadership (AITSL) and the Australian Curriculum, Assessment and Reporting Authority (ACARA), on core issues such as data collection and reporting to monitor student progress.

In 2025–26 the department administered significant funding (\$12.4 billion for government schools and \$20.5 billion for non-government schools) to support all schools nationally. This includes additional funding through the Better and Fairer Schools Agreements (BFSA) to put government schools on a pathway to full and fair funding over the next 10 years.

Safeguarding schools funding

The department has regulatory responsibility for ensuring state and territory governments, and approved authorities for non-government schools, comply with their legislative obligations, helping to safeguard Commonwealth funding and ensure it is used as intended for school education. These legislative obligations include the lodgement of acquittal certificates and, for approved authorities, the additional requirement to lodge audited financial statements. From 2025–26 the effectiveness of this work will be measured by performance measures, PM079 and PM080, which assess the department's work to support timely lodgement of acquittals and/or audited financial statements and its ability to identify and respond promptly to instances of non-compliance in lodgements.

Supporting national reforms in schooling

Funding provided through the BFSA supports coordinated reforms aimed at improving student outcomes in 3 priority areas: equity and excellence, wellbeing for learning and engagement, and a strong and sustainable workforce. In 2025–26 the department supported priority reforms to strengthen numeracy and literacy. This included the national rollout of Year 1 Phonics Check, jurisdictional piloting of an 'early years of schooling' numeracy check, and several jurisdictions implementing tiered and targeted learning supports for students, in line with evidence-based teaching and multi-tiered systems of support approaches. The department also supported the Minister for Education to make the first annual statement to Parliament on progress under the BFSA, including the *2025 Better and Fairer Schools Agreements Annual Progress Report*.¹ Going forward, Australian Government investment and the implementation of reforms will continue to build upon initiatives to support a better and fairer school system. Performance measures in the Schools and Youth Group work together to track overall progress towards this goal.

¹ Department of Education (2026), www.education.gov.au/recurrent-funding-schools/resources/better-and-fairer-schools-agreements-progress-report, accessed 22 June 2026.

Understanding and lifting attendance

Evidence shows that better attendance and strong student engagement are linked to improved academic achievement.

School attendance rates increased nationally across both government and non-government schools in 2025 compared with 2024 (PM059 refers). In 2025–26, the department continued to lead work with states and territories and the non-government sector to progress initiatives to improve student attendance and performance and ensure students feel safe and supported in school settings.

Through the BFSa, the department is working with the government and the non-government schooling sectors to investigate evidence-based approaches to address non-attendance, including school refusal.

Early intervention to support academic achievement

Evidence also shows that investment in the early years of schooling has the greatest long-term impact on students' education outcomes. National Assessment Program – Literacy and Numeracy (NAPLAN) testing provides an indication of Australian students' development of literacy and numeracy skills, allowing parents and teachers to see how students progress in these subject areas over time. NAPLAN results can assist teachers by providing additional information to support professional judgement of student progress and help to tailor support services for students. In 2025, there was a reduction in the proportion of Year 3 students in the Needs Additional Support (NAS) proficiency category for reading and numeracy (PM055 and PM056 refer).

Supporting school attainment and transitions

There is a clear link between finishing school and improved social and economic outcomes for young people, including better labour market outcomes and access to further educational opportunities. In 2025, the proportion of 20- to 24-year-olds who have attained at least Year 12 certification, or equivalent, or gained a qualification at Certificate III or above, remained steady (PM072 refers).

Higher Education, Research and International (and the Australian Tertiary Education Commission)

Higher education is central to Australia's national prosperity and social wellbeing. The department provides strategic direction for the sector through policy, funding, regulation and oversight of higher education and research. In doing so, it works closely with the Tertiary Education Quality and Standards Agency (TEQSA), the Australian Research Council (ARC), the Tuition Protection Service (TPS) and the newly established Australian Tertiary Education Commission (ATEC).

Increasing participation and student outcomes

In the 2025 calendar year, the number of students commencing higher education reached a record high, with growth in both domestic and overseas enrolments. The sector also recorded growth in the number of students from low socio-economic status backgrounds (PM014 refers), students from regional and remote areas and First Nations students (PM015 refers). These trends contributed to progress towards the government's objective of increasing participation among priority cohorts. Over this period, the sector recorded low student attrition rates (PM010 refers), positive student experience results (PM016 refers) and strong graduate employment outcomes (PM011, PM017 and PM020 refer). Together, these indicators show the sector is delivering quality education and training outcomes for students and building Australia's future workforce.

Reducing financial barriers

In 2025–26 the department delivered various programs and reforms to alleviate financial barriers to higher education and improve student outcomes. Through the Commonwealth Grant Scheme (CGS), the department provided about \$7.7 billion to subsidise tuition costs for about 880,000 Commonwealth-supported students. A further \$8.3 billion was provided through the Higher Education Loan Program (HELP), supporting students to defer the upfront costs of their tuition.

The department also implemented a 20% reduction in all HELP debt and a change to repayment arrangements to make repayments fairer. The 20% reduction reduced HELP and other student loan debts by more than \$16 billion for more than 3 million people (PM018 refers). Changes to compulsory repayment arrangements commenced from 1 July 2025, allowing individuals to earn more before they are required to begin repaying their loan, and reducing the size of those repayments.

From 2026, demand-driven CGS arrangements have been expanded to include Commonwealth-supported First Nations students in undergraduate and postgraduate courses in medicine. The department also supported the implementation of the Needs-based Funding model, providing \$544.4 million in 2026 to assist students from under-represented cohorts to access, participate and succeed in higher education. This model comprises \$425.7 million for about 140,000 students from low socio-economic status (SES) backgrounds and First Nations students, and \$118.6 million for about 150,000 students studying at regional and remote campuses. These measures are intended to improve access and support for students who have historically faced barriers to higher education.

Strengthening sector stewardship

The department supported key structural reforms to Australia's higher education sector in 2025–26. The interim ATEC commenced on 1 July 2025 and the *Universities Accord (Australian Tertiary Education Commission) Act 2026* was passed, permanently establishing the ATEC from 29 April 2026. The ATEC is working with universities and eligible higher education providers on new mission-based compacts (compacts), tracking sector progress and advising government on future tertiary education reform, including tertiary harmonisation.

The department also established the Higher Education GBV Regulator, and from 1 January 2026, commenced regulation under the *National Higher Education Code to Prevent and Respond to Gender-based Violence* (the National Code). These initiatives strengthen the sector's approach to preventing and responding to gender-based violence and ensuring safe environments for students and staff. Since its establishment, the GBV Regulator has worked across the sector to promote understanding of and compliance with the National Code. The impact of these measures will be assessed as data and other relevant evidence emerges.

Investing in research and innovation

The government invests in Australia's research system to drive innovation, research quality and national productivity (PM019 refers). In 2025–26, research block grants investment totalled \$2.4 billion to support quality research and research training, comprising \$1.1 billion through the Research Support Program (RSP) and \$1.3 billion through Research Training Program (RTP). In 2025–26, the department also continued to administer programs that support research infrastructure and research commercialisation, and committed an additional \$323.7 million through 2 funding rounds under the National Collaborative Research Infrastructure Strategy (NCRIS).

The nature of research means that outcomes from investment in any given year may not be evident for some time. This presents an inherent challenge in reporting on impact within annual timeframes. Supporting innovation also requires a tolerance for risk, as some projects will fail and they inform future successful projects. The department outlines work completed to help strengthen research and innovation, and reports on outcomes from these activities as they emerge (PM019 refers).

Summary of our performance measure results

Of the department’s 12 Outcome 1 performance measures, we achieved the targets for 8 measures, did not achieve the targets for 2 measures, and established baseline data for 2 measures during the reporting period.

Outcome 1				
PM# and Performance Measure title	2025–26 target	2024–25 result	2025–26 result	Page No.
PM002 – Proportion of accurate Child Care Subsidy payments to all services.	≥ 90%	Achieved 96.2%	Achieved 98.2%	52
PM054 – The proportion of services supported by the Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) that are in socio-economically vulnerable and disadvantaged communities.	Increase on previous year	Not achieved 20.6%	Not achieved 19.7%	55
PM055 – Reduce the proportion of students in the Needs Additional Support proficiency level in NAPLAN for reading for Year 3 students (nationally).	Decrease on previous year	Not achieved 11.3%	Achieved 10.8%	59
PM056 – Reduce the proportion of students in the Needs Additional Support proficiency level in NAPLAN for numeracy for Year 3 students (nationally).	Decrease on previous year	Achieved 9.7%	Achieved 9.4%	63

Outcome 1

PM# and Performance Measure title	2025–26 target	2024–25 result	2025–26 result	Page No.
PM059 – Increase the proportion of students attending school 90% or more of the time.	a) Nationally: Increase on previous year b) In government schools: Increase on previous year c) In non-government schools: Increase on previous year.	Not achieved a) 59.8% b) 56.3% c) 66.1%	Achieved a) 62.1% b) 58.3% c) 68.8%	66
PM067 – Average early childhood education and care hours attended by children that are supported by Additional Child Care Subsidy.	Equal to or higher than the average early childhood education and care hours attended by children that are supported by Child Care Subsidy	Achieved 20.1 hours per week compared to 17.0 hours per week	Achieved 20.4 hours per week compared to 17.0 hours per week	68
PM069 – Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year.	a) Overall: 95% or higher b) First Nations children: 95% or higher c) Disadvantaged children: 95% or higher	Achieved a) 97.0% b) 97.5% c) 97.0%	Achieved a) 97.2% b) 97.2% c) 97.1%	70
PM072 – Increase the proportion of people (age 20–24) attaining Year 12 certification, or equivalent, or gaining a qualification at Certificate III or above.	a) 96% of all people in Australia by 2031 b) 96% of Aboriginal and Torres Strait Islander people by 2031	Not on track a) 90% in 2024 b) 68.1% in 2021, updated data available every 5 years	Not on track a) 89.0% in 2025 b) 68.1% in 2021	74

Outcome 1

PM# and Performance Measure title	2025–26 target	2024–25 result	2025–26 result	Page No.
PM077 – Percentage of Office for Youth program participants who felt they influenced a government policy or program.	Increase from previous year	N/a – data for the 2024 calendar year is not available. Data from 2025 will establish a baseline in 2025–26	N/a (a result rating and value for 2024–25 was not available)	77
PM078 – Percentage of Australian Government departments and agencies that worked with the Office for Youth and felt supported to engage with young people.	Increase from previous year	N/a – data for the 2024 calendar year is not available. Data from 2025 will establish a baseline in 2025–26	N/a (a result rating and value for 2024–25 was not available)	80
PM079 – Timely lodgement of acquittal certificates by states and territories for government schools by 30 June, as set out within the <i>Australian Education Act 2013</i> .	100%	N/a	Achieved 100%	83
PM080 – Timely lodgement of acquittal certificates and audited financial statements by approved authorities for non-government schools by 30 June, as set out within the <i>Australian Education Act 2013</i> .	85% or higher	N/a	Achieved 90.76%	85

Of the department's 15 Outcome 2 performance measures, we achieved the targets for 11 measures and did not achieve the targets for 4 measures during the reporting period.

Outcome 2				
PM# and Performance Measure title	2025–26 target	2024–25 result	2025–26 result	Page No.
PM009 – The proportion of the 25- to 34-year-old population with a tertiary qualification.	Increase from previous year	Not achieved 77%	Not achieved 77%	91
PM010 – The rate of attrition for domestic bachelor students.	Lower than 15%	Achieved 12.2%	Achieved 10.7%	94
PM011 – Proportion of domestic undergraduates who are employed within 4 to 6 months of completing a degree.	85% or higher	Achieved 86.9%	Achieved 89.2%	96
PM012 – Proportion of eligible universities able to meet specified superannuation expenses.	100%	Achieved 100%	Achieved 100%	98
PM014 – Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1).	16% or higher	Achieved 16.6%	Achieved 16.0%	100
PM015 – Proportion of domestic undergraduates who identify as First Nations.	2.2% or higher	Achieved 2.3%	Achieved 2.3%	103
PM016 – Proportion of domestic undergraduate students who rate the teaching quality at their institution positively.	80% or higher	Not achieved 79.9%	Not achieved 79.8%	106

Outcome 2

PM# and Performance Measure title	2025–26 target	2024–25 result	2025–26 result	Page No.
PM017 – Proportion of employers who are satisfied with the skills of graduates (overall across all skills).	85% or higher	Achieved 85.5%	Not achieved 84.2%	109
PM018 – The proportion of HELP debt not expected to be repaid on new debt.	Equal to or lower than previous year	Achieved 11.94%	Not achieved 13.68%	111
PM019 – The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications.	Above the Organisation for Economic Cooperation and Development (OECD) average	Achieved 4.47%	Achieved 4.19%	113
PM020 – Proportion of domestic research postgraduates who are employed within 4 to 6 months of completing their degree.	90% or higher	Achieved 90.5%	Achieved 90.9%	116
PM021 – First Nations higher degree by research (HDR) completions.	Increase from previous year	Achieved 108	Achieved 117	118
PM026 – Proportion of international students employed within 4 to 6 months of completing a degree.	70% or higher	Achieved 70.5%	Achieved 73.5%	120
PM027 – Number of students enrolled in offshore education and training delivered by Australian providers.	Increase from previous year	Not achieved -7%	Achieved 10%	122

Outcome 2

PM# and Performance Measure title	2025–26 target	2024–25 result	2025–26 result	Page No.
PM076 – Accurate and timely allocation of Commonwealth supported places (CSP) funding, as set out within university Commonwealth funding agreements.	100% of allocations under the Nuclear-Powered Submarine Program are accurately reflected in providers’ Commonwealth funding agreements, and at least 90% of payments which are included in the broader Commonwealth Grant Scheme (CGS) Higher Education Course Advance payments through the UniPay system are made on time	Achieved 100% of allocations were accurately reflected and 100% of payments were made on time	Achieved 100% of allocations were accurately reflected and 100% of payments were made on time	124

Outcome 1

Changes to Outcome 1 performance measures

Amendments to the department’s performance measures published in the 2025–26 Corporate Plan are summarised below.

2025–26 published performance measure	Change	Rationale
<i>The proportion of services supported by the Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) in socio-economically vulnerable and disadvantaged communities. [PM054]</i>	<i>The proportion of services supported by the Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) that are in socio-economically vulnerable and disadvantaged communities.</i>	Minor grammatical edit to the description of PM054 for clarity.
<i>Reduce the proportion of students in the Needs Additional Support proficiency level in NAPLAN for reading for Year 3 students (nationally). [PM055]</i> Methodology The percentage of students identified as ‘Needs Additional Support’ in NAPLAN reading at the Year 3 level, nationally, in the NAPLAN National Report. This percentage is based on the number of students participating in the NAPLAN Year 3 reading assessment (excluding exempt students) rather than the entire Year 3 population.	Methodology The percentage of students identified as ‘Needs Additional Support’ in NAPLAN reading at the Year 3 level, nationally, in the NAPLAN National Report. This percentage is based on the number of students participating in the NAPLAN Year 3 reading assessment (excluding absent and withdrawn).	The performance measure methodology has been clarified to reflect who exempt students are.

2025–26 published performance measure	Change	Rationale
<i>Reduce the proportion of students in the Needs Additional Support proficiency level in NAPLAN for numeracy for Year 3 students (nationally). [PM056]</i> Methodology The percentage of students identified as ‘Needs Additional Support’ in NAPLAN numeracy at the Year 3 level, nationally, in the NAPLAN National Report. This percentage is based on the number of students participating in the NAPLAN Year 3 numeracy assessment (excluding exempt students) rather than the entire Year 3 population.	Methodology The percentage of students identified as ‘Needs Additional Support’ in NAPLAN numeracy at the Year 3 level, nationally, in the NAPLAN National Report. This percentage is based on the number of students participating in the NAPLAN Year 3 numeracy assessment (excluding absent and withdrawn).	The performance measure methodology has been clarified to reflect who exempt students are.
<i>Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year [PM069].</i> Data source National Early Childhood Education and Care Collection, published by the ABS as Preschool Education, Australia 2024.	Data source National Early Childhood Education and Care Collection, published by the ABS as Preschool Education, 2025.	The data source has been updated to correct a typographical error in the 2025–26 <i>Corporate Plan</i> and reflect the current publication title.

Outcome 1 Performance Measures

Performance measure PM002

Proportion of accurate Child Care Subsidy payments to all services.

Target: 90% or higher

Result rating: Achieved

Result value: 98.2%

Methodology:

The Random Sample Parent Check (RSPC) process involves asking a stratified random sample of parents about the hours of early childhood education and care their child attended over the preceding week to ascertain the extent to which the early childhood education and care sessions reported by providers/services (and hence the Child Care Subsidy payments and Additional Child Care Subsidy (ACCS) payments) are correct/incorrect.

Source:

The RSPC Checking Tool.

The RSPC Checking Tool is a purpose-built, Excel-based analysis tool developed by ORIMA Research Pty Ltd to assess CCS payment accuracy. The tool combines CCS administrative data, including randomly selected service and family records for the survey period, with RSPC survey responses to produce a robust accuracy assessment. It supports efficient quality assurance and reliable, evidence-based results for performance reporting.

Caveats:

This performance measure is based on survey responses from a sample of parents and may be affected by recall, reporting and non-response bias. It is designed to detect non-collusive non-compliance only and reflects a limited reference period, with administrative updates generally excluded after data extraction. As a sample-based estimate, results are subject to sampling variability but are supported by established quality assurance, review and governance processes.

Contributing program:

- 1.2 – Child Care Subsidy.

Key activity:

- Support to families who rely on subsidised early childhood education and care to work, train, study or volunteer.

Regulatory principles:

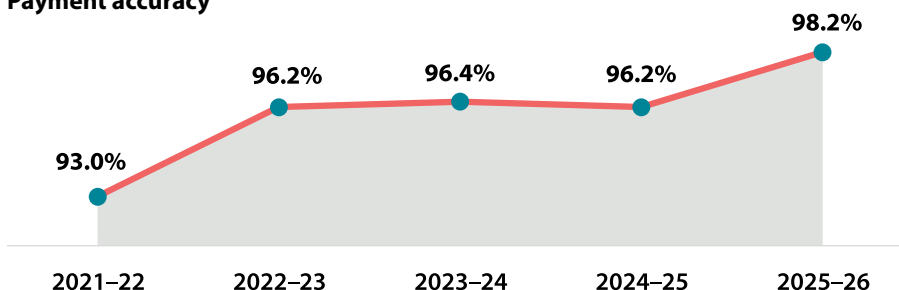


Analysis:

Payment accuracy rose from 96.2% in 2024–25 to 98.2% in 2025–26, the department’s highest result to date. This continues the sustained improvement recorded since 2021–22 and is the fourth consecutive year payment accuracy has remained above 96%.

Figure 2.3: Proportion of accurate Child Care Subsidy payments to all services, 2021–22 to 2025–26

Payment accuracy



The department regulates approved CCS providers under the Family Assistance Law. It is responsible for developing and implementing the CCS integrity strategy and administering compliance programs that protect the integrity of the CCS system.

Under this framework, the department oversees payment accuracy and regulatory functions, including provider approvals, compliance monitoring and audits. It also undertakes fraud prevention, detection and investigation activities, working collaboratively with other government agencies to safeguard public funds and strengthen the integrity of the CCS program. CCS is delivered through approved providers operating across service types, including CBDC, OSHC and Family Day Care (FDC). To obtain and maintain CCS approval, providers must comply with legislative obligations and ongoing reporting requirements under the Family Assistance Law. Further information is available on the Department of Education’s website (www.education.gov.au/early-childhood/providers/howto).

Payment accuracy is a key indicator of the department’s effectiveness in administering these functions. Payment accuracy continued to be supported by integrity measures, including enhanced education and compliance activities, targeted legislative reforms, and stronger intelligence and detection capabilities. These activities supported appropriate enforcement action and criminal investigations where required.

Accurate CCS payments support the department's purpose by enabling families and children to have accessible, affordable and quality ECEC, while maintaining public confidence in the administration and protection of government subsidies and public funds.

The 2025–26 CCS payment accuracy reflects positively on the continued implementation of integrity, safety and quality interventions through the 4 most recent budget cycles. Implementation of these interventions has provided a strong framework for the department to continue strengthening its ability to prevent and respond to fraud and non-compliance.

On 1 January 2026, Direct Gap Fee Collection commenced for FDC and In Home Care providers, requiring providers to collect gap fees directly from families. The initiative strengthened assurance that CCS is being claimed for genuine care arrangements and further enhanced the department's payment integrity framework. By increasing transparency and accountability in gap fee collection, it is expected to reduce opportunities for fraud, non-genuine enrolments, and incorrect CCS claims.

The result should be viewed in the context of a large and diverse ECEC sector, attendance data reported by providers, and ongoing risks of fraud, error and non-compliance. These factors require continued monitoring, education and enforcement, consistent with the *2025–26 Corporate Plan's* focus on evidence-based delivery, stakeholder partnerships and access to quality ECEC.

In November 2025, site visits of ECEC services commenced to verify service delivery, identify safety and quality risks, and strengthen assurance across the sector. These visits have strengthened assurance over service delivery and CCS payment integrity.

In 2025–26 the department strengthened its CCS compliance activities, including undertaking 1,600 unannounced visits to ECEC services each year to strengthen assurance and CCS payment integrity. Details of the department's compliance and enforcement activities are available on the department's website (www.education.gov.au/early-childhood/resources/child-care-subsidy-financial-integrity-strategy and www.education.gov.au/early-childhood/providers/compliance-and-enforcement/enforcement-action-register).

Together, these activities demonstrate a risk-based, data-driven and collaborative approach to regulation. They enable the department to target higher-risk providers and behaviours, support voluntary compliance, reduce regulatory burden and respond to inaccurate CCS claims and payments. This approach aligns with the regulator performance principles and supports sustained payment accuracy, program integrity and confidence in the CCS program.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM054

The proportion of services supported by the Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) that are in socio-economically vulnerable and disadvantaged communities.

Target: Increase on previous year

Result rating: Not achieved

Result value: 19.7%

Methodology:

Australian Bureau of Statistics (ABS) Socio-Economic Indexes for Areas (SEIFA) and Statistical Area level 2 (SA2) data is applied to each service funded through the CCCF and ISP during the financial year. Services located in areas with no assigned SEIFA decile are removed. The proportion of services in the lowest 2 SEIFA deciles (i.e. 20% most disadvantaged areas of Australia based on SA2 and SEIFA) is calculated.

Source:

- ABS, SEIFA, Table 2 SA2 Index of Relative Socio-economic Disadvantage, 2021 (or latest publicly available data).
- Department of Education, CCCF administrative data report.
- Department of Education, ISP administrative data report.
- Department of Education, Child Care Subsidy Approved Services Report.

Caveats: N/a

Contributing program:

- 1.1 – Support for the Child Care System.

Key activity:

- Provide targeted support to families, children and early childhood education and care providers who need it.

Regulatory principles: N/a

Analysis:

The department administers grants under the CCCF and ISP programs that fund ECEC services across Australia.

For the purposes of this measure, the most ‘vulnerable and disadvantaged communities’ are defined as the areas of Australia that have been attributed Decile 1 or 2 under the ABS SEIFA Index of Relative Socio-economic Disadvantage. The following provides analysis of the combined outcome for the measure, and the outcomes for program separately.

Combined analysis of programs’ impact

The combined proportion of CCCF and ISP funded ECEC services that were located in SEIFA Decile 1 and 2 areas and received program funding during 2025–26 is 19.7% of the overall number of services funded by these programs in 2025–26. Compared with the 2024–25 proportion figure (20.6%) the combined CCCF and ISP proportion decreased slightly by about 1% in 2025–26.

Contributing factors to this result include the increase in the overall number of ISP funded services during 2025–26, combined with a reduction in the number of CCCF funded services.

A large proportion of CCCF funded services are funded through the CCCF Sustainability and Capital Support funding stream (CCCF Open), which does not have funding rounds every year. CCCF Open funding for 2025–26 was the second (and final) year of funding under the CCCF Open round 4 grant opportunity. No new CCCF Open grant funding rounds were undertaken in 2025–26, leading to a decrease in CCCF services funded during this period.

The combined number of CCCF and ISP services funded grew overall and in the lowest 2 SEIFA deciles from 2024–25 to 2025–26; however, the growth was larger in the total combined number of funded services, which increased by 343 services (Table 2.5), compared with an increase of just one service in the lowest 2 SEIFA deciles (Table 2.6).

Table 2.4: Services in lowest 2 SEIFA deciles – proportion

Program	2021–22	2022–23	2023–24	2024–25	2025–26
CCCF	45.9%	45.1% [†]	44.7%	46.5% ^{††}	46.3%
ISP	17.0%	18.8%	19.1%	19.3%	18.3%
Combined**	19.6%	20.8%	21.6%	20.6%	19.7%

Table 2.5: Count of services funded*

Program	2021–22	2022–23	2023–24	2024–25	2025–26
CCCF	857	810	749	585 ^{††}	570
ISP	5,748	6,077	6,649	7,100	7,452
Combined**	6,347	6,638	7,161	7,499 ^{††}	7,842

Table 2.6: Services in lowest 2 SEIFA*

Program	2021–22	2022–23	2023–24	2024–25	2025–26
CCCF	393	365	335	272	264
ISP	980	1,144	1,271	1,369	1,366
Combined**	1,243	1,384	1,546	1,546	1,547

† this figure has been updated to correct a transcription error in relation to the proportion of the CCCF services in the most disadvantaged areas published in the analysis section of the 2022–23 and republished in 2024–25 Annual Report table on historical data. This transcription error does not affect the published result for the measure in 2022–23.

†† these figures have been updated to correct an error in relation to the number and proportion of the CCCF services in the most disadvantaged areas published in the analysis section of the 2024–25 Annual Report. This error does not affect the published result for the measure in 2024–25.

* Services in scope for measure PM054.

** Some services received both CCCF and ISP funding. Combined service total reflects a count of unique services funded under both programs, rather than the sum of CCCF and ISP funded services.

Inclusion Support Program

The ISP provides tailored support and funding to ECEC services to help address barriers to participation of children with additional needs in ECEC alongside their peers. The number of ISP funded ECEC services in scope for PM054 increased by about 5% in 2025–26 compared to the 2024–25 measure (Table 2.5). The proportion of services in the most vulnerable and disadvantaged areas (lowest 2 SEIFA deciles) decreased from 2024–25 to 2025–26 (Table 2.4). For this measure, services in scope were in receipt of the Inclusion Development Fund (IDF) subsidy or Innovative Solutions (IS) funding streams. ECEC services can apply for ISP funding support at any time, with some funding streams offering up to 12 months of support.

The ISP has increased the number of funded ECEC services in scope of the measure every financial year since 2021–22 (Table 2.5). The number of services funded under the ISP in the most vulnerable and disadvantaged areas remained relatively stable, decreasing by 3 services in the 2025–26 period, compared with 2024–25. Overall, the ISP funded 352 more services in 2025–26 than in 2024–25. This may indicate an increased need for support for services in other areas. Children frequently attend a service in one Statistical Area Level 2 (SA2) and live in another. As ISP funding is demand driven, it is also possible that the percentage of ECEC services in these more disadvantaged SEIFA deciles has fallen, or that these services have experienced lower demand for inclusion support. From 2024–25 to 2025–26 IDF subsidy applications grew by 13.3%.

Since 2021–22, the number of ISP funded services in the lowest 2 SEIFA deciles has increased from 980 (17% of funded services) to 1,366 (18.3%) (Tables 2.4 and 2.6).

In addition, the ISP provides more than \$37 million in annual funding to Inclusion Agencies, which are available to support inclusion for all services, regardless of whether they receive IDF subsidy funding.

Community Child Care Fund

The CCCF provides targeted grants to support the continuation of ECEC services and improve access to early childhood education for children and families, particularly in disadvantaged, regional and remote communities. As part of the Child Care Safety Net, CCCF grants supplement the CCS and ACCS for eligible services. For the purposes of this measure, funded CCCF services, relates to the following grant streams:

- CCCF Restricted – non-competitive grant funding currently supporting around 143 services, primarily in disadvantaged and vulnerable communities to operate sustainably, and
- CCCF Open – a competitive grant opportunity held every 2–3 years, with a general aim of supporting services in disadvantaged and vulnerable communities, with varying focus and eligibility in each grant round. The number of services supported varies between rounds (about 400 to 700+).

The number of CCCF funded services in scope for PM054 decreased by about 2.6% in 2025–26 compared with the 2024–25 measure (Table 2.5), while the proportion of services in the lowest 2 SEIFA decile areas only saw a minor reduction, from 46.5% in 2024–25 to 46.3% in 2025–26 (Table 2.4). The number of services funded under the CCCF can fluctuate year to year, depending on the timing of CCCF Open grant opportunities, the number of applications for funding received and approved under each funding round, and changes to existing grant agreements such as agreement terminations.

There were fewer services funded under CCCF in 2025–26 compared with 2024–25, due to there being no new grant opportunities administered during this period. However, the proportion of funded services located in the lowest 2 SEIFA deciles (46.3%) is the second highest result since the measure commenced in 2021–22, demonstrating consistency with the intent of the program and reflecting its targeted funding approach.

The application and assessment process for CCCF Open round 5 was completed in July 2026, with agreements expected to commence in September 2026. For this round, the department identified 350 priority areas experiencing particularly high levels of disadvantage compared with most other communities (www.education.gov.au/early-childhood/providers/extra-support/community-child-care-fund/sustainability-and-capital-support-grant/round-5-priority-areas).

In line with previous funding rounds, the priority areas were some of the multiple eligibility criteria for applying for funding under round 5. Priority areas were determined at the Australian Statistical Geography Standard SA2 level, with 2021 Australian Early Development Census results and ABS SEIFA deciles.

Changes from 2025–26 Corporate Plan: A minor grammatical edit was made to the description of PM054 for clarity. For further information see pages 50–51.

Performance measure PM055

Reduce the proportion of students in the Needs Additional Support proficiency level in NAPLAN for reading for Year 3 students (nationally).

Target: Decrease on previous year

Result rating: Achieved

Result value: 10.8%

Methodology:

The percentage of students identified as 'Needs Additional Support' in NAPLAN reading at the Year 3 level, nationally, in the NAPLAN National Report. This percentage is based on the number of students participating in the NAPLAN Year 3 reading assessment (excluding absent and withdrawn).

Source:

Australian Curriculum, Assessment and Reporting Authority (ACARA) NAPLAN National Results (www.acara.edu.au/reporting/national-report-on-schooling-in-australia/naplan-national-results).

Caveats: N/a

Contributing program:

- 1.3 – Government Schools National Support
- 1.4 – Non-Government Schools National Support
- 1.5 – Early Learning and Schools Support.

Key activity:

- 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.

Regulatory principles: N/a

Analysis:

Nationally, the proportion of students in the NAS proficiency level in NAPLAN Reading for Year 3 students decreased slightly to 10.8% in 2025 from 11.3% in 2024.

The proficiency level is defined as a range on the proficiency measurement scale that describes the knowledge and competencies that students at that level are likely to be able to demonstrate. The NAS level is where students are not achieving the expected learning outcomes and are likely to need additional support to make satisfactory progress, based on the typical skills and understandings of students at their year level (www.nap.edu.au/naplan/results-and-reports/proficiency-level-descriptions).

This measure reports on Year 3 outcomes given the critical role of early intervention in long-term achievement. In August 2023, Australian Education Research Organisation's (AERO) research found that Year 3 students who perform below learning expectations are at a high risk of continuing to perform at that level throughout their schooling (www.edresearch.edu.au/research/analytical-insights-papers/learning-outcomes-students-early-low-naplan-performance).

While the 2025 Year 3 NAPLAN reading result is moving in the right direction, student performance in 2025 NAPLAN remains broadly stable at a national level, with about one in 10 students continuing to be at the NAS level across all year groups (Years 3, 5, 7 and 9) and assessment domains. Year-on-year changes in the NAS category for reading are generally small and trends are expected to emerge over several years, as reform activities under the BFSa become embedded.

In the overall NAPLAN reading results, the average proportion of students who performed at the NAS proficiency level in 2025 was 9.3% (compared to 10.3% in 2024). Across other year groups in 2025 the proportion of NAS students decreases from Year 3 (10.8%) to Year 5 (7.5%), then increases slightly in Year 7 (8.9%) and Year 9 (9.8%). Reading is the NAPLAN domain that sees the greatest proportion of students achieving at the highest proficiency level, with 18.7% in the Exceeding level for Year 3 reading in 2025. More information is available at www.acara.edu.au/docs/default-source/media-releases/2025-naplan-national-results-broadly-stable-as-participation-rates-bounce-back-30-7-25.pdf and www.acara.edu.au/reporting/national-report-on-schooling-in-australia/naplan-national-results.

The year 2025 is the first time that cohorts in NAPLAN testing can be compared since the new proficiency levels were introduced in 2023 (i.e. comparing Year 3 in 2023 and Year 5 in 2025). Learning gains from 2023 to 2025 would be expected to equate to 2 years of learning for the average student. In 2025, the learning gain from Year 3 in 2023 to Year 5 in 2025 was 2.3 years, indicating that students were learning at a faster rate than expected. The learning gain in NAPLAN reading from Year 5 in 2023 to Year 7 in 2025 was 1.8 years, and from Year 7 in 2023 to Year 9 in 2025 was 1.7 years, indicating that learning progress slowed as students progressed through schooling.

The department works with all state and territory governments to reduce the proportion of students in the NAS proficiency level for reading. In addition to jurisdiction and school-specific initiatives, the Australian Government is supporting literacy learning by funding several early year and school-based literacy initiatives.

The BFSa ties new funding to reforms aimed at lifting student outcomes, including the introduction of a Year 1 Phonics Check. As of 2026, a phonics check for Year 1 students is mandatory in all state and territory government schools. The department supports this reform by continuing to provide the Australian Government Year 1 Phonics Check, which has been available to teachers since 2020.

In 2024, more than 49,000 checks were completed. In 2025, more than 85,000 checks were completed, an increase of 73%. Some of this increase is due to Queensland introducing the Australian Government Year 1 Phonics Check for all government primary schools for the first time.

New lesson pack resources have been published on the Literacy Hub. The phonics and morphology lesson pack resources have been downloaded more than 35,000 times since 2024. More information about the initiatives is available on the department's website (www.education.gov.au/australian-curriculum/year-1-phonics-check).

The department is also supporting teachers to build their skills in phonics instruction by funding the development of and providing free availability of the Teaching Phonics microcredential. This microcredential was created by the University of Adelaide (now Adelaide University) and released in January 2025. This helps teachers increase their confidence to teach phonics in a systematic and explicit way using contemporary, evidence-based practices.

By January 2026, more than 1,900 educators had enrolled in the Teaching Phonics microcredential, with more than 560 individual modules completed (12 hours of learning). All learners who have completed a module have been invited to provide feedback in post-module surveys. Between 8% and 20% of educators who have completed a module have also completed a post-module survey, where:

- 84% stated that they felt well prepared to teach systematic synthetic phonics in an explicit way
- 89% stated that they intend to implement new ideas and strategies that they had learned through the microcredential.

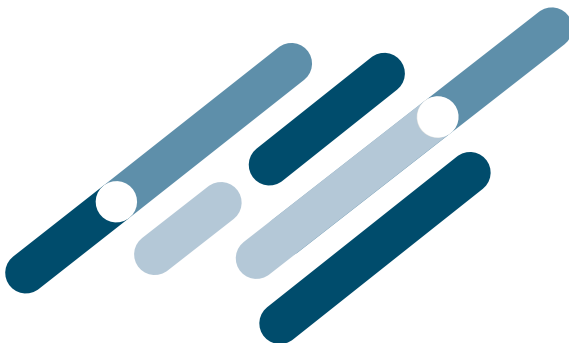
More information can be found on the department's website (www.education.gov.au/national-teacher-workforce-action-plan/announcements/free-online-short-course-teaching-phonics-now-available-teachers).

Aggregated NAPLAN data at a national level does not separately report on government (Program 1.3) and non-government (Program 1.4) school sector achievements with sector-specific data. The large-scale, rigorous and robust nature of the NAPLAN dataset means that national data provides a thorough understanding of the performance of all schools and systems supported by the needs-based funding model in these key foundational learning areas.

NAPLAN results are not publicly reported by school sector under the nationally agreed *Principles and protocols for reporting in Australia* (dataandreporting.blob.core.windows.net/anrdataportal/Data-Access-Program/principles-and-protocols-for-reporting-on-schooling-in-australia.pdf). This highlights that NAPLAN data disaggregation by sector does not allow nuanced interpretation and fair comparisons and does not take into account the vastly different levels of socio-educational advantage between sectors, so carries a significant risk of misinterpretation and misuse of information without this important context.

Given that NAPLAN data is not reported by sector, this performance measure will be reported only under Program 1.5 from 2026–27 onwards.

Changes from 2025–26 Corporate Plan: The performance measure methodology has been clarified to reflect who exempt students are. For further information see pages 50–51.



Performance measure PM056

Reduce the proportion of students in the Needs Additional Support proficiency level in NAPLAN for numeracy for Year 3 students (nationally).

Target: Decrease on previous year

Result rating: Achieved

Result value: 9.4%

Methodology:

The percentage of students identified as 'Needs Additional Support' in NAPLAN numeracy at the Year 3 level, nationally, in the NAPLAN National Report. This percentage is based on the number of students participating in the NAPLAN Year 3 numeracy assessment (excluding absent and withdrawn).

Source:

Australian Curriculum, Assessment and Reporting Authority (ACARA) NAPLAN National Results (www.acara.edu.au/reporting/national-report-on-schooling-in-australia/naplan-national-results).

Caveats: N/a

Contributing program:

- 1.3 – Government Schools National Support
- 1.4 – Non-Government Schools National Support
- 1.5 – Early Learning and Schools Support.

Key activity:

- 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.

Regulatory principles: N/a

Analysis:

Nationally, the proportion of students in the NAS proficiency level in NAPLAN numeracy for Year 3 students decreased to 9.4% in 2025 from 9.7% in 2024, noting the decrease is not statistically significant.

The proficiency level is defined as a range on the measurement scale that describes the knowledge and competencies that students at that level are likely to be able to demonstrate. The NAS level is where students are not achieving the expected learning outcomes and are likely to need additional support to make satisfactory progress, based on the typical skills and understandings of students at their year level (www.nap.edu.au/naplan/results-and-reports/proficiency-level-descriptions).

This measure reports on Year 3 outcomes given the critical role of early intervention in long-term achievement. In August 2023, AERO's research found that Year 3 students who perform below learning expectations are at a high risk of continuing to perform at that level throughout their schooling (www.edresearch.edu.au/research/analytical-insights-papers/learning-outcomes-students-early-low-naplan-performance).

While the Year 3 NAPLAN numeracy result is positive, student performance in the 2025 NAPLAN remains broadly stable at a national level, with about one in 10 students at the NAS level across all year groups (Years 3, 5, 7 and 9) and assessment domains. Year-on-year changes in the NAS category for numeracy are generally small and trends are expected to emerge over several years, as reform activities under the BFSa become embedded.

