



Australian Government
Department of Education,
Skills and Employment



Incoming Government Brief

2022



Australian Government
Department of Education, Skills and Employment

Secretary
Dr Michele Bruniges AM

The Hon Brendan O'Connor MP
Minister for Skills and Training

Dear Minister

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

The contribution of education, skills and training is significant, providing a lifetime of opportunity for all Australians.

My department stands ready to implement your agenda by providing national leadership on skills and training policy. We will partner with portfolio agencies, states, territories and stakeholders to develop labour market skills and build a stronger, broader, more inclusive and sustainable economy.

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

Yours sincerely

Dr Michele Bruniges AM


1 June 2022

Table of Contents

1. Introduction

Provides an overview of the department and its role, introduces the leadership group, presents an overview of education through the life course, and provides high-level outlooks on education and training and the economy and labour market.

2. Your agenda

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


Commitments

Skills

3. Early priorities

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

4. Overviews

Describes how the skills and training sector operates, with reference to key data and reforms. Also includes overviews on significant issues, such as Commonwealth-state relations and Closing the Gap.

SUPPLEMENTARY PRODUCTS



Portfolio guide

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



1

Introduction

Table of Contents – Introduction

1. Introduction

Introduction to the department

Departmental leadership

Learning life course

Education and training outlook

Economic and labour market outlook

Introduction to the department

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

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

The work we do

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

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

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

- 1** Improve early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.
- 2** Promote growth in economic productivity and social wellbeing through access to quality higher education, international education and international quality research.
- 3** Promote growth in economic productivity and social wellbeing through access to quality skills and training.
- 4** Foster a productive and competitive labour market through policies and programs that assist job seekers into work and meet employer needs.

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

How we do it

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

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

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

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

Portfolio agencies

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

Bodies forming part of the portfolio's administrative arrangements orders

- Australian National University

Statutory Bodies

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

Statutory office holders

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

Non-Statutory Appointments

- Regional Education Commissioner

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

Non-Statutory Boards

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

Ministerial Forums Relevant to the Portfolio








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

Other Structures within the Portfolio

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

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

Departmental leadership

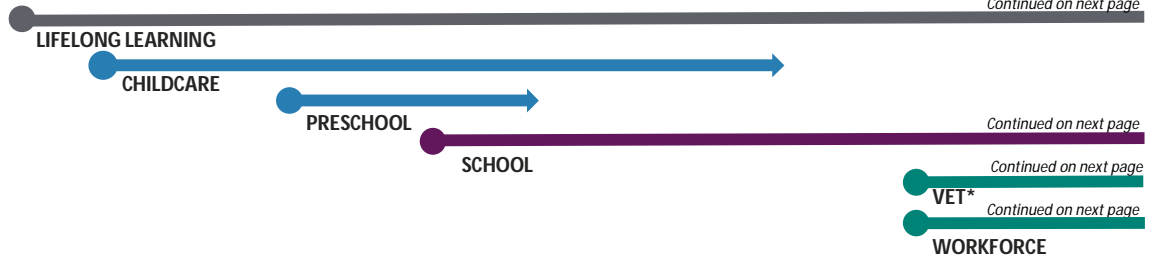
Name	Role and contact details	Executive Officer contact details
	Dr Michele Bruniges AM Secretary, Australian Department of Education, Skills and Employment [Redacted]	[Redacted]
	Mr Marcus Markovic Deputy Secretary, Corporate and Enabling Services [Redacted]	[Redacted]
	Mr Brenton Philp Deputy Secretary,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

Learning life course

How Australians engage with learning across their life course

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

Continued on next page



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

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

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

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

- READING
- a. 32% of Indigenous 15 year olds
 - b. 54% of regional 15 year olds
 - c. 40% of remote 15 year olds
 - d. 43% of 15 year olds from the lowest ESCS* quartile
 - e. 54% of male 15 year olds
 - f. 65% of female 15 year olds
- *ESCS is Economic, Social and Cultural Status