In the overall NAPLAN numeracy results, the average proportion of students who achieved at the NAS proficiency level in 2025 was 9.2% (compared to 9.5% in 2024). The proportion of students in NAS by year level shows a decrease from Year 3 (9.4%) to Year 5 (7.8%), then an increase in Year 7 (9.5%) and Year 9 (10.2%). More information is available at www.acara.edu.au/docs/default-source/media-releases/2025-naplan-national-results-broadly-stable-as-participation-rates-bounce-back-30-7-25.pdf and www.acara.edu.au/naplanresults.

Since the new proficiency levels were introduced in 2023, 2025 is the first year in which cohorts in NAPLAN testing can be compared (i.e. comparing Year 3 in 2023 and Year 5 in 2025). Learning gains from 2023 to 2025 would be expected to equate to 2 years of learning for the average student. In 2025, the learning gain from Year 3 numeracy in 2023 to Year 5 numeracy in 2025 was 2.2 years, indicating that students are learning at a faster rate than expected. The learning gain in NAPLAN numeracy from Year 5 in 2023 to Year 7 in 2025 was 2.3 years, and from Year 7 in 2023 to Year 9 in 2025 was 1.8 years, indicating that stronger progress in the primary years has slowed in the secondary years.

This work recognises the importance of focusing on building numeracy skills in young people to build the skills they will need to make useful contributions to Australia's future. The department works closely with state and territory governments to support numeracy learning and funds a range of initiatives for schools, teachers, students, carers and families, from early years to schooling.

The BFSF ties new funding to reforms aimed at lifting student outcomes, including working with states, territories and the non-government school sector to pilot and implement early years of schooling numeracy checks. These checks will support teachers to assess their students' numeracy skills and identify and respond to students who need tailored support.

The Mathematics Hub, Mathematics Massive Open Online Courses (MOOCs) and Year 1 Number Check provide free Australian Curriculum-aligned resources, professional development and assessment tools for teachers, school leaders, carers and students. Since its launch in 2022, the Maths Hub has achieved about 2.4 million page views. About 4,600 teachers have enrolled in the MOOCs, and 5,500 in the Explicit Teaching modules, since their launch in 2023.

The Let's Count program, which is designed for children aged 3 to 5 years, aims to improve the mathematical capabilities of preschool children and support a successful transition to school. Since mid-2021, about 5,200 early years professionals have completed Let's Count professional learning.

The reSolve program which provides online teaching and professional learning materials linked to the Australian Curriculum to support teaching mathematics from Foundation to Year 10. It is designed to develop the fluency, understanding, problem solving and reasoning needed by students for the 21st Century. In 2025, the reSolve materials had 59,510 visits.

More information about the initiatives is available on the department's website (www.education.gov.au/australian-curriculum/support-science-technology-engineering-and-mathematics-stem/school-and-early-learning-stem-initiatives).

Aggregated NAPLAN data at a national level does not separately report on government (Program 1.3) and non-government (Program 1.4) school sector achievements with sector-specific data. The large-scale, rigorous and robust nature of the NAPLAN dataset means that national data provides a thorough understanding of the performance of all schools and systems supported by the needs-based funding model in these key foundational learning areas.

NAPLAN results are not publicly reported by school sector under the nationally agreed *Principles and protocols for reporting in Australia* (dataandreporting.blob.core.windows.net/anrdataportal/Data-Access-Program/principles-and-protocols-for-reporting-on-schooling-in-australia.pdf). This highlights that NAPLAN data disaggregation by sector does not allow nuanced interpretation and fair comparisons and does not take into account the vastly different levels of socio-educational advantage between sectors, so it carries a significant risk of misinterpretation and misuse of information without this important context.

Given that NAPLAN data is not reported by sector, this performance measure will be reported only under Program 1.5 from 2026–27 onwards.

Changes from 2025–26 Corporate Plan: The performance measure methodology has been clarified to reflect who exempt students are. For further information see pages 50–51.

Performance measure PM059

Increase the proportion of students attending school 90% or more of the time.

Target:

- a) Nationally: Increase on previous year
 - b) In government schools: Increase on previous year
 - c) In non-government schools: Increase on previous year
-

Result rating:

- a) Achieved
 - b) Achieved
 - c) Achieved
-

Result value:

- a) 62.1% (from 59.8% in 2024)
 - b) 58.3% (from 56.3% in 2024)
 - c) 68.8% (from 66.1% in 2024)
-

Methodology:

The proportion of full-time students in Years 1–10 whose attendance rate in Semester 1 is equal to or greater than 90%.

The attendance rate is the number of actual full-time-equivalent student-days attended by full-time students in Years 1–10 as a percentage of the total number of possible student-days attended in Semester 1.

Source:

Australian Curriculum, Assessment and Reporting Authority (ACARA) National Report on Schooling in Australia data portal (www.acara.edu.au/reporting/national-report-on-schooling-in-australia/student-attendance).

Caveats: N/a

Contributing program:

- 1.3 – Government Schools National Support
 - 1.4 – Non-Government Schools National Support
 - 1.5 – Early Learning and Schools Support.
-

Key activity:

- 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.

Regulatory principles: N/a**Analysis:**

Students attending school 90% or more of the time increased in 2025 to 62.1%, up from 59.8% in 2024. The attendance level also increased across all school sectors – government schools from 56.3% (2024) to 58.3% (2025); and non-government schools from 66.1% (2024) to 68.8% (2025).

While national attendance levels have stabilised and appear to be improving since 2023, following the historic low level of 49.9% in 2022, attendance levels have not returned to the 2018 figure of 75.2%.

Regular attendance at school is critical for young people to reach essential learning milestones. While the causes of non-attendance are complex and multi-faceted, they may relate to students' sense of safety at school, their individual sense of wellbeing, and their family circumstances and background or disadvantage. How absences are recorded and reported will be considered as part of the department's work with ACARA and states and territories to review the Measurement Framework for Schooling in Australia as part of the BFSa.

More information is available on the ACARA website (www.acara.edu.au/reporting/national-report-on-schooling-in-australia/student-attendance).

The department continues to work with state and territory governments to address school attendance issues, particularly through attendance-specific initiatives in the BFSa. Reform efforts to improve learning outcomes and wellbeing can only be effective if students are attending school. Through the BFSa, nationally collaborative work is ongoing to investigate the impact of attendance on schools and student learning.

The Australian Government also continues to support a range of student wellbeing activities, noting mental health and wellbeing can contribute to student attendance.

Another opportunity is being explored that seeks to address the impact of bullying on attendance. The Australian and state and territory governments have accepted the recommendations of the Anti-Bullying Rapid Review, and collaborative work with all jurisdictions is progressing on taking these recommendations forward (www.education.gov.au/antibullying-rapid-review).

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM067

Average early childhood education and care hours attended by children that are supported by Additional Child Care Subsidy.

Target: Equal to or higher than the average early childhood education and care hours attended by children that are supported by Child Care Subsidy

Result rating: Achieved

Result value: 20.4 hours per week compared to 17.0 hours per week

Methodology:

Data is obtained for each of the Additional Child Care Subsidy and Child Care Subsidy groups and broken down by service type (Centre Based Day Care, Family Day Care and Out of School Hours Care). The average weekly attended hours is calculated for each group by pooling all attended hours in the most recent 12-month period (of available data) and dividing this by the number of pooled weeks of care provided to children.

Source:

Services Australia, Child Care Subsidy System (CCSS).

Caveats: N/a

Contributing program:

- 1.2 – Child Care Subsidy.

Key activity:

- Support to families who rely on subsidised early childhood education and care to work, train, study or volunteer.

Regulatory principles: N/a

Analysis:

The ACCS provides additional fee assistance to families facing barriers to early childhood education and care services for vulnerable or at-risk children. The ACCS is made up of 4 categories:

- ACCS (child wellbeing) – for families who need practical help to support their children's safety and wellbeing
- ACCS (grandparent) – for grandparents on income support who are the primary carers of their grandchild/ren
- ACCS (temporary financial hardship) – for families experiencing temporary financial hardship
- ACCS (transition to work) – for families transitioning from income support to work.

Evidence shows that access to, and participation in, ECEC is important to children facing barriers. Families receiving ACCS can face complex circumstances that make regular ECEC attendance challenging.

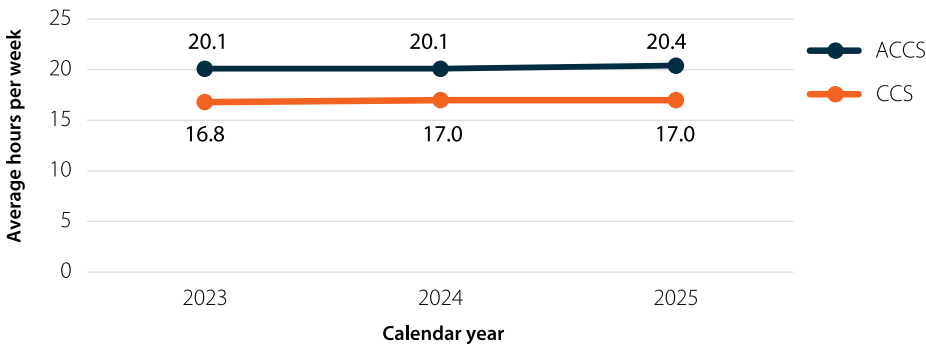
The ACCS has been designed to eliminate or minimise attendance barriers for ACCS eligible children, by providing extra assistance to help their families with the costs of ECEC. Compared to the CCS, the ACCS covers a greater proportion of fees and provides access to more subsidised hours.

The department has policy responsibility and provides policy and operational guidance to Services Australia and ECEC providers, to enable effective administration of the CCS and ACCS programs. Services Australia administers the payments according to legislative entitlements. Further information on ACCS and CCS is available at www.servicesaustralia.gov.au/additional-child-care-subsidy.

In the December 2025 quarter, 31,590 families with 44,620 children were supported by the ACCS, with most of them in the 'Child Wellbeing' category (24,980 families (79.07%) and 35,540 children (79.65%)). This is consistent with other quarters in 2025. Further information is available at www.education.gov.au/early-childhood/about/data-and-reports/quarterly-reports (see Tables 7.1 and 7.2).

The data shows that children supported by ACCS have a higher average weekly attendance than children supported by CCS. In 2025 children supported by the ACCS attended ECEC for an average of 20.4 hours per week compared to 17 hours for children supported by the CCS. Compared to 2024, the average ACCS attendance increased slightly from 20.1 to 20.4 hours per week and the average CCS attendance was unchanged.

Figure 2.4: Average early childhood education and care hours attended by children that are supported by Additional Child Care Subsidy, 2023–2025



The result indicates that the ACCS is effectively supporting children whose families receive ACCS to have the same opportunity to participate in ECEC as children whose families receive CCS.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM069

Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year.

Target:

- a) Overall: 95% or higher
 - b) First Nations children: 95% or higher
 - c) Disadvantaged children: 95% or higher
-

Result rating:

- a) Achieved
 - b) Achieved
 - c) Achieved
-

Result value:

- a) 97.2%
 - b) 97.2%
 - c) 97.1%
-

Methodology:

The number of 4- and 5-year-old children who are identified by the ABS as enrolled in an early childhood education program in the year before they start full-time school for 600 hours per year. This is divided by the number of 4- and 5-year-old children who are identified by the ABS as enrolled in an early childhood education program, from the Preschool Education publication, for all children, First Nations children, and disadvantaged children (ABS SEIFA Quintile 1).

Note: The states and territories can provide supplementary data, which is assessed by the department and, if considered acceptable, is included in the performance results.

Source:

National Early Childhood Education and Care Collection, published by the ABS as Preschool Education, 2025 (www.abs.gov.au/statistics/people/education/preschool-education/latest-release).

Table 25 from the Preschool Education, 2025 release provides the data on the number of 4- and 5-year-old children, number of 4- and 5-year-old Aboriginal and Torres Strait Islander children, and number of 4- and 5-year-old disadvantaged children enrolled and enrolled for 600 hours in preschool programs.

Caveats:

States and territories can provide supplementary data, which is assessed by the department and, if considered suitable, is included in the performance measure.

The following supplementary data has been included:

- Victoria: In 2025, Victoria implemented a new system of collecting preschool enrolment and attendance data from services. During the transition, data on a number of children was unintentionally not transferred from the old system to the new system, resulting in these children being excluded from Victoria's Preschool Education, 2025, data submission. Through the supplementary data process, Victoria notified the department of these omitted records and the department agreed to include them in the state's Preschool Reform Agreement (PRA) performance assessment, as well as nationally.
- Northern Territory (NT): The NT delivers ECEC through a program called Families as First Teachers (FaFT) that aims to ensure children in remote communities are receiving education. Children who are enrolled in FaFT, but not in a traditional preschool program, are included in the results for the NT.
- Australian Capital Territory (ACT): Preschool Education uses the ABS's SEIFA index to measure disadvantage. 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). This does not reflect the actual socio-economic status or level of disadvantage of individual children and their families. The ACT's Implementation Plan under the PRA acknowledges this is not an accurate measure of disadvantage for the ACT, as disadvantaged households are distributed across the territory, rather than concentrated in specific areas. Through the supplementary data process, disadvantage in the ACT is instead measured using an indicator of developmental vulnerability from the Australian Early Development Census.

Contributing program:

- 1.5 – Early Learning and Schools Support.
-

Key activity:

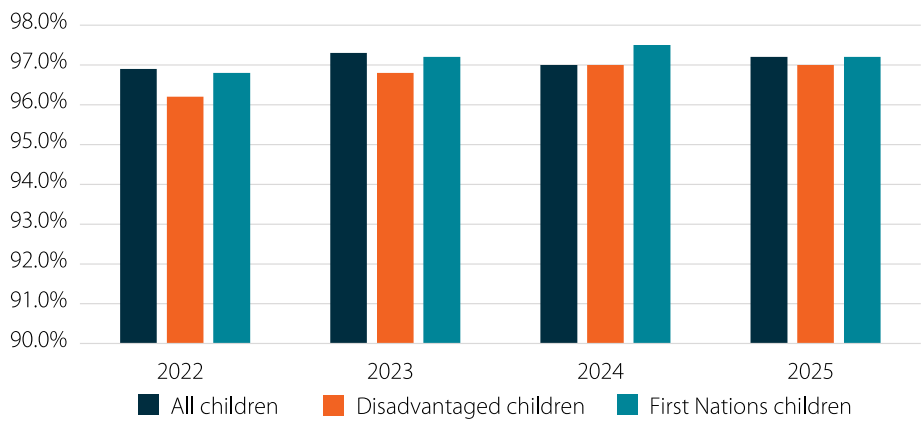
- Support children to have access to quality early learning, particularly in the year before reaching school
 - Provide national leadership and work with states on national policy reform.
-

Regulatory principles: N/a

Analysis:

- a) The proportion of all children enrolled in quality preschool programs in the year before full-time school who were enrolled for 600 hours per year remained relatively stable in 2025 at 97.2%, compared to 97% in 2024.
- b) The proportion of First Nations children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year remained relatively stable in 2025 at 97.2%, compared to 97.5% in 2024.
- c) The proportion of disadvantaged children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year remained relatively stable in 2025 at 97.1%, compared to 97% in 2024.

Figure 2.5: Proportion of children enrolled in quality preschool programs in year before full-time school who are enrolled for 600 hours per year, 2022–2025



Attending a high-quality 600-hour preschool program helps children develop and is especially important for disadvantaged and First Nations children. Children who attend preschool are more likely to start school developmentally on track.

In December 2025, the Australian Government and states and territories agreed to extend the PRA for 2 years until the end of 2027. The department worked collaboratively with state and territory counterparts to deliver the PRA extension on time.

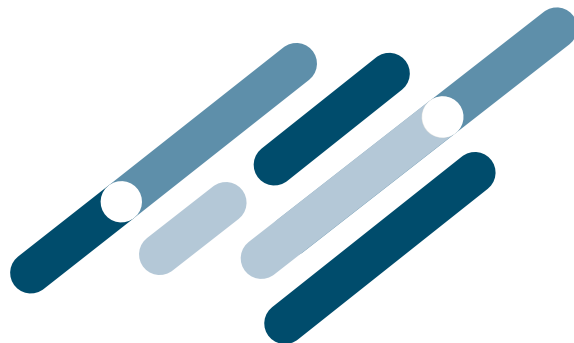
Through the PRA, the Australian Government provides a funding contribution to states and territories to ensure all children have access to 600 hours of preschool in the year before full-time school.

The PRA commits the Australian and state and territory governments to a collaborative reform agenda. Australian Government funding provided under the PRA is subject to states and territories implementing the reform agenda. The department engages with states and territories to develop bilaterally agreed annual implementation plans. From the 2025 program year, these plans include performance targets assessed by the department at the conclusion of each year. The department arranges payments to states and territories once performance milestones are assessed as having been met. The department also continues to work with states and territories on improvements to preschool data collection and performance measurement.

Implementation plans are available on the Federal Financial Relations website (federalfinancialrelations.gov.au/agreements/preschool-reform-agreement) and further information on the PRA and its reforms is available on the department's website (www.education.gov.au/early-childhood/about/preschool/preschool-reform-agreement).

In addition to funding provided under the PRA, the Australian Government provides CCS funding to assist families whose children are receiving a preschool program in a CBDC setting; in 2025, this was 65.5% of enrolled children. The CCS program is administered by the department.

Changes from 2025–26 Corporate Plan: The data source has been updated to correct a typographical error in the *2025–26 Corporate Plan* and reflect the current publication title. For further information see pages 50–51.



Performance measure PM072

Increase the proportion of people (age 20–24) attaining Year 12 certification, or equivalent, or gaining a qualification at Certificate III or above.

Target:

- a) 96% of all people in Australia by 2031
- b) 96% of Aboriginal and Torres Strait Islander people by 2031

Result rating:

- a) Not on track
- b) Not on track

Result value:

- a) 89.0% in 2025
- b) 68.1% in 2021

Methodology:

- a) Number of people aged 20–24 who have attained a school qualification of Year 12 certification, or equivalent, or attained a non-school qualification at Certificate level III or above, divided by the total number of people aged 20–24 years.
- b) Number of Aboriginal and Torres Strait Islander people aged 20–24 who have attained a school qualification of Year 12 certification, or equivalent, or attained a non-school qualification at Certificate level III or above, divided by the total number of Aboriginal and Torres Strait Islander people aged 20–24 years.

Source:

- a) ABS, Survey of Education and Work (SEW). Please note that this is a sample survey.
- b) Productivity Commission, Closing the Gap Information Repository, Dashboard, with underlying data from ABS Census of Population and Housing.

Caveats:

This performance measure will not be reported on in 2026–27 and forward years due to the lack of an appropriate data source to report on the targets going forward.

Contributing program:

- 1.5 – Early Learning and Schools Support.

Key activity:

- Provide support for a range of curriculum, assessment, teaching and wellbeing programs
- Provide national leadership and work with states on national policy reform.

Regulatory principles: N/a**Analysis:**

This performance measure has 2 targets. Target (a) describes the full cohort of people aged 20–24, with data for this target available every year through the ABS SEW. Target (b) describes Aboriginal and Torres Strait Islander people aged 20–24, with data for this target only available every 5 years through the ABS Census of Population and Housing.

For Target (a), in 2025, 89% of young people aged 20–24 in Australia attained a qualification at Year 12 certification or equivalent or at Certificate III or higher, compared to 90% in 2024. These rates have remained statistically steady over the past 5 years and are not on track to meet the 96% target by 2031. A graphical illustration of the attainment trend of young people is available on the ACARA website (www.acara.edu.au/reporting/national-report-on-schooling-in-australia/student-attainment).

Data for Target (b) is sourced from the 5-yearly ABS Census of Population and Housing with no data available between Census years. The annually published attainment rate of the general population does not disaggregate the data and report on Aboriginal and Torres Strait Islander youth.

The most recent data source for Target (b) is the 2021 ABS Census of Population and Housing, from which the relevant data was published on 15 June 2023 in the Productivity Commission's Closing the Gap Information Repository Dashboard (www.pc.gov.au/closing-the-gap-data/dashboard/se/outcome-area5). The next update will be in 2028 following the release of data from the 2026 ABS Census of Population and Housing.

In 2021 more than two-thirds (68.1%) of Aboriginal and Torres Strait Islander people aged 20–24 completed a qualification at Year 12 certification or equivalent or Certificate III or higher. This represents a substantial improvement from the 2016 baseline of 63.2%. While this upward trend in the attainment rate suggests continued improvement in the academic outcomes for Aboriginal and Torres Strait Islander youth, progress is not on track to meet the target of 96% by 2031.

More information on attainment trends of Aboriginal and Torres Strait Islander youth is available at www.pc.gov.au/closing-the-gap-data/dashboard/se/outcome-area5.

School education delivery, including supporting Year 12 attainment, is primarily a state and territory responsibility with the Commonwealth playing a national leadership role and contributing significant schools funding.

The department works with education authorities across all states and territories as well as peak bodies, including the National Aboriginal and Torres Strait Islander Education Corporation (NATSIEC) and the Coalition of Peaks, to support national efforts to lift student attainment for all students across Australia. Along with recurrent needs-based schools funding, this includes partnering with NATSIEC through a formal partnership agreement, and targeted measures such as the City-Country Partnerships Program, Aurora Education Foundation's Redefining Indigenous Success in Education initiative, scholarships through the GO Foundation and Australian Indigenous Education Foundation, and supporting the Clontarf Foundation Academy program.

NATSIEC is engaged in the Education Ministers Meetings and its sub-groups, and is working in partnership with the department on key priorities such as the First Nations Education Policy announced in the 2024–25 Budget (www.education.gov.au/first-nations-education-policy). The policy is being led by the department and developed in partnership with First Nations peak organisations, state and territory governments, the non-government education sector and education unions, with finalisation in 2026. The policy will aim to accelerate improvements to the educational outcomes of First Nations learners. It will define the national aspirations for First Nations education by defining shared priorities and establishing how change will be enacted and evaluated.

Through the BFSa, all Education Ministers have committed to increasing the proportion of people (age 20–24) attaining Year 12 certification, or equivalent, or gaining a qualification at Certificate III or above, including the full cohort of people aged 20–24 and the cohort of Aboriginal and Torres Strait Islander people aged 20–24. This measure reflects the broader goals the Australian Government is working towards to improve student educational outcomes and post-school transitions and support positive social and economic outcomes for young people.

In order to capture the varied schooling pathways available to students, Education Ministers have also agreed to the development of a new measure to capture the alternative pathways available to young people other than Year 12 certification, such as VET in Schools, apprenticeships, and traineeships at Australian Qualifications Framework Certificate III and above. This measure is intended to support young people's engagement and reflect diverse transitions into further education or employment, particularly for young people who do not pursue conventional Year 12 certification. The measure will be developed across the duration of the BFSa.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM077

Percentage of Office for Youth program participants who felt they influenced a government policy or program.

Target: Increase from previous year

Result rating: N/a (a result rating and value for 2024–25 was not available)

Result value: 59%

Methodology:

Office for Youth program participants will be asked in the relevant post-program evaluation survey if they feel they were able to influence a government policy or program. This will be recorded as a proportion of the total Office for Youth program participants' responses.

Source:

Evaluation Survey of Office for Youth Program Participants.

Caveats:

This performance measure has been removed for 2026–27 onwards. Reporting on the youth engagement strategy will occur in the Office for Youth's annual monitoring and evaluation report which will be available on the Digital Youth Hub website (www.youth.gov.au).

Contributing program:

- 1.5 – Early Learning and Schools Support.

Key activity:

- Improve Australian Government engagement with young people on issues, programs and policies that impact them.

Regulatory principles: N/a

Analysis:

In the 2025 calendar year, 59% of Office for Youth program participants felt they influenced a government policy or program.

The department continued to strengthen engagement between the Australian Government and young people (12–25 years) in Australia, ensuring they have opportunities to be involved in developing policies and programs that impact them. Through the Office for Youth, the

department advanced key actions under *Engage! A strategy to include young people in the decisions we make (Engage!)*, with a focus on the vision that young people are empowered and valued and contribute to government decision-making (www.youth.gov.au/office-youth/resources/engage-our-new-strategy-include-young-people-decisions-we-make).

This performance measure aligns with Priority 1 and Action 1.1 of *Engage!*, which is about collaborating with young people. This performance measure reports on 3 Office for Youth programs that are commitments under *Engage!* (National Youth Forum, Youth Advisory Groups and Youth Steering Committee).

Through post-program evaluation surveys, young people who were part of these 3 Office for Youth programs were asked: 'To what extent do you agree or disagree with the following statement: "Through [my participation at the National Youth Forum/my Youth Advisory Group/the Youth Steering Committee], I was able to influence a government program or policy."'.

A total of 51 young people responded to the post-program evaluation survey, 59% of whom felt they influenced a government policy or program (responding, strongly agree, or agree, to the above question).

While a result rating and value for 2024–25 was not available, early insights for 2025 were included in 2024–25 reporting for the National Youth Forum and Youth Advisory Groups. They are repeated below alongside the new 2025 Youth Steering Committee details.

National Youth Forum

- **Program summary:** an annual conference-style event where about 100 young people meet, build skills and contribute to Australian Government decision-making. See page 12 of the *Engage! Impacts and insights 2024–25* report.
- **Analysis summary:** 94 young people participated in the 2025 National Youth Forum in February 2025. Of these, 35 participants responded to the post-program evaluation survey, 54% of whom felt they had influenced a government policy or program.

Youth Advisory Groups

- **Program summary:** 5 groups of about 10 young people in each group who work with the Office for Youth and a specific Australian Government department/agency to provide advice on a specific policy or program. Each member can serve on a Youth Advisory Group for a term of up to 2 years. See page 15 of *Engage! Impacts and insights 2024–25*.
- **Analysis summary:** of the 47 members across 6 Youth Advisory Groups, there were 28 outgoing Youth Advisory Group members who finished their participation in the program in February 2025. Of these, 10 participants responded to the post-program evaluation survey, 70% of whom felt they influenced a government policy or program.

Youth Steering Committee

- **Program summary:** a group of up to 14 young people who work with the Office for Youth to provide advice about the implementation of *Engage!*, and consult on other Australian Government policies or programs on an ad hoc basis. Each member can serve on the Youth Steering Committee for a term of up to 2 years. See page 18 of *Engage! Impacts and insights 2024–25*.
- **Analysis summary:** there were 8 outgoing Youth Steering Committee members who finished their participation in the program in June 2025. Of these, 6 participants responded to the post-program evaluation survey, 67% of whom felt they had influenced a government policy or program.

The Office for Youth will continue to refine its survey administration practices with the aim to increase response rates and ensure feedback is captured from a broader cross-section of participants. This data collection supports understanding of performance against this measure and informs ongoing enhancements to youth engagement activities.

The Office for Youth published the first annual monitoring and evaluation report for the *Engage!* strategy in August 2025. This report includes further information on this measure, as well as other measures related to PM077. You can read the *Engage! Impacts and insights 2024–25* report here www.youth.gov.au/office-youth/resources/engage-impacts-and-insights-202425.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM078

Percentage of Australian Government departments and agencies that worked with the Office for Youth and felt supported to engage with young people.

Target: Increase from previous year

Result rating: N/a (a result rating and value for 2024–25 was not available)

Result value: 82%

Methodology:

Australian Public Service employees from the Australian Government departments/agencies that work with the Office for Youth will be asked in the relevant post-program evaluation survey if they feel they were supported to engage with young people. This will be recorded as a proportion of the total Australian Government departments/agencies representatives' responses.

Source:

Evaluation Survey of Australian Public Service (APS) Employees Engaging with the Office for Youth.

Caveats:

This performance measure has been removed for 2026–27 onwards. Reporting on the youth engagement strategy will occur in the Office for Youth's annual monitoring and evaluation report which will be available on the Digital Youth Hub website (www.youth.gov.au).

Contributing program:

- 1.5 – Early Learning and Schools Support.
-

Key activity:

- Improve Australian Government engagement with young people on issues, programs and policies that impact them.
-

Regulatory principles: N/a

Analysis:

Of the survey respondents from Australian Government departments and agencies that worked with the Office for Youth, 82% felt supported to engage with young people in the 2025 calendar year.

The department has continued to strengthen engagement between the Australian Government and young people (12–25 years), ensuring young people have opportunities to be involved in developing policies and programs that impact them. Through the Office for Youth, the department advanced key actions under *Engage!*, with a focus on the vision that young people are empowered, are valued and contribute to government decision-making (www.youth.gov.au/office-youth/resources/engage-our-new-strategy-include-young-people-decisions-we-make).

This performance measure aligns with Priority 3 and Action 3.2 of *Engage!*, which are about supporting government to work with young people through building youth engagement capacity. The measure reports on 3 Office for Youth programs that are commitments under *Engage!* (National Youth Forum, Youth Advisory Groups and Youth Steering Committee).

Through post-program evaluation surveys, departments and agencies who were part of these 3 Office for Youth programs were asked: ‘To what extent do you agree or disagree with the following statement: “The Office for Youth supported my business area to meaningfully engage with young people through/at [National Youth Forum/the Youth Advisory Group/ Youth Steering Committee].”’

A total of 11 department/agency APS employees responded to the post-program evaluation survey, 82% of whom felt supported to engage with young people.

While a result and rating value for 2024–25 was not available, early insights for 2025 were included in 2024–25 reporting for the National Youth Forum and Youth Advisory Groups. They are repeated below alongside the new Youth Steering Committee details.

National Youth Forum

- **Program summary:** an annual conference-style event where about 100 young people meet, build skills and contribute to Australian Government decision-making. See page 12 of the *Engage! Impacts and insights 2024–25* report.
- **Analysis summary:** there were 3 Australian Government departments/agencies that participated in the 2025 National Youth Forum in February 2025. These were the Department of Education, the Department of Agriculture, Fisheries and Forestry and the National Emergency Management Agency. A total of 4 APS employees from these departments/agencies responded to the post-program evaluation survey, 100% of whom felt supported by the Office for Youth to engage with young people.

Youth Advisory Groups

- **Program summary:** 5 groups of about 10 young people in each group who work with the Office for Youth and a specific Australian Government department/agency to provide advice on a specific policy or program. Each member can serve on a Youth Advisory Group for a term of up to 2 years. See page 15 of *Engage! Impacts and insights 2024–25*.
- **Analysis summary:** there were 4 Australian Government departments/agencies that finished their involvement with a Youth Advisory Group in February 2025. These were the Department of Social Services, Department of Employment and Workplace Relations, Department of Education and the National Indigenous Australians Agency. A total of 5 APS employees from these departments/agencies responded to the post-program evaluation survey, 60% of whom felt supported by the Office for Youth to engage with young people.

Youth Steering Committee

- **Program summary:** a group of up to 14 young people who work with the Office for Youth to provide advice about the implementation of *Engage!*, and consult on other Australian Government policies or programs on an ad hoc basis. Each member can serve on the Youth Steering Committee for a term of up to 2 years. See page 18 of *Engage! Impacts and insights 2024–25*.
- **Analysis summary:** there was one Australian Government department that engaged with the Youth Steering Committee in 2025 period. This was the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts. A total of 2 APS employees from this department responded to the post-program evaluation survey conducted in June 2025, 100% of whom felt supported by the Office for Youth to engage with young people.

The Office for Youth will continue to refine its survey administration practices with the aim to increase response rates and ensure feedback is captured from a broader cross-section of department/agency APS employees that are part of an Office for Youth program. This data collection supports understanding of performance against this measure and informs ongoing enhancements to youth engagement activities.

The Office for Youth published the first annual monitoring and evaluation report for the *Engage!* strategy in August 2025. This report includes further information on this measure, as well as other measures related to PM078. You can read the *Engage! Impacts and insights 2024–25* report at www.youth.gov.au/office-youth/resources/engage-impacts-and-insights-202425.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM079

Timely lodgement of acquittal certificates by states and territories for government schools by 30 June, as set out within the *Australian Education Act 2013*.

Target: 100%

Result rating: Achieved

Result value: 100%

Methodology:

The number of acquittal certificates lodged by states and territories for government schools on or before 30 June divided by the total number of acquittal certificates issued to states and territories for completion, expressed as a percentage.

Source:

Department of Education, Financial Submissions Tracker.

Caveats: N/a

Contributing program:

- 1.3 Government Schools National Support.

Key activity:

- Provide consistent, transparent and needs-based funding to government schools.

Regulatory principles:



Analysis:

The Australian Government provides recurrent funding to states and territories for government schools under the *Australian Education Act 2013* (the Act) and the Australian Education Regulations 2023 (the Regulations). This funding facilitates the delivery of quality education within government schools. States and territories are required to undertake an annual acquittal process to confirm that the funding has been spent, or committed to be spent, on educational purposes in accordance with the Act and Regulations.

All states and territories lodged their acquittal certificates for the 2024 calendar year by 30 June 2025, maintaining the department's 100% lodgement rate achieved in the 2023 and 2022 calendar years.

Table 2.7: Acquittal certificates lodged by states and territories for government schools, 2024 calendar year

Item	2024
Number of lodgements required	8
Number of lodgements received on time	8
Percentage of lodgements received on time	100%

Annual lodgement of acquittal certificates is an ongoing funding requirement for all states and territories and contributes to transparency and accountability in the administration of public funding. Timely lodgement supports funding integrity, legislative compliance, and effective regulatory oversight by enabling accurate, up-to-date monitoring of system-wide performance.

The measure result shows all states and territories met their obligations, with funding appropriately accounted for and reported by a qualified person or body. Under the Regulations, qualified persons include the Auditor-General, Chief Executive Officer or Chief Financial Officer of the relevant state or territory, as well as an independent third party agreed to by the Australian Government Minister for Education.

The department supported regulatory compliance by notifying states and territories of their reporting obligations when the acquittal round opened on 30 April 2025, and by issuing reminders and targeted follow-ups before the 30 June deadline. Guidance materials and support were also provided through phone and email.

The acquittal certificates allow the department to check that funding has been spent, or committed to be spent, for the purpose of providing school education. They also provides assurance to the public and Parliament that government school funding is being used for its intended purpose.

All lodged acquittal certificates are reviewed by the department to ensure compliance with regulatory requirements. If an issue is identified, the certificate is returned to the relevant state or territory for correction.

Although this was not invoked in 2024, if a state or territory were found to be non-compliant, the department will notify the jurisdiction and consider appropriate compliance actions. These may include reducing or delaying future payments, imposing funding conditions or revoking funding approval. These actions will continue until compliance is achieved.

An annual payments report detailing funding provided to states and territories for government schools is available on the department’s website (www.education.gov.au/other-commonwealth-funding-schools/reports-financial-assistance-schools).

This performance measure replaces performance measure PM070 (Recurrent funding payments to approved authorities for government schools under the *Australian Education Act 2013* are made in a timely manner).

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM080

Timely lodgement of acquittal certificates and audited financial statements by approved authorities for non-government schools by 30 June, as set out within the *Australian Education Act 2013*.

Target: 85% or higher

Result rating: Achieved

Result value: 90.76%

Methodology:

The number of acquittal certificates and audited financial statements lodged by approved authorities on or before 30 June divided by the total number of individual acquittal certificates and audited financial statements to be lodged by approved authorities, expressed as a percentage.

Source:

Department of Education, Financial Submissions Tracker.

Caveats: N/a

Contributing program:

- 1.4 Non-Government Schools National Support.

Key activity:

- Provide consistent, transparent and needs-based funding to non-government schools.

Regulatory principles:



Analysis:

The Australian Government provides recurrent funding to approved authorities for non-government schools under the *Australian Education Act 2013* (the Act) and the Australian Education Regulations 2023 (the Regulations). This funding facilitates the delivery of quality education within non-government schools. Approved authorities must have an independent qualified accountant annually acquit this funding to confirm it has been spent, or committed to be spent, on providing education in accordance with the Act and Regulations.

As a condition of funding approval, non-government approved authorities must be financially viable, which the department assesses annually through the collection of audited financial statements.

For approved authorities of non-government schools, 90.76% of their 2024 calendar year acquittal certificates and audited financial statements were lodged by 30 June 2025. This compares with the 2023 calendar year lodgement rate of 91.13% and the 2022 calendar year lodgement rate of 83.83%, noting that the most recent year involves the introduction of an assurance check of the quality of audited financial statements as a condition of timely lodgement (results would otherwise have been the highest of the 3 years).

Table 2.8: Acquittal certificates and audited financial statements lodged by approved authorities for non-government schools, 2024 calendar year

Item	2024
Number of lodgements required	1,818
Number of lodgements received on time	1,650
Percentage of lodgements received on time	90.76%

While compliance levels remain high, some accountable authorities experience challenges meeting statutory deadlines. Delays are mainly due to the late completion of audited financial statements, independent accountant or auditor engagement issues, and the lodgement of incomplete audited financial statements or incorrect acquittal certificates that require re-lodgement. While current compliance strategies are effective for most entities, targeted interventions are needed to improve timeliness and reduce residual non-compliance risk.

Annual lodgements of acquittal certificates and audited financial statements are ongoing funding requirements for all approved authorities of non-government schools and contribute to transparency and accountability in the administration of public funding. Timely lodgement supports funding integrity, legislative compliance, and effective regulatory oversight by enabling accurate, up-to-date monitoring of performance and early identification of compliance issues.

The measure result shows most approved authorities met their obligations, providing assurance that recurrent funding is being appropriately reported and independently acquitted.

Information obtained through this process enables the department to evaluate the use of funds, assess financial viability and inform future payment decisions. This is achieved through the analysis of acquittal certificates and financial statement data to calculate key financial viability ratios that help identify approved authorities with viability concerns.

The department supported regulatory compliance by notifying approved authorities of their reporting obligations, when the reporting cycle opened on 3 April 2025, and by issuing reminders and targeted follow-ups before the 30 June deadline. It also provided guidance materials and support through phone, email and the online portal (SchoolsHUB). These activities encouraged engagement with independent qualified accountants to support timely completion of reporting requirements.

Acquittal certificates required from each of the 911 approved authorities report the dollar value of recurrent funding received and the amount spent or committed in the 2024 calendar year. Lodgements submitted through the department's online portal are automatically validated against regulatory requirements, while a small number submitted outside the portal are manually reviewed. A total of 843 acquittal certificates were assessed by the department to be complete and compliant as at 30 June 2025.

A total of 907 audited financial statements were required to be lodged and 807 were assessed to confirm completeness, accuracy and compliance at 30 June 2025.

For the 2024 calendar year, the number of approved authorities lodging acquittal certificates and audited financial statements differed due to transfer of school ownership and/or restructuring in 2024 and early 2025.

Late submissions are subject to follow-up and may result in compliance action, such as altering the frequency of future payments, reducing or delaying future payments, imposing funding conditions or revoking funding approval. Where there were extended delays in lodging acquittal certificates and/or audited financial statements, the department altered the payment frequency for the approved authority.

An annual payments report detailing funding provided to approved authorities of non-government schools is available on the department's website (www.education.gov.au/other-commonwealth-funding-schools/reports-financial-assistance-schools).

This performance measure replaces performance measure PM071 (Recurrent funding payments to approved authorities for non-government schools under the *Australian Education Act 2013* are made in a timely manner).

Changes from 2025–26 Corporate Plan: N/a

Outcome 2

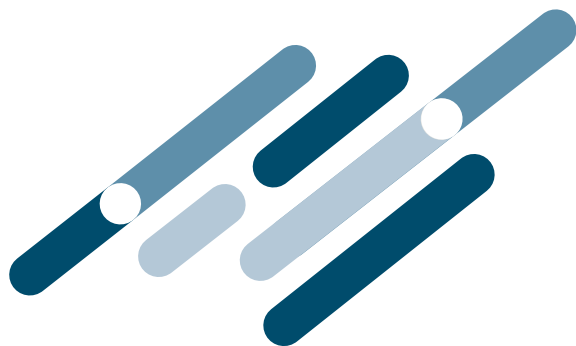
Changes to our Outcome 2 performance measures

Amendments to the department’s performance measures published in the 2025–26 Corporate Plan are summarised below.

2025–26 published performance measure	Change	Rationale
<i>Proportion of eligible universities able to meet specified superannuation expenses [PM012]</i> Regulatory functions: 1. Continuous improvement and building trust 2. Risk based and data driven 3. Collaboration and engagement.	Regulatory functions: N/a	This performance measure is no longer classified as relating to a regulatory function, following review against the Commonwealth definition of regulatory activities. This is a change from information presented in the <i>2025–26 Corporate Plan</i> .
<i>Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1) [PM014]</i> Regulatory functions: 1. Continuous improvement and building trust 2. Risk based and data driven	Regulatory functions: N/a	This performance measure is no longer classified as relating to a regulatory function, following a review against the Commonwealth definition of regulatory activities. This is a change from information presented in the <i>2025–26 Corporate Plan</i> .

2025–26 published performance measure	Change	Rationale
<i>Proportion of domestic undergraduates who identify as First Nations [PM015]</i> Regulatory functions: 1. Continuous improvement and building trust 2. Risk based and data driven	Regulatory functions: N/a	This performance measure is no longer classified as relating to a regulatory function, following a review against the Commonwealth definition of regulatory activities. This is a change from information presented in the <i>2025–26 Corporate Plan</i>.
<i>Proportion of domestic undergraduate students who rate the teaching quality at their institution positively [PM016]</i> Methodology Scope: Domestic undergraduate-level commencing and later-year students at higher education providers as listed under the <i>Higher Education Support Act 2003</i>.	Methodology Scope: Domestic undergraduate-level commencing and later-year students at higher education providers operating under the <i>Higher Education Support Act 2003</i>.	Methodology wording adjusted to a more accurate description of how a provider interacts with the <i>Higher Education Support Act 2003</i>.
<i>Proportion of domestic research postgraduates who are employed within 4 to 6 months of completing their degree [PM020]</i> Methodology Number of research postgraduates employed 4 to 6 months after completing their degree over the total number of research postgraduates available for work 4 to 6 months after completing their degree.	Methodology Number of domestic research postgraduates employed within 4 to 6 months of completing their degree over the total number of domestic research postgraduates available for work in those 4 to 6 months.	The performance measure methodology wording has been clarified to reflect that this measure relates to domestic research postgraduates.

2025–26 published performance measure	Change	Rationale
<i>Proportion of international students employed within 4 to 6 months of completing a degree [PM026]</i> Methodology Number of international graduates employed 4 to 6 months after completing their degree over the total number of international graduates available to work 4 to 6 months after completing their degree.	Methodology Number of international higher education graduates employed 4 to 6 months after completing a degree over the total number of international higher education graduates available to work in those 4 to 6 months.	The performance measure methodology wording has been clarified to reflect that this measure relates to international higher education graduates.



Outcome 2 Performance Measures

Performance 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: 77%

Methodology:

The number of Australian residents aged 25 to 34 years old with a tertiary (non-school) qualification over the total number of 25 to 34 year-old residents in Australia is compared to the previous year.

Source:

Australian Bureau of Statistics (ABS), Education and Work, Australia, Table 24 (www.abs.gov.au/statistics/people/education/education-and-work-australia/may-2025).

Caveats:

This performance measure has been removed for 2026–27 due to the cessation of its data source.

- This measure relies on the ABS SEW, which the ABS will be ceasing. The final reportable data from the survey relates to 2025.
- The ATEC will report on education outcomes through an annual *State of the Tertiary Education System Report* which will include reporting on tertiary attainment and progress towards the government's target. Reporting may draw on data from a new ABS education and skills survey once available.

Contributing program:

- 2.1 – Core Commonwealth Funding for Teaching and Learning in Higher Education.

Key activity:

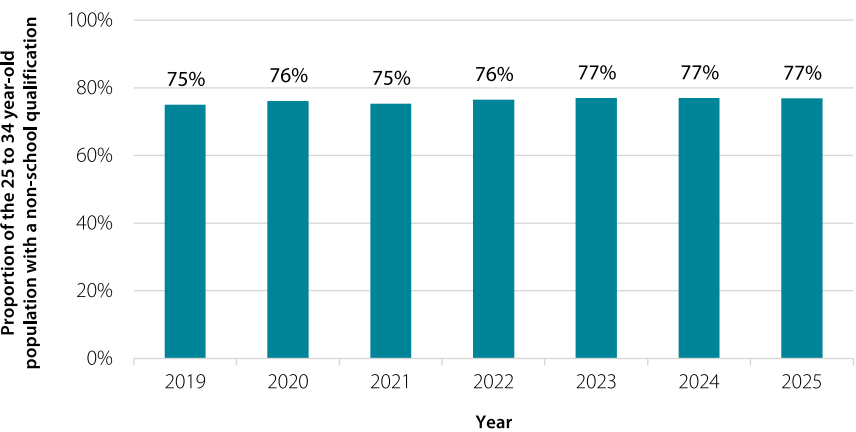
- Enhance the quality of the higher education system
- Support students' access to higher education and transition to employment.

Regulatory principles: N/a

Analysis:

The proportion of the 25- to 34-year-old population with a tertiary (non-school) qualification was 77% in 2025, the same as in 2023 and 2024 (Figure 2.4).

Figure 2.6: Proportion of the 25–34 year-old population with a non-school qualification, 2019–2025



While the result rating and result value have remained steady since 2023, the mix of qualifications is shifting upward. The proportion of the 25- to 34-year-old population with a bachelor’s degree or higher has increased from 41% in 2019 to 47% in 2025 (Table 2.7). This suggests ongoing upskilling within the population with a non-school qualification, despite the overall measure remaining steady.

Table 2.9: Proportion of the 25–34 year-old population with a non-school qualification, by level of qualification, 2019–2025

Level of qualification	2019	2020	2021	2022	2023	2024	2025
Bachelor’s degree or higher	41%	43%	44%	45%	45%	47%	47%
Certificate III qualification or higher	70%	71%	72%	73%	73%	73%	72%
Non-school qualification	75%	76%	75%	76%	77%	77%	77%

The number of students enrolled in higher education has been in a state of flux in recent years due to instability caused by the COVID-19 pandemic, as well as strong labour market conditions and cost-of-living pressures. These external factors have had a strong influence on domestic student enrolments in higher education since 2020. In 2024, student enrolments appeared to be recovering after this period of volatility, with domestic enrolments increasing to 2019 levels. However, this recovery in enrolments has not yet had an impact on the overall attainment rate, which has remained steady even as the level of qualifications within the population continues to shift upward. This may be because it typically takes a minimum of 3 years to attain a bachelor-level qualification, creating a lag in attainment relative to enrolments. Student enrolments data is available on the department's website (www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2024-student-data/key-findings-2024-higher-education-student-statistics).

Tertiary attainment is influenced by a range of factors, such as government programs that support participation in VET and higher education, as well as skilled migration programs which favour settlement by migrants with tertiary qualifications.

The CGS is the Australian Government's primary funding mechanism for higher education. It provides subsidised Commonwealth supported places (CSPs) to reduce the cost of study for domestic students in accredited undergraduate and some postgraduate courses. The scheme funds universities and eligible higher education providers through the CGS under the *Higher Education Support Act 2003*.

The CGS makes a direct contribution to the cost of educating Commonwealth-supported higher education students, supporting access and participation. This contributes to tertiary attainment.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM010

The rate of attrition for domestic bachelor students.

Target: Lower than 15%

Result rating: Achieved

Result value: 10.7%

Methodology:

Number of commencing domestic students in year (x) who neither complete in year (x) or year (x+1) nor return to study in year (x+1), over the total number of commencing domestic students enrolled in year (x).

Source:

Department of Education, Higher Education Statistics Collection, Table 15.1.

Caveats:

Based on preliminary 2025 data. Preliminary data is not expected to differ materially from final 2025 data. The final data was not available at the time of performance reporting but will be published publicly on the department's website.

The version of the 2025–26 Annual Report tabled in Parliament and available on transparency.gov.au will remain unchanged.

Note: The 2024 result on the department's website aligns with the 2024–25 *Department of Education Annual Report* result, which used preliminary data.

This performance measure has been removed from 2026–27 onwards as it is primarily driven by variables outside the department's control and therefore is not an accurate indicator of the department's performance in administering the CGS program. The 2026–27 Annual Report will continue to report on this metric outside the annual performance statements.

Contributing program:

- 2.1 – Core Commonwealth Funding for Teaching and Learning in Higher Education.

Key activity:

- Enhance the quality of the higher education system
- Support students' access to higher education and transition to employment.

Regulatory principles: N/a**Analysis:**

The attrition rate of domestic students who commenced a bachelor degree in 2024 was 10.7% (based on 2025 preliminary data), lower than the 12.2% attrition rate for domestic students who commenced in 2023 (based on 2024 finalised data).

The CGS aids students to undertake and complete higher education degrees by making a direct contribution to the cost of the study. This contribution also supports higher education providers, who are required to meet eligibility criteria to receive CGS funding, to deliver high-quality teaching and support to students that facilitates positive experiences and graduate outcomes.

A low attrition rate is an indicator that bachelor degree students are receiving quality higher education that meets student expectations and that students are being supported to continue their studies.

Since 2013 the attrition rate of domestic commencing bachelor students has been reasonably steady, with just small year-on-year changes to the rate, which varied between 14.3% and 15%. Notable exceptions were the lower attrition rates for students commencing in 2019 and 2020 due to weak labour market conditions associated with the COVID -19 pandemic.

The 2024 attrition rate of 10.7% for domestic commencing bachelor students is the lowest since 2013. This may have been driven by a range of factors, including:

- changes in the profile of the student cohort due to lower proportions of students from cohorts likely to discontinue study, as well as improved retention rates of students from various disadvantaged backgrounds
- initiatives implemented by universities to improve student retention rates
- the relative easing of cost-of-living pressures and labour market conditions.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM011

Proportion of domestic undergraduates who are employed within 4 to 6 months of completing a degree.

Target: 85% or higher

Result rating: Achieved

Result value: 89.2% (result based on 2025 pre-release data)

Methodology:

Number of domestic undergraduates employed 4 to 6 months after completing their degree over the total number of domestic undergraduates available for work 4 to 6 months after completing their degree.

Note: 'Employed' is informed by the ABS *Labour Statistics: Concepts, Sources and Methods*. Accordingly, this considers graduates 'employed' if they work at least one hour in the survey reference week (in any profession or occupation, which may or may not align to an undergraduate's field of study). Information about the survey methodology, data representativeness and response rate is available in the Graduate Outcomes Survey Methodological Report (link below).

Source:

Quality Indicators for Learning and Teaching (QILT), Graduate Outcomes Survey (GOS) ([www.qilt.edu.au/surveys/graduate-outcomes-survey-\(gos\)](http://www.qilt.edu.au/surveys/graduate-outcomes-survey-(gos))).

Caveats:

Pre-released data has passed the department's quality assurance processes and was not available (i.e. published) via the QILT website at the time of result preparation.

Contributing program:

- 2.1 - Core Commonwealth Funding for Teaching and Learning in Higher Education.
-

Key activity:

- Enhance the quality of the higher education system
 - Support students' access to higher education and transition to employment.
-

Regulatory principles: N/a

Analysis:

The proportion of domestic undergraduates who were employed 4 to 6 months after completing their degree was 89.2% in 2025 (based on 2025 pre-release data).

Caution should be exercised when interpreting differences in overall employment rates between 2025 and earlier years as movements between these years reflect a change in methodology in the underlying survey in 2025.

The change in methodology for the GOS strengthened the alignment with the ABS *Labour Statistics: Concepts, Sources and Methods*. This slightly decreased the size of the labour force by removing people who were only looking for work passively. The change slightly increased the proportion of graduates classified as employed, with the overall employment rate estimated to be 2.5 to 3.5 percentage points higher than it would have been had the change in methodology not occurred. As such, the difference between the 2025 result (89.2%) and the 2024 result (86.9%) partly reflects a change in methodology.

Graduate employment outcomes are influenced by general economic and labour market conditions. Strong labour market conditions are typically associated with higher employment outcomes for graduates, while softer conditions may result in lower employment rates and/or increased participation in further study.

As the proportion of jobs requiring tertiary qualifications grows, programs that support student access and participation in higher education can support students transition to employment. The CGS makes a direct contribution to the cost of educating Commonwealth supported higher education students. The CGS delivery strategies aim to enhance the quality of the higher education system and contribute to a highly skilled workforce and educated community.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM012

Proportion of eligible universities able to meet specified superannuation expenses.

Target: 100%

Result rating: Achieved

Result value: 100%

Methodology:

Number of universities that can meet their expenses based on the funding provided by the Commonwealth over the number of universities eligible for funding, as per the *Higher Education Support (Other Grants) Guidelines 2022*.

Source:

- Department of Education program documentation.
 - Annual program claim forms or cashflow funding documents from NSW State Super.
-

Caveats:

Of the 27 eligible universities, 26 had eligible superannuation expenses and the department provided 100% of eligible funding.

Contributing program:

- 2.2 – Higher Education Superannuation Program.
-

Key activity:

- Support eligible current and former university employees for certain superannuation expenses.
-

Regulatory principles: N/a

Analysis:

The Higher Education Superannuation Program is demand driven. The department provides funding to eligible universities in line with reported reconciled amounts, giving the department assurance the target is measured accurately.

Eligibility is outlined in the *Higher Education Support (Other Grants) Guidelines 2022*. Section 55 lists the 27 universities that are eligible for funding.

Of these 27 universities, one university no longer has current or former staff in the specified superannuation scheme or fund and therefore no longer receives funding. The resulting 26 universities received funding during 2024 and 2025.

The department provided funding directly to universities, based on information reported from eligible universities with superannuation expenses from eligible funds. Universities then discharge their superannuation obligations with the relevant superannuation fund. Since 2013–14 when reporting on this measure began, this funding has continued to allow 100% of eligible universities to meet their specified superannuation expenses from 2014 to 2026.

For more information visit the department's website (www.education.gov.au/higher-education-funding/higher-education-superannuation-program).

Payments are made using determinations based on calendar years. Therefore, payments are spread across determinations for the 2025 and 2026 calendar years.

The funding determined each calendar year is generally expected to decrease over time, as the liability is discharged, due to no new employees being in the program.

Changes from 2025–26 Corporate Plan: This performance measure is no longer classified as relating to a regulatory function, following review against the Commonwealth definition of regulatory activities. For further information see pages 88–90.

Performance 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: 16.0%

Methodology:

Number of domestic undergraduate enrolments with a permanent home residence in a low socio-economic area (based on Statistical Area 1 and latest SEIFA) over the total domestic undergraduate student enrolments.

Scope: Domestic undergraduate student enrolments with a current permanent home residence in Australia as collected through the department's Tertiary Collection of Student Information (TCSI) system at the Statistical Area 1 level. This relates to domestic undergraduate students at providers registered under the *Higher Education Support Act 2003*.

Source:

Department of Education, Higher Education Statistics Collection, Table 11.3.

The data source table identifier has been updated in accordance with the restructure of the Department of Education, Higher Education Statistics Collection. The data source was previously found in Table 11.2. From 2024, the data source is Table 11.3.

Caveats:

Based on preliminary 2025 data. Preliminary data is not expected to differ materially from final 2025 data. The final data was not available at the time of performance reporting, but will be published publicly on the department's website in the Higher Education Statistics – 2025 Student data report (www.education.gov.au/higher-education-statistics/student-data).

The version of the 2025–26 Annual Report tabled in Parliament and available on transparency.gov.au will remain unchanged.

Note: The 2024 final result on the department's website differs from the result reported in the 2024–25 *Department of Education Annual Report* (16.6%), which used preliminary data.

Contributing program:

- Program 2.3 – Higher Education Support.

Key activity:

- Enhance the quality of the higher education system
- Support students' access to higher education and transition to employment.

Regulatory principles: N/a**Analysis:**

Preliminary data for 2025 shows that the proportion of domestic undergraduates who were from a low SES background (based on Statistical Area level 1) decreased to 16% (from 16.6% in 2024).

This slight decrease occurred despite ongoing Australian Government initiatives to improve access to and participation in higher education for under-represented students, including through equity funding and other initiatives to support student access, participation, and completion.

Decisions to undertake university study are influenced by general economic and labour market conditions. Cost-of-living pressures and low unemployment rates may have affected higher education participation among people from low SES backgrounds.

Equity of participation in higher education was identified as a priority in the Australian Universities Accord (the Accord) and remains a key focus of the Australian Government. Increasing access, participation, and completion among students from under-represented backgrounds – such as those from a low SES area – will be critical to meeting the Australian Government's target of 80% of the working age population (aged 15 to 64) attaining a tertiary qualification by 2050.

During 2025–26 to support this focus, the department continued to deliver programs targeted at reducing barriers to higher education, such as financial, geographical, logistical, and social barriers. These programs include the HELP, the CGS, and FEE-FREE Uni Ready (FFUR) courses. More information regarding these initiatives is available on the department's website (www.education.gov.au/higher-education/support-students).

Prior to 1 January 2026, the Higher Education Participation and Partnerships Program (HEPPP) provided dedicated funding to Table A universities to support people from under-represented cohorts to access, participate in, and complete their higher education studies. HEPPP supported activities including outreach and aspiration-building initiatives, academic and wellbeing support, and financial assistance programs.

A series of key reforms commenced on 1 January 2026, replacing HEPPP and strengthening the higher education equity framework. These reforms represent additional investment in equity support intended to increase participation in under-represented cohorts. They include:

- **Managed Growth Funding:** which will ensure there are sufficient CSP, for students from under-represented backgrounds to go to university.
- **Needs-based Funding:** which provides an increase in funding to support students from low SES backgrounds and First Nations students, as well as students studying at regional campuses to participate and succeed in their studies.
- **Outreach Funding:** which provides targeted funding to support pre-access, outreach and aspiration building activities, aimed at increasing participation in tertiary education for under-represented cohorts.

Responsibility for implementing these key reforms has been supported by the ATEC, with a focus on ensuring universities deliver on the government's commitment to increase tertiary attainment and raise equity participation and attainment.

The reforms are intended to strengthen support for under-represented students and contribute to improved participation and attainment outcomes for equity cohorts, including students from low SES backgrounds.

These reforms are supported by further investments in broader equity initiatives, including the expansion of the University Study Hubs, increased eligibility for the Tertiary Access Payment, and additional funding for the Disability Support Fund (DSF). Collectively, these initiatives are expected to continue to reduce barriers to higher education and support increased participation for under-represented cohorts, including those from low SES backgrounds.

Changes from 2025–26 Corporate Plan: This performance measure is no longer classified as relating to a regulatory function, following review against the Commonwealth definition of regulatory activities. For further information see pages 88–90.

Performance measure PM015

Proportion of domestic undergraduates who identify as First Nations.

Target: 2.2% or higher

Result rating: Achieved

Result value: 2.3%

Methodology:

Number of domestic undergraduate students who identify as First Nations over the total of domestic undergraduate students.

Source:

Department of Education, Higher Education Statistics Collection, Table 11.3.

The data source table identifier has been updated in accordance with the restructure of the Department of Education, Higher Education Statistics Collection. The data source was previously found in Table 11.2. From 2024, the data source is Table 11.3.

Caveats:

Based on preliminary 2025 data. Preliminary data is not expected to differ materially from final 2025 data. The final data was not available at the time of performance reporting but will be published publicly on the department's website in the Higher Education Statistics – 2025 Student data report (www.education.gov.au/higher-education-statistics/student-data).

The version of the 2025–26 Annual Report tabled in parliament and available on transparency.gov.au will remain unchanged.

Note: The 2024 result on the department's website aligns with the 2024–25 *Department of Education Annual Report* result, which used preliminary data.

Contributing program:

- 2.3 – Higher Education Support.

Key activity:

- Enhance the quality of the higher education system
- Support students' access to higher education and transition to employment.

Regulatory principles: N/a

Analysis:

Preliminary data for 2025 indicates that the proportion of domestic undergraduate students who identify as Aboriginal and Torres Strait Islander remained at 2.3%, unchanged from the final 2024 result. While growth has stabilised over the past year, the proportion has increased steadily from 2.1% in 2021 to 2.3% in 2024 and 2025, representing a modest but sustained improvement in First Nations representation in higher education.

Table 2.10: Proportion of domestic students who identify as First Nations

2021	2022	2023	2024	2025
2.1%	2.1%	2.2%	2.3%	2.3%

First Nations participation in higher education continues to be a priority for the Australian Government, supported by sustained system-level reforms that place First Nations peoples at the centre of Australia’s higher education system, consistent with the Accord and Closing the Gap.

This includes initiatives such as the Indigenous Student Success Program (ISSP) and First Nations targeted reforms to CSPs to enhance access to higher education.

Indigenous Student Success Program

Administration of the ISSP transferred to the ATEC from 1 July 2025.

The ISSP provides supplementary funding to universities to support First Nations students to meet the academic, cultural and practical demands of university study and to succeed.

Universities can offer scholarships, tutorial assistance, mentoring, safe cultural spaces and other personal support services. The flexibility of the ISSP assists universities to tailor their services to match student needs. Universities receive ISSP funding based on enrolments, unit success rates and course completions of First Nations students.

Demand-driven funding for First Nations students

The Australian Government has progressively expanded access to higher education for First Nations students as part of its commitment to improving tertiary education participation and outcomes.

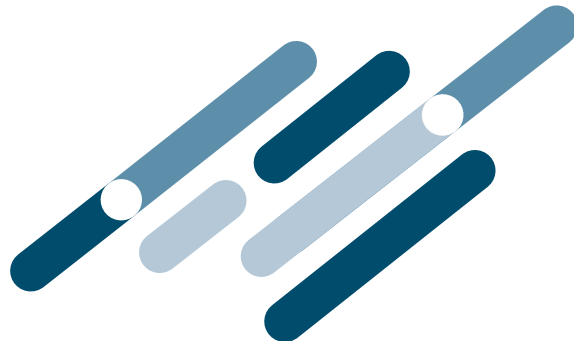
Since 2021, First Nations students from regional and remote areas have been guaranteed a CSP at university.

In 2024, this guarantee was extended nationwide, ensuring that all First Nations students who are accepted into a non-medical undergraduate course can access a CSP at the university of their choice.

From 2026 these arrangements will be further expanded to include medical degrees, ensuring First Nations students accepted into medicine can also gain access to Commonwealth-supported study.

Together, these reforms are intended to remove financial barriers, increase participation in higher education, and support the Australian Government's broader commitment to Closing the Gap and improving educational outcomes for First Nations peoples.

Changes from 2025–26 Corporate Plan: This performance measure is no longer classified as relating to a regulatory function, following review against the Commonwealth definition of regulatory activities. For further information see pages 88–90.



Performance measure PM016

Proportion of domestic undergraduate students who rate the teaching quality at their institution positively.

Target: 80% or higher

Result rating: Not achieved

Result value: 79.8% (result based on 2025 pre-release data)

Methodology:

Number of domestic undergraduate students who rated the teaching they received positively as measured by the 'Teaching Quality Scale' of the Student Experience Survey over the total number of domestic undergraduate students with a valid 'Teaching Quality Scale' score in the Student Experience Survey.

Scope: Domestic undergraduate-level commencing and later-year students at higher education providers operating under the *Higher Education Support Act 2003*.

Note: Information about the survey methodology, data representativeness and response rate is available in the Student Experience Survey Methodological Report ([link below](#)).

Source:

Quality Indicators for Learning and Teaching (QILT), Student Experience Survey ([www.qilt.edu.au/surveys/student-experience-survey-\(ses\)](http://www.qilt.edu.au/surveys/student-experience-survey-(ses))).

Caveats:

Pre-released data has passed the department's quality assurance processes and was not available (i.e. published) via the QILT website at the time of result preparation.

Contributing program:

- 2.3 – Higher Education Support.
-

Key activity:

- Enhance the quality of the higher education system
 - Support students' access to higher education and transition to employment.
-

Regulatory principles: N/a

Analysis:

The proportion of domestic undergraduate students rating the quality of teaching at their institution positively was 79.8% in 2025, a slight decrease from 79.9% in 2024. This change is not statistically significant and indicates that student satisfaction with teaching quality has remained broadly stable over the past 2 reporting cycles. However, the result continues to fall marginally below the target of 80%, meaning the performance measure target has not been met in 2025–26.

Evolving student expectations and increasing cohort diversity continue to place significant demands on institutions to adapt their teaching practices and student support services. Satisfaction among commencing students remains particularly sensitive to these ongoing developments.

Table 2.11: Proportion of domestic undergraduate students who rate the teaching quality at their institution positively, 2022–2025

Year	2022	2023	2024	2025
Teaching quality %	80.1	80.4	79.9	79.8

More information on student satisfaction is available in the 2025 Student Experience Survey National Report (to be released through the QILT website www.qilt.edu.au).

The department emphasised the importance of improving teaching quality through the development of 2025–26 mission-based compacts (compacts), alerting providers to declining student satisfaction trends and requiring a stronger focus on teaching quality, including strategies for early intervention and high-quality support for struggling students to improve the success rates of at-risk students.

The impact of these measures is not yet reflected in current results as improvements in teaching practice and student experience typically require time to be implemented and captured through survey data. Compacts outlining the strategies for improving teaching and learning are published on the department’s website www.education.gov.au/collections/higher-education-providers-2025-26-mission-based-compacts.

The department continues to promote transparency through publication of QILT data and related resources, enabling providers to identify areas for improvement and implement targeted responses.

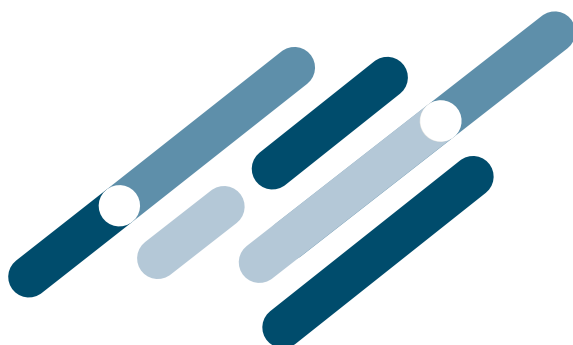
With the formal establishment of the ATEC on 29 April 2026, responsibility for compacts has transferred from the department to the ATEC. Quality teaching continues to be embedded as a core element of compacts. Performance against compact metrics will be assessed annually, with outcomes informing future student place allocations. This strengthens accountability and provides a clearer incentive for improvement. In addition, the ATEC will incorporate further work and sector engagement on enhancing professional practice teaching and learning into its work program.

The higher education sector continues to experience significant change, including the implementation of Needs-based Funding introduced in 2026 and preparations for the Managed Growth Funding System from 2027. This transition has required providers to adapt to new policy settings, which may have constrained short-term capacity to focus on teaching quality improvements.

While the 2025–26 result remains below target, the stabilisation of student satisfaction suggests further decline may have been avoided during a period of significant sector reform. The influence of the ATEC’s stewardship role is expected to emerge over coming years. The combined impacts of strengthened compact arrangements, enhanced accountability mechanisms and targeted initiatives such as the Teaching Quality Working Group, are intended to support improvements in student outcomes over time.

The department will continue to monitor trends and work collaboratively with the ATEC and higher education providers, including universities and other institutions, to support sustained improvements in teaching quality and student experience.

Changes from 2025–26 Corporate Plan: Methodology wording adjusted to a more accurate description of how a provider interacts with the *Higher Education Support Act 2003*. For further information see pages 88–90.



Performance measure PM017

Proportion of employers who are satisfied with the skills of graduates (overall across all skills).

Target: 85% or higher

Result rating: Not achieved

Result value: 84.2% (result based on 2025 pre-release data)

Methodology:

Number of supervisors of employed graduates satisfied with the skills of the graduate over the number of supervisors with valid survey responses.

Note: Information about the survey methodology, data representativeness and response rate is available in the ESS National Report (link below).

Source:

Quality Indicators for Learning and Teaching (QILT), Employer Satisfaction Survey ([www.qilt.edu.au/surveys/employer-satisfaction-survey-\(ess\)](http://www.qilt.edu.au/surveys/employer-satisfaction-survey-(ess))).

Caveats:

Pre-released data has passed the department's quality assurance processes and was not available (i.e. published) via the QILT website at the time of result preparation.

This performance measure has been removed from 2026–27 onwards as higher education providers are responsible for the skills of graduates. Therefore, the measure does not directly reflect the department's performance in supporting under-represented cohorts under Program 2.3. The proportion of employers who are satisfied with the skills of graduates will continue to be reported in the Employer Satisfaction Survey (ESS) National Report.

Contributing program:

- 2.3 – Higher Education Support.

Key activity:

- Enhance the quality of the higher education system
- Support students' access to higher education and transition to employment.

Regulatory principles: N/a

Analysis:

Employers have high levels of overall satisfaction with graduates from the Australian higher education system, as reported through the QILT ESS.

The proportion of direct supervisors who were satisfied overall with their recent graduate employee was 84.2% in 2025 (based on 2025 pre-release data). This is a slight decrease from the 2024 result of 85.5%. This does not represent a statistically significant year-on-year change.

This measure has been relatively stable since 2016, ranging from 83.6% to 85.5%.

The absence of a statistically significant year-on-year change indicates stable performance against this measure and supports an assessment of maintained quality in the Australian higher education system. Further information on employers' views of recent graduates is available in the 2025 ESS National Report.

This aligns with the department's Higher Education Support Program (Program 2.3), which aims to maintain or improve the quality of the higher education system. As the primary framework for funding universities and supporting student access, the program includes funding streams and policy levers that encourage universities to align courses with industry needs and produce graduates with employable skills.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM018

The proportion of HELP debt not expected to be repaid on new debt.

Target: Equal to or lower than previous year.

Result rating: Not achieved

Result value: 13.68%

Methodology:

The proportion of debt not expected to be repaid on new debt is modelled by the Australian Government Actuary (AGA) using historical and projected repayment data in its longitudinal data on HELP debtors. AGA's modelling of debt not expected to be repaid (DNER) incorporates the expected impacts from any HELP policy changes.

Source:

Australian Government Actuary 2026 HELP Receivable Advice.

Caveats:

The proportion of DNER is actuarially determined by the AGA based on policy and economic parameters at the time it is estimated. The proportion of DNER is sensitive to changes in these underlying parameters and therefore subject to change. The figure should only be relied on as a point-in-time estimate.

Contributing program:

- 2.4 – Higher Education Loan Program.

Key activity:

- Support students' access to higher education and transition to employment.

Regulatory principles: N/a

Analysis:

The proportion of HELP DNER on new debt was 13.68% for 2025–26, higher than the 2024–25 result of 11.94%.

The increase was primarily driven by the *Universities Accord (Cutting Student Debt by 20 Per Cent) Act 2025* lowering compulsory repayments by changing to a marginal repayment system, offset in part by the 20% reduction in student debts. Smaller changes to DNER resulted from model enhancements, updated economic assumptions and updated data. The net effect of these changes was an increase in DNER in 2025–26.

The department has responsibility for administering the HELP which promotes access to higher education by removing the up-front financial barriers of higher education tuition for students through the provision of income-contingent loans. The department works closely with the Australian Taxation Office (ATO) which is responsible for managing HELP debts and repayments.

DNER is estimated each year by the AGA using the latest available administrative data from the ATO and the department to actuarially model projected future repayments against that debt.

The changes made by the *Universities Accord (Cutting Student Debt by 20 Per Cent) Act 2025*, which received Royal Assent on 2 August 2025, are reflected in the AGA's most recent HELP modelling and affect both the amount of HELP debt outstanding and the projected future repayments used to estimate DNER.

The legislation reduced all HELP and other student debts incurred on or before 1 June 2025 by 20%, and made the repayment system fairer by:

- raising the minimum repayment threshold from 1 July 2025
- indexing repayment thresholds to wage growth
- lowering compulsory repayments by introducing a marginal system of repayments where compulsory repayments are calculated on the income above the new repayment thresholds, rather than on total annual repayment income.

While the 20% reduction in student debt lowered DNER by reducing total outstanding HELP debt, this was more than offset by an increase in DNER on new debt due to lower projected compulsory repayments arising from the repayment system changes. This impact was anticipated given that the repayment changes were designed to reduce the burden of HELP debt on lower income earners. The policy increases the amount that individuals can earn before they are required to start repaying their HELP debt and is expected to increase the number of individuals who do not meet the repayment threshold. Further, the policy reduces the size of compulsory repayments, therefore increasing the number of people who only partially repay their HELP debts.

These 2 offsetting factors had the largest impacts on DNER in 2025–26, resulting in a slight net increase in DNER.

Other minor changes to DNER were the result of model enhancements, which increased DNER slightly, lower projected wage growth which brought forward repayments by lowering projected future repayment thresholds (reducing DNER), and adjustments to the model to reflect higher than previously projected voluntary repayments in 2025–26 (reducing DNER).

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM019

The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications.

Target: Above the Organisation for Economic Co-operation and Development (OECD) average.

Result rating: Achieved

Result value: 4.19%

Methodology:

Number of Australian research publications in the world's top 10% most highly cited journals divided by the total number of publications in the world's top 10% most cited journals, compared to the average for all OECD countries when applying the same calculation method.

Source:

SciVal.

Caveats: N/a

Contributing program:

- 2.5 – Investment in Higher Education Research
- 2.6 – Research Capacity.

Key activity:

- Support the research system through investment in research, research training and national research infrastructure.

Regulatory principles: N/a

Analysis:

This measure reflects the influence Australian research has on the world and the quality of research being conducted.

The Australian Government invests in Australia's research system to drive innovation, research quality and national productivity, with the department administering Program 2.5 Investment in Higher Education Research and Program 2.6 Research Capacity to contribute to the achievement of these objectives. These programs support the university research sector through research training, research funding and national research infrastructure and successfully underpin the

delivery of world-class research and Australia's research performance. The department uses a single performance measure to assess performance for the activity and its research-aligned programs.

In the 2025 calendar year, the average share of the world's top 10% most highly cited research publications among OECD countries was 2.09%. Australia's share was above this average at 4.19%, which ranks Australia fifth behind the United States, the United Kingdom, Germany and Italy.

While the 2025 result for the proportion of research publications in Australia that are among the world's top 10% most highly cited journals has slightly declined from 4.47% in 2024, this is consistent with 2025 results across the top 10 OECD countries. Despite this, the number of Australian research publications among the world's top 10% most highly cited publications has continued to increase and remains consistent with the upward trend observed over the past 5 years.

Through Program 2.5 Investment in Higher Education Research and Program 2.6 Research Capacity the department has continued to provide foundational support for Australia to achieve world-class research outcomes by investing in research, research training, national research infrastructure and capacity of the research workforce. The department coordinates and leverages these investments by promoting university research collaboration with industry and research institutions to generate new knowledge.

Research Block Grants

In 2025–26 the department provided research block grant funding to universities through Program 2.5 sub-programs, the RSP and the RTP, to support research and research training, with funding drivers incentivising universities to attract research and development income, including through partnerships for the conduct of world-leading research and innovation. Program 2.5 also supported the successful completion of postgraduate research degree students who subsequently enter and participate in the research workforce.

Program 2.6 sub-programs contribute to research impact and the national innovation ecosystem by promoting researcher access to cutting-edge environments, which is strongly connected to industry and end users.

National Collaborative Research Infrastructure Strategy

The National Collaborative Research Infrastructure Strategy (NCRIS) provides support for national research infrastructure, such as cutting-edge equipment, data and online tools and technical expertise, that underpins Australia's research efforts and outputs. This is highlighted by its contribution to Australian research publications. In 2024, at least 5,346 Australian research publications attributed the use of NCRIS-funded research infrastructure. This figure is likely to be underestimated, as the use of research infrastructure is not always attributed in publications. Further information on current NCRIS-funded projects is available on the department's website (www.education.gov.au/national-research-infrastructure/funded-research-infrastructure-projects).

NCRIS case studies illustrate real-life outcomes of research conducted at NCRIS facilities, demonstrating the social and economic benefits generated through the government's investment in national research infrastructure. Case studies are available on the department's website (www.education.gov.au/ncris/case-studies).

NCRIS investment is guided by Australian Government National Research Infrastructure (NRI) Roadmaps, which are developed every 5 years to identify future infrastructure needs and inform investment priorities. The 2026 NRI Roadmap is currently being developed by the NRI Advisory Group. For more information, visit the department's website (www.education.gov.au/national-research-infrastructure/2026-national-research-infrastructure-roadmap).

Research Translation and Commercialisation sub-programs

The department also administers a suite of sub-programs that support improved translation and commercialisation of university research through researcher training and collaboration with industry. These include:

- Australia's Economic Accelerator (AEA), which in 2025–26 awarded the second round of Ignite grants for early stage research commercialisation projects that build capability in priority sectors. As part of the 2026–27 Federal Budget, funding for new projects through AEA ceased after the 2025–26 financial year. All current AEA grants continue unchanged. Further information on the projects supported through AEA is available on the AEA website (www.aea.gov.au/funded-projects).
- the Trailblazer Universities Program, which continued to support university-industry collaboration and real-world impact in areas of national priority. Further information on the program, funding and links to the websites of the individual Trailblazers can be found on the department's website (www.education.gov.au/trailblazer-universities-program).
- the National Industry PhD Program (NIPP), which continued to support PhD candidates to undertake co-designed research projects with university and industry participation. In 2025–26, the department held the sixth and seventh rounds of the NIPP. Further information on the program and research it supports can be found on the NIPP website (www.niphd.com.au/).

Through strong partnerships with industry, government and other stakeholders across the research ecosystem, investment in world-class research infrastructure and the development of a continuous pipeline of research talent that can work across academia and industry, the department's contributions to Program 2.6 enable the university sector to produce impactful, high-quality research outcomes.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM020

Proportion of domestic research postgraduates who are employed within 4 to 6 months of completing their degree.

Target: 90% or higher

Result rating: Achieved

Result value: 90.9% (result based on 2025 pre-release data)

Methodology:

Number of domestic research postgraduates employed within 4 to 6 months of completing their degree over the total number of domestic research postgraduates available for work in those 4 to 6 months.

Note: 'Employed' is informed by the ABS Labour Force Survey concepts and definitions in measuring graduate employment outcomes. Accordingly, this considers graduates 'employed' if they work at least one hour in the survey reference week (in any profession or occupation, which may or may not align to a graduate's field of study). Information about the survey methodology, data representativeness and response rate is available in the Graduate Outcomes Survey National Report (link below). Employment outcomes for research postgraduates is a useful indicator of the success of Program 2.5 programs.

Source:

Quality Indicators for Learning and Teaching (QILT), Graduate Outcomes Survey (GOS) ([qilt.edu.au/surveys/graduate-outcomes-survey-\(gos\)](http://qilt.edu.au/surveys/graduate-outcomes-survey-(gos))).

Caveats:

Pre-released data has passed the department's quality assurance processes and was not available (i.e. published) via the QILT website at the time of result preparation.

The performance measure will be removed from 2026–27 onwards as it is primarily driven by variables outside the department's control and therefore is not an accurate indicator of the department's performance in driving investment in research under Program 2.5. The 2026–27 Annual Report will continue to report on this metric outside the annual performance statements.

Contributing program:

- 2.5 – Investment in Higher Education Research.
-

Key activity:

- Support the research system through investment in research, research training and national research infrastructure.
-

Regulatory principles: N/a

Analysis:

The proportion of domestic research postgraduates who were employed 4 to 6 months after completing their degree was 90.9% in 2025 (based on 2025 pre-release data).

Caution should be exercised when interpreting differences in overall employment rates between 2025 and earlier years, as movements between these years reflect a change in methodology in the underlying survey in 2025.

This change in methodology for the GOS strengthened the alignment with the ABS *Labour Statistics: Concepts, Sources and Methods*. This slightly decreased the size of the labour force by removing those who were only looking for work passively. This slightly increased the proportion of graduates classified as employed, with the overall employment rate estimated to be less than 1.5 percentage points higher than it would have been had the change in methodology not occurred. As such, the difference between the 2025 (90.9%) result and the 2024 result (90.5%) partly reflects a change in methodology.

Graduate employment outcomes are influenced by broader economic and labour market conditions. Strong labour market conditions are typically associated with higher employment outcomes for graduates, while softer conditions may result in lower employment rates and/or increased participation in further study.

While full-time and overall employment rates and labour force participation rates in the 2025 GOS are not directly comparable with earlier years due to the change in methodology and how the labour force is defined, there remains a high level of employment among domestic research postgraduates.

Changes from 2025–26 Corporate Plan: The performance measure methodology wording has been clarified to reflect that this measure relates to domestic research postgraduates. For further information see pages 88–90.

Performance measure PM021

First Nations higher degree by research (HDR) completions.

Target: Increase from previous year.

Result rating: Achieved

Result value: 117

Methodology:

Number of First Nations HDR completions compared to the previous year.

Source:

Department of Education, Higher Education Statistics Collection, Table 14.18. The data source table identifier has been updated in accordance with the restructure of the Department of Education, Higher Education Statistics Collection. The data source was previously found in Table 14.14. From 2025, the data source is Table 14.18.

Caveats:

Based on preliminary 2025 data. Due to the volatility of small counts, the preliminary data for this measure may differ from final 2025 data. The final data was not available at the time of performance reporting but will be published publicly on the department's website in the Higher Education Statistics – 2025 Student data report (www.education.gov.au/higher-education-statistics/student-data).

The version of the 2025–26 Annual Report tabled in parliament and available on transparency.gov.au will remain unchanged.

Note: The 2024 result on the department's website differs from the result reported in the *2024–25 Department of Education Annual Report* (page 108), which used preliminary data.

The performance measure has been removed from 2026–27 onwards as it is primarily driven by variables outside the department's control and therefore is not an accurate indicator of the department's performance in driving investment in research under Program 2.5. The 2026–27 Annual Report will continue to report on this metric outside the annual performance statements.

Contributing program:

- 2.5 – Investment in Higher Education Research.
-

Key activity:

- Support the research system through investment in research, research training and national research infrastructure.

Regulatory principles: N/a**Analysis:**

The number of First Nations HDR completions reported in 2025 is 117 (based on preliminary data), 8 completions more than the 109 First Nations HDR completions reported in final 2024 data.

The number of annual First Nations HDR completions is small, which has historically led to some fluctuation from year to year. However, the number of First Nations HDR completions is trending upwards over the longer term. In 2016, the 3-year average was 47 completions, and this has increased to 105 in 2025 (based on 2025 preliminary data).

The RTP provides about \$1.2 billion per calendar year to eligible higher education providers to support their students undertaking research doctorate and research masters degrees, known as HDRs.

The RTP calculation includes a weighting that incentivises higher education providers to support First Nations students through to completion of their HDR. Further information on the RTP is available on the department's website (www.education.gov.au/research-block-grants/research-training-program).

The number of First Nations HDR completions can be impacted by various factors including students self-identifying as Indigenous, participation in secondary and tertiary studies, yearly HDR commencements and enrolments, the time taken to complete study and other individual circumstances. Furthermore, completions are dependent on many factors and are often correlated with the wider higher education and economic environment. For example, if more First Nations students study part time, the number of completions may decrease in a reference period.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM026

Proportion of international students employed within 4 to 6 months of completing a degree.

Target: 70% or higher

Result rating: Achieved

Result value: 73.5% (result based on 2025 pre-release data)

Methodology:

Number of international higher education graduates employed 4 to 6 months after completing a degree over the total number of international higher education graduates available to work in those 4 to 6 months.

Note: 'Employed' is informed by the ABS Labour Force Survey concepts and definitions in measuring graduate employment outcomes. Accordingly, this considers graduates 'employed' if they work at least one hour in the survey reference week (in any profession or occupation, which may or may not align to a graduate's field of study). Information about the survey methodology, data representativeness and response rate is available in the Graduate Outcomes Survey International Report (link below).

Source:

Quality Indicators for Learning and Teaching (QILT), Graduate Outcomes Survey (GOS) ([www.qilt.edu.au/surveys/graduate-outcomes-survey-\(gos\)](http://www.qilt.edu.au/surveys/graduate-outcomes-survey-(gos))).

Caveats:

Pre-released data has passed the department's quality assurance processes and was not available (i.e. published) via the QILT website at the time of result preparation.

Contributing program:

- 2.7 – International Education Support.
-

Key activity:

- Support a high-quality and sustainable international education sector.
-

Regulatory principles: N/a

Analysis:

The proportion of international higher education graduates who were employed 4 to 6 months after completing their degree was 73.5% in 2025 (based on 2025 pre-release data).

Caution should be exercised when interpreting differences in overall employment rates between 2025 and earlier years as movements between these years reflect a change in methodology in the underlying survey in 2025.

This change in methodology for the GOS strengthened the alignment with the ABS *Labour Statistics: Concepts, Sources and Methods*. This slightly decreased the size of the labour force by removing those who were only looking for work passively. This slightly increased the proportion of graduates classified as employed, with the overall employment rate estimated to be less than 1.5 percentage points higher than it would have been had the change in methodology not occurred. As such, the difference between the 2025 (73.5%) result and the 2024 result (70.5%) partly reflects a change in methodology.

Graduate employment outcomes are influenced by broader economic and labour market conditions. Strong labour market conditions are typically associated with higher employment outcomes for graduates, while softer conditions may result in lower employment rates and/or increased participation in further study.

Domestic graduates report higher employment rates shortly after graduation, partly reflecting their higher average age and a lower propensity to take up further full-time study compared to international graduates. Older graduates are more likely to have established themselves in the workforce and with this prior labour market experience are typically more competitive than younger graduates.

The department has policy responsibility for this measure and has contributed to the achievement of the target through supporting the sustainable growth of the international education system while improving quality and integrity. Key responsibilities include providing policy advice to government on the appropriate setting of the National Planning Level, the allocation of higher education New Overseas Student Commencements to individual providers, and strengthening the legislative framework for international education providers under the *Education Services for Overseas Students Act 2000*. Robust integrity and quality controls across the sector have positive flow-on effects for the employability of international graduates, with employers able to trust that graduates have received high-quality education and training to an Australian standard.

International graduate outcomes are also influenced by a broader set of factors, including the Department of Home Affairs (through postgraduate study work rights visa settings), Austrade (through its role in promoting employment opportunities to international students), and higher education providers themselves.

Changes from 2025–26 Corporate Plan: The performance measure methodology wording has been clarified to reflect that this measure relates to international higher education graduates. For further information see pages 88–90.

Performance measure PM027

Number of students enrolled in offshore education and training delivered by Australian providers.

Target: Increase from previous year.

Result rating: Achieved

Result value: 10% (result based on preliminary data)

Methodology:

Number of students enrolled in offshore education and training courses delivered by Australian providers compared to the previous year.

Note: These students are identified as those who have reported a citizen residence status of 'other overseas student who resides outside of Australia'; collected through the department's Tertiary Collection of Student Information system. Providers are defined under the *Higher Education Support Act 2003*. This definition changed from the 2024–25 reporting process.

Source:

Department of Education, Higher Education Statistics Collection, Table 2.12.

The data source table identifier has been updated in accordance with the restructure of the Department of Education, Higher Education Statistics Collection. The data source was previously found in Table 7.5. From 2024, the data source is Table 2.12.

Caveats:

Based on preliminary data. Preliminary data is not expected to differ materially from final 2025 data. The final data was not available at the time of performance reporting but will be published publicly on the department's website in the Higher Education Statistics – 2025 Student data report (www.education.gov.au/higher-education-statistics/student-data).

The version of the 2025–26 Annual Report tabled in parliament and available on transparency.gov.au will remain unchanged.

Note: The 2024 result on the department's website aligns with the 2024–25 *Department of Education Annual Report* result, which used preliminary data.

The performance measure has been removed from 2026–27 onwards as it is primarily driven by international market forces, other agency actions, provider decisions and other variables outside the department's control and therefore is not an accurate indicator of the department's performance in supporting the sustainable growth of high-quality higher education and research under Program 2.7. The department will consider other performance measures for this program in a future reporting cycle. The 2026–27 Annual Report will continue to report on this metric outside the annual performance statements.

Contributing program:

- 2.7 – International Education Support.

Key activity:

- Support a high-quality and sustainable international education sector.

Regulatory principles: N/a**Analysis:**

Preliminary data show that in 2025 there were 117,961 students enrolled in offshore education and training courses delivered by Australian providers. This is a 10% increase on the 107,437 students reported in final, published 2024 Higher Education Student data and is the first increase reported for the measure since 2021.

Results for this measure have been volatile in recent years due to the impacts of the pandemic and associated border closures. In 2020 and 2021, offshore online study reached unusually high levels as many international students were unable to enter Australia to study onshore. As borders reopened and temporary online arrangements were phased out, the enrolments have gradually returned to more typical growth patterns.

Based on available data and analysis undertaken by the department, this increase in the number of students enrolled in offshore education and training delivered by Australian providers reflects substantial increases in student enrolments reported by several higher education providers. This result is consistent with the sector's progress in expanding education offerings offshore, contributing to the department's key activity of supporting a high-quality and sustainable international education sector.

The department continues to support the high-quality and sustainable growth of Australia's offshore education and training delivery through government-to-government engagement and broadening opportunities for Australian providers to deliver high-quality education and training offshore. From this, the department expected to see increased diversification of offshore education and training delivery which may contribute to increased student enrolments offshore, as observed in this reporting period.

Changes from 2025–26 Corporate Plan: N/a

Performance measure PM076

Accurate and timely allocation of Commonwealth supported places (CSP) funding, as set out within university Commonwealth funding agreements.

Target: 100% of allocations under the Nuclear-Powered Submarine Program are accurately reflected in providers' Commonwealth funding agreements, and at least 90% of payments which are included in the broader Commonwealth Grant Scheme (CGS) Higher Education Course Advance payments through the UniPay system are made on time.

Result rating: Achieved

Result value: 100% of allocations were accurately reflected and 100% of payments were made on time

Methodology:

Reporting against this measure is based on data regarding the allocation outcomes which are entered into the UniPay system each program year, and payments which are made on a monthly basis in line with a published payment schedule.

Note: Commonwealth funding agreements as published on the department's website are updated regularly to accurately reflect funding amounts and to provide transparency and accessibility to the Australian public.

UniPay payment dates are published for universities each year.

Source:

- 2024–2025 Commonwealth Grant Scheme Funding Agreements (www.education.gov.au/collections/higher-education-providers-2024-2025-commonwealth-grant-scheme-funding-agreements)
- Published funding cluster rates (www.education.gov.au/higher-education-loan-program/help-providers/funding-clusters-and-indexed-rates)
- Department of Education, UniPay payment schedule, Higher Education Information Management System (HEIMS) online
- Department of Education, Higher Education Courses Advance UniPay Determination.

Caveats: N/a

Contributing program:

- 2.8 – Nuclear-Powered Submarine Program.

Key activity:

- Support sovereign workforce development through broader access to education pipelines.

Regulatory principles: N/a**Analysis:**

In 2025, 100% of allocations under the Nuclear-Powered Submarine (NPS) Program were accurately reflected in providers' CSP funding agreements. This is consistent with the 100% result achieved in 2024.

The Australian Government is supporting 4,001 additional commencing CSPs from 2024 to 2027 to develop a pipeline of highly skilled science, technology, engineering and mathematics (STEM) graduates.

These additional CSPs are funded above the standard funding levels provided under Maximum Basic Grant Amount (MBGA). The funding, provisioned for extra places to support the nuclear workforce, is not available to providers until their existing MBGA allocations have been exhausted.

The NPS Program is aimed at strengthening Australia's industry, jobs, infrastructure and defence capabilities to keep Australians safe. Related government initiatives include the Australian Submarine Agency establishing a dedicated skills and training academy and providing pathways for traineeships and employment opportunities related to nuclear-powered submarine capability (www.asa.gov.au/jobs-careers).

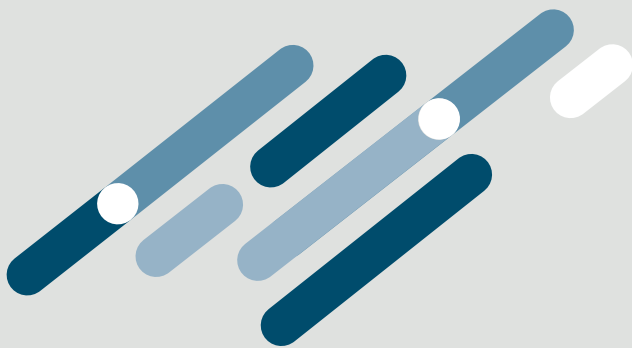
The department also met the timeliness component of this performance measure with 100% of 2025 payments administered by the Department of Education under the broader CGS Higher Education Course Advance made on time.

This result is consistent with the 100% on-time payment performance achieved in 2024.

Funding was paid as a percentage of the total value each month in accordance with approved payment determinations published on the department's Higher Education Information Management System. Government funding contributions are calculated using funding cluster rates published on the department's website (www.education.gov.au/higher-education-loan-program/resources/2025-allocation-units-study-funding-clusters).

While funding is paid monthly under this measure, it can be recouped through a retrospective reconciliation process in situations where a provider does not first exhaust its MBGA allocation under the CGS or is unable to deliver additional places funded through this measure.

Changes from 2025–26 Corporate Plan: N/a



03

Management and accountability

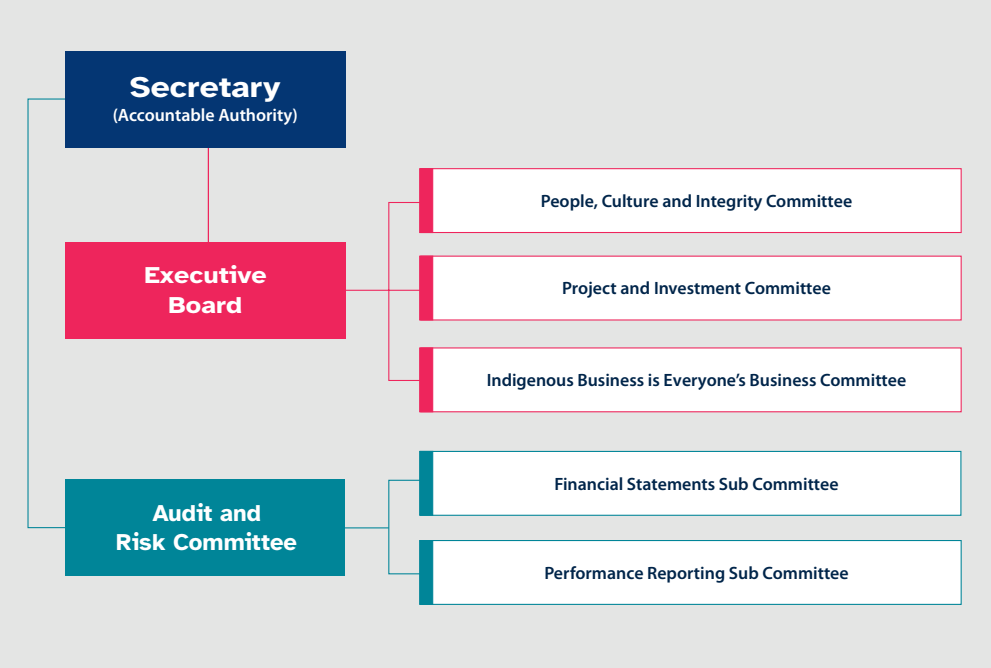
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Corporate governance

The department’s governance arrangements (Figure 3.1) supported delivery of the department’s purpose consistent with its legal, accountability and policy obligations.

Figure 3.1: The department’s governance structure as at 30 June 2026



Executive Board and committees

The **Executive Board**, chaired by the Secretary, was the department's key decision-making body. It set strategic direction, progressed Australian Government objectives and ensured compliance with the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act). Its membership at 30 June 2026 comprised of the Secretary, Deputy Secretaries, and the acting Chief Executive Officer of the Australian Tertiary Education Commission (ATEC), with the Chief Financial Officer and the Chief People Officer as advisers.

The following committees supported the Executive Board:

- The **People, Culture and Integrity Committee** advised on workforce planning, culture, engagement, integrity, and oversaw implementation of the department's *People Strategy 2023–25*, *Enterprise Workforce Plan 2024–26* and *Inclusion and Diversity Strategy 2024–25*. The committee also monitored the implementation of the Capability Review Action Plan, and actions taken in response to the Australian Public Service (APS) Employee Census results.
- The **Project and Investment Committee** provided oversight and assurance over the department's project portfolio, allocated the capital budget, and oversaw implementation of the *ICT Strategy 2023–26*.
- The **Indigenous Business is Everyone's Business Committee** provided oversight and advice on key First Nations strategies, including First Nations-related policy reforms, Closing the Gap Priority Reforms and reconciliation actions.

Regulatory Statement of Expectations and Statement of Intent

The department's regulatory functions play a role across the education landscape, supporting and working alongside other Australian Government and state and territory regulators to ensure quality, safety and integrity across the education system. These regulatory functions, including new legislative powers granted to the department in 2025, underscore the importance of protecting children and young people's safety.

The Minister for Education's Statement of Expectations to the department was refreshed in March 2026 to reflect new whole-of-government objectives for Commonwealth regulators, including to prioritise productivity and to align with the Department of Finance's Regulatory Policy, Practice and Performance Framework. It also reflects the department's new regulatory functions, including commencement of the Higher Education Gender-based Violence Regulator (GBV Regulator). The department's responding Statement of Intent was published in April 2026 and reflects the department's commitment to leading and stewarding a national education system that is characterised by safety, quality and financial integrity.

Further information is available on the department's website at www.education.gov.au/about-department/corporate-reporting/regulatory-statement-expectations-and-statement-intent.

For more information see Appendix G: Higher Education Gender-based Violence Regulator.

Audit and Risk Committee

The Audit and Risk Committee (membership shown in Table 3.1) advised on the appropriateness of financial and performance reporting, systems of risk (including fraud and corruption, cyber and security, privacy, climate-related, business continuity and physical and personnel risks) and systems of internal control, in accordance with section 45 of the PGPA Act and section 17 of the Public Governance, Performance and Accountability Rule 2014 (Cth) (PGPA Rule).

The **Audit and Risk Committee Charter** is at www.education.gov.au/about-department/resources/audit-and-risk-committee-charter.

Two Sub Committees supported the Audit and Risk Committee in performing its responsibilities:

- The **Financial Statements Sub Committee** provided oversight of the preparation and integrity of the department's financial statements and supplementary reporting pack provided to the Department of Finance. It also considered other financial reporting, compliance and financial matters referred by the Audit and Risk Committee.
- The **Performance Reporting Sub Committee** reviewed documents and processes underpinning performance reporting information published in the 2024–25 Annual Report, 2026–27 Portfolio Budget Statements and 2026–27 Corporate Plan.

Table 3.1: Audit and Risk Committee member details

Member name, role and tenure during 2025–26	Qualifications, knowledge, skills or experience (formal and informal)	Number of meetings attended / total number of meetings held during the period of membership, in 2025–26	Total annual remuneration (GST inc.) during 2025–26
Mr Darren Box Chair, Audit and Risk Committee (1 July 2025 – 30 June 2026)	Mr Box is an experienced senior executive with more than 30 years' experience spanning national social services to national security across the Commonwealth and United Kingdom. He also has extensive financial management and organisational reform experience. Mr Box has held senior leadership roles within federal agencies such as the Australian Federal Police, Department of Defence and the then Department of Human Services. Mr Box holds a Bachelor of Business (Acc) and qualifications in professional coaching and is a Fellow of CPA Australia.	5/5	\$70,000

Member name, role and tenure during 2025–26	Qualifications, knowledge, skills or experience (formal and informal)	Number of meetings attended / total number of meetings held during the period of membership, in 2025–26	Total annual remuneration (GST inc.) during 2025–26
Ms Cath Ingram Member, Audit and Risk Committee Chair, Financial Statements Sub Committee (1 July 2025 – 30 June 2026)	Ms Ingram is a specialist in the domains of governance, risk and assurance in both the public and private sector. She has extensive experience in assurance over public sector reform programs, with significant IT implementation. Ms Ingram is a former KPMG Partner and Chair of KPMG Canberra. She is the Chair of several Commonwealth audit and risk committees and financial statement sub committees and a member of the International Monetary Fund's External Audit Committee. Ms Ingram is a Fellow of the Institute of Chartered Accountants and a Fellow of the Institute of Public Administration Australia. Ms Ingram holds a Bachelor of Arts in Accounting, and Certificate IV – Commonwealth Fraud Control (Investigations).	5/5	\$40,000

Member name, role and tenure during 2025–26	Qualifications, knowledge, skills or experience (formal and informal)	Number of meetings attended / total number of meetings held during the period of membership, in 2025–26	Total annual remuneration (GST inc.) during 2025–26
Ms Anne O'Donnell Member, Audit and Risk Committee Chair, Performance Reporting Sub Committee (1 July 2025 – 30 June 2026)	Ms O'Donnell has experience as a finance sector executive and non-executive director and committee member in the listed, not-for-profit, mutual and government sectors. Her current roles include member of the National Capital Authority Audit Committee and external member of the Compliance Committee UBS Global Asset Management (Aust) Ltd. Ms O'Donnell is a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Banking and Finance and a Master of Business Administration.	5/5	\$40,000

Member name, role and tenure during 2025–26	Qualifications, knowledge, skills or experience (formal and informal)	Number of meetings attended / total number of meetings held during the period of membership, in 2025–26	Total annual remuneration (GST inc.) during 2025–26
Mr Michael Manthorpe PSM Member, Audit and Risk Committee Member, Performance Reporting Sub Committee (1 July 2025 – 30 June 2026)	Mr Manthorpe served in the Australian Public Service for 37 years, including as Commonwealth Ombudsman from 2017–2021. He worked in the Education, Employment and Workplace Relations portfolios for many years, including as a deputy secretary, and led service delivery and organisational reforms in the then Department of Immigration and Border Protection. As well as audit and risk committee and executive coaching work, Mr Manthorpe undertakes periodic reviews of aspects of government administration. For example, in 2025 he assisted, as Interim Commissioner, in the establishment of the Defence and Veterans' Service Commission.	4/5	\$28,900

Member name, role and tenure during 2025–26	Qualifications, knowledge, skills or experience (formal and informal)	Number of meetings attended / total number of meetings held during the period of membership, in 2025–26	Total annual remuneration (GST inc.) during 2025–26
Mr Richard Eccles Member, Audit and Risk Committee (1 July 2025 – 30 September 2025)	Mr Eccles is a former deputy secretary (2010–2020) of several portfolios including the Department of Health and Aged Care, Department of the Prime Minister and Cabinet, and the then Department of Communications and the Arts. He is Chair of the Canberra Health Services Strategic Governance Committee and a company director for the Copyright Agency Ltd, Bangarra Dance Theatre Pty Ltd, and the Public Interest Journalism Initiative Ltd. He provides advisory services to organisations including the National Gallery of Australia. In October 2024 he was appointed by the government to lead the independent statutory review of the National Self-Exclusion Register (BetStop) under the <i>Interactive Gambling Act 2021 (Cth)</i>. Mr Eccles holds a Bachelor of Arts (ANU) and Master of Arts (UNSW).	2/5	\$8,500

Risk management

The department's approach to identifying, managing and communicating risk was guided by its Enterprise Risk Management Policy and Framework, and the Accountable Authority Instructions. These were underpinned by the requirements of the Commonwealth Risk Management Policy and the PGPA Act.

During 2025–26 the department continued to strengthen its enterprise risk management arrangements to ensure compliance with section 16 of the PGPA Act.

The Secretary and Executive Board had overarching responsibility for the enterprise risk management arrangements, supported by the Audit and Risk Committee. Deputy Secretaries assisted in defining risk appetite and tolerance limits and supported First Assistant Secretaries in their stewardship of enterprise-wide risks and oversight of associated mitigation strategies. The Chief Risk Officer supported these governance arrangements and embedded open and proactive risk management practices across the department.

Fraud and corruption control

The department's governance framework and arrangements provided assurance to the accountable authority that public resources were used appropriately to achieve its purpose and promote financial sustainability.

In 2025–26 the department maintained arrangements to prevent, detect, investigate and report fraud and corruption, meeting the requirements of the Commonwealth Fraud and Corruption Control Framework (CFCC Framework). Suspicions and incidences of fraud were reported through channels including a dedicated phone line, email address and Whispli (an anonymous fraud reporting tool). The department also collaborated with other Australian Government agencies on fraud and corruption prevention activities.

The department also continued to deliver against the Child Care Subsidy (CCS) Financial Integrity Strategy which contains measures to combat CCS fraud and non-compliance.

During the year, 2 teams had dedicated responsibility for investigating fraud and/or corruption matters. These teams worked closely with relevant assurance and compliance teams across the department on suspected fraud and corruption matters:

- The **Child Care Fraud Investigations and Tactical Operations Team** (Early Childhood Group) conducted criminal investigations into CCS fraud allegations and contributed to multi-agency collaboration including the Fraud Fusion Taskforce. The team conducted criminal prosecutions against 8 offenders, including 2 who were found guilty through a significant investigation in partnership with the Australian Federal Police.
- The **Integrity and Fraud Team** (Corporate and Enabling Services Group) investigated fraud and corruption across the department's wider activities. In 2025–26 the team established divisional fraud and corruption risk assessments and updated the Enterprise Fraud and Corruption Risk Assessment. The team continued to meet CFCC Framework obligations through control testing, policy maintenance, mandatory training, advisory services to business areas and annual reporting including the Australian Institute of Criminology Fraud Census.

Significant non-compliance with the Finance Law

During the 2025–26 reporting period, 4 instances of significant non-compliance with finance law were reported to the responsible minister. The instances related to non-compliance with the Commonwealth Grants Rules and Principles (CGRPs) 2024, specifically the requirement to publish grants awarded on GrantConnect. The department assessed that the non-compliance was limited to GrantConnect reporting requirements and did not relate to the legislative or program authority under which the grants were awarded.

The affected grant programs were the Parliamentary and Civics Education Rebate (PACER) program, Tertiary Access Payment (TAP) program, Rural and Regional Enterprise Scholarships (RRES) program, and funding provided to the Australian-American Fulbright Commission. These programs were administered either directly by the department or on the department's behalf by third-party administrators.

Following identification of the issues, the department undertook remediation activities, including working with service delivery partners to obtain historical data and publishing historical grants on GrantConnect where available. The department has strengthened governance arrangements and reporting processes to support ongoing compliance with GrantConnect requirements.

Section 83 Constitution

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

The department has primary responsibility for administering legislation related to education. In 2025–26 payments totalling about \$71 billion were authorised against Special Appropriations (refer note G1.4 of the Financial Statements), including special accounts, by the department in accordance with a range of complex legislation. Payments are administered by the department through the Service Delivery Office for the *Australian Education Act 2013* (Cth) and *Higher Education Support Act 2003* (Cth) and via Services Australia for payments under *A New Tax System (Family Assistance) Administration Act 1999* (Cth).

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.

For 2025–26, the department identified that 66 payments totalling \$48,618 were incorrectly paid from the Overseas Students Tuition Fund (OSTF) special account that may not be consistent with section 83 of the Constitution. These amounts were duplicate refunds to students. Upon identifying the issue, the department commenced recovery action and implemented strengthened controls and case management processes within the Tuition Protection Service to reduce the risk of similar incidents occurring in the future.

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.

Shared services arrangements

Throughout 2025–26 the department had Memoranda of Understanding (MoU) in place with several shared service providers:

- The Department of Employment and Workplace Relations (DEWR) provided property, technology and other corporate services, including accommodation and fit-out, security, mail and telecommunications, application development and hosting, network access, end-user computing, service desk support, records management, learning and development application support, and IT security.
- The Department of Finance Service Delivery Office provided transactional services such as payroll and payroll system administration, accounts payable and accounts receivable processing and debt management.
- The Department of Social Services' Community Grants Hub provided grants administration services.
- Services Australia was responsible for the delivery of payments and services in early childhood education and care, and higher education programs. The department also had a joint initiative arrangement with Services Australia to improve the collection of data and to manage data exchange in relation to the Tertiary Collection of Student Information system.
- The Australian Bureau of Statistics provided statistical, research and analysis services across several education-related programs covering early childhood, schools and higher education.

Over this period, the department worked to develop an MoU with the ATEC for the provision of corporate and enabling services. These services include human resources, finance, procurement and budget management, parliamentary services, information and communication technology, digital and cyber security, property and facilities management, security, and legal services.

Ministerial advice and correspondence

The department provided advice to portfolio ministers through the Parliamentary Document Management System, initiating ministerial submissions to provide for policy advice information to our ministers. The department responded to requests for information or advice from our ministers using ministerial briefs, which were initiated in the ministers' offices.

The department uses ministerial correspondence to draft replies on behalf of portfolio ministers or their offices, in response to external correspondence on portfolio-related matters.

Table 3.2: Number of departmental briefs, submissions and correspondence to portfolio ministers, 2025–26

Ministers	Records
Minister for Education	1959
Minister for Early Childhood Education and Minister for Youth	630
Assistant Minister for International Education	192

The department provided 79.9% of briefs and 73.7% of correspondence on or before the due date.

People management

We recognise people are our greatest strength and we value the contributions of people of all abilities in creating a better future for all Australians through education.

Our commitment to being a model employer is demonstrated through our deliberate focus on fostering and sustaining a positive and inclusive workplace culture. This commitment is embedded in our *People Strategy 2023–25*, *Inclusion and Diversity Strategy 2024–25*, and *Reconciliation Action Plan 2023–25*, which remain in effect and continue to guide our efforts.

Our people

1,773*

People

1,747 Ongoing

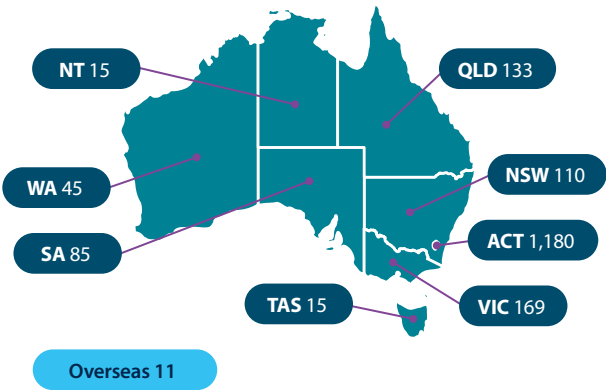
26 Non-ongoing

1,503 Full-time

270 Part-time

51 Contractors

Across Australia and overseas



* Ten employees identified as indeterminate gender. To protect their identification, they have been added to the total figure only and are not included in the state and territory breakdown.

Our people

In 2025–26 the department employed 1,773 staff in locations across Australia and at overseas posts.

The department took an integrated approach to annual planning that aligned workforce requirements with departmental delivery objectives. Operational workforce planning identified critical roles, assessed capacity and capability needs, and supported prioritisation decisions informed by Australian Public Service (APS) Employee Census insights. This work focused on employee wellbeing, psychosocial safety, and workforce adaptability.

The department strengthened people management practices, centralised tools and resources for managers, and invested in priority learning and development, including in artificial intelligence.

The department operated in line with the APS Strategic Commissioning Framework, delivering core work in-house and limiting outsourcing to short-term surge support or specialist expertise. The department continued to strengthen internal capability to support ongoing delivery of core work in-house, while maintaining the flexibility to respond to business needs through the targeted use of outsourcing for short-term surge support or specialist expertise, where required.

2026 APS Census results


84%

Education participation rate

79%

rated immediate supervisor leadership positively

72%

rated Senior Executive Service leadership positively

73%

rated their engagement positively

71%

rated communication and change positively

71%

rated wellbeing policies and support positively

66%

felt willing and able to be innovative

74%

rated speak up culture positively

Building capability

In 2025–26 the department continued to invest in workforce capability to support its strategic priorities. This focused on strengthening leadership capability, building core skills and equipping staff to meet current and future business needs.

Key programs and initiatives included:

- FocusED Development program – continued with an updated focus on AI in government, regulatory practice, manager capability, policy development and project management
- AI in Government Fundamentals course – mandatory for all staff
- Learnhub – covering APS and department-specific e-learning modules, and use of LinkedIn learning resources
- APS Senior Executive Service (SES) Performance Leadership Framework – continued implementation, including the 9-box grid potential matrix and 360-degree feedback.
- structured mentoring program for staff at all levels
- targeted manager development initiatives and forums
- senior leader development including a dedicated AI program and external talent and executive education programs.

Table 3.3: Engagement and participation numbers, 2025–26

Activity	Participants
AI in Government Fundamentals course	1,893
Self-paced learning activities via Learnhub	16,985 completions
Professional development program enrolments	951
Manager development initiatives and forums	472
Mentoring program (mentors and mentees)	147
Senior leader development (SES)	65
Senior leader development (EL2)	21

Enterprise workforce planning

The *Enterprise Workforce Plan 2024–26* supported the management of workforce risks by identifying capabilities and skills required to deliver on priorities. An annual review of the plan in 2026 found that 14 of its 17 priority initiatives had been completed. One of the 3 remaining initiatives, improving our approach to enterprise-wide recruitment and succession planning, will be considered in the development of our next Enterprise Workforce Plan. The third initiative, implementation of the department’s Reconciliation Action Plan, will continue as ongoing work supporting the department’s commitment to diversity and inclusion.

Integrity

Strengthening the department's pro-integrity culture continued to be a key priority. This included continued implementation of the Integrity Framework, Integrity Action Plan and Commonwealth Fraud and Corruption Framework 2024, delivery of mandatory training (including the SES Integrity Masterclass) and ongoing implementation of Public Interest Disclosure and National Anti-Corruption Commission (NACC) legislative requirements.

Diversity and inclusion

The *Inclusion and Diversity Strategy 2024–25* remained in effect and continued to guide the department's efforts to improve workforce representation and foster positive employment experiences. Its focus areas of engagement and representation, capability and connection, and alignment and reporting continue to support delivery of outcomes under APS-wide diversity strategies.

Progress against APS-wide diversity and inclusion targets was monitored by:

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

In 2025–26 the department supported 6 employee networks, each with 2 SES-level champions:

- Ability and Carers Network
- Aboriginal and Torres Strait Islander Network (the Deadly Crew)
- Culturally and Linguistically Diverse Network
- Gender Equity Network
- Neurodiversity Network
- Pride Network.

The department maintained memberships of peak diversity organisations, including the Australian Disability Network, Diversity Council Australia and Pride in Diversity.

Diversity

68.9%	30.5%	2.8%	6.7%	23.2%	4.4%
Female*	Male*	First Nations	Disability	CALD#	LGBTQIA+

Women hold 70% of Executive Level leadership roles and make up 70.7% of the Senior Executive Service.

* Ten employees identified as indeterminate gender and therefore percentages do not add to 100%.

CALD refers to 'First language not exclusively English' as the measure. This measure is used for the purposes of benchmarking and tracking progress in accordance with the Australian Public Service Culturally and Linguistically Diverse Employment Strategy.

Indigenous Business is Everyone's Business

The department's philosophy that Indigenous Business is Everyone's Business underpins our shared ambition to embed First Nations perspectives, knowledge systems and leadership into every layer of the education systems that we steward. We are committed to the National Agreement on Closing the Gap and building culturally safe environments where Aboriginal and Torres Strait Islander peoples are not only included but are central to shaping the future of education.

Embedding the Closing the Gap Priority Reforms requires the department to transform the way we think, work and engage with colleagues, stakeholders and communities. This transformation is overseen by the Indigenous Business is Everyone's Business Committee, who provide strategic oversight and advice on First Nations priorities. The committee was reviewed and renewed in 2025 to include Deputy Secretary representation.

In 2025–26 the department:

- implemented partnership agreements with the National Aboriginal and Torres Strait Islander Education Corporation (NATSIEC) and SNAICC – National Voice for our Children, including co-chairing the Early Childhood Care and Development Policy Partnership
- co-drafted the First Nations Education Policy with NATSIEC in collaboration with 5 First Nations peak organisations and states and territories
- partnered with NATSIEC on the First Nations Teacher and School Leader Strategy, and advice on the Teaching and Learning Commission
- worked alongside the ATEC guided by Interim First Nations Commissioners Distinguished Professor Larissa Behrendt AO and Professor Tom Calma AO, with a First Nations Working Group advising on governance and policy settings
- continued implementation of the *Reconciliation Action Plan 2023–25* and engaged with First Nations stakeholders in the development of the next phase of the department's reconciliation efforts
- delivered cultural capability activities including Jawun secondments, NAIDOC Week and National Reconciliation Week participation, a cultural protocols resource, panel discussions and staff engagement activities.

Work health and safety

We are committed to meeting our obligations under the *Work Health and Safety Act 2011* (Cth) (WHS Act) and the *Safety, Rehabilitation and Compensation Act 1988* (Cth).

In 2025–26 the department continued to prioritise the health and safety of our workers. We engaged a new Employee Assistance Program provider (Altius PeopleSense) offering confidential support and practical advice to help navigate work and personal challenges.

The following support services and wellbeing initiatives remained well utilised:

- Employee Assistance Program
- Before Blue mental health coaching program
- Mental Health First Aid training.

The department has continued to build upon its psychosocial safety programs in 2025–26, by:

- updating departmental resources to support management of priority psychosocial hazards and risks
- delivering courses and workshops on psychosocial hazards management and mental health
- providing training for roles involving distressing subject matter
- conducting targeted outreach to branches with higher psychosocial risk
- improving the Work Health and Safety Management System in consultation with Health and Safety Representatives and other stakeholders.

The department's main staff consultative forum, the Work Health and Safety Committee, met quarterly in 2025–26 and the Health and Safety Representative network also met regularly.

In 2025–26 the department did not report any notifiable incidents to Comcare under Part 3 of the WHS Act, and no enforcement measures were taken under Part 10 of the Act.

Entry-level programs

Entry-level programs remain critical to building a pipeline of talent to meet the future needs of the department and the APS. In 2025–26 the department continued to provide entry-level pathways for people seeking a career in the APS. It also worked with lead agencies across a range of whole-of-government entry-level programs to recruit capable and talented individuals, supporting the One APS model.

The department participated in the Australian Government Career Pathways initiative and the Australian Government Graduate Program. The 2025–26 Graduate Program engaged 24 graduates in the following streams:

- 14 generalist
- 6 data
- 2 legal
- 1 human resources
- 1 digital.

Other whole-of-government entry-level programs the department participated in:

- the Indigenous Apprenticeships Program – 2 participants
- the Australian Government Apprenticeship Program – 2 participants
- the Australian Government Career Starter Program – 1 participant.

Remuneration and conditions

The Secretary's remuneration is set by the Remuneration Tribunal under section 13 of the *Remuneration Tribunal Act 1973* (Cth).

Remuneration and conditions for SES officers are covered by section 24(1) determinations made by the Secretary under the *Public Service Act 1999* (Cth). These determinations provide for a total remuneration approach to SES remuneration and conditions. SES arrangements do not provide for performance pay.

Appendix C, Table C.8 shows the number of SES employees covered by section 24(1) determinations. Table C.9 shows the salary ranges for SES employees. Additional statistics on remuneration for key management personnel, SES employees and other highly paid employees are provided in Appendix B, Tables B.1, B.2 and B.3.

Appendix C, Table C.8 shows the number of non-SES employees covered under the enterprise agreement (EA) as their primary employment instrument. Table C.9 details salary ranges under the EA. Non-SES arrangements do not provide for performance pay.

In September 2025 the EA provided non-SES employees with a health-related allowance. This was adjusted to include the consumer price index (CPI) increase of 2.1%:

- APS1 to APS3 employees: \$651.92
- APS4 to EL2 employees: \$260.77.

In March 2026 the EA provided non-SES employees with a 3.4% pay rise, along with an increase to parental leave entitlement for secondary caregivers up to 14 weeks. Employees who had already accessed parental leave were also given a top-up entitlement to reach 14 weeks if their child had not yet reached 2 years of age.

The CPI increase was also applied to the school holiday care allowance, increasing the rate to \$23.47 per day in July 2025.

The department maintained employee networks, performance management processes and recognition arrangements including the Celebrating Success program and Secretary Awards.

The department also used individual flexibility arrangements to secure expertise or specialist skills that are critical to business needs. There were 55 employees with individual flexibility arrangements in place as at 30 June 2026.

Remuneration statistics for key management personnel, SES employees and other highly paid employees are provided in Appendix B (Tables B.1, B.2 and B.3) and all workforce statistics are provided at Appendix C.

Disability reporting

Australia's *Disability Strategy 2021–2031* is the national framework for disability reform and primary mechanism for implementing obligations under the United Nations Convention on the Rights of Persons with Disabilities. More information on the strategy, including evaluation and reporting, is available from the Disability Gateway at www.disabilitygateway.gov.au/ads.

All governments report on the implementation of recommendations from the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. More information is at www.health.gov.au/our-work/disability-royal-commission-response/implementing-recommendations.

Disability reporting is also included in the APSC's State of the Service reports and the APS Data Release and Statistical Bulletin, available at apsc.gov.au.

Information and communications technology

The department's primary information and communications technology (ICT) provider continued to be DEWR in 2025–26.

The *ICT Strategy 2023–26* guided investment in technology solutions through 4 key priorities:

- get the basics right – provide contemporary, reliable and secure digital services that centre on the end user experience and provide our staff and clients with the right tools
- set a clear direction – govern, develop and deliver ICT services for maximum business value from the portfolio level down
- strengthen partnering – work collaboratively across our business and ICT areas and with our service providers and stakeholders to get the best value and outcomes
- accelerate innovation – enable the department's digital transformation, be ambitious and look for opportunities to leverage new capabilities and technologies.

The *Cyber Security Strategy 2023–26* strengthened the confidentiality, integrity and availability of information in accordance with the Protective Security Policy Framework. In 2025–26 the department continued implementing the Australian Cyber Security Centre's Essential Eight mitigation strategies and complied with new Cyber Security Directions under the Protective Security Policy Framework.

The department developed its first Digital Investment Plan to guide digital investment over the next 10 years. The plan outlines the department's key ICT initiatives and areas of focus to maintain and deliver an efficient and secure digital education ecosystem and will be refreshed annually.

Adoption of artificial intelligence

The department progressed adoption of generative AI, focusing on internal opportunities for efficiency and productivity, by:

- extending access to Microsoft Copilot Chat to all staff, supported by mandatory AI Fundamentals training
- extending the roll-out of Microsoft Copilot Enterprise licences to all SES employees with targeted training, including one-on-one coaching
- appointing both a Chief AI Officer and an AI Accountable Officer in line with the AI Plan for the Australian Public Service

- developing an AI Strategy and Roadmap for the next 12–18 months, including new governance arrangements
- updating the AI Transparency Statement and Internal AI Guidelines
- working closely with DEWR to pilot AI innovations and proofs of concepts
- participating in the GovAI Chat trial.

Financial performance

Departmental activities

In 2025–26, the department received funding to support a range of government priorities across early childhood education and care (ECEC), school education, higher education and international education. Key measures included strengthening safety and quality in ECEC, guaranteeing universal access to preschool, further investments in Closing the Gap, initiatives to improve outcomes in Australian schools and address bullying, reforms arising from the Accord, measures to reduce Higher Education Loan Program (HELP) debt, and initiatives to support a strong and sustainable international education sector. These measures were published in the department's 2025–26 Portfolio Budget Statements and Portfolio Additional Estimates Statements 2025–26.

The department continued to operate in an environment of strong financial discipline, reporting a net accounting deficit of \$0.9 million (2024–25: surplus \$1.9 million) after adjusting for unfunded expenses including depreciation, write-down and impairment of assets and principal lease repayments. As at 30 June 2026 the department reported a net asset position of \$218 million (2024–25: \$180.7 million), reflecting a sound financial position.

In response to the fiscal environment and the need to manage departmental resources sustainably, the department conducted a voluntary redundancy program during 2025–26. The program supported workforce adjustments to help align staffing levels with available funding and organisational priorities, placing the department in a sound financial position for future years.

Further information is provided in the 2025–26 financial statements for the department (pages 161–214).



Administered expenses	\$78.0	BILLION 2025–26
	\$61.5	BILLION 2024–25
Departmental expenses	\$437.9	MILLION 2025–26
	\$416.9	MILLION 2024–25

Administered activities

In 2025–26 the department administered 13 programs as outlined in the Portfolio Budget Statements on behalf of the government, with expenses including:

- \$50.4 billion in relation to early childhood, schools and youth programs
- \$27.6 billion in relation to higher education, research and international programs.

Administered income comprises interest from the HELP and revenue from the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) for annual registrations.

As at 30 June 2026 administered assets were \$47.5 billion, which largely consists of the fair value of concessional loans for higher education, the Wage Justice for Early Childhood Education and Care Workers Special Account and administered investments. Assets decreased from 2024–25 due to a reduction in the fair value of the HELP receivable. Administered liabilities were \$5.7 billion as at 30 June 2026, which largely consists of the fair value of the higher education superannuation provision and the CCS withholding provision.

Purchasing

Purchasing and Procurement

The department has reviewed its internal procurement policies, and its compliance aligned with the Commonwealth Procurement Rules. Further information on the department's procurement activities can be found on www.tenders.gov.au.

No contracts were exempt from reporting on AusTender in 2025–26.

The department is committed to maintaining effective procurement and contract management practices and complying with the Commonwealth Procurement Rules (CPRs).

The department had instances of non-compliance with the Commonwealth Procurement Rules during the financial year, as summarised below.

During 2025–26, the department published 405 new contracts and contract amendments on AusTender. Of these, 28 (6.9%) were not published within the required 42 working day timeframe. These instances have since been remedied. In response, the department reinforced reporting obligations and reminded relevant business areas of the processes and responsibilities associated with timely AusTender reporting. The department also undertakes weekly monitoring of draft contracts recorded in its financial management system and engages with relevant business areas when contracts are approaching the reporting deadline to support compliance with reporting requirements. In addition, the department provides oversight of non-compliance to its Executive Board through quarterly finance law and internal governance reports.

The department did not receive any *Government Procurement (Judicial Review) Act 2018* findings during the reporting period.

During the reporting period, the department participated in the Department of Finance's Entity Procurement and Contract Management (EPC) Pilot Program, an independent assessment of procurement and contract management capability across Australian Government entities. The review assessed the department's overall capability as Embedded across all capability domains, indicating a strong and well-established level of capability, with mature practices in place to anticipate future challenges and opportunities and to support ongoing capability development. The review recognised the department's mature governance and oversight arrangements, comprehensive procurement policies and guidance, effective risk management practices, and strong central procurement function supporting its devolved operating model. Particular strengths identified by the review included the department's use of data and reporting, record-keeping practices, and supplier compliance monitoring arrangements. Together, these support strong procurement and contract management outcomes across the department.

During 2025–26, the department entered into 266 contracts. Of these, 170 contracts, or 64%, were procured through panel arrangements established through an open tender process. The remaining 96 contracts were procured through non-panel processes, including 41 limited tenders at or above the relevant procurement threshold. Of these limited tenders, 31 involved approaching a single supplier. These approaches predominantly involved other government agencies, small and medium enterprises (SMEs), Indigenous suppliers, mandatory advertising suppliers, universities and peak bodies.

Consultancy contracts

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.

Each decision to engage a consultant was made in accordance with the PGPA Act, regulations including the CPRs, related Accountable Authority Instructions, and with Deputy Secretary approval prior to the procurement process commencing.

The methods of selection for consultancies were limited tender and panel arrangement (initially selected through an open tender process).

In the 2025–26 financial year, 37 new reportable consultancy contracts (as reported on AusTender) were entered into, involving total actual expenditure of \$4.47 million.

In addition, 25 ongoing reportable consultancy contracts (previously reported on AusTender) were active during the period, involving total actual expenditure of \$7.56 million.

The expenditure listed in this section is calculated on an actual (cash) basis and is inclusive of GST.

Table 3.4: Expenditure on reportable consultancy contracts, 2025–26

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	37	\$4,465,729
Ongoing contracts entered into during a previous reporting period	25	\$7,563,003
Total	62	\$12,028,732

Table 3.5: Organisations receiving a share of reportable consultancy contract expenditure, 2025–26

Name of Organisation	Expenditure \$ (GST inc.)	Proportion of total spend (%)
KPMG	\$2,230,061	19%
Deloitte	\$2,038,335	17%
SNAICC	\$1,488,265	12%
The Nous Group	\$1,141,108	9%
McGrathNicol	\$813,236	7%
Ernst and Young	\$786,485	7%
BDO Services Pty Ltd	\$639,538	5%
Dandolo Partners	\$588,314	5%
Total of the largest shares	\$9,725,342	81%

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 (www.tenders.gov.au).

Non-consultancy contracts

During 2025–26, 229 new reportable non-consultancy contracts were entered into, involving total actual expenditure of \$58.91 million (GST inclusive). In addition, 294 ongoing reportable non-consultancy contracts were active during the period, involving total actual expenditure of \$131.76 million (GST inclusive).

Table 3.6: Expenditure on reportable non-consultancy contracts, 2025–26

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	229	\$58,905,661
Ongoing contracts entered into during a previous reporting period	294	\$131,755,221
Total	523	\$190,660,882

Table 3.7: Organisations receiving a share of reportable non-consultancy contract expenditure, 2025–26

Name of Organisation	Expenditure \$ (GST inc.)	Proportion of total spend (%)
Education Services Australia	\$21,961,559	12%
KU Children's Services	\$20,711,097	11%
Australian Children's Education & Care Quality Authority	\$15,133,691	8%
The Social Research Centre	\$14,307,410	8%
Australian Council for Educational Research	\$10,439,058	5%
Total of the largest shares	\$82,552,814	43%

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on reportable non-consultancy contracts' value is available on the AusTender website (www.tenders.gov.au).

Procurement initiatives to support small business

The Department of Education 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 (www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts).

For the financial year 2025–26, 266 contracts with a total value of \$207.89 million were awarded by the department. Of the total contracts awarded, 169 contracts were awarded to SMEs with a total value of \$65.49 million or 32% of the total value of contracts awarded in 2025–26.

The majority of SME contracts for 2025–26 related to labour hire services, computer services, and research programs.

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.

Throughout 2025–26, the department complied with relevant Commonwealth procurement requirements relating to SME engagement. Where procurements were conducted through the Management Advisory Services (MAS) Panel and People Panel, the department incorporated the requirement to approach at least one Australian SME in approaches to market. This supports the department's objective of increasing SME participation in its procurement activities and fostering a more competitive and diverse supplier market.

Electronic invoicing (e-invoicing) arrangements are in place to support small businesses to reduce administration, create savings and improve the timeliness of payment.

The Department of Education recognises the importance of ensuring that small businesses are paid on time. Further information on payment times can be found at www.education.gov.au/about-department/corporate-reporting/small-business-payment-times.

Indigenous Procurement Policy and initiatives to support Indigenous business

The Education portfolio, through the Indigenous Procurement Policy, is committed to growing its engagement with First Nations businesses. For 2025–26, the portfolio entered into 67 new contracts with majority First Nations-owned businesses, with a total value of \$12.47 million. Of these, 13 were subcontracts awarded by suppliers subject to the Indigenous Procurement Policy's Mandatory Minimum Requirement (MMR). This significantly exceeded the First Nations procurement target set for the portfolio by the National Indigenous Australians Agency (NIAA) of 27 contracts and a total contract value of \$4.405 million.

Supporting Indigenous suppliers remains a key priority for the department, helping to deliver our Reconciliation Action Plan commitments, strengthen opportunities for First Nations businesses, and contribute to the achievement of the portfolio's Indigenous Procurement Policy targets.

Strategic Commissioning Framework

As part of the department's procurement planning process, business areas intending to engage external workers or contractors are required to confirm they have considered the Strategic Commissioning Framework before proceeding with a procurement. The department collects data on the nature of the work to be performed by external workers or contractors, along with the rationale for their engagement.

Grants

Information on grants awarded by the department during 2025–26 is available at the GrantConnect website (www.grants.gov.au).

Advertising, marketing and media

Campaigns

No advertising campaigns were conducted in the reporting period. In 2025–26 the department began developing the *Tackling Bullying and other Harmful Behaviours in Schools* campaign.

Table 3.8: Total campaign expenditure, 2025–26

Campaign	Expenditure \$ (GST inc.)
<i>Tackling bullying and other harmful behaviours in schools</i>	1,168,759.11

Advertising and marketing expenditure

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

Table 3.9: Payments to advertising agencies, 2025–26

Organisation	Service provided	Total paid in 2025–26 \$ (GST inc.)
TBWA Melbourne	Creative development and production for the <i>Tackling Bullying and other Harmful Behaviours in Schools</i> campaign	660,000.00

Table 3.10: Payments to media advertising organisations, 2025–26

Organisation	Service provided	Total paid in 2025–26 \$ (GST inc.)
Universal McCann	Social media advertising to promote the Child Care Subsidy – 3 Day Guarantee.	56,464.75

Table 3.11: Payments to market research and polling organisations, 2025–26

Organisation	Service provided	Total paid in 2025–26 \$ (GST inc.)
Orima Research	Developmental research and concept testing to inform the <i>Tackling Bullying and other Harmful Behaviours in Schools</i> campaign	332,759.16
Orima Research	Research to identify the communication preferences of approved providers in administering the Child Care Subsidy.	38,060.00
The Social Deck Pty Ltd	Research to inform Schools Unique Student Identifier communications.	194,425.00

Direct mail

No payments for direct mail were made in the reporting period.

Promotional merchandise

No promotional material was produced in the reporting period.

Media monitoring

In 2025–26 the department spent \$329,756.90 (GST inclusive) on media monitoring services provided by Stroom Pty Ltd.

Environmental sustainability and performance

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

The Commonwealth Climate Disclosure is the Australian Government's policy for Commonwealth entities to publicly disclose their exposure to climate-related risks and opportunities, and the actions taken to manage them. As a Tranche 1 entity, the department is required to include climate-related disclosures in its annual reporting suite from 2024–25. The department's Commonwealth Climate Disclosure has been prepared in accordance with the Year 2 reporting provisions and is available at the Transparency Portal at transparency.gov.au.

External scrutiny

Reports by the Auditor-General

In 2025–26 the Auditor-General tabled 4 audit reports on or relevant to the department:

- Auditor-General Report No. 19: Closing the Gap in schooling and early childhood development – partnerships and reporting
- Auditor-General Report No. 30: Department of Education’s administration of the National Collaborative Research Infrastructure Strategy
- Auditor-General Report No. 36: Australian National University financial management
- Auditor-General Report No. 42: Interim report on key financial controls of major entities.

These reports and the department’s responses if applicable, are available at www.anao.gov.au/pubs.

Reports of parliamentary committees

The department provided evidence and/or submissions to the following parliamentary committee inquiries in 2025–26 (Table 3.12):

Table 3.12: Evidence and submissions to parliamentary committee inquiries, 2025–26

Committee	Inquiry
House of Representatives Standing Committee on Education	• Inquiry into Building Asia Capability in Australia through the education system and beyond • Inquiry into the factors driving educational attainment
House of Representatives Standing Committee on Health, Aged Care and Disability	• Health impacts of alcohol and other drugs in Australia • Inquiry into the Thriving Kids initiative
Joint Committee of Public Accounts and Audit	• Inquiry into the management of client privacy in the Australian public sector
Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs	• Inquiry into racism, hate and violence directed at Aboriginal and Torres Strait Islander people
Senate Select Committee on Productivity in Australia	• Select Committee on Productivity in Australia

Committee	Inquiry
Senate Standing Committees on Education and Employment	• Australian university graduates • Education Legislation Amendment (Integrity and Other Measures) Bill 2025 • Higher Education Support Amendment (Reverse Job-Ready Graduates Fee Hikes and End 50k Arts Degrees) Bill 2025 • Quality and safety of Australia's early childhood education and care system • Quality of governance at Australian higher education providers • Tertiary Education Legislation Amendment (There For Education, Not Profit) Bill 2025 • Universities Accord (Australian Tertiary Education Commission) Bill 2025 • Universities Accord (Australian Tertiary Education Commission) (Consequential and Transitional Provisions) Bill 2025
Senate Standing Committees on Finance and Public Administration	• Parliamentary Joint Committee on Public Consultancy and Services Contracts Bill 2025 • Public Governance, Performance and Accountability Amendment (Ban Unethical Contractors) Bill 2025
Senate Standing Committees on Legal and Constitutional Affairs	• Administrative Review Tribunal and Other Legislation Amendment Bill 2025

Judicial decisions

In 2025–26 there were no judicial decisions that had or may have had a significant impact on the department's operations.

Decisions of administrative tribunals

In 2025–26 there were no administrative tribunals decisions that had or may have had a significant impact on the department's operations.

Decisions by the Australian Information Commissioner

In 2025–26 there were no decisions by the Australian Information Commissioner that had or may have had a significant impact on the department's operations.

Reports on the operations of the entity by the Commonwealth Ombudsman

In 2025–26 there were no reports by the Commonwealth Ombudsman on the department's operations.

Information Publication Scheme

The department is subject to the *Freedom of Information Act 1982* (Cth) and publishes certain information in accordance with the Information Publication Scheme (IPS).

The department's IPS Plan sets out how the department meets its IPS obligations, including the types of information it publishes under this scheme, and is available at www.education.gov.au/about-department/corporate-reporting/information-publication-scheme-ips.

04

Financial statements

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Education

To the Minister for Early Childhood Education

To the Minister for Youth

Opinion

In my opinion, the financial statements of the Department of Education (the Entity) for the year ended 30 June 2026:

- (a) comply with Australian Accounting Standards – Simplified Disclosures 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 2026 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 2026 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 material accounting policy information 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 the Auditor-General and their delegates. 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 the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Key audit matter**Valuation of the Higher Education Loan Program (HELP) receivable**

Refer to Note D1.6 'Fair value losses' and Note F1.2 'Trade and other receivables: Advances and loans'.

I focused on the Entity's HELP receivable as a key audit matter as the valuation of the receivable involves significant and complex judgements about the timing and recoverability of HELP debts.

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.

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.

For the year ended 30 June 2026, the Entity recognised a HELP receivable of \$41.1 billion, and fair value losses of \$14.0 billion.

How the audit addressed the matter

To address this key audit matter, I:

- 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.

Key audit matter**Valuation of Higher Education Superannuation Program (HESP) provision**

Refer to Note D2.4 'Fair value gains' and Note F3 'Provisions'.

I focused on the HESP liability as a key audit matter 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.

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.

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.

For the year ended 30 June 2026, the provision was reported as \$4.3 billion, and the fair value gains were \$139.5 million.

How the audit addressed the matter

To address this key audit matter, I:

- 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 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
Accuracy of 'Assistance to families with children' personal benefit expenses <i>Refer to Note D1.2 'Personal benefits: Assistance to families with children'.</i> I focused on the personal benefit expenses as a key audit matter as 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. For the year ended 30 June 2026, the Entity recognised personal benefit expenses of \$15.3 billion.	To address this key audit matter, I: - 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 – Simplified Disclosures and the rules made under the Act. The Secretary of the Department is also responsible for such internal control as the Secretary of the Department 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 of the Department 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 of the Department 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



Rahul Tejani
Executive Director
Delegate of the Auditor-General

Canberra
4 September 2026

Department of Education

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2026 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 will be able to pay its debts as and when they fall due.

Signed.....

Tony Cook PSM

Secretary

02 September 2026

Signed.....

Craig Boyd FCPA

Chief Financial Officer

02 September 2026

Department of Education

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Department of Education
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2026

Departmental Primary Statements

		2026	2025	Original Budget 2026
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	C1.1	290,264	265,282	261,815
Supplier	C1.2	128,760	134,769	137,038
Interest on lease liabilities		68	68	5
Depreciation and amortisation	E2.1	15,341	11,006	21,798
Impairment loss on financial assets	I2.2	33	-	-
Write-down and impairment of other assets	E2.1	3,449	5,736	-
Total expenses		437,915	416,861	420,656
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers	C2.1	4,011	3,854	3,131
Resources received free of charge	C2.2	2,504	2,628	2,506
Total own-source revenue		6,515	6,482	5,637
Gains				
Reversal of write-downs and impairment	I2.2	-	311	-
Other gains		162	-	-
Total gains		162	311	-
Total own-source income		6,677	6,793	5,637
Net cost of services		(431,238)	(410,068)	(415,019)
Revenue from Government	C2.3	412,893	396,501	393,795
Surplus/(Deficit) on continuing operations		(18,345)	(13,567)	(21,224)
Total comprehensive profit/(loss)	B1	(18,345)	(13,567)	(21,224)

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

Department of Education
STATEMENT OF FINANCIAL POSITION
as at 30 June 2026

	Notes	2026 \$'000	2025 \$'000	Original Budget 2026 \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	E1.1	2,828	498	2,662
Trade and other receivables	E1.2	228,299	213,162	191,819
Total financial assets		231,127	213,660	194,481
Non-financial assets				
Buildings ¹	E2.1	1,370	1,430	230
Infrastructure, plant and equipment	E2.1	4	5	-
Computer software	E2.1	122,480	95,107	142,334
Prepayments		1,123	1,621	893
Total non-financial assets		124,977	98,163	143,457
Total assets		356,104	311,823	337,938
LIABILITIES				
Payables				
Supplier payables		35,828	43,292	51,597
Other payables	E3.1	21,227	12,237	10,223
Total payables		57,055	55,529	61,820
Interest bearing liabilities				
Leases	E4.1	1,404	1,464	230
Total interest bearing liabilities		1,404	1,464	230
Provisions				
Employee provisions	H1.1	79,671	74,134	64,376
Total provisions		79,671	74,134	64,376
Total liabilities		138,130	131,127	126,426
Net assets		217,974	180,696	211,512
EQUITY				
Contributed equity		519,152	463,529	517,770
Accumulated deficit		(301,178)	(282,833)	(306,258)
Total equity		217,974	180,696	211,512

¹ 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
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2026

		2026	2025	Original Budget 2026
	Notes	\$'000	\$'000	\$'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		463,529	412,351	463,533
Adjusted opening balance		463,529	412,351	463,533
Transactions with owners				
Contributions by owners				
Equity injection - appropriations		32,186	37,346	32,186
Departmental capital budget		23,437	13,832	22,051
Total transactions with owners		55,623	51,178	54,237
Closing balance as at 30 June		519,152	463,529	517,770
ACCUMULATED DEFICIT				
Opening balance				
Balance carried forward from previous period		(282,833)	(269,266)	(285,034)
Adjusted opening balance		(282,833)	(269,266)	(285,034)
Comprehensive income				
Deficit on continuing operations		(18,345)	(13,567)	(21,224)
Total comprehensive income		(18,345)	(13,567)	(21,224)
Closing balance as at 30 June		(301,178)	(282,833)	(306,258)
Total equity as at 30 June		217,974	180,696	211,512

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

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

Department of Education
STATEMENT OF CASH FLOWS
for the year ended 30 June 2026

	Notes	2026 \$'000	2025 \$'000	Original Budget 2026 \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		420,905	397,242	392,932
Sale of goods and rendering of services		4,337	3,546	3,131
Net GST received		4,791	5,236	10,398
Total cash received		430,033	406,024	406,461
Cash used				
Employee benefits		275,092	250,370	260,952
Suppliers		135,425	139,935	141,799
Interest payments on lease liabilities		68	68	5
Section 74 receipts transferred to the OPA		15,822	16,662	3,131
Total cash used		426,407	407,035	405,887
Net cash from operating activities		3,626	(1,011)	574
INVESTING ACTIVITIES				
Cash used				
Purchase of infrastructure, plant and equipment		-	5	-
Purchase/development of intangibles		47,753	55,709	54,237
Total cash used		47,753	55,714	54,237
Net cash used by investing activities		(47,753)	(55,714)	(54,237)
FINANCING ACTIVITIES				
Cash received				
Contributed equity - equity injection ¹		31,983	43,171	32,186
Contributed equity - departmental capital budget ¹		15,770	12,646	22,051
Total cash received		47,753	55,817	54,237
Cash used				
Principal payments of lease liabilities		1,296	1,256	574
Total cash used		1,296	1,256	574
Net cash from financing activities		46,457	54,561	53,663
Net increase/(decrease) in cash held		2,330	(2,164)	-
Cash and cash equivalents at the beginning of the reporting period		498	2,662	2,662
Cash and cash equivalents at the end of the reporting period	E1.1	2,828	498	2,662

¹ Prior Period Error

During 2025-26, the department identified an error in the classification of departmental appropriation balances reported in the 2024-25 financial statements. The comparative figures have been restated to correct the classification of these balances. Refer to Notes E1 and G1.2 for further detail.

Effect on Statement of Cash Flows (Extract for the year ended 30 June 2025)

	As Originally Reported \$'000	Reclassification \$'000	Restated Balance \$'000
Operating cash received			
Appropriations	397,345	(103)	397,242
Net cash from operating activities	(908)	(103)	(1,011)
Financing cash received			
Contributed equity - equity injection	28,203	14,968	43,171
Contributed equity - departmental capital budget	27,511	(14,865)	12,646
Net cash from financing activities	54,458	103	54,561

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

Department of Education
BUDGET VARIANCES COMMENTARY
for the year ended 30 June 2026

Departmental Budget Variance Commentary: The below table provides commentary for significant variances between the department's original budget estimates, as published in the 2025-26 Portfolio Budget Statements, and the final financial outcome in the 2025-26 financial statements. Significant 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.	
Explanation of major variances	Affected line items (and statement)
The department incurred higher than budgeted employee expenses as a result of the 2025-26 Voluntary Redundancy Program. The department also received additional Average Staffing Level (ASL) and associated funding through the 2025-26 Portfolio Additional Estimates Statements (PAES).	Employee expenses (Statement of Comprehensive Income)
The trade and other receivables and corresponding Computer Software variance is primarily due to the approved Movement of Funds related to capital expenditure.	Trade and other receivables (Statement of Financial Position) Computer software (Statement of Financial Position)
The valuation of employee provisions was conducted after the 2025-26 Portfolio Budget Statements were published, resulting in a variance to the original budget. The department also received additional ASL associated funding through the 2025-26 PAES.	Employee provisions (Statement of Financial Position)

Department of Education
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the year ended 30 June 2026

Administered Schedules				
		2026	2025	Original Budget 2026
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Grants	D1.1	45,542,935	43,318,790	45,252,739
Personal benefits	D1.2	15,273,762	15,196,863	16,271,713
Supplier	D1.3	216,180	203,722	207,982
Subsidies	D1.4	1,785,317	597,651	2,018,642
Interest	D1.5	170,407	183,760	180,344
Finance costs		1,010,938	1,075,487	1,243,359
Depreciation	F2.1	77	78	92
Write-down and impairment of assets		26,265	5,473	-
Fair value losses	D1.6	13,981,857	871,972	1,348,018
Employee benefits		226	220	-
Total expenses		78,007,964	61,454,016	66,522,889
Income				
Revenue				
Taxation revenue				
Levies		10,475	10,979	10,616
Total taxation revenue		10,475	10,979	10,616
Non-taxation revenue				
Revenue from contracts with customers	D2.1	5,346	5,392	5,280
Interest	D2.2	1,633,861	2,054,850	1,633,679
Other revenue	D2.3	124,775	93,786	105,886
Total non-taxation revenue		1,763,982	2,154,028	1,744,845
Total revenue		1,774,457	2,165,007	1,755,461
Gains				
Fair value gains	D2.4	139,460	-	-
Reversal of write-downs and impairments		14,489	3,690	-
Total gains		153,949	3,690	-
Total income		1,928,406	2,168,697	1,755,461
Net cost of services		(76,079,558)	(59,285,319)	(64,767,428)
OTHER COMPREHENSIVE INCOME				
Change in asset revaluation reserve		310,713	203,289	-
Total other comprehensive income		310,713	203,289	-
Total comprehensive loss		(75,768,845)	(59,082,030)	(64,767,428)

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

Department of Education
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
for the year ended 30 June 2026

		2026	2025	Original Budget 2026
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	F1.1	1,383,612	3,009,588	1,159,619
Trade and other receivables	F1.2	41,804,018	51,993,412	41,160,182
Investments	F1.3	4,358,059	4,047,346	3,844,057
Total financial assets		47,545,689	59,050,346	46,163,858
Non-financial assets				
Buildings ¹	F2.1	496	573	627
Prepayments		1,708	-	-
Total non-financial assets		2,204	573	627
Total assets administered on behalf of Government		47,547,893	59,050,919	46,164,485
LIABILITIES				
Payables				
Personal benefits		294,103	255,597	311,950
Supplier		51,025	37,894	41,485
Grants		2,854	70,549	1,871
Subsidies		201,885	154,822	-
GST payable		-	733	494
Total payables		549,867	519,595	355,800
Interest bearing liabilities				
Leases - buildings		570	646	720
Total interest bearing liabilities		570	646	720
Provisions				
Higher Education Superannuation Program	F3	4,296,400	4,669,600	4,137,751
Personal benefits	F3	817,350	806,478	806,138
Total provisions		5,113,750	5,476,078	4,943,889
Total liabilities administered on behalf of Government		5,664,187	5,996,319	5,300,409
Net assets		41,883,706	53,054,600	40,864,076

¹ Right-of-use (ROU) assets are included in the 'Buildings' line item.

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

Department of Education
ADMINISTERED RECONCILIATION SCHEDULE
for the year ended 30 June 2026

	Notes	2026 \$'000	2025 \$'000
Opening assets less liabilities as at 1 July		53,054,600	48,169,216
Net cost of services			
Income		1,928,406	2,168,697
Expenses			
Payments to entities other than corporate Commonwealth entities		(78,007,964)	(61,454,016)
Other comprehensive income			
Revaluations transferred to reserves		310,713	203,289
Transfers (to)/from the Australian Government			
Appropriation transfers from the OPA			
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		1,243,311	4,251,673
Payments to entities other than corporate Commonwealth entities - GST		64,180	75,150
Special appropriations (unlimited)			
Payments to entities other than corporate Commonwealth entities		71,017,462	67,816,686
Appropriation transfers to the OPA			
Transfers to the OPA		(7,749,567)	(8,118,071)
Transfers to the OPA (withholdings)		(48,263)	(58,024)
Repeal of <i>Early Years Quality Fund Special Account Act 2013</i>		(42,135)	-
Other movements		112,963	-
Closing assets less liabilities as at 30 June		41,883,706	53,054,600

Accounting Policy

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.

Department of Education
ADMINISTERED CASH FLOW STATEMENT
for the year ended 30 June 2026

	Notes	2026 \$'000	2025 \$'000
OPERATING ACTIVITIES			
Cash received			
Net GST refunds		2,102,017	2,006,924
Levies		10,475	10,980
Other revenue		39,481	44,051
Total cash received		2,151,973	2,061,955
Cash used			
Suppliers		205,110	213,565
Subsidies		1,738,254	442,830
Personal benefits		15,325,393	14,982,737
Grants		47,951,534	45,688,582
Total cash used		65,220,291	61,327,714
Net cash used by operating activities		(63,068,318)	(59,265,759)
INVESTING ACTIVITIES			
Cash received			
Repayments of loans		5,307,901	6,046,687
Total cash received		5,307,901	6,046,687
Cash used			
Loans provided		8,398,734	7,904,293
Total cash used		8,398,734	7,904,293
Net cash used by investing activities		(3,090,833)	(1,857,606)
FINANCING ACTIVITIES			
Cash used			
Principal payments of lease liabilities		76	74
Total cash used		76	74
Net cash used by financing activities		(76)	(74)
Cash from the OPA			
Appropriations		72,324,953	72,143,508
Total cash from the OPA		72,324,953	72,143,508
Cash to the OPA			
Administered Receipts		7,791,702	8,118,071
Total cash to the OPA		(7,791,702)	(8,118,071)
Net increase/(decrease) in cash held		(1,625,976)	2,901,998
Cash and cash equivalents at the beginning of the reporting period		3,009,588	107,590
Cash at the end of the reporting period	F1.1	1,383,612	3,009,588

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

Department of Education
BUDGET VARIANCES COMMENTARY
for the year ended 30 June 2026

Administered Budget Variance Commentary: The table below provides commentary for significant major variances between the original budget estimates, as published in the 2025-26 Portfolio Budget Statements, and the final financial outcome in the 2025-26 financial statements. Unless otherwise individually significant, no additional commentary has been included.	
Explanation of major variances	Affected line items (and statement)
The actuarial assessments undertaken by the Australian Government Actuary of the Higher Education Loan Program (HELP) resulted in a fair value loss of \$14.0 billion in 2025-26 (2024-25: \$0.7 billion fair value loss), an increase of \$13.3 billion compared to the previous year. The increase was mainly due to two significant policy changes introduced through the <i>Universities Accord (Cutting Student Debt by 20 Per Cent) Act 2025</i> : a one-off 20% reduction in outstanding HELP debt balances and the introduction of a new marginal repayment system, including an increase in the minimum repayment threshold. The HELP receivable decreased by \$9.6 billion as a result of the 20% reduction in outstanding HELP debt balances, applied to all outstanding student debts as at 1 June 2025. The introduction of the new marginal repayment system involves lifting the minimum repayment threshold by more than ordinary indexation, resulting in a fair value loss of approximately \$2.5 billion.	Fair value loss (Administered Schedule of Comprehensive Income) Interest expense (Administered Schedule of Comprehensive Income) Interest revenue (Administered Schedule of Comprehensive Income) Trade and other receivables (Administered Schedule of Assets and Liabilities)
Personal Benefits expenditure was approximately \$1.0 billion below the profile published in the original budget. Since May 2025, budget updates have progressively revised income, demand and population assumptions; reducing the variance over time. Child Care Subsidy (CCS) is a demand-driven program. The main reasons for the differences between actual expenditure and the original estimates are lower demand, with fewer children attending childcare than projected and higher family incomes, resulting in lower average subsidy entitlements.	Personal benefits expense (Administered Schedule of Comprehensive Income)
The variance to budget of investments is due to the changes in net assets of entities that are recognised as administered investments by the department. Further details are at note F1.3.	Investments (Administered Schedule of Assets and Liabilities)

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Notes to the Financial Statements

A. About This Report

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

The department's purpose is to create a better future for all Australians through education.

The department provides strategic direction and national leadership of Australia's education system – through early years, school, higher education and research. The department advises the Australian Government on education and stewards the government's vision for reforming Australia's education system.

The department supports Australians to access education and realise the benefits of lifelong learning through national policies and programs that:

- lift education outcomes for learners from all locations and backgrounds so they can achieve their ambitions and aspirations
- prepare children for school and help families, particularly women, to re-engage in work or learn during the early years
- support children through a positive school experience with equity and wellbeing outcomes for all learners
- provide skilled and adaptable workers with higher education qualifications and opportunities for lifelong learning that boost workforce productivity, sovereign capability and innovation, including skilled educators
- give young people a say on the issues, policies and programs that impact them
- empower First Nations peoples to be involved in decisions about their education and the education system
- give international students an opportunity to gain a world-class education
- support university researchers to undertake training and deliver cutting-edge research that drives innovation and economic growth.

The continued existence of the department in its present form is dependent on government policy and on continuing funding by Parliament.

The Basis of Preparation

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

The financial statements have been prepared in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) and the Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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.

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: Disclosures* and AASB 13 *Fair Value Measurement*.

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Significant Accounting Judgements and Estimates

During the 2025-26 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)
- Personal benefits – Child Care Subsidy program (D1.2, F1.2 and F3)
- Higher Education Loan Program (HELP) (D1.6, D2.2, F1.2, I2.5, I3.1 and I4)
- Higher Education Superannuation Program (HESP) (D1.5, D1.6, D2.4, F1.2 and F3).

New Australian Accounting Standards

New Australian Accounting Standards which first had mandatory applicability during the reporting period were adopted including AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements* which enhanced accompanying guidance to demonstrate how uncertainties are reflected in measurement and recognition outcomes in the financial statements for provisions, contingent liabilities, contingent assets and impairment. This new standard is not expected to have a material impact on the department's financial statements for the current reporting period or future reporting periods.

No other newly adopted accounting standards have had effect on the recognition, measurement or disclosures within the financial statements. No New Australian Accounting Standards have been early adopted prior to mandatory applicability.

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 several arrangements with other government agencies for services, including:

- Department of Finance – for the provision of core transactional services from the Service Delivery Office;
- Department of Employment and Workplace Relations (DEWR) – for the provision of information and communications technology (ICT), property and other services;
- Department of Social Services (DSS) – for the provision of grant hub support; and
- Services Australia – for the provision of childcare debt management and payment support.

Prior Period Error

During 2025-26, the department identified an error in the classification of departmental appropriation balances reported in the 2024-25 financial statements. The reclassification includes \$14.928 million reassigned to Equity Injection from Department Capital Budget and \$0.103 million reassigned from Ordinary annual services to Equity Injection (\$0.040 million) and Department Capital Budget (\$0.063 million).

The comparative figures have been restated to correct the classification of these balances.

The correction has impacted the following disclosures:

- Statement of Cash Flows
- Note E1.2 Trade and Other Receivables
- Note G1.1 Annual Appropriations
- Note G1.2 Departmental Unspent Annual Appropriations

The correction relates solely to the presentation and classification of departmental appropriation balances. There is no impact on the Department's 2024-25 operating result, net assets, or total equity. There was no impact to these balances at the beginning of the comparative period.

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Section 83 of the Constitution

From the 2025–26 reporting period onwards, disclosures relating to breaches of section 83 will no longer be included in the financial statements. Instead, these matters will be disclosed in the 'Management and Accountability' section of the annual report. Disclosures remain subject to review by the Australian National Audit Office.

Events after the Reporting Period

There have been no events after balance date that have the potential to significantly affect the ongoing structure and financial activities of the department.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

B. Departmental Operating Result Reconciliation

B1: Net Cash Appropriation Arrangements

	2026	2025
	\$'000	\$'000
<u>B1.1: Net cash appropriation arrangements</u>		
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income¹	(18,345)	(13,567)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	14,042	9,704
Plus: depreciation of right-of-use assets ²	1,299	1,302
Less: lease principal repayments	(1,296)	(1,256)
Net cash operating (deficit)/surplus³	<u>(4,300)</u>	<u>(3,817)</u>

¹ 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.

² AASB 16 *Leases* requires the inclusion of depreciation/amortisation expenses related to Right-of-Use (ROU) leased assets and the lease liability principal repayment amount. These do not directly reflect a change in appropriation arrangements.

³ The net cash operating deficit/surplus in 2025-26 includes \$3.449 million in non-cash accounting adjustments related to write-downs and impairments of non-financial assets, the exclusion of which results in a net cash operating deficit of \$0.851 million. The department received approval from the Minister for Finance to budget for a \$4.100 million operating loss.

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2026 \$'000	2025 \$'000
<u>B1.2: Reconciliation of cash and cash equivalents</u>		
Cash and cash equivalents as per		
Cash flow statement	2,828	498
Statement of financial position	2,828	498
Discrepancy	-	-
Reconciliation of net cost of services to net cash from (used by) operating activities		
Net (cost of) contribution by services	(431,238)	(410,068)
Revenue from Government	412,893	396,501
Adjustments for non-cash items		
Depreciation / amortisation	15,341	11,006
Net write-down and impairment of assets	3,482	5,736
Resources received free of charge	(2,504)	(2,628)
Movements in assets and liabilities		
Assets		
Decrease / (increase) in net receivables	(7,300)	(11,301)
Decrease / (increase) in prepayments	498	(774)
Liabilities		
Increase / (decrease) in employee provisions	5,537	10,403
Increase / (decrease) in supplier payables	(2,312)	(3,148)
Increase / (decrease) in other payables	9,229	3,262
Net cash from (used by) operating activities	3,626	(1,011)

B1.3: Reconciliation of administered cash and cash equivalents

Cash and cash equivalents as per		
Schedule of administered cash flows	1,383,612	3,009,588
Schedule of administered assets and liabilities	1,383,612	3,009,588
Discrepancy	-	-
Reconciliation of net cost of services to net cash from (used by) operating activities		
Net (cost of) contribution by services	(76,079,558)	(59,285,319)
Adjustments for non-cash items		
Concessional loan discount	1,010,912	1,075,457
Fair value losses	13,981,857	871,972
Depreciation and Amortisation	77	78
Interest on loans	(1,631,728)	(2,046,214)
Other revenues not providing cash	(230,836)	(93,864)
Movements in assets and liabilities		
Assets		
(Increase) / decrease in net receivables	2,080,881	(101,527)
(Increase) / decrease in other non-financial assets	(1,708)	-
Liabilities		
Increase / (decrease) in supplier payables	12,398	(9,671)
Increase / (decrease) in grants payable	(2,258,791)	68,679
Increase / (decrease) in personal benefits payable	(9,757)	(90,381)
Increase / (decrease) in provisions	10,872	(41,199)
Increase / (decrease) in subsidies payable	47,063	386,230
Net cash from (used by) operating activities	(63,068,318)	(59,265,759)

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

C. Departmental Financial Performance

C1: Expenses

	2026	2025
	\$'000	\$'000
C1.1: Employee benefits		
Salaries and entitlements	193,729	183,157
Superannuation:		
Defined benefit plans	13,211	13,039
Defined contribution plans	26,827	24,630
Leave and other entitlements	41,709	36,789
Separations and redundancies	13,016	4,269
Other	1,772	3,398
Total employee benefits	290,264	265,282

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

C1.2: Supplier

Goods and services supplied or rendered

IT services	40,904	42,139
Property	19,575	19,944
Managed services	11,316	14,487
Other service contracts	23,453	21,866
Labour hire contracts	14,088	11,022
Consultancy contracts	4,207	4,162
Travel	2,085	3,396
Resources received free of charge	1,355	1,628
Audit fees	911	1,000
Other	8,202	11,578
Total goods and services supplied or rendered	126,096	131,222

Goods supplied	1,944	3,344
Services rendered	124,152	127,878
Total goods and services supplied or rendered	126,096	131,222

Other supplier expenses

Workers compensation expenses	2,664	3,547
Total other supplier expenses	2,664	3,547
Total supplier expenses	128,760	134,769

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

C2: Income

	2026	2025
<u>C2.1: Revenue from contracts with customers</u>	\$'000	\$'000
Sale of goods	534	513
Rendering of services	3,477	3,341
Total revenue from contracts with customers	4,011	3,854

Disaggregation of revenue from contracts with customers

Revenue from services	86	48
Corporate services	2,988	2,877
Publications	534	513
Other	403	416
Total	4,011	3,854

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 Memoranda of Understanding 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 customers are recognised in unearned revenue, refer note E3.1.

C2.2: Resources received free of charge

Australian Taxation Office collection of revenues on behalf of the department	1,355	1,628
Australian National Audit Office financial statement audit fee	911	1,000
Department of Home Affairs secondment fee	238	-
Total resources received free of charge	2,504	2,628

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.

C2.3: Revenue from Government

Appropriations		
Departmental appropriations	412,893	396,501
Total revenue from Government	412,893	396,501

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 receivables are recognised at their nominal amounts.

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
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

D. Administered Financial Performance

D1: Expenses

	2026	2025
D1.1: Grants	\$'000	\$'000
Public sector		
Australian Government entities	98,198	83,505
State and Territory Governments	33,311,703	31,529,782
Private sector		
Not-for-profit organisations	227,811	219,598
Multi-jurisdictional sector	11,691,791	11,145,778
Other	213,432	340,127
Total grants	45,542,935	43,318,790

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

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria has 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	15,252,384	15,182,128
Student assistance	21,378	14,735
Total personal benefits	15,273,762	15,196,863

The department administers personal benefit programs on behalf of the government that provide entitlements to individuals. Total personal benefits are represented by:

- direct personal benefits of \$21.9 million (2024-25: \$15.7 million); and
- indirect personal benefits of \$15.3 billion (2024-25: \$15.2 billion).

D1.3: Supplier

Services rendered		
School education - specific funding	110,079	113,310
Assistance to families with children	83,709	69,550
Higher education	15,201	16,732
General research	6,635	4,130
Other	556	-
Total services rendered	216,180	203,722

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2026 \$'000	2025 \$'000
<u>D1.4: Subsidies</u>		
Assistance to families with children	1,785,317	597,651
Total subsidies	1,785,317	597,651
<u>D1.5: Interest</u>		
Higher Education Superannuation Program (HESP)	170,407	183,760
Total interest	170,407	183,760
<u>D1.6: Fair value losses</u>		
Higher Education Loan Program (HELP)	13,981,857	669,412
HESP	-	202,560
Total fair value losses	13,981,857	871,972

The actuarial assessments of the Higher Education Loan Program (HELP) resulted in a fair value loss of \$14.0 billion in 2025-26 (2024-25: \$0.7 billion fair value loss).

In the 2025-26 financial year the *Universities Accord (Cutting Student Debt by 20 Per Cent) Act 2025* reduced fair value of the HELP loan balance by approximately \$12.1 billion (\$9.6 billion in relation to the 20% reduction in student HELP debt and \$2.5 billion in relation to the change in repayment thresholds).

This note should be read in conjunction with notes D2.4 and F1.2. For further information on the fair value of HELP loans, refer to note I4.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

D2: Income

	2026	2025
<u>D2.1: Revenue from contracts with customers</u>	\$'000	\$'000
Rendering of services	5,346	5,392
Total revenue from contracts with customers	5,346	5,392
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Cost recovery	5,346	5,392
Total	5,346	5,392

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

Administered revenue recognised is primarily from Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) annual registrations.

D2.2: Interest

HELP - students	1,631,728	2,046,215
HELP - providers	2,117	8,634
Non-government school national support	16	1
Total interest	1,633,861	2,054,850

Interest revenue is recognised using the effective interest method.

D2.3: Other revenue

Loan fee revenue	91,376	85,932
Refunds of prior year payments	30,065	5,878
Special accounts	2,231	1,680
Other	1,103	296
Total other revenue	124,775	93,786

Refunds of prior year payments are recognised under AASB 1058 *Income of Not-for-Profit Entities*. 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

HESP	139,460	-
Total fair value gains	139,460	-

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 (AGA) 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 \$139.5 million in 2025-26 (2024-25: \$202.6 million fair value loss).

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

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

E. Departmental Financial Position

E1: Financial Assets

	2026	2025
	\$'000	\$'000
E1.1: Cash and cash equivalents		
Cash on hand or on deposit	2,828	498
Total cash and cash equivalents	2,828	498

Cash is recognised at its nominal amount. Cash includes on demand deposits in bank accounts.

E1.2: Trade and other receivables

Goods and services receivable		
Goods and services	2,543	2,772
Total goods and services receivable	2,543	2,772
Appropriations receivable		
Operating annual appropriations ¹	178,707	170,897
Departmental capital budget ¹	30,660	22,993
Equity injections ¹	16,105	15,902
Total appropriations receivable	225,472	209,792
Other receivables		
GST receivable from the Australian Taxation Office	454	734
Total other receivables	454	734
Total trade and other receivables (gross)	228,469	213,298
Less impairment loss allowance	(170)	(136)
Total trade and other receivables (net)	228,299	213,162

Receivables for goods and services, which have 30 day (2024-25: 30 day) terms, are recognised at the nominal amounts due, less any impairment allowance.

¹ Prior Period Error

During 2025-26, the department identified an error in the classification of departmental appropriation balances reported in the 2024-25 financial statements. The comparative figures have been restated to correct the classification of these balances.

Effect on E1.2 Trade and other receivables (extract for the year ended 30 June 2025):

	As Originally Reported	Reclassification	Restated Balance
	\$'000	\$'000	\$'000
Appropriations receivables			
Operating annual appropriations	170,794	103	170,897
Departmental capital budget	8,128	14,865	22,993
Equity injections	30,870	(14,968)	15,902
Total appropriations receivable	209,792	-	209,792

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 (ROU) \$'000	Infrastructure, plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2025				
Gross book value	6,114	5	192,640	198,759
Accumulated depreciation, impairment and amortisation	(4,684)	-	(97,533)	(102,217)
Net value as at 1 July 2025	1,430	5	95,107	96,542
Additions				
By purchase	-	-	-	-
By development	-	-	44,863	44,863
Right-of-use assets	1,398	-	-	1,398
Write-down and impairment recognised in net cost of services	-	-	(3,449)	(3,449)
Depreciation and amortisation	-	(1)	(14,041)	(14,042)
Depreciation on right-of-use assets	(1,299)	-	-	(1,299)
Other Disposals	(159)	-	-	(159)
Net value as at 30 June 2026	1,370	4	122,480	123,854
Net value as at 30 June 2026 represented by				
Gross book value	2,603	5	233,808	236,416
Accumulated depreciation, impairment and amortisation	(1,233)	(1)	(111,328)	(112,562)
Net value as at 30 June 2026	1,370	4	122,480	123,854
Carrying amount of right-of-use assets	1,370	-	-	1,370

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. 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.

Asset class	2026 Useful life	2026 Threshold
Office Equipment	5 years	\$5,000
Computer software	2-15 years	\$200,000
Buildings (ROU)	Lease term	As per lease contract

Impairment

All cash-generating assets and assets held at cost, including intangibles and ROU assets, were assessed for impairment at 30 June 2026. 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. For non-cash generating assets held at fair value, the recoverable amount is expected to be materially the same as fair value at 30 June 2026.

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 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.

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Depreciation

Depreciable assets, including right-of-use 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.

ROU assets are depreciated over the shorter of the lease term and the useful life of the underlying asset, unless ownership of the underlying asset transfers to the department at the end of the lease term, in which case the asset is depreciated over its useful life.

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.

Intangibles

The department's intangibles comprise 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 annually, and this resulted in impairment and write-down expenses of \$3.4 million in 2025-26 (2024-25: \$5.7 million).

Building ROU Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, and 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 however, are 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.

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

As at 30 June 2026, there were no contractual commitments for the acquisition of property, plant and equipment, and intangible assets (2024-25: \$44.9 million).

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

E3: Payables

	2026	2025
	\$'000	\$'000
E3.1: Other payables		
Separations and redundancies	10,559	3,037
Wages and salaries	8,431	7,313
Unearned revenue from contracts with customers	589	479
Superannuation	1,320	1,111
Other employee benefits	328	297
Total other payables	21,227	12,237

E4: Interest Bearing Liabilities

E4.1: Leases

Lease liabilities	1,404	1,464
Total leases	1,404	1,464

There is \$1.3 million in cash outflows for leases for the year ended 30 June 2026 (2024-25: \$1.3 million).

Maturity analysis - contractual undiscounted cash flows

Within 1 year	834	988
Between 1 to 5 years	627	525
Total leases	1,461	1,513

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 ROU asset or profit and loss depending on the nature of the reassessment or modification. Refer to note E2.1.

The department in its capacity as lessee has no lease arrangements with below market terms.

There are no leases with terms greater than 5 years.

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

F. Assets and Liabilities Administered on Behalf of the Government

F1: Administered – Financial Assets

	2026	2025
	\$'000	\$'000
<u>F1.1: Cash and cash equivalents</u>		
Cash held in the OPA - special accounts	1,383,612	3,009,588
Total cash	1,383,612	3,009,588

Cash is recognised at its nominal amount. Cash includes cash in special accounts. Note G2.1 refers.

F1.2: Trade and other receivables

Goods and services receivable		
Goods and services receivable	19,677	20,329
Total goods and services receivable	19,677	20,329
Advances and loans		
HELP - students	41,140,525	51,319,356
HELP - providers	96,786	129,350
Total advances and loans	41,237,311	51,448,706
Other receivables		
HESP receivable	204,600	222,100
Personal benefits receivable	544,559	507,673
GST receivable	16,611	17,492
Total other receivables	765,770	747,265
Total receivables (gross)	42,022,758	52,216,300
Less impairment allowance		
Goods and services receivable	(8,642)	(16,339)
HELP - providers	(13,779)	(19,322)
Personal benefits receivable	(196,319)	(187,227)
Total impairment allowance	(218,740)	(222,888)
Total receivables (net)	41,804,018	51,993,412

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 the Administered Schedule of Comprehensive Income.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2026	2025
<u>Concessional loans</u>	\$'000	\$'000
HELP - students		
Nominal value	65,173,628	76,217,200
Unexpired discount	(7,366,516)	(7,042,706)
Impairment	(16,666,587)	(17,855,138)
Carrying amount	41,140,525	51,319,356
HELP - providers		
Nominal value	104,608	139,288
Unexpired discount	(7,821)	(9,938)
Impairment	(13,779)	(19,322)
Carrying amount	83,008	110,028
Total concessional loans	41,223,533	51,429,384

For further information on the fair value of HELP – students loans, refer to note 14.

In 2021-22 concessional loans were made to Higher Education providers (HELP – providers) due to the impact of COVID-19. Providers received 8-year interest-free loans with the first instalments due in 2021-22 and the final instalments due in 2028-29.

F1.3: Investments

Australian National University	4,334,564	4,023,484
Australian Institute for Teaching and School Leadership	17,098	16,668
Australian Curriculum, Assessment and Reporting Authority	6,397	7,194
Total investments	4,358,059	4,047,346

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 2026. 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. The current year movement is a \$310.7 million increase (2024-25: \$203.3 million increase).

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

F2: Administered – Non-Financial Assets

F2.1: Reconciliation of the opening and closing balances of buildings

	Buildings (ROU) \$'000	Total \$'000
As at 1 July 2025		
Gross book value	1,057	1,057
Accumulated depreciation and impairment	(484)	(484)
Net value 1 July 2025	573	573
Depreciation on right-of-use assets	(77)	(77)
Net book value 30 June 2026	496	496
Net book value as of 30 June 2026 represented by		
Gross book value	1,057	1,057
Accumulated depreciation and impairment	(561)	(561)
Net book value 30 June 2026	496	496
Carrying amount of right-of-use assets	496	496

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

F3: Provisions

	HESP 2026	Personal benefits 2026
	\$'000	\$'000
Opening balance as at 1 July	4,669,600	806,478
Amounts used	(401,768)	(318)
Increase (decrease) recognised in net cost of services	28,568	11,190
Total as at 30 June	4,296,400	817,350

HESP

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. The level of supplementary funding is demand driven with assessment of claims from institutions occurring annually.

As at 30 June 2026, the AGA estimated the Commonwealth's liability under HESP as the present value of the Commonwealth's future obligation in respect of current and former university employees who are members of state superannuation schemes. The timing of the cash flows that represent the future obligation are impacted by rates of retirement, death, mortality improvements, invalidity, resignation, and take-up rates of pensions. The rate used to discount future benefits is determined by matching the weighted duration of the liabilities with the corresponding duration on a zero-coupon yield curve based on government bond rates. Based on a calculated average liability duration of 7.9 years, a discount rate of 4.7% was applied (2024-25: 4.0%).

A portion of the funding is recovered from the relevant states under cost-sharing arrangements. 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.

Personal benefits

Prior to any Child Care Subsidy payment being made, a withholding percentage (the default is 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 2026.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

G. Funding
G1: Appropriations

G1.1: Annual appropriations

Annual Appropriations for 2026

	Annual Appropriation	Adjustments to appropriation - s75 transfers	Adjustments to appropriation - s74 receipts	Total appropriation	Appropriation applied in 2026 (current and prior years)	Variance ¹
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental						
Ordinary annual services	412,893	-	15,822	428,715	(418,859)	9,856
Capital Budget ²	23,437	-	-	23,437	(15,770)	7,667
Other services						
Equity Injections	32,186	-	-	32,186	(31,983)	203
Total departmental	468,516	-	15,822	484,338	(466,612)	17,726

Administered						
Ordinary annual services						
Administered items	1,518,643	-	2,273	1,520,916	(1,097,961)	422,955
Other services						
States, ACT, NT and Local government	135,725	-	-	135,725	(145,350)	(9,625)
Total administered	1,654,368	-	2,273	1,656,641	(1,243,311)	413,330

¹ The variance in departmental is made up of the movement in cash, GST receivable and appropriation receivable. There are no current-year departmental appropriations withheld under section 51 of the PGPA Act, however there is \$11.431 million for an administrative quarantine for the Department of Education Capital Contribution to the Department of Employment and Workplace Relations. 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. Administered Section 51 quarantines are in place for current year annual operating appropriations of \$96.970 million. Section 74 receipts include GST refunds from the Australian Taxation Office of \$4.791 million for departmental 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 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Annual Appropriations for 2025

	Annual Appropriation	Adjustments to appropriation - s75 transfers	Adjustments to appropriation - s74 receipts	Total appropriation	Appropriation applied in 2025 (current and prior years) ¹	Variance ²
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental						
Ordinary annual services	396,501	-	21,898	418,399	(404,526)	13,873
Capital Budget ³	32,250	-	-	32,250	(12,646)	19,604
Other services						
Equity injections	37,346	-	-	37,346	(43,171)	(5,825)
Total departmental	466,097	-	21,898	487,995	(460,343)	27,652

Administered						
Ordinary annual services						
Administered items	4,248,591	-	1,361	4,249,952	(4,120,845)	129,107
Other services						
States, ACT, NT and Local government	133,572	-	57	133,629	(130,827)	2,802
Total administered	4,382,163	-	1,418	4,383,581	(4,251,672)	131,909

¹ Departmental appropriation applied in 2025 includes \$14,928 million reassigned to Equity Injection from Capital Budget and \$0.103 million reassigned from Ordinary annual services to Equity Injection (\$0.040 million) and Capital Budget (\$0.063 million).

² The variance in departmental is made up of the movement in cash, GST receivable and appropriation receivable. Departmental Section 51 quarantines are in place for current year DCB operating appropriations of \$18,418 million. 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. Administered Section 51 quarantines are in place for current year annual operating appropriations of \$28,139 million. Section 74 receipts include GST refunds from the Australian Taxation Office of \$5,236 million for departmental appropriations.

³ 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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2026 \$'000	2025 \$'000
G1.2: Departmental - Unspent annual appropriations		
<i>Appropriation Act (No. 1) 2022-23 - Operating¹</i>	-	396
<i>Appropriation Act (No. 1) 2022-23 - Departmental Capital Budget¹</i>	-	362
<i>Appropriation Act (No. 1) 2023-24 - Operating^{2,3}</i>	1,275	1,275
<i>Appropriation Act (No. 1) 2023-24 - Departmental Capital Budget^{2,4,9,10}</i>	8,130	15,755
<i>Appropriation Act (No. 2) 2023-24 - Equity Injection^{2,5}</i>	2,662	2,662
<i>Appropriation Act (No. 1) 2024-25 - Operating¹⁰</i>	-	161,997
<i>Appropriation Act (No. 1) 2024-25 - Departmental Capital Budget^{6,9}</i>	24,588	31,198
<i>Appropriation Act (No. 2) 2024-25 - Equity Injection^{9,10}</i>	-	12,117
<i>Appropriation Act (No. 3) 2024-25 - Operating</i>	-	8,900
<i>Appropriation Act (No. 3) 2024-25 - Departmental Capital Budget⁹</i>	1,053	2,588
<i>Appropriation Act (No. 4) 2024-25 - Equity Injection</i>	-	3,785
<i>Appropriation Act (No. 1) 2025-26 - Operating</i>	152,883	-
<i>Appropriation Act (No. 1) 2025-26 - Departmental Capital Budget⁷</i>	12,862	-
<i>Appropriation Act (No. 2) 2025-26 - Equity Injection</i>	2,693	-
<i>Supply Act (No. 1) 2025-26 - Operating</i>	1,294	-
<i>Supply Act (No. 1) 2025-26 - Departmental Capital Budget⁸</i>	9,189	-
<i>Supply Act (No. 2) 2025-26 - Equity Injection</i>	13,412	-
<i>Appropriation Act (No. 3) 2025-26 - Operating</i>	23,996	-
<i>Appropriation Act (No. 3) 2025-26 - Departmental Capital Budget</i>	1,386	-
<i>Appropriation Act (No. 5) 2025-26 - Operating</i>	534	-
<i>Cash at bank</i>	2,828	498
Total unspent annual appropriations	258,785	241,533

¹ This appropriation lapsed on 1 July 2025.

² This appropriation will lapse on 1 July 2026.

³ This appropriation includes \$1.275 million in quarantine, but legally available at 30 June 2026.

⁴ This appropriation includes \$8.130 million in quarantine, but legally available at 30 June 2026.

⁵ This appropriation includes \$2.662 million in quarantine, but legally available at 30 June 2026.

⁶ This appropriation includes \$18.418 million in quarantine, but legally available at 30 June 2026.

⁷ This appropriation includes \$4.159 million in administrative quarantine, but legally available at 30 June 2026.

⁸ This appropriation includes \$7.272 million in administrative quarantine, but legally available at 30 June 2026.

⁹ 2025 includes \$14.928 million reassigned from *Appropriation Act (No. 2) 2024-25 - Equity Injection* to *Appropriation Act (No. 1) 2023-24 - Capital Budget* (\$7.625 million), *Appropriation Act (No. 1) 2024-25 Capital Budget* (\$5.705 million), and *Appropriation Act (No. 3) 2024-25 - Capital Budget* (\$1.535 million).

¹⁰ 2025 includes \$0.103 million reassigned to *Appropriation Act (No.1) 2024-25 Operating* from *Appropriation Act (No.1) 2023-24 - Departmental Capital Budget* (\$0.063 million) and *Appropriation Act (No.2) 2024-25 - Equity Injection* (\$0.040 million).

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2026 \$'000	2025 \$'000
<u>G1.3: Administered - Unspent annual appropriations</u>		
<i>Appropriation Act (No. 1) 2022-23¹</i>	-	139,558
<i>Supply Act (No. 3) 2022-23¹</i>	-	26,844
<i>Appropriation Act (No. 2) 2022-23¹</i>	-	194,229
<i>Supply Act (No. 2) 2022-23¹</i>	-	2,612
<i>Supply Act (No. 4) 2022-23¹</i>	-	7,248
<i>Appropriation Act (No. 1) 2023-24^{2,3}</i>	108,347	100,648
<i>Appropriation Act (No. 2) 2023-24^{2,4}</i>	20,534	30,159
<i>Appropriation Act (No. 3) 2023-24^{2,5}</i>	106,221	106,730
<i>Appropriation Act (No. 1) 2024-25⁶</i>	127,956	106,211
<i>Appropriation Act (No. 2) 2024-25</i>	57	57
<i>Appropriation Act (No. 3) 2024-25⁷</i>	22,348	22,373
<i>Appropriation Act (No. 4) 2024-25</i>	2,688	2,688
<i>Appropriation Act (No. 1) 2025-26⁸</i>	188,416	-
<i>Supply Act (No. 1) 2025-26</i>	1,855	-
<i>Appropriation Act (No. 3) 2025-26</i>	201,491	-
Total unspent annual appropriations	779,913	739,357

¹ This appropriation lapsed on 1 July 2025

² This appropriation will lapse on 1 July 2026

³ This appropriation includes \$50.602 million in quarantine, but legally available at 30 June 2026.

⁴ This appropriation includes \$20.534 million in quarantine, but legally available at 30 June 2026.

⁵ This appropriation includes \$33.029 million in quarantine, but legally available at 30 June 2026.

⁶ This appropriation includes \$48.830 million in quarantine, but legally available at 30 June 2026.

⁷ This appropriation includes \$17.393 million in quarantine, but legally available at 30 June 2026.

⁸ This appropriation includes \$96.970 million in quarantine, but legally available at 30 June 2026.

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

Authority	Appropriation applied ¹	
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	15,559,050	15,574,817
<i>Australian Education Act 2013</i>	34,782,629	32,864,767
<i>Higher Education Support Act 2003, section 238-12</i>	20,675,743	19,376,107
<i>Public Governance, Performance and Accountability Act 2013, section 77</i>	40	995
Total special appropriations applied	71,017,462	67,816,686

¹ Special appropriations not used during 2025-26 and 2024-25:

Schools Assistance Act 2008, s.167; and

Schools Assistance (Learning Together – Achievement Through Choice and Opportunity) Act 2004, s133.

Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

G2: Special Accounts – Administered
G2.1: Administered - Special Accounts (Recoverable GST exclusive)

	Services for Other Entities and Trust Moneys ¹		Early Years Quality Fund Special Account ²		Overseas Students Tuition Fund ³	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Balance as at 1 July (represented by cash held in the OPA)	2,663	2,857	42,135	42,135	50,457	47,813
Increases						
Receipts	1,708	7,518	-	-	6,629	7,421
Total increases	1,708	7,518	-	-	6,629	7,421
Available for payments	4,371	10,375	42,135	42,135	57,086	55,234
Decreases						
Payments made	(2,304)	(7,712)	-	-	(3,939)	(4,777)
Returned to the OPA	-	-	(42,135)	-	-	-
Total decreases	(2,304)	(7,712)	(42,135)	-	(3,939)	(4,777)
Balance as at 30 June (represented by cash held in the OPA)	2,067	2,663	-	42,135	53,147	50,457

	Higher Education Tuition Protection Fund ⁴		Wage Justice for Early Childhood Education and Care Workers Special Account ⁵	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Balance as at 1 July (represented by cash held in the OPA)	18,551	14,785	2,895,782	-
Increases				
Receipts	3,862	3,946	162	2,895,782
Total increases	3,862	3,946	162	2,895,782
Available for payments	22,413	18,731	2,895,944	2,895,782
Decreases				
Payments made	(266)	(180)	(1,589,693)	-
Total decreases	(266)	(180)	(1,589,693)	-
Balance as at 30 June (represented by cash held in the OPA)	22,147	18,551	1,306,251	2,895,782

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Special Account	Establishing Instrument	Purpose
¹ Services for Other Entities and Trust Moneys Special Account	<i>PGPA Act 2013</i> section 78 <i>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 Early Years Quality Fund Special Account	<i>PGPA Act 2013</i> section 80 <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. This account was repealed on 5 December 2025 by schedule 4 (item 11) of the <i>Regulatory Reform Omnibus Act 2025</i> .
³ Overseas Students Tuition Fund	<i>PGPA Act 2013</i> section 80 <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.
⁴ Higher Education Tuition Protection Fund	<i>PGPA Act 2013</i> section 80 <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.
⁵ Wage Justice for Early Childhood Education and Care Workers Special Account	<i>PGPA Act 2013</i> section 80 <i>Wage justice for early childhood education and care workers (Special account) Act 2024 (no. 140 2024)</i>	The purpose of the account is to make grants to support remuneration increases for workers in the early childhood education and care sector in order to facilitate access to quality early childhood education and care.

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Department of Education
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

G3: Regulatory charging

	2026 \$'000	2025 \$'000
G3.1: Regulatory charging summary		
Amounts applied		
Annual appropriation	5,140	6,380
Total amounts applied	5,140	6,380
Expenses		
Employee benefits	4,076	4,846
Supplier	1,064	1,534
Total expenses	5,140	6,380

G3.2: Administered - regulatory charging summary

Expenses		
Suppliers	-	-
Total expenses	-	-
External revenue		
Cost recovery	5,294	5,381
Total external revenue	5,294	5,381
Write-down and impairment	3	-

The department undertakes regulatory charging activities relating to:

- the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS); and
- HELP.

Further information on above activities is available at:

- CRICOS: www.internationaleducation.gov.au
- HELP: www.studyassist.gov.au

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

H. People and Relationships

H1: Employee Provisions

	2026 \$'000	2025 \$'000
H1.1: Employee provisions		
Annual and long service leave provisions	79,671	74,134
Total employee provisions	79,671	74,134

As required by AASB 119 *Employee Benefits*, the estimate of future cash outflows considers estimated attrition, probability factors, future salary rates and ancillary costs. In 2025-26, the AGA undertook an assessment of leave provisions considering the likely tenure of existing staff, patterns of leave claims and payouts, future salary movements and discount rates. The AGA confirmed their assessment on 1 July 2026.

Liabilities for short-term employee benefits expected to be paid within 12 months of the end of reporting period are measured at the two-year Commonwealth Government bond rate of 4.41 per cent (2024-25: 3.21 per cent). Liabilities for long term employee benefits are discounted using the 10-year Commonwealth Government bond rate of 4.73 per cent (2024-25: 4.16 per cent).

Provision is made for separation and redundancy benefit payments. The department 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 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 2026 represents outstanding contributions owed by the department to the superannuation schemes.

H2: Key Management Personnel Remuneration (KMP)

H2.1: KMP remuneration for the department for the period 1 July 2025 to 30 June 2026

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 (excluding for the Portfolio Ministers) 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.

Short-term employee benefits ¹	3,713	2,845
Post-employment benefits	478	307
Other long-term employee benefits	89	70
Total key management personnel remuneration expenses	4,280	3,222

¹ Includes allowances and reportable fringe benefits.

The above table includes the remuneration for eight officers (five for the full period) occupying KMP positions for the department during the year (2024-25: five officers (five for the full 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**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, 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:

During 2025-26 and 2024-25, the department did not make any related party purchases.

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

I. Managing Uncertainties

I1: Contingent Assets and Liabilities

I1.1: 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 2026, there are no departmental quantifiable contingent assets and there are two quantifiable liabilities amounting to \$0.4 million, in respect of claims against the department (2024-25: \$0.4 million).

Unquantifiable contingencies

As at 30 June 2026, there are no departmental unquantifiable contingent assets or liabilities (2024-25: nil).

I1.2: 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 2026, there are no administered quantifiable contingent assets (2024-25: \$0.4 million).

As at 30 June 2026, there are two administered quantifiable contingent liability amounting to \$1.9 million (2024-25: \$0.1 million), in respect of potential Child Care Subsidy funding owed to Childcare providers.

Unquantifiable contingencies

As at 30 June 2026, there are two administered unquantifiable contingent assets in respect to the Child Care Subsidy program (2024-25: two)

As at 30 June 2026, there are four unquantifiable contingent liabilities; three in respect of the Child Care Subsidy program and one in respect to Worker Retention Payment (2024-25: five).

Child Care Subsidy:

Child Care Subsidy program 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 recipient's income tax return, which occurs after 30 June each year. The estimate of all reconciliation payable and debt outcomes that have not yet been established due to the income tax returns not yet lodged by the first deadline are treated as unquantifiable contingencies as at 30 June 2026.

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

I2: Financial Instruments

Financial assets

The department classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- 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).

I2.1: Categories of Financial instruments	2026 \$'000	2025 \$'000
Financial assets at amortised cost		
Cash and cash equivalents	2,828	498
Goods and services receivable	2,373	2,636
Total financial assets at amortised cost	5,201	3,134
Total financial assets	5,201	3,134
Financial liabilities measured at amortised cost		
Supplier payables	35,828	43,292
Total financial liabilities measured at amortised cost	35,828	43,292
Total financial liabilities	35,828	43,292

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.

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

I2.2: Net Gains or Losses on Financial Assets

Financial assets at amortised cost		
Impairment of receivables - goods and services	(33)	311
Net gains/(losses) on financial assets at amortised cost	(33)	311
Net gains/(losses) on financial assets	(33)	311

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2026 \$'000	2025 \$'000
<u>I2.3: Categories of financial instruments</u>		
FINANCIAL ASSETS		
Financial assets at amortised cost		
Cash	1,383,612	3,009,588
Goods and services receivable	11,035	3,990
HELP - providers	83,008	110,028
Total financial assets at amortised cost	1,477,655	3,123,606
Financial assets at fair value through other comprehensive income		
Investments	4,358,059	4,047,346
Total financial assets at fair value through other comprehensive income	4,358,059	4,047,346
Financial assets at fair value through profit or loss (designated)		
Concessional loans		
HELP	41,140,525	51,319,356
Total financial assets at fair value through profit or loss (designated)	41,140,525	51,319,356
Total financial assets	46,976,239	58,490,308
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Supplier payables	51,025	37,894
Grants payable	2,854	70,549
Total financial liabilities measured at amortised cost	53,879	108,443
Total financial liabilities	53,879	108,443
<u>I2.4: Net gains or losses on financial assets</u>		
Financial assets at amortised cost		
Interest revenue / expense	2,132	8,636
Write-down and impairment / reversal	14,489	3,690
Net gains/(losses) on financial assets at amortised cost	16,621	12,326
Investments in equity instruments at fair value through other comprehensive income (designated)		
Gains/(losses) recognised in equity	310,713	203,289
Net gains/(losses) on investments in equity instruments at fair value through other comprehensive income (designated)	310,713	203,289
Financial assets at fair value through profit or loss		
Interest revenue	1,631,728	2,046,215
Loan fee revenue	91,376	85,932
Concessional loan discount	(1,010,912)	(1,075,457)
Fair value (losses)	(13,981,857)	(669,412)
Fair value gains	-	-
Net gains/(losses) at fair value through profit or loss	(13,269,665)	387,278
Net gains/(losses) on financial assets	(12,942,331)	602,893
The financial assets measured at amortised cost are impaired according to AASB 9 <i>Financial Instruments</i> , wherein the lifetime expected credit losses are measured using the simplified approach.		

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2026 \$'000	2025 \$'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	(1,139,319)	(925,041)
Prior periods	(12,368,883)	(15,114,703)
Cumulative change	(13,508,202)	(16,039,744)

12.6: Credit risk

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.

12.7: Liquidity risk

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.

12.8: Market risk

The value of concessional loans held at fair value, such as HELP, 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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

I3: Fair Value

I3.1: Fair value measurement of level 3 financial instruments

Fair value measurement as at 30 June

	2026	2025			
	\$'000	\$'000	Level ¹	Valuation technique ²	Inputs used
Financial assets					
Concessional loans					
HELP	41,140,525	51,319,356	3	Loan conditions	Principal due
Investments	4,358,059	4,047,346	3	Net assets of the entity	Net assets of the entity
Total¹	45,498,584	55,366,702			

The book value of these assets equals the fair value.

¹ There has been no transfer between levels during the period.

² The methods and valuation techniques used for the purpose of measuring fair value of assets in 2026 are unchanged from the previous reporting period.

I3.2: Movement in level 3 fair value measurement

Financial assets

	Concessional loans		Investments	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
As at 1 July	51,319,356	49,074,473	4,047,346	3,844,057
Total gains/(losses) recognised in net cost of services	(13,269,665)	387,277	-	-
Total gains/(losses) recognised in comprehensive income	-	-	310,713	203,289
Issues	8,398,734	7,904,293	-	-
Settlements	(5,307,901)	(6,046,687)	-	-
As at 30 June	41,140,525	51,319,356	4,358,059	4,047,346

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

I4: HELP Loans fair value reconciliation

	Notes	2026 \$'000	2025 \$'000
Fair value of HELP Loans as at 1 July		51,319,356	49,074,473
Movements during the financial year:			
Loans issued		8,398,734	7,904,293
Loans repaid		(5,307,901)	(6,046,687)
Gains/(losses) on fair value	(D1.6)/I2.4	(13,981,857)	(669,412)
Fee revenue	I2.4	91,376	85,932
Interest	I2.4	1,631,728	2,046,214
Finance costs - concessional loan discount	I2.4	(1,010,912)	(1,075,457)
Total movement		(10,178,832)	2,244,883
Fair value of HELP Loans as at 30 June	F1.2	41,140,525	51,319,356

Summary of Higher Education Loan Program (HELP) Financial Information

HELP is a complex and significant program that is represented throughout the financial statements and a significant driver to a number of other disclosures. The above table provides a summary of financial information relating to the program disclosed in the Administered Cash Flow Statement and notes D2.4, F1.2 and I2.4.

The HELP net actuarial assessment resulted in a fair value loss in 2025-26 of \$14.0 billion (2024-25: \$0.7 billion fair value loss).

The Higher Education Loan Program (HELP - students) 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.

The Australian Taxation Office (ATO) collects repayment of these debts through the taxation system.

The Australian Government Actuary (AGA) 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-valued for each reporting period in light of historical experience, new loans issued and changes to reasonable expectations of future events. As part of their continuous improvement, the AGA refines its methodology for calculating the HELP receivables balance.

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; and the discounting of future cash flows to a present value. This discounting is based on a yield curve derived from Commonwealth securities on issue as at 30 June 2026. The outcome of discounting based on the 30 June 2026 yield curve is equivalent to the use of a single valuation discount rate of 4.95% (2024-25: 4.34%).

As at 30 June 2026, the AGA estimated the fair value of HELP loans to be \$41.1 billion, using a discount rate of 4.95% (2024-25: 4.34%). The decrease in the estimated fair value of HELP mainly reflected several factors, including finance costs of \$1.0 billion and a fair value loss of \$14.0 billion. The loss in fair value was primarily driven by the impact of new policy measures, comprising the 20% loan reduction (\$9.6 billion) and the implementation of marginal repayment arrangements (\$2.5 billion), and movements in the yield curve (\$1.8 billion). Factors contributing to the offsetting increase include the unwinding of the concessional loan discount (\$1.6 billion) and the net movement in new loans, loan fees and repayments made in 2025-26 (\$3.2 billion).

Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

J. Other Information

J1: Current/Non-current Distinction for Assets and Liabilities

	2026	2025
J1.1: Current/non-current distinction for assets and liabilities	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	2,828	498
Trade receivables	228,299	213,162
Prepayments	839	1,578
Total no more than 12 months	231,966	215,238
More than 12 months		
Buildings (ROU)	1,370	1,430
Infrastructure, plant and equipment	4	5
Computer software	122,480	95,107
Prepayments	284	43
Total more than 12 months	124,138	96,585
Total assets	356,104	311,823
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	35,828	43,292
Other payables	21,227	12,237
Leases	800	939
Employee provisions	22,442	23,325
Total no more than 12 months	80,297	79,793
More than 12 months		
Leases	604	525
Employee provisions	57,229	50,809
Total more than 12 months	57,833	51,334
Total liabilities	138,130	131,127

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Department of Education

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

J1.2: Administered - Current/non-current distinction for assets and liabilities

	2026	2025
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash	1,383,612	3,009,588
Receivables	5,328,972	5,915,290
Prepayments (all current assets)	1,708	-
Total no more than 12 months	6,714,292	8,924,878
More than 12 months		
Receivables	36,475,046	46,078,122
Investments	4,358,059	4,047,346
Buildings	496	573
Total more than 12 months	40,833,601	50,126,041
Total assets	47,547,893	59,050,919
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	51,025	37,894
Subsidies	201,885	154,822
Grants	2,854	70,549
Personal benefits	294,103	255,597
GST payable	-	733
Leases - buildings	67	75
Provision for HESP	357,833	400,749
Total no more than 12 months	907,767	920,419
More than 12 months		
Leases - buildings	503	571
Provision for Personal Benefits	817,350	806,478
Provision for HESP	3,938,567	4,268,851
Total more than 12 months	4,756,420	5,075,900
Total liabilities	5,664,187	5,996,319

05

Appendices

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Appendix A: Agency resource statement

Table A.1: Agency Resource Statement, 2025–26

	Actual available appropriations for 2025–26 \$'000	Payments made 2025–26 \$'000	Balance remaining \$'000
Ordinary annual services			
Departmental appropriation			
Annual appropriations – ordinary annual services ^{1 2}	674,647	434,629	240,018
Annual appropriations – other services – non-operating ³	50,750	31,983	18,767
Total	725,397	466,612	258,785
Administered expenses			
Outcome 1 ⁴	1,000,967	608,363	
Outcome 2 ⁴	734,967	489,597	
Total	1,735,934	1,097,961	
Total ordinary annual services	2,461,331	1,564,573	
Other services			
Administered expenses			
Specific payments to States, ACT, NT and local government ⁵			
Outcome 1	150,707	145,350	
Total	150,707	145,350	
Total other services	150,707	145,350	
Total available annual appropriations	2,612,038	1,709,923	
Special appropriations			
Special appropriations limited by criteria/entitlement			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>		15,559,050	

	Actual available appropriations for 2025–26 \$'000	Payments made 2025–26 \$'000	Balance remaining \$'000
<i>Australian Education Act 2013</i>		34,782,629	
<i>Higher Education Support Act 2003</i>		20,675,743	
<i>Public Governance, Performance and Accountability Act 2013, section 77</i>		40	
Total special appropriations		71,017,462	
Special accounts			
Opening balance	3,009,588		
Appropriation receipts	227		
Non-appropriation receipts to special accounts	12,135		
Payments made		1,596,203	
Returned to the OPA		42,135	
Closing Balance			1,383,612
Total special accounts	3,021,950	1,638,338	
Less appropriations drawn from annual or special appropriations above and credited to special accounts	227	227	
Less payments to corporate entities through annual appropriations	21,604	21,604	
Total net resourcing and payments for Education	5,612,157	74,343,892	

¹ *Appropriation Act (No. 1) 2025–26, Appropriation Act (No. 3) 2025–26 and Appropriation Act (No. 5) 2025–26.* This also includes prior-year departmental appropriation and section 74 external revenue.

² Departmental capital budgets are not separately identified in Appropriation Bill (Nos. 1, 3 and 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) 2025–26, and Appropriation Act (No. 4) 2025–26.* This also includes prior-year available appropriations.

⁴ *Appropriation Act (No. 1) 2025–26 and Appropriation Act (No. 3) 2025–26.* This also includes prior-year available appropriations not subject to quarantine.

⁵ *Appropriation Act (No. 2) 2025–26 and Appropriation Act (No. 4) 2025–26.* This also includes prior-year available appropriations not subject to quarantine.

Table A.2: Expenses for Outcome 1, 2025–26

Outcome 1	Budget¹ 2025–26	Actual expenses 2025–26	Variation 2025–26
	\$'000	\$'000	\$'000
	A	B	A-B
Administered expenses			
Program 1.1: Support for the Child Care System			
Ordinary Annual Services (Appropriation Bill No. 1 and No.3)			
Child Care Services Support	498,116	392,200	105,916
Special Appropriations			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	4,000	2,797	1,203
Special Accounts			
<i>Wage Justice for Early Childhood Education and Care Workers (Special Account) Act 2024</i>	1,816,071	1,636,591	179,480
Total for Program 1.1	2,318,187	2,031,588	286,599
Program 1.2: Child Care Subsidy			
Special Appropriations			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	15,617,923	15,277,233	340,690
Total for Program 1.2	15,617,923	15,277,233	340,690
Program 1.3: Government Schools National Support			
Other Services (Appropriation Bill No. 2)			
Additional Support for Northern Territory	4,745	4,745	-
Special Appropriations			
<i>Australian Education Act 2013</i>	12,435,515	12,429,635	5,880
Total for Program 1.3	12,440,260	12,434,380	5,880

Outcome 1	Budget ¹ 2025–26	Actual expenses 2025–26	Variation 2025–26
	\$'000	\$'000	\$'000
	A	B	A-B
Program 1.4: Non-Government Schools National Support			
Other Services (Appropriation Bill No. 2 and No.4)			
Choice and Affordability Fund	124,580	124,580	-
Special Appropriations			
<i>Australian Education Act 2013</i>	20,443,884	20,328,073	115,811
Total for Program 1.4	20,568,464	20,452,653	115,811
Program 1.5: Early Learning and Schools Support			
Ordinary Annual Services (Appropriation Bill No. 1 and No.3)			
Early Learning Support			
Australian Early Development Census	6,657	6,657	-
Preschools Data Framework	10,478	10,279	199
SNAICC – National Voice for Our Children	5,081	5,081	-
Total Early Learning Support	22,216	22,017	199
Schools Support			
Australian Education Research Organisation	10,000	10,000	-
First Nations Education	60,519	60,404	115
First Nations Languages in Schools	5,517	5,243	274
Grants and Awards	1,566	1,317	249
Government Response to the Antisemitic Bondi Terrorist Attack	3,240	3,240	-
Helping Children with Autism	6,829	6,560	269
Life Education – Being Healthy, Being Active	1,700	1,700	-

Outcome 1	Budget ¹ 2025–26	Actual expenses 2025–26	Variation 2025–26
	\$'000 A	\$'000 B	\$'000 A-B
National Assessment Reforms	8,158	8,157	1
National Schools Reform	4,250	14,927	(10,677)
National School Resourcing Board	1,581	980	601
National Teacher Workforce Action Plan	48,286	45,334	2,952
Quality Outcomes	41,664	41,035	629
School Education Support	5,855	2,842	3,013
Student Engagement and Wellbeing	4,037	3,867	170
Student Support Package	1,600	1,600	-
Supporting Australia's Teacher Workforce	3,014	2,839	175
Supporting Quality Boarding for Rural and Remote Students	1,700	1,326	374
Tackling Bullying and Harmful Behaviours in Schools	4,600	4,464	136
Teacher Resource Hubs	6,157	6,157	-
Youth Support	1,146	992	154
Other Services (Appropriation Bill No.2 and No.4)			
First Nations Education	1,000	1,000	-
Literacy Support for Tasmanian Students	2,000	2,000	-
Supporting the Construction of the First Hindu School in Australia	3,400	3,400	-
Special Accounts			
Services for Other Entities and Trust Moneys	-	287	(287)
Total Schools Support	227,819	229,846	(2,027)
Total for Program 1.5	250,035	251,688	(1,653)

Outcome 1	Budget ¹ 2025–26	Actual expenses 2025–26	Variation 2025–26
	\$'000	\$'000	\$'000
	A	B	A-B
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Act Nos. 1, 3 and 5)	741,751	637,201	104,550
Other services (Appropriation Act Nos. 2 and 4)	135,725	135,725	-
Special Appropriations	48,501,322	48,037,738	463,584
Special Accounts	1,816,071	1,636,878	179,193
Departmental expenses			
Departmental appropriations	270,625	263,709	6,916
S74 External Revenue ²	288	2,607	(2,319)
Expenses not requiring appropriation in current year ³	8,815	14,524	(5,709)
Total for Outcome 1	51,474,597	50,728,382	746,215
Average staffing level (number)	1,114	1,106	8

¹ Full-year budget, including any subsequent adjustment made to the 2025–26 budget.

² Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

³ Expenses not requiring appropriation in the budget year are made up of depreciation expenses, amortisation expenses, write down and impairment of non-financial assets and resources received free of charge.

Table A.3: Expenses for Outcome 2, 2025–26

Outcome 2	Budget¹ 2025–26	Actual expenses 2025–26	Variation 2025–26
	\$'000	\$'000	\$'000
	A	B	A-B
Administered expenses			
Program 2.1: Core Commonwealth Funding for Teaching and Learning in Higher Education			
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Commonwealth Grant Scheme	7,720,322	7,686,765	33,557
Needs-based Funding	272,189	272,188	1
Total for Program 2.1	7,992,511	7,958,953	33,558
Program 2.2: Higher Education Superannuation Program			
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Higher Education Superannuation Program	177,750	171,858	5,892
Total for Program 2.2	177,750	171,858	5,892
Program 2.3: Higher Education Support			
Ordinary Annual Services (Appropriation Bill No. 1)			
Quality Indicators for Learning and Teaching	8,308	5,887	2,421
Tertiary Access Payment	29,699	21,378	8,321
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Commonwealth Prac Payment	151,757	147,504	4,253
Disability Support Program	54,158	53,495	663
Higher Education and Offshore Microcredentials	12,454	12,224	230

Outcome 2	Budget ¹ 2025–26 \$'000 A	Actual expenses 2025–26 \$'000 B	Variation 2025–26 \$'000 A-B
Higher Education Continuity Guarantee	298,229	298,229	-
Higher Education Continuity Guarantee – Equity	217,973	217,972	1
Indigenous, Regional and Low SES Attainment Fund	134,844	120,201	14,643
Indigenous Student Success Program	85,773	85,772	1
Monash Initiative for Rapid Research into Antisemitism	750	750	-
National Institutes	276,155	276,151	4
National Priorities and Industry Linkage Fund	135,597	131,256	4,341
Outreach Fund	21,868	21,868	-
Regional University Study Hubs	29,460	22,347	7,113
Strong Beginnings Fund	780	678	102
Suburban University Study Hubs	13,500	11,937	1,563
Women in STEM	5,761	1,783	3,978
Total for Program 2.3	1,477,066	1,429,432	47,634
Program 2.4: Higher Education Loan Program			
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Higher Education Loan Program	15,757,711	14,992,770	764,941
Special Account			
Higher Education Tuition Protection Fund	2,775	264	2,511
Total for Program 2.4	15,760,486	14,993,034	767,452

Outcome 2	Budget¹ 2025–26	Actual expenses 2025–26	Variation 2025–26
	\$'000	\$'000	\$'000
	A	B	A-B
Program 2.5 Investment in Higher Education Research			
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Research Support Program	1,098,858	1,098,668	190
Research Training Program	1,252,720	1,252,571	149
Total for Program 2.5	2,351,578	2,351,239	339
Program 2.6 Research Capacity			
Ordinary Annual Services (Appropriation Bill No. 1)			
Increase Workforce Mobility (Training programs)	4,567	4,565	2
National Collaborative Research Infrastructure Strategy	464,753	464,752	1
Special Appropriations			
<i>Higher Education Support Act 2003</i>			
Higher Education Research Promotion	6,774	6,773	1
Increase Workforce Mobility	12,186	7,059	5,127
Launch Australia's Economic Accelerator	79,943	72,115	7,828
Trailblazer Universities Program	86,621	86,620	1
Total for Program 2.6	654,844	641,884	12,960
Program 2.7 International Education Support			
Ordinary Annual Services (Appropriation Bill No. 1)			
International Education Support	11,097	8,921	2,176
Special Account			
Overseas Students Tuition Fund	3,454	3,785	(331)
Services for Other Entities and Trust Moneys – Cheung Kong	1,300	1,316	(16)
Total for Program 2.7	15,851	14,022	1,829

Outcome 2	Budget ¹ 2025–26	Actual expenses 2025–26	Variation 2025–26
	\$'000	\$'000	\$'000
	A	B	A-B
Outcome 2 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Act Nos. 1 and 3)	518,424	505,503	12,921
Special Appropriations	27,904,133	27,049,554	854,579
Special Accounts	7,529	5,365	2,164
Departmental expenses			
Departmental appropriations	145,082	149,183	(4,101)
S74 External Revenue ²	3,219	1,404	1,815
Expenses not requiring appropriation in current year ³	10,603	6,488	4,115
Total for Outcome 2	28,588,990	27,717,497	871,493
Average staffing level (number)	587	572	15

¹ Full-year budget, including any subsequent adjustment made to the 2025–26 budget.

² Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

³ Expenses not requiring appropriation in the budget year are made up of depreciation expenses, amortisation expenses, write down and impairment of non-financial assets and resources received free of charge.

Appendix B: Executive remuneration

Table B.1: Remuneration for key management personnel, 2025–26

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration ⁵	Term as KMP ⁶
		Base salary ¹	Bonuses	Other benefits and allowances ²		Long service leave ⁴	Other long-term benefits			
		\$	\$	\$	Superannuation contributions ³	\$	\$	\$	\$	
Tony Cook	Secretary	919,802	-	23,564	38,500	23,880	-	-	1,005,746	Full term
Meg Brighton	Deputy Secretary	451,012	-	18,002	83,387	11,962	-	-	564,363	Full term
Kylie Crane	Deputy Secretary	439,301	-	3,120	79,426	11,526	-	-	533,373	Full term
Jasmina Joldić	Deputy Secretary	361,669	-	57,309	49,468	5,550	-	-	473,996	Part term from 13 October 2025
Marcus Markovic	Deputy Secretary	451,721	-	16,133	85,617	12,294	-	-	565,765	Full term
Benjamin Rimmer	Deputy Secretary	133,497	-	56,347	9,231	2,636	-	-	201,711	Part term until 26 September 2025
Nathan Smyth	Deputy Secretary	464,045	-	3,120	86,927	12,614	-	-	566,706	Part term from 3 July 2025
David Turvey	Acting Chief Executive Officer, ATEC	312,497	-	2,340	45,401	7,981	-	-	367,939	Part term from 9 September 2025

Notes

- 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 and non-monetary benefits such as provision of a car park.
- 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 in the period. It is subject to on-costs and discount factors in line with AASB 119.
- 5 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.
- 6 The full term for KMPs in the Department of Education was 1 July 2025 to 30 June 2026.

Table B.2: Remuneration for senior executives, 2025–26

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration ⁵
		Average base salary ¹ \$	Average bonuses \$	Average other benefits and allowances ² \$		Average long service leave ⁴ \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$0 - \$220,000	23	97,398	-	3,054	16,458	2,499	-	-	119,409
\$220,001 - \$245,000	0	-	-	-	-	-	-	-	-
\$245,001 - \$270,000	5	212,242	-	3,085	33,156	5,434	-	-	253,917
\$270,001 - \$295,000	14	236,334	-	2,442	39,191	6,158	-	-	284,125
\$295,001 - \$320,000	10	256,319	-	5,083	41,480	6,751	-	-	309,633
\$320,001 - \$345,000	6	272,733	-	3,122	47,208	7,278	-	-	330,341
\$345,001 - \$370,000	9	271,965	-	6,607	43,291	7,052	-	27,400	356,315
\$370,001 - \$395,000	5	300,266	-	2,359	49,152	7,916	-	17,901	377,593
\$395,001 - \$420,000	4	331,651	-	7,758	60,898	9,005	-	-	409,311
\$420,001 - \$445,000	6	310,478	-	3,803	52,089	7,412	-	51,951	425,733
\$445,001 - \$470,000	0	-	-	-	-	-	-	-	-
\$470,001 - \$495,000	1	264,483	-	20,287	48,440	6,435	-	134,216	473,861
\$495,001 - \$520,000	0	-	-	-	-	-	-	-	-
\$520,001 - \$545,000	0	-	-	-	-	-	-	-	-
\$545,001 - \$570,000	0	-	-	-	-	-	-	-	-
\$570,001 - \$595,000	1	234,216	-	300,848	43,688	6,274	-	-	585,027
\$595,001 - \$620,000	0	-	-	-	-	-	-	-	-
\$620,001 - \$645,000	2	289,253	-	149,699	50,567	6,723	-	137,132	633,374

Notes

This table includes all substantive SES employed by the department during the period and those employees acting in SES positions for 3 consecutive months or longer.

- 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), superannuation includes superannuation contribution amounts. Defined benefits scheme (for example CSS and PSS), superannuation includes 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.
- 5 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.

Table B.3: Remuneration for other highly paid staff, 2025–26

Total remuneration bands \$	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration ⁵
		Average base salary ¹ \$	Average bonuses \$	Average other benefits and allowances ² \$		Average long service leave ⁴ \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$265,000 - \$270,000	1	132,247	-	261	21,287	3,345	-	112,761	269,901
\$270,001 - \$295,000	9	126,372	-	9,184	23,462	3,486	-	122,848	285,352
\$295,001 - \$320,000	10	137,805	-	1,736	22,395	3,537	-	142,104	307,578
\$320,001 - \$345,000	9	137,078	-	713	27,078	3,433	-	166,659	334,960
\$345,001 - \$370,000	5	151,032	-	491	31,407	3,736	-	171,549	358,216
\$370,001 - \$395,000	4	162,396	-	6,400	27,225	4,173	-	176,457	376,651
\$395,001 - \$420,000	6	166,739	-	101,628	35,980	4,370	-	100,519	409,235
\$420,001 - \$445,000	6	178,416	-	73,083	32,874	4,517	-	140,840	429,730
\$445,001 - \$470,000	2	157,274	-	256,859	41,200	4,174	-	-	459,507
\$470,001 - \$495,000	0	-	-	-	-	-	-	-	-
\$495,001 - \$520,000	1	172,195	-	287,990	31,092	4,788	-	-	496,064

Notes

- 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), superannuation includes superannuation contribution amounts. Defined benefits scheme (for example CSS and PSS), superannuation includes 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.
- 5 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.

Appendix C: Workforce statistics

Table C.1: All ongoing employees by location, 2025–26

	Man/Male			Woman/Female			Uses a different term			Total ¹
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	41	1	42	57	9	66	-	-	-	108
Qld	40	-	40	69	22	91	-	-	-	131
SA	21	3	24	45	15	60	-	-	-	84
Tas	3	-	3	9	3	12	-	-	-	15
Vic	51	7	58	85	23	108	-	-	-	166
WA	13	1	14	24	6	30	-	-	-	44
ACT	330	19	349	661	153	814	-	-	-	1,163
NT	1	-	1	12	2	14	-	-	-	15
External territories	-	-	-	-	-	-	-	-	-	-
Overseas ¹	2		2	9		9	-	-	-	11
Totals²	502	31	533	971	233	1,204	-	-	10	1,747

Note: Includes employees on leave without pay. Excludes inactive employees, statutory officer holders and the Secretary.

1 Overseas employees include 10 international counsellor postings and one employee with an overseas remote work arrangement.

2 Ten employees identified as indeterminate gender. To protect their identification, they have been added to the total figure only.

Table C.2: All non-ongoing employees by location, 2025–26

	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	-	-	-	2	-	2	-	-	-	2
Qld	-	-	-	2	-	2	-	-	-	2
SA	-	-	-	1	-	1	-	-	-	1
Tas	-	-	-	-	-	-	-	-	-	-
Vic	1	-	1	2	-	2	-	-	-	3
WA	-	-	-	-	1	1	-	-	-	1
ACT	7	-	7	9	1	10	-	-	-	17
NT	-	-	-	-	-	-	-	-	-	-
External territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Totals	8	0	8	16	2	18	-	-	-	26

Note: Includes employees on leave without pay. Excludes inactive employees, statutory officer holders and the Secretary.

Table C.3: APS ongoing employees by classification, 2025–26

	Man/Male			Woman/Female			Uses a different term			Total ¹
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	1	-	1	2	-	2	-	-	-	3
SES 2	6	-	6	10	-	10	-	-	-	16
SES 1	15	-	15	36	4	40	-	-	-	55
EL 2	71	6	77	128	21	149	-	-	-	226
EL 1	148	9	157	313	91	404	-	-	-	561
APS 6	130	9	139	260	81	341	-	-	-	480
APS 5	83	5	88	153	27	180	-	-	-	268
APS 4	28	-	28	50	6	56	-	-	-	84
APS 3	19	-	19	16	3	19	-	-	-	38
APS 2	1	2	3	2	-	2	-	-	-	5
APS 1	-	-	0	1	-	1	-	-	-	1
Totals¹	502	31	533	971	233	1,204	-	-	10	1,747

Note: Includes employees on leave without pay. Excludes inactive employees, statutory officer holders and the Secretary.

¹ Ten employees identified as indeterminate gender. To protect their identification, they have been added to the total figure only.

Table C.4: APS non-ongoing employees by classification, 2025–26

	Man/Male			Woman/Female			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	-	-	-	1	-	1	-	-	-	1
SES 2	-	-	-	-	-	-	-	-	-	-
SES 1	-	-	-	-	-	-	-	-	-	-
EL 2	1	-	1	-	1	1	-	-	-	2
EL 1	2	-	2	3	-	3	-	-	-	5
APS 6	-	-	-	2	-	2	-	-	-	2
APS 5	-	-	-	3	-	3	-	-	-	3
APS 4	4	-	4	3	1	4	-	-	-	8
APS 3	1	-	1	4	-	4	-	-	-	5
APS 2	-	-	-	-	-	-	-	-	-	-
APS 1	-	-	-	-	-	-	-	-	-	-
Totals	8	0	8	16	2	18	-	-	-	26

Note: Includes employees on leave without pay. Excludes inactive employees, statutory officer holders and the Secretary.

Table C.5: APS employees by classification and employment status, 2025–26

	Ongoing			Non-ongoing			Total ¹
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	3	-	3	1	-	1	4
SES 2	16	-	16	-	-	-	16
SES 1	51	4	55	-	-	-	55
EL 2	199	27	226	1	1	2	228
EL 1	461	100	561	5	-	5	566
APS 6	390	90	480	2	-	2	482
APS 5	236	32	268	3	-	3	271
APS 4	78	6	84	7	1	8	92
APS 3	35	3	38	5	-	5	43
APS 2	3	2	5	-	-	-	5
APS 1	1	-	1	-	-	-	1
Totals¹	1,473	264	1,747	24	2	26	1,773

Note: Includes employees on leave without pay. Excludes inactive employees, statutory officer holders and the Secretary.

¹ Ten employees identified as indeterminate gender. To protect their identification, they have been added to the total figure only.

Table C.6: APS ongoing and non-ongoing by location, 2025–26

	Ongoing	Non-ongoing	Total
NSW	108	2	110
Qld	131	2	133
SA	84	1	85
Tas	15	-	15
Vic	166	3	169
WA	44	1	45
ACT	1,163	17	1,180
NT	15	-	15
External territories	-	-	-
Overseas ¹	11	-	11
Totals²	1,747	26	1,773

Note: Includes employees on leave without pay. Excludes inactive employees, statutory officer holders and the Secretary.

1 Overseas employees include 10 international counsellor postings and one employee with overseas remote work arrangement.

2 Ten employees identified as indeterminate gender. To protect their identification, they have been added to the total figure only.

Table C.7: APS ongoing and non-ongoing employees by First Nations status, 2025–26

	Total
Ongoing	49
Non-ongoing	1
Total	50

Table C.8: Primary employment arrangements of SES and non-SES APS employees, 2025–26

	SES	Non-SES	Total
Enterprise agreement	-	1,698	1,698
*Section 24(1) determinations	75	-	75
Total	75	1,698	1,773

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

Table C.9: APS employment salary ranges by classification level (minimum/maximum), 2025–26

	Minimum salary \$	Maximum salary \$
SES 3	386,043	463,998
SES 2	297,849	353,217
SES 1	230,837	298,071
EL 2	152,362	187,464
EL 1	129,477	158,609
APS 6	105,295	115,786
APS 5	93,660	100,132
APS 4	84,828	90,720
APS 3	77,983	81,225
APS 2	69,828	74,413
APS 1	59,452	65,006
Other	-	-

Note: Salary minimum and maximum as per 2024–2027 Department of Education Enterprise Agreement.

APS employment performance pay by classification level, 2025–26

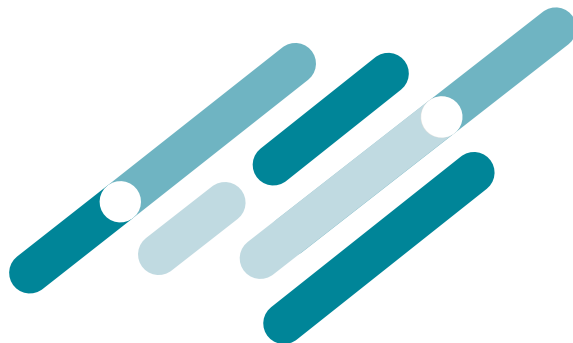
The department did not offer performance pay or bonuses to employees during the reporting period.

Appendix D: Recoverable payments

The department is responsible for administering payments made to approved authorities for schools under the *Australian Education Act 2013* (Cth) (the Act). Section 113 of the Act requires the department to report recoverable payments for the purposes of section 11 of the Act.

Recoverable payments occur where the department retrospectively identifies that the Australian Government did not have the power to make a payment of financial assistance to a state or territory under the Act, and these payments are not overpayments.

There are no recoverable payments to report in 2025–26.



Appendix E: Annual report of the Australian Tertiary Education Commission

Background

The Australian Tertiary Education Commission (ATEC) provides stewardship of Australia's higher education system, working to create a better and fairer tertiary education system that delivers for students, and on national economic and social objectives.

The establishment of the ATEC responded to recommendation 30 of the 2024 *Australian Universities Accord Final Report* and was announced by the Australian Government in the 2024–25 Budget.

On 1 July 2025, the ATEC commenced operation in an interim capacity under the leadership of Interim Commissioners Professor Mary O'Kane AC, Distinguished Professor Larissa Behrendt AO and Professor Barney Glover AO.

From 1 January 2026, interim ATEC operations continued under Professor Glover, with the Hon Fiona Nash and Interim First Nations Commissioner Professor Tom Calma AO. It commenced permanently on 29 April 2026, with Professor Glover appointed as inaugural Chief Commissioner from 1 July 2026.

This report summarises the activities of the ATEC from 1 July 2025 to 30 June 2026, in accordance with the section 72 of the *Universities Accord (Australian Tertiary Education Commission) Act 2026* (Cth).

Establishment and governance

Legislative establishment

The ATEC is established by the *Universities Accord (Australian Tertiary Education Commission) Act 2026* (Cth) which came into effect on 29 April 2026.

Prior to this, the ATEC operated in an interim capacity as a separate group within the Department of Education, working closely with the Accord Implementation Advisory Committee and other sector stakeholders to shape the final legislative design.

On 4 March 2026, the Minister for Education issued a letter of expectations to interim Commissioners (www.atec.gov.au/letter-expectation), setting out the government's priorities for the ATEC's stewardship role.

Commissioners

In May 2026, Professor Glover was appointed as the ATEC's inaugural Chief Commissioner for a 5-year term, alongside the Hon Fiona Nash, Mr David Coltman and Professor Stephen Duckett as statutory Commissioners for 3-year terms, commencing on 1 July 2026.

Professor Calma continued as Interim First Nations Commissioner until 30 June 2026.

On 17 August 2026 (outside the reporting period), Professor Mark Rose AM was appointed as the ATEC's First Nations Commissioner for a 5-year term.

Strategic priorities and planning

Interim Statement of Strategic Priorities

In May 2026, the ATEC released its interim Statement of Strategic Priorities (SSP), outlining 6 key areas of focus to guide the development of foundation mission-based compacts (compacts) with higher education providers for 2027 (www.atec.gov.au/strategy/strategic-priorities-workplan).

The 6 strategic priorities align with the performance domains that will provide a framework for provider activities and assessment in the foundation compacts for 2027. State and territory governments contributed to the interim SSP by nominating priorities for higher education in their respective jurisdictions.

A consultation process to guide the development of a new SSP for 2027–28, following the broad consultation parameters outlined in legislation, is expected to commence later in 2026.

Mission-based compacts

New compacts are central to the newly established ATEC's role of providing whole-of-system stewardship of Australia's higher education sector. Agreed between the ATEC and individual universities, the compacts are intended to strengthen alignment with national, state and territory priorities while enabling institutions to contribute in ways that reflect their distinct mission, strengths and areas of expertise, as well as the needs of their students and communities.

The compacts will generate both institutional and system-level insights, providing a clear line of sight between national policy objectives and institutional actions. This will support informed, evidence-based stewardship of the higher education system. Through the compact process, the ATEC will steward the system in new collaborative ways, including by strengthening relationships with providers, fostering opportunities to share best-practice, and advancing shared national and jurisdictional priorities.

The compacts also provide an opportunity to showcase the significant contributions that universities are making across Australia. This includes efforts to improve student outcomes and expand participation among under-represented cohorts, particularly those who have not traditionally accessed higher education pathways.

Subject to the passage of legislation and the implementation of the Managed Growth Funding System, it is intended that decisions made by the ATEC about student allocations, both domestic and international, will be informed by provider performance against agreed objectives within compacts. This will ensure that enrolment growth is managed sustainably across the system.

For 2027, the ATEC is entering into one-year compacts with all Table A and Table B providers. Future compacts are expected to operate on a cycle of up to 4 years. The 2028–2031 compacts will also be informed by the 2027–28 SSP, which is scheduled to be published by 1 January 2027.

Supporting a more joined-up tertiary education system

The ATEC commenced work to support a more connected tertiary education system. This is intended to improve coordination and cooperation between Vocational Education and Training (VET) and higher education, which can improve pathways between sectors and better match skills supply and demand.

The ATEC is leading the development of a Tertiary Roadmap, which will set out practical steps to make it easier for learners to navigate the education and training system and move between VET and higher education. The roadmap will also encourage collaboration between tertiary providers, business, and unions to deliver well-designed education and training programs to meet Australia's future skills needs.

On 26 May 2026, the ATEC released a discussion paper to inform the development of the Roadmap, and invited feedback from stakeholders.

The ATEC has established a Tertiary System Advisory Council to oversee the development of the roadmap. The council is chaired by the ATEC Chief Commissioner, Professor Glover, and includes representatives from the Australian Government, state and territory governments, First Nations, business, unions, and the tertiary system.

First Nations

The Accord Review reaffirmed that First Nations peoples should be at the heart of Australia's higher education system, with First Nations voices and perspectives embedded in governance, policy, and decision-making across the sector.

To support this objective, work is underway to establish enduring First Nations governance arrangements within the ATEC, including a First Nations Advisory Committee. A First Nations Working Group met twice in 2025–26 to begin this work, initially under the leadership of Distinguished Professor Behrendt and Professor Calma. The committee is expected to be established by the end of 2026. The ATEC has taken responsibility for the management of the Indigenous Student Success Program and managed engagement with the higher education sector on the program in 2025–26.

Costing and pricing

The interim ATEC established a Working Group on Higher Education Costing and Pricing to provide expert advice to the ATEC on methods and approaches for the efficient and effective estimation of costs to inform pricing of core higher education activities. The working group brings together senior university leaders, finance experts and policy specialists to consider how approaches to costing and pricing could be improved to better reflect delivery costs.

The working group met 5 times between October 2025 and June 2026.

Enhancing professional practice in Australian higher education teaching

The Interim ATEC engaged Professor Liz Johnson to provide advice on professionalisation of teaching in higher education. To support this work, the interim ATEC established an Enhancing Professional Practice in Higher Education Working Group with representative from across the sector. Quality teaching was one of 6 priorities outlined in the ATEC's Statement of Interim Priorities released on 5 March 2026.

Higher Education Threshold Standards

The Higher Education Standards Framework (Threshold Standards) underpin the quality and integrity of Australian higher education. They set the minimum requirements all registered higher education providers must meet and continue to meet to be registered to operate as a higher education provider in Australia. The national higher education regulator, the Tertiary Education Quality and Standards Agency (TEQSA), uses the Threshold Standards to regulate higher education providers and courses.

The ATEC is responsible for providing advice to the Minister for Education and TEQSA on the Threshold Standards. Prior to the creation of the ATEC, this advice was provided to the Minister by the Higher Education Standards Panel, with administrative support from the department. On 1 July 2026, the ATEC created the Higher Education Standards Committee (HESC) to provide independent expert advice and recommendations in relation to the Threshold Standards.

Future directions

The Universities Accord (Opening the Doors of Opportunity) Bill 2026 was introduced into the Australian House of Representatives on 25 June 2026. The Bill seeks to amend the *Higher Education Support Act 2003* (Cth) to change the basis of university funding from the setting of a Maximum Basic Grant Amount to a Managed Growth Funding System with funding provided to each university for CSPs provided. Staff from the ATEC provided assistance to the department on the development of the Bill.

Subject to the passage of the legislation, the ATEC will allocate places under the Managed Growth funding system and negotiate compacts to expand opportunities for under-represented Australians, increase tertiary attainment and support national and local skills and workforce priorities.

Concluding statement

In 2025–26, significant progress was made in establishing the ATEC as the independent steward of Australia's tertiary education system. From commencing interim operations in July 2025 to the passage of our establishing legislation in April 2026 the ATEC has built strong foundations for the stewardship of a fairer, more connected tertiary system that delivers for students, communities and the nation.

I look forward to continuing this important work in 2026–27 as the ATEC enters into foundation compacts with higher education providers, develops the roadmap, and – subject to the passage of legislation – commences the Managed Growth Funding System.

David Turvey PSM

Acting Chief Executive Officer

Australian Tertiary Education Commission

Appendix F: Annual report of the Tuition Protection Service

Background

The Tuition Protection Service (TPS) safeguards Australia's reputation as an education destination by supporting registered education and training providers to understand and meet their obligations to students and supporting eligible students whose education provider closes, fails to start a course or unit of study or stops offering a course or unit of study to enrolled students.

The TPS was established in 2012 as an international student tuition protection scheme under the *Education Services for Overseas Students Act 2000* (Cth) (ESOS Act). From 1 January 2020 the program started supporting domestic students in receipt of income contingent loans through the VET Student Loans (VSL) program or the Higher Education Loans Program (HELP). On 1 January 2021 the scope of the TPS was further expanded to also cover domestic higher education up-front fee-paying students.

The TPS assists international students; eligible domestic students accessing a VSL, FEE-HELP or HECS-HELP loan; and higher education up-front fee-paying students. The 3 schemes of the TPS are set out in the ESOS Act, the *Higher Education Support Act 2003* (Cth) (HESA), the *VET Student Loans Act 2016* (Cth) (VSL Act), the *Tertiary Education Quality and Standards Agency Act 2011* (Cth) (TEQSA Act) and relevant subordinate legislation.

The TPS Director, appointed by the Minister for Education, is responsible for delivering the service and ensuring its sustainability.

The TPS ensures that eligible students can either:

- complete their studies in another course or with another education provider, or
- receive a refund of their unspent tuition fees (international students), a re-credit of their loan for open units of study (domestic VSL and HELP students), or a refund of any up-front payments made against an affected unit (up-front payments students).

The TPS also assists eligible international students if they experience a student default.

An international student default includes circumstances where a student visa is refused, and the student has paid fees that their provider fails to refund in accordance with the ESOS Act (among other things). These safeguards are in place to ensure that eligible students can receive a refund of paid fees in circumstances outside of the student's control.

This report summarises the activities of the TPS from 1 July 2025 to 30 June 2026, in accordance with section 170B of the ESOS Act. It includes an assessment of issues affecting TPS operations and an overview of program activity and improvements, including a snapshot of the Overseas Students Tuition Fund (OSTF) and the Higher Education Tuition Protection (HETP) Fund. As the accountable authority for the VSL Tuition Protection (VSLTP) Fund is the Minister for Skills and Training, VSL tuition protection activities are reported in the Department of Employment and Workplace Relations (DEWR) Annual Report.

In 2025–26 the TPS continued to monitor and remind international education providers of their obligations in accordance with the ESOS Act to issue refunds to students in 28 days where a student default occurs due to visa refusal. The TPS is also continuing to work closely with government departments and regulators to identify and respond to instances where providers may be at risk of not meeting their obligations to students.

Tuition protection levies

The TPS manages 4 annual tuition protection levy collections from education providers, one each for international and VSL, and 2 for higher education. The 4 levies are:

- International TPS Levy
- VSL Tuition Protection Levy
- HELP Tuition Protection Levy
- Up-front Payments Tuition Protection Levy.

The 4 tuition protection levies are paid annually by education providers delivering education services to international students, education providers whose domestic students access VSL or HELP schemes, and higher education providers charging up-front fees to domestic higher education students.

The levies are used to administer the TPS and to build reserves in the OSTF, the VSLTP Fund and the HETP Fund to be available for student placement fees, student refunds and student loan re-credits. The 3 funds are maintained as distinctly separate special purpose accounts.

The 2026 International TPS Levy collection invoiced 1,534 international education providers with 808,116 international student enrolments.

As part of the 2025 domestic TPS levies, the TPS invoiced 131 VSL providers with 9,866 students, 92 HELP providers with 54,278 HELP students, and 152 higher education providers that charged up-front fees to 26,092 students.

In formulating the tuition protection levy settings, the TPS Advisory Board (the board) and the TPS Director aim for an appropriate balance between ensuring there are sufficient reserves in the relevant funds to meet potential demand, ensuring the accumulated reserves are not excessive, and ensuring the levy charged is reasonable for education providers.

In finding this balance, the board and TPS Director consult with stakeholders across the relevant sectors, including industry peak bodies, the regulators, and education and training providers.

On 30 June 2026 the balance of the OSTF was \$53.15 million, which is within the board's strategic reserve target of \$50 million to \$70 million.

Based on actuarial advice, the board set the strategic reserve target for the HETP Fund between \$21 million and \$25 million. The balance of the HETP Fund on 30 June 2026 was \$22.14 million.

The board reviews the fund targets each year and recommends adjustments as necessary.

The board provides advice to the TPS Director in relation to the Risk Rated Premium and Special Tuition Protection components across the 4 levies. In 2025, the domestic TPS levies for VSL, HELP and up-front payments were collected concurrently between October and December 2025. The 2026 International TPS Levy was collected between March and April 2026.

Domestic TPS levies were first collected in 2022, after being waived in 2020 and 2021 as part of the government's COVID-19 support measures.

The opening and closing balances and the revenue and expenditure of the OSTF and HETP funds are reported on a cash basis in Tables F.1 and F.2.

Table F.1: Financial status of the Overseas Students Tuition Fund, 2025–26¹

	\$,000
Opening balance at 1 July 2025	50,457
Annual and initial TPS levy collected	6,577
Other revenue collected (includes prior year levy payments)	52
Total revenue	6,629
Student and education provider payments	(3,377)
TPS consultant and contractor services	(372)
Other operational/administrative expenses	(191)
Total expenditure	(3,939)
Closing balance at 30 June 2026	53,147

¹ Totals may not add due to rounding.

Table F.2: Financial status of the Higher Education Tuition Protection Fund, 2025–26¹

	\$,000
Opening balance at 1 July 2025	18,551
Annual HELP and up-front payments levies collected	3,862
Total revenue	3,862
TPS consultant and contractor services	(136)
Other operational/administrative expenses	(130)
Total expenditure	(266)
Closing balance at 30 June 2026	22,147

¹ Totals may not add due to rounding.

Tuition Protection Service governance

A statutorily appointed director manages the TPS. The board, comprising education and training sector members and government representatives, provides the TPS Director with advice regarding levy targets and settings. The TPS Director is also the Higher Education Tuition Protection Director (established under HESA and the TEQSA Act) and the VSL Tuition Protection Director (established under the VSL Act). Members of the board are also members of the Tuition Protection Service Advisory Board and the Tuition Protection Fund Advisory Board established under the same Acts.

A small branch of departmental officers and contractors support the TPS Director to deliver tuition protection services, including student claim management and providing secretariat support to the board.

As at 30 June 2026, the TPS Advisory Board members are:

- Ms Sharon Robertson, Chair (non-government)
- The Hon Phil Honeywood, Deputy Chair (non-government)
- Ms Joanna Kwai (non-government)
- Mr Trevor Schwenke (non-government)
- Mr Guy Thorburn (Australian Government Actuary)
- Ms Renae Houston (Department of Employment and Workplace Relations)
- Ms Libby McDonald (Department of Home Affairs)
- Ms Gemma Cooper (Department of Finance)
- Mr Anthony Leong (Australian Prudential Regulation Authority)
- Dr Damian Oliver, acting member (Department of Education).

The board farewelled the following members during the 2025–26 financial year:

- Ms Victoria Miller (Department of Home Affairs)
- Ms Rebecca Mok (Department of Finance)
- Ms Sophia Hohnen (Australian Prudential Regulation Authority).

Working with stakeholders

The TPS maintains strong working relationships with education providers, regulators and peak bodies to achieve the best outcomes for students.

Twice a year the TPS Director engages in nationwide consultations regarding the tuition protection levies, meeting with representatives from peak bodies and education and training providers. These meetings and consultation sessions are held both online and in person.

In September and October 2025 the TPS Director consulted on the 2026 International TPS Levy, meeting with 400 individual provider representatives.

Consultations on the 2026 Domestic TPS Levies were held in March and April 2026. The TPS Director consulted 114 individual provider representatives during this period.

In 2025–26 attendance at in-person consultation sessions for both the International and Domestic TPS Levies continued to decline. Overall, 18% of individual provider representatives attended sessions in person (down from 25% in the previous year), while a combined 82% attended online (up from 75% in the previous year), indicating a continued shift towards virtual participation.

The TPS continues to work closely with the Office of the Commonwealth Ombudsman to resolve disputes between education providers and students over the payment of tuition fee refunds, as well as tuition protection related complaints from domestic VSL students.

The TPS collaborates with the relevant international and higher education policy areas in the Department of Education, and with the VSL policy teams in the DEWR, providing feedback on the implementation of each of the tuition protection services to inform future policy development.

The TPS engages across the public sector, with both state government entities and relevant Commonwealth agencies and regulators (including Department of the Treasury, Department of Finance, Department of Home Affairs, Austrade, Australian Skills Quality Authority (ASQA), and TEQSA) to ensure the TPS continues to operate effectively within the broader policy and regulatory environments.

Tuition Protection Service placement and payment activity

Over the 12 months to 30 June 2026, 14 education providers failed to meet their obligations to students, displacing 1,678 international students requiring TPS support.

There were no domestic higher education provider closures requiring TPS assistance to place, refund or re-credit students in 2025–26.

In 2025–26 the TPS made 1,696 refund and placement payments to international students and replacement providers from the OSTF, regardless of when the provider default took place. Tables F.3 and F.4 show the time taken by the TPS to place students and make payments relating to provider defaults in 2025–26. Table F.5 shows the time taken by the TPS to make payments relating to student defaults in 2025–26.

Table F.3: Time taken by the TPS to place students, 2025–26

Number of students placed	Within 30 days	Over 30 days	Total
International	0	0	0
Domestic	0	0	0

Note: No placement payments were made in 2025–26 due to students opting for refunds.

Table F.4: Time taken to make payments from the Overseas Students Tuition Fund (provider defaults), 2025–26

Payment made during 2025–26	Refunds to students		Placement payments to providers		Total paid \$'000
	Within 30 days	Over 30 days	Within 30 days	Over 30 days	
International	308	1,132	0	0	\$2,413

Note: There were 35% more refunds paid in 2025–26 than the previous year. Payments relate to amounts expensed in 2025–26, regardless of when the provider default took place.

Table F.5: Time taken to make payments from the Overseas Students Tuition Fund (student defaults), 2025–26

Payments made during 2025–26	Refunds to students		Total paid \$'000
	Within 30 days	Over 30 days	
International	105	151	\$825

Note: There were 28% fewer refunds paid in 2025–26 than the previous year. Payments relate to amounts expensed in 2025–26, regardless of when the provider default took place.

Program improvements

The TPS continues to respond to the evolving government policy changes in the international education landscape. This includes working closely with relevant sector regulators to improve existing risk factors in both domestic and international levies.

The TPS is strengthening internal assurance processes to improve oversight, ensure IT systems are fit for purpose and support effective program delivery in line with legislative requirements.

The TPS is also exploring better ways to support students and education providers, including by providing clearer guidance and targeted support.

Kate Tagg

Acting TPS Director

Tuition Protection Service

Appendix G: Annual report of the Higher Education Gender-based Violence Regulator

Background

On 23 February 2024, Education Ministers across states and territories endorsed a national approach to driving cultural and structural reform across the higher education sector, releasing the *Action Plan Addressing Gender-based Violence in Higher Education* (action plan). The action plan supports the *National Plan to End Violence against Women and Children 2022–2032*, Australia's overarching policy framework to end gender-based violence within a generation.

As part of this response, the Australian Parliament passed the *Universities Accord (National Higher Education Code to Prevent and Respond to Gender-based Violence) Act 2025* (Cth) (the Act) and the *Universities Accord (National Higher Education Code to Prevent and Respond to Gender-based Violence) (Consequential Amendments) Act 2025* (Cth) (the Consequential Amendments Act), which took effect on 29 August 2025. Together, they established a new regulatory framework and authorised the establishment of the National Higher Education Code to Prevent and Respond to Gender-based Violence (National Code), which was made as a legislative instrument on 15 October 2025.

The National Code sets 7 legally enforceable standards that higher education providers must meet to prevent and respond to gender-based violence wherever it occurs, including in student accommodation. Through a whole-of-organisation approach, the National Code requires providers to drive change from the top – embedding trauma-informed and person-centred response systems to keep students and staff safe, and to drive the long-term culture change needed to stop violence before it starts.

The National Code commenced on 1 January 2026 for all Australian universities and will extend to all other higher education providers registered with the Tertiary Education Quality and Standards Agency (TEQSA) from 1 January 2027.

Our purpose

Established as part of the action plan, the Higher Education Gender-based Violence Regulator (GBV Regulator) operates as a specialist regulatory function within the Department of Education that exercises delegated powers from the Secretary to administer, oversee and enforce compliance with the National Code.

The GBV Regulator holds higher education providers accountable for compliance with the National Code, which aims to prevent gender-based violence and requires higher education providers to respond effectively to protect and support students and staff.

Through regulation, the GBV Regulator seeks to influence sustainable systemic and cultural change so that:

- higher education providers prevent, reduce and eliminate gender-based violence
- victim-survivors are believed and supported through consistent, trauma-informed and person-centred responses
- the higher education sector leads the way in ending gender-based violence within a generation.

Legislative framework and regulatory approach

The GBV Regulator operates within a legislative and regulatory framework which sets out its powers and responsibilities, as well as the requirements of higher education providers.

The Act provides the GBV Regulator with a range of powers to monitor and respond to non-compliance, including through incorporating monitoring and investigation powers and enforcement provisions under the *Regulatory Powers (Standard Provisions) Act 2014* (Cth) (Regulatory Powers Act). The National Code also enables the GBV Regulator to engage in proactive monitoring activities and require providers to report on how they have complied with their obligations.

Together, these laws provide the GBV Regulator with a full suite of powers to promote, monitor and enforce compliance with the National Code.

The Consequential Amendments Act also ties compliance with the National Code as a condition of funding to the *Higher Education Support Act 2003* (Cth) (HESA). Failure to comply with the National Code may also result in other compliance failures, such as non-compliance with under TEQSA's Higher Education Standards Framework (Threshold Standards) 2021.

The GBV Regulator's regulatory approach is articulated in its published Regulatory Statement (www.education.gov.au/highereducationgbvregulator/resources/regulatory-statement), which sets out how it will use its powers to drive change and minimise harm in higher education. This regulatory approach is operationalised through the published Compliance and Enforcement Policy, which details how the GBV Regulator will promote compliance, respond to non-compliance, and take enforcement action.

The GBV Regulator's approach to compliance and enforcement in its initial years of establishment will focus on delivering proactive education and engagement activities to guide providers to meet their requirements under the National Code and on education activities to promptly remediate issues identified by the GBV Regulator.

Our work as the Gender-based Violence Regulator

Establishment

The GBV Regulator formally commenced operating when the National Code came into effect on 1 January 2026. In the lead-up to commencement, the Gender-based Violence Reform Branch in the Department of Education established stakeholder input mechanisms and commenced the ongoing work to build operational and regulatory infrastructure needed for the GBV Regulator to perform its functions and exercise its powers under the Act.

Annual reporting

Under section 47(1) of the Act, the Secretary is required to report on the performance of functions and exercise of powers under the Act, and the operation of the National Code during the year.

The requirement in relation to performance of functions and exercise of powers is addressed by reporting against obligations at section 47(2) of the Act, covering the reporting period from 29 August 2025 (when the Act came into effect) to 30 June 2026.

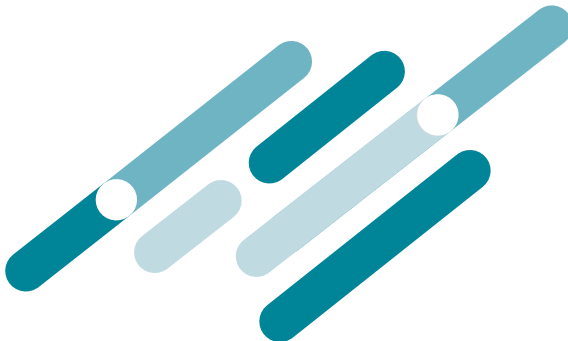


Table G.1: Summary of section 47(2) reporting, 2025–26

Number of times monitoring powers were exercised under Part 2 of the Regulatory Powers Act (as it applies to provisions of the Act) (a) ¹	0
Number of times investigation powers were exercised under Part 3 of the Regulatory Powers Act (as it applies to provisions of the Act) (b) ²	0
Trends (if any) in non-compliance with the Act or the National Code that were identified (c)	No trends to report
Compliance notices given (d)	0
Infringement notices given (e)	0
Enforceable undertakings accepted or enforced (f)	0
Proceedings instituted, including civil penalty proceedings and proceedings for an injunctions (g)	0
Actions (if any) taken by the Secretary during the year to educate or to build capacity in the higher education sector in relation to preventing and responding to gender-based violence (h)	See 'Reporting under section 47(2)(h)' on the following page
Systemic issues (if any) identified in relation to gender based violence in the higher education sector (i)	None – insufficient information from regulator activity in initial period
Opportunities (if any) provided to higher education providers to improve compliance with the national code (j)	See 'Reporting under section 47(2) (h)' on the following page - the activities listed at (h) were also opportunities to improve compliance with the National Code
Trends (if any) in data and information collected under legislative instruments made under the Act (k)	None – insufficient data and information in initial period
Other information (l)	Nil

Noting that the National Code came into effect on 1 January 2026 the GBV Regulator has not exercised its powers and functions listed at (a), (b), (d), (e), (f) and (g), has not identified trends in non-compliance to report against (c), and has insufficient data and information to report against (i), (k) and (l)

1 the GBV Regulator has not exercised monitoring powers under sections 19–22 of the Regulatory Powers Act

2 the GBV Regulator has not exercised investigation powers under sections 49–52 of the Regulatory Powers Act

Reporting under section 47(2)(h) actions taken by the Secretary to educate or build capacity in the higher education sector in relation to preventing and responding to gender-based violence.

Under section 26(1) of the Act, the Secretary may provide education, guidance and advice to higher education providers for the purpose of:

- a) promoting and supporting compliance with the Act and the National Code
- b) building understanding among higher education providers of:
 - i. the causes of gender-based violence;
 - ii. factors that contribute to gender-based violence
- c) promoting best-practice in relation to prevention and responding to gender-based violence; and
- d) promoting evidence-informed prevention of, and response to, gender-based violence.

Education resources and engagement activities

In 2025 the Gender-based Violence Reform Branch developed and published foundational guidance and resources and undertook proactive engagement activities to promote understanding and compliance with the National Code. This work continued in 2026 with the commencement of the National Code and the GBV Regulator. Collectively, this included:

- *regulatory guidance for the National Higher Education Code to Prevent and Respond to Gender-based Violence* – comprehensive guidance on all 7 standards, including practical examples
- *guidance to develop a whole-of-organisation gender-based violence prevention and response plan and outcomes framework* – including templates and preparation worksheets aligned with Standard 1 requirements
- summary documents – 2 documents providing quick reference to key requirements of providers under each standard, and timeline of key reporting obligations
- *collecting annual reporting data under the National Higher Education Code to Prevent and Respond to Gender-based Violence* – supporting consistent, high-quality data collection as required under Standard 6
- webinars – 10 webinars providing clarity on the National Code's standards and requirements reaching more than 1,900 attendees, with recordings, transcripts and updated FAQs published online
- newsletters – 2 newsletters providing updates on regulatory activities, resources and engagement opportunities, with more than 600 subscribers
- FAQs – answers to 102 frequently asked questions, supporting implementation across key topic areas
- *National Higher Education Code to Prevent and Respond to Gender-based Violence Digital Toolkit* – supporting student understanding of gender-based violence and the National Code
- student engagement – engaging more than 2,500 students across 24 campus events and 3 International Study Hub events between January and May 2026 to raise awareness of the National Code and the roles of the GBV Regulator and National Student Ombudsman (NSO).

Building capability through assessing whole-of-organisation prevention and response plans

Under Standard 1.8 of the National Code, 42 (Table A and Table B) providers were also required to provide the GBV Regulator with their Whole of Organisation Prevention and Response Plan and Outcomes Framework (prepared under Standards 1.4, 1.6 and 1.7). These were considered by the GBV Regulator and feedback was provided to each provider under Standard 1.12. This standard states that the Secretary may give feedback on the plans and any amendments to them, and that the provider must engage with the feedback, revise its plan and provide a copy of the revised plan to the Secretary.

Feedback was provided from March to June 2025 to all 42 providers.

Building capability to address issues raised by the National Student Ombudsman

In March 2026, the GBV Regulator wrote to all providers to provide an update on the NSO report *"Can I talk about this?" The use of confidentiality requirements in university complaint handling* released on 17 March 2026. This report identified important issues as to how confidentiality requirements are being designed and applied in university complaint-handling processes, particularly in the context of gender-based violence. The GBV Regulator encouraged all universities and their governing bodies to consider the report's recommendations and how their current policies and practices meet Standard 4 of the National Code which requires that responses, practices and support services are safe, person-centred and consistent with a trauma-informed approach and best-practice.

The GBV Regulator engaged directly with providers named in the report regarding the implementation of the NSO's recommendations – noting that under Standard 2.9 of the National Code, providers are required to implement any recommendations made by the NSO in relation to gender-based violence which are directed to them.

Additionally, on 24 March 2026, the NSO released a public statement on the report of its complaint investigation, *Walk the Talk*, which found that the University of Technology Sydney (UTS) failed to appropriately action recommendations from 2 internal reviews it commissioned in 2023 and 2025 to improve its processes for the handling of reports of gender-based violence and sexual harm and its student conduct rules and procedures. The GBV Regulator welcomed the public statement and engaged with UTS regarding the issues raised in the report and its acceptance of the recommendations.

Areas of future focus

The GBV Regulator is committed to supporting continuous improvement and continuing to work with the higher education sector to inform further areas of guidance, support understanding of annual reporting data collection requirements under the National Code, and prepare for the commencement of the National Code for all non-university higher education providers registered with TEQSA from 1 January 2027.

Appendix H: Annual Child Safety Statement

Our commitment to child safety

The department is committed to ensuring the safety, wellbeing and rights of all children and young people, and does not tolerate child abuse, neglect or exploitation in any form. We safeguard children and young people engaged through programs, policy development and stakeholder activities by embedding the Commonwealth Child Safe Framework and the National Principles for Child Safe Organisations across our people, policies and practices.

Embedding a child safe culture

In 2025–26 the department:

- completed a comprehensive review of its Child Safe Framework and Policy, resulting in an updated policy, strengthened risk assessment approach, and clearer guidance for staff and managers
- continued implementation of the Office for Youth Safeguarding Framework, including role-specific training for staff working with young people aged 12 to 25
- required all staff to complete the Commonwealth Child Safe Framework e-learning module (mandatory every 2 years)
- strengthened identification and recording of child safe positions, including an improved central register and Working with Children Checks
- integrated child safety considerations into relevant contracts and grant agreements, with staff assessing potential contact with children in third-party arrangements
- introduced a specific escalation procedure and incident report form for consistent management of child safety concerns.

Our Child Safe Policy is at education.gov.au/about-department/resources/child-safe-policy.

Child safety risk assessment

In 2025–26 the department implemented an updated risk assessment methodology as part of the Child Safe Framework review.

The department assessed its overall child safety risk as **medium**, due primarily to direct engagement with children and young people through Office for Youth activities and occasional school engagement.

Key mitigations:

- structured supervision and pre-screening for all youth-facing roles
- mandatory child safety training
- dedicated risk planning for major youth forums and consultations
- child safe provisions in procurement and accommodation arrangements
- incident reporting, escalation and response processes
- oversight of child safe role identification and record-keeping.

Monitoring and continuous improvement

The department monitors:

- completion of mandatory child safety training
- accuracy of the child safe positions register
- compliance with child safety clauses in contracts and grants.

Following the 2025–26 Child Safe Framework review, the department is embedding updated processes, improving data quality and strengthening assurance activities. There are annual reviews of internal systems, policy implementation and risk mitigation strategies.

Strengthening safety and quality in early childhood education and care

The department collaborates with state and territory governments, regulators, the Australian Children’s Education and Care Quality Authority and sector stakeholders to strengthen oversight and accountability across the early childhood education and care sector. This includes work on regulatory frameworks, compliance measures, and provider standards to support child safety culture and maintain public confidence in the sector.¹

Compliance with the Commonwealth Child Safe Framework

The department is fully compliant with the Commonwealth Child Safe Framework, including:

- Requirement 1 – annual risk assessments conducted across corporate and program levels
- Requirement 2 – child safe culture embedded through training, oversight and governance arrangements
- Requirement 3 – National Principles for Child Safe Organisations reflected in policy and operational guidance
- Requirement 4 – publication of an annual Child Safety Statement. This statement is the published annual statement for 2025–26.

¹ www.education.gov.au/early-childhood/announcements/strengthening-safety-and-quality-early-childhood-education-and-care

Appendix I:

Gender equality reporting

In line with commitments made under *Working for Women: A Strategy for Gender Equality* (Working for Women), Australian Government departments have committed to report on their efforts to achieve gender equality and build gender analysis capability in their annual reports. As part of this initiative, this annual report includes case studies to demonstrate how the department is working towards the ambition of a better, gender equal Australia for everyone.

The department delivers policies and programs contributing to Working for Women priority areas, particularly gender-based violence (priority area 1), unpaid and paid care (priority area 2) and economic equality and security (priority area 3). Achievements in 2025–26 are outlined below.

Priority area 1: Gender-based violence

The education system plays a role in both preventing and responding to gender-based violence.

The *Higher Education National Code to Prevent and Respond to Gender-based Violence* (National Code) commenced on 1 January 2026 for all Australian universities (Table A and B providers), establishing mandatory national standards to prevent and respond to gender-based violence across the higher education sector, including in student accommodation.

The Higher Education Gender-based Violence Regulator (GBV Regulator) was established within the department to oversee gender-based violence regulatory arrangements in higher education. In 2025–26 the GBV Regulator:

- established and engaged key stakeholder groups
- published regulatory guidance
- delivered webinars reaching more than 1,900 attendees
- participated in university O-Week and Respect Week activities nationwide.

More information on the GBV Regulator is at Appendix G.

The National Student Ombudsman (NSO) commenced on 1 February 2025, providing a free, independent and impartial complaints service for higher education students. In its first 12 months of operation, the NSO received a small number of complex matters relating to how universities have handled incidents of gender-based violence (1.6% of all complaints).

The Consent and Respectful Relationships Education program in schools supports the government's commitment to end violence against women and children under the *National Plan to End Violence Against Women and Children 2022–2032*. The Australian Government committed \$83.5 million from 2022–23 to 2027–28 to work with states, territories, the non-government school sector and subject matter experts to support delivery of age-appropriate, evidence-based consent and respectful relationships education. This included \$77.6 million for states, territories and non-government school systems and \$5.9 million in departmental funding.

As at May 2026, \$61.2 million had been provided for activities including employing specialist staff and delivering professional development activities.

The Consent and Respectful Relationships Education program aligns with the Australian Curriculum, which was updated in 2022 to strengthen teaching of consent and respectful relationships from Foundation to Year 10.

The National Respectful Relationships Education Framework was released in March 2026 to guide schools and school systems on delivering consent and respectful relationships education.

In addition, the government provided \$5.5 million to the Australian Human Rights Commission to develop and deliver the National Consent Survey during 2026, measuring secondary students' experiences of and attitudes towards consent education.

Priority area 2: Unpaid and paid care

Improving access to subsidised early childhood education and care (ECEC) helps address the leading barrier to women participating in work, study or training.²

On 5 January 2026 the 3 Day Guarantee replaced the Child Care Subsidy (CCS) activity test under the *Early Childhood Education and Care (Three Day Guarantee) Act 2025*. Every CCS eligible family is now entitled to at least 72 hours of subsidised early childhood education and care (ECEC) per fortnight. In the first week of April 2026, almost 20,000 more single parent families, most of which are families with single mothers were entitled to 72 hours of subsidised care per fortnight compared with the first week of April 2025.³

The department continued implementing the \$1 billion Building Early Education Fund to expand ECEC services in areas of under-supply and socio-economic disadvantage. The fund has 2 components: \$500 million in targeted capital grant funding and \$500 million provisioned for future Commonwealth investment in ECEC services. In 2025–26, 38 projects were approved to deliver an additional 2,391 ECEC places, including in the outer suburbs and regional areas. Establishing new ECEC services creates more job opportunities in the ECEC sector and supports women's workforce participation.

2 www.abs.gov.au/statistics/labour/employment-and-unemployment/barriers-and-incentives-labour-force-participation-australia/latest-release

3 Internal Department of Education data, February 2025 and February 2026 (preliminary).

In the 2024–25 Mid Year Economic and Fiscal Outlook (MYEFO), the Australian Government provided \$3.6 billion over 4 years from 2024–25 to support ECEC wage increases through the Worker Retention Payment (WRP). The WRP delivered a 10% wage increase from December 2024, on top of the applicable award rate, increasing to 15% from December 2025. As at June 2026, more than 213,000 ECEC workers (91% of this workforce are women) have benefited from increased wages, supporting workforce attraction and retention.

The WRP's associated fee growth cap resulted in fee growth for participating services at around half the rate of non-participating services in the first year, supporting ECEC access and workforce participation for parents and carers. On 17 June 2026 the government announced an additional investment of \$3.6 billion to continue funding a wage increase for eligible ECEC workers by extending the WRP to 30 June 2028.

The Commonwealth Prac Payment was introduced from 1 July 2025, providing \$338.60 per week to eligible students undertaking mandatory placements in teaching, nursing, midwifery, and social work courses. The payment is expected to support 73,000 eligible students per year, the majority of whom are women, addressing barriers to qualification completion in feminised industries that require lengthy unpaid placements.

Priority area 3: Economic equality and security

Despite achievements at school and in higher education, women face economic inequality during their lifetime, such as lower workforce participation and lower incomes, often due to caring responsibilities and the gender pay gap.

In 2025–26 the department supported implementation of the 20% reduction to all Higher Education Loan Program (HELP) and other student loan debts. Women make up just under 60% of people who received a reduction with their debts.

From 1 July 2025, the minimum repayment income increased and the HELP repayment system changed from a flat-rate repayment structure to a marginal system. Individuals now earn more before making compulsory repayments and most compulsory repayments are reduced. These changes reduce repayment burdens for lower-income earners and benefit women, who are more likely to experience lower and fluctuating incomes.

Internal department activities to strengthen gender analysis capability

Gender analysis is embedded in the department's policy and budget processes. The department maintains a centralised hub of resources and tools for staff to use in conducting gender analysis, aligned with best-practice guidance issued by the Office for Women.

Appendix J: Corrigendum

Pursuant to section 17AH(1)(e) of the PGPA Act the department is required to report on the correction of material errors in a previous annual report.

Incorrect wording

‘Provided \$331.65 per week for the Commonwealth Prac Payment to 73,000 students of nursing, midwifery, teaching or social work’ in 2024–25. Page 16, 2024–25 Annual Report.

Correct wording

The Commonwealth Prac Payment program was developed in 2024–25 and will commence on 1 July 2025. It will help ease the cost-of-living pressures for eligible students undertaking a mandatory placement as part of their bachelor’s or master’s degree in nursing, midwifery, teaching or social work, or a diploma of nursing.

Eligible students can access up to \$331.65 per week (benchmarked to the single Austudy rate and indexed each calendar year) while undertaking a mandatory placement. Page 25, 2024–25 Annual Report.

Reason

While work was underway in 2024–25 to support implementation of the Commonwealth Prac Payment from 1 July 2025, no payments to students occurred in 2024–25.

Page number

2024–25 Annual Report, pages 16 and 25

Incorrect wording

'In the 2022–23 financial year, 44.8% of the services supported under the CCCF were in the most disadvantaged areas.'

Correct wording

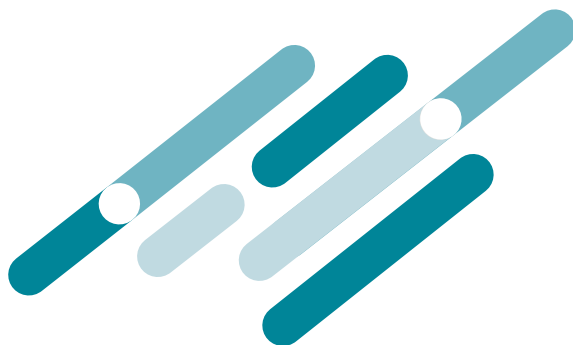
'In the 2022–23 financial year, 45.1% of the services supported under the CCCF were in the most disadvantaged areas.'

Reason

The incorrect CCCF-specific figure used (44.8%) was the result of a transcription error— which transcribed the figure for the calculation that included services located in SA2 areas that did not have a SEIFA score/decile attributed. The correct CCCF-specific figure (45.1%) is the calculation result when the services/SA2s without a SEIFA score/decile are excluded, which is consistent with the calculation process for PM054. This correction does not impact the overall performance measure result for 2022–23.

Page number

2022–23 Annual report, page 45



Incorrect wording

Table 1 – Services in lowest 2 SEIFA deciles – proportion

Program	2021–22	2022–23	2023–24	2024–25
CCCF	45.9%	44.8%	44.7%	46.6%

Correct wording

Table 1 – Services in lowest 2 SEIFA deciles – proportion

Program	2021–22	2022–23	2023–24	2024–25
CCCF	45.9%	45.1%	44.7%	46.6%

Reason

The incorrect CCCF-specific figure used (44.8%) was the result of a transcription error which transcribed the figure for the calculation that included services located in SA2 areas that did not have a SEIFA score/decile attributed. The correct CCCF-specific figure (45.1%) is the calculation result when the services/SA2s without a SEIFA score/decile are excluded, which is consistent with the calculation process for PM054. This correction does not impact the overall performance measure result for 2022–23.

Page number

2024–25 Annual report, page 58

Incorrect wording

Table 2 – Count of services funded

Program	2021–22	2022–23	2023–24	2024–25
CCCF	857	810	749	584
ISP	5,748	6,077	6,649	7,100
Combined	6,347	6,638	7,161	7,498

....

At the same time, the proportion of services in the most vulnerable and disadvantaged areas (lowest 2 SEIFA deciles) increased from 44.7% in 2023–24 to 46.6% in 2024–25 (Table 1).'

Correct wording

Table 2 – Count of services funded

Program	2021–22	2022–23	2023–24	2024–25
CCCF	857	810	749	585
ISP	5,748	6,077	6,649	7,100
Combined	6,347	6,638	7,161	7,499

....

At the same time, the proportion of services in the most vulnerable and disadvantaged areas (lowest 2 SEIFA deciles) increased from 44.7% in 2023–24 to 46.5% in 2024–25 (Table 1).'

Reason

The incorrect CCCF-specific figures used (46.6% in Table 1, and 584 and 7,498 in Table 2) were the result of a data error due to one CCCF-funded service being unintentionally omitted from the calculation. The correct CCCF-specific figures (46.5% in Table 1, and 585 and 7,499 in Table 2) are the calculation results when including the omitted service. This correction does not impact the overall performance measure result for 2024–25.

Page number

2024–25 Annual report, pages 58 and 59

06

Indexes

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Abbreviations and acronyms	277
List of figures and tables	282
Index	285



List of requirements

The table below contains a list of annual report requirements prepared in accordance with 17AJ(d) of the PGPA Rule and set out in Schedule 2.

PGPA Rule Reference	Description	Requirement	Page
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by the 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	v
17AD(h)	Aids to access		
17AJ(a)	Table of contents (print only)	Mandatory	vi-vii
17AJ(b)	Alphabetical index (print only)	Mandatory	284–5
17AJ(c)	Glossary of abbreviations and acronyms	Mandatory	277–81
17AJ(d)	List of requirements	Mandatory	268–77
17AJ(e)	Details of contact officer	Mandatory	iv
17AJ(f)	Entity's website address	Mandatory	iv
17AJ(g)	Electronic address of report	Mandatory	iv
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity	Mandatory	2–6
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity	Mandatory	9
17AE(1)(a)(ii)	A description of the organisational structure of the entity	Mandatory	12–13

PGPA Rule Reference	Description	Requirement	Page
17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity	Mandatory	8
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan	Mandatory	8
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory	9
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory	9
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	9
17AE(1)(b)	An outline of the structure of the portfolio of the entity	Portfolio departments – mandatory	10–11
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	27–126
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance	Mandatory	149–50
17AF(1)(b)	A table summarising the total resources and total payments of the entity	Mandatory	216–25

PGPA Rule Reference	Description	Requirement	Page
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
17AD(d)	Management and accountability		
	Corporate governance		
17AG(2)(a)	Information on compliance with section 10 (fraud and corruption systems)	Mandatory	136
17AG(2)(b)(i)	A certification by accountable authority that fraud and corruption risk assessments and fraud and corruption control plans have been prepared	Mandatory	v
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 and corruption that meet the specific needs of the entity are in place	Mandatory	v
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud and corruption relating to the entity	Mandatory	v
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	128–35
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	137

PGPA Rule Reference	Description	Requirement	Page
Audit committee			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	130
17AG(2A)(b)	The name of each member of the entity's audit committee	Mandatory	131–5
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	131–5
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	131–5
17AG(2A)(e)	The remuneration of each member of the entity's audit committee	Mandatory	131–5
External scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	158–9
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	159
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	158–9, 160
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	140–4

PGPA Rule Reference	Description	Requirement	Page
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	232–3
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	234–7
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 <i>Public Service Act 1999</i> (Cth)	Mandatory	146–7, 238
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	238
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level	Mandatory	238
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees	Mandatory	146–7
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory	146, 238

PGPA Rule Reference	Description	Requirement	Page
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 <i>Commonwealth Procurement Rules</i>	Mandatory	151
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	152
17AG(7)(b)	A statement that “ <i>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].</i> ”	Mandatory	152

PGPA Rule Reference	Description	Requirement	Page
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	152
17AG(7)(d)	A statement that <i>"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."</i>	Mandatory	153
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	153
17AG(7A)(b)	A statement that <i>"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."</i>	Mandatory	154
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory	152–4

PGPA Rule Reference	Description	Requirement	Page
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	151
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	154
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	154–5
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. Further information on payment times can be found at [entity web address].	If applicable, mandatory	155

PGPA Rule Reference	Description	Requirement	Page
Financial statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory	161–214
Executive remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule	Mandatory	226–31
17AD(f)	Other mandatory information		
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that <i>"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."</i>	If applicable, mandatory	n/a
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory	156
17AH(1)(b)	A statement that <i>"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."</i>	If applicable, mandatory	155
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory	147
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory	160
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	263–6
17AH(2)	Information required by other legislation	Mandatory	239, 240–44, 245–51, 252–7

Abbreviations and acronyms

Short form	Meaning
ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACCO	Aboriginal Community Controlled Organisation
ACCS	Additional Child Care Subsidy
ACT	Australian Capital Territory
AEA	Australia's Economic Accelerator
AERO	Australian Education Research Organisation
AGA	Australian Government Actuary
AGGP	Australian Government Graduate Program
AI	Artificial Intelligence
AITSL	Australian Institute for Teaching and School Leadership
ANAO	Australian National Audit Office
ANU	Australian National University
APS	Australian Public Service
APSC	Australian Public Service Commission
ASA	Australian Submarine Agency
ASL	Average Staffing Level
ATEC	Australian Tertiary Education Commission
BFSA	Better and Fairer Schools Agreement
CALD	Culturally and Linguistically Diverse
CBDC	Centre Based Day Care
CCCF	Community Child Care Fund
CCS	Child Care Subsidy

Short form	Meaning
CCSS	Child Care Subsidy System
CCTV	closed-circuit television
CGS	Commonwealth Grant Scheme
CO ₂ -e	carbon dioxide equivalent
COLA	cost of overseas living adjustment
COPA	cost of overseas posting allowance
CPA	Certified Practising Accountant
CPI	consumer price index
CPRs	Commonwealth Procurement Rules
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
CSPs	Commonwealth supported places
DEWR	Department of Employment and Workplace Relations
DNER	debt not expected to be repaid
EA	enterprise agreement
ECEC	early childhood education and care
Education Ministers	Australian state and territory ministers for education
EFS	Education Funding System
EL	executive level
ESA	Education Services Australia
ESOS Act	<i>Education Services for Overseas Students Act 2000</i>
ESS	Employer Satisfaction Survey
EL	Executive Level
EWRs	Enterprise-Wide Risks
FBT	fringe benefits tax

Short form	Meaning
FDC	Family Day Care
FRR	Public Governance, Performance and Accountability (Financial Reporting) Rule 2015
FTE	full-time equivalent
GBV Regulator	Higher Education gender-based violence regulator
GOS	Graduate Outcomes Survey
GST	goods and services tax
HDR	higher degree by research
HELP	Higher Education Loan Program
HESA	<i>Higher Education Support Act 2003</i>
HESC	Higher Education Standards Committee
HESP	Higher Education Superannuation Program
HETP	Higher Education Tuition Protection
ICT	information and communications technology
ISP	Inclusion Support Program
IT	information technology
ITE	initial teacher education
KMP	key management personnel
low SES	low socio-economic status
MBGA	Maximum Basic Grant Amount
MoU	memorandum of understanding
MYEFO	Mid-Year Economic and Fiscal Outlook
NAPLAN	National Assessment Program – Literacy and Numeracy
NAS	Needs Additional Support
NATSIEC	National Aboriginal and Torres Strait Islander Education Corporation
NCRIS	National Collaborative Research Infrastructure Strategy

Short form	Meaning
NSO	National Student Ombudsman
OECD	Organisation for Economic Co-operation and Development
OSHC	Outside School Hours Care
OSTF	Overseas Students Tuition Fund
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PM	performance measure
PRA	Preschool Reform Agreement
QILT	Quality Indicators for Learning and Teaching
RAP	Reconciliation Action Plan
RFBT	reportable fringe benefits tax
ROU	right-of-use
RSP	Research Support Program
RSPC	Random Sample Parent Check
RTP	Research Training Program
SA2	Statistical Area Level 2
SEIFA	Socio-Economic Indexes for Areas
SES	Senior Executive Service
SEW	Survey of Education and Work
SMEs	small and medium enterprise
SSP	Statement of Strategic Priorities
STEM	science, technology, engineering and mathematics
TEQSA	Tertiary Education Quality and Standards Agency
TPS	Tuition Protection Service

Short form	Meaning
UNSW	University of New South Wales
USI	Unique Student Identifier
UTS	University of Technology Sydney
VET	Vocational Education and Training
VSL	VET Student Loans
VSLTP	VSL Tuition Protection
WHS	work health and safety
WHS Act	<i>Work Health and Safety Act 2011</i>
WRP	Worker Retention Payment

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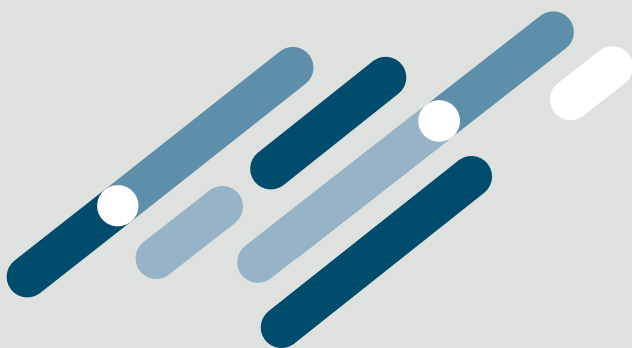
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