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

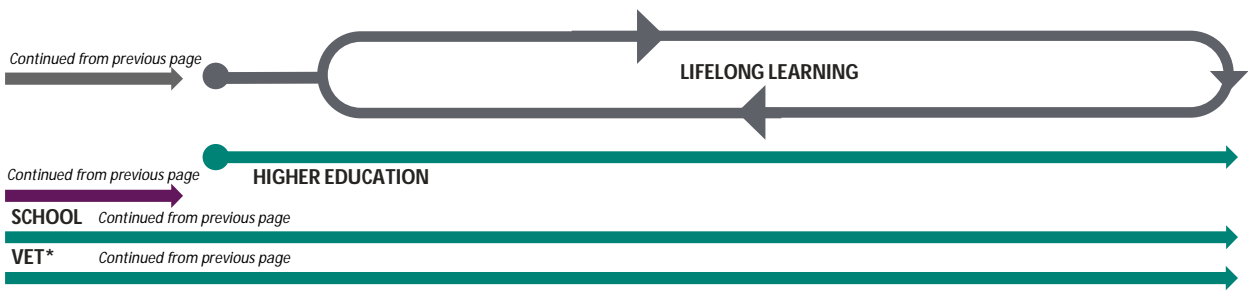
Outcome in 2021
82.5% of 20-24 year olds held a Year 12 or equivalent qualification
ABS, Survey of Education and Work, 2021

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

VET* = Vocational Education and Training

Learning life course (continued)

How Australians engage with learning across their life course



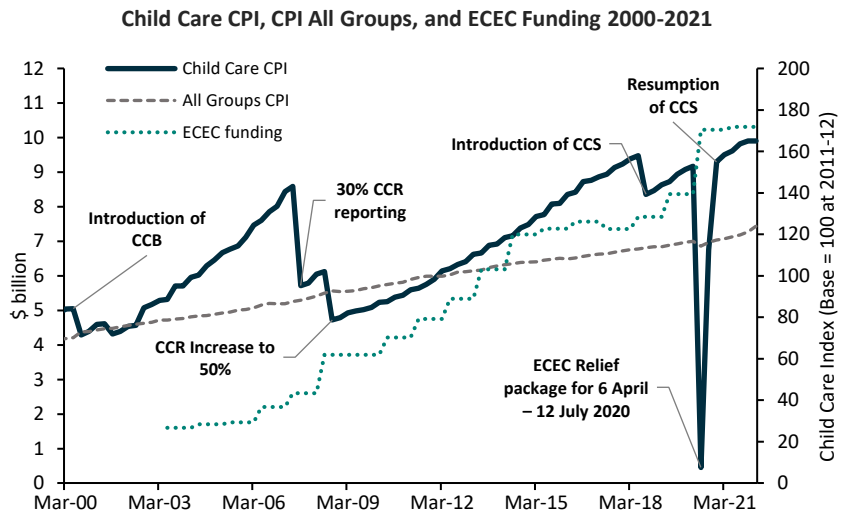
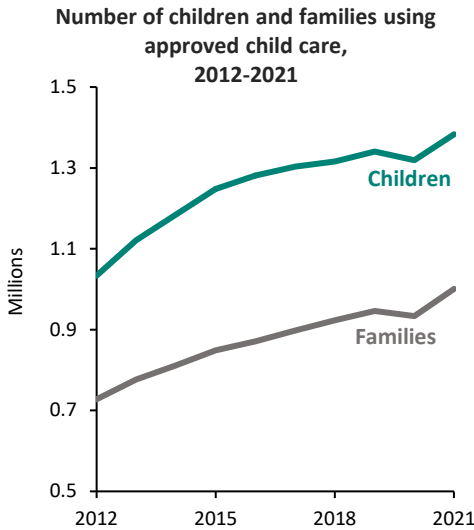
LIFELONG LEARNING			STAGE/PHASE OF LEARNING
People regularly improve their skills and develop new ones, moving in and out of formal and informal learning options multiple times			
VOCATIONAL EDUCATION AND TRAINING	HIGHER EDUCATION	WORKFORCE	LEARNING OBJECTIVES
Students develop increasingly complex knowledge and skills, from foundational to a systemic and critical understanding of their discipline, according to the level of qualification. Students make progress based on their competence. Competencies and qualifications are developed in collaboration with industry	Students develop advanced knowledge and skills, a high level of critical and creative thinking, interpersonal and communication skills, digital literacy and problem solving capabilities	Workers apply, refine and build on their skills, knowledge and competencies while at work.	
Australian Qualifications Framework			LEARNING FRAMEWORK
Funding to states and territories to support students and providers, subsidies to business, and student loans	Funding to support students and higher education providers, and student loans		COMMONWEALTH FUNDING
<ul style="list-style-type: none"> Public Registered Training Organisations (RTOs) including TAFE institutions, private RTOs and dual-sector universities 	<ul style="list-style-type: none"> Public universities, private universities Non-university higher education providers 		PROVIDERS
Outcome in 2021 30% of 25-34 year olds have a VET qualification at Certificate III to Advanced Diploma as their highest qualification <small>ABS, Survey of Education and Work, 2021</small>	Outcome in 2021 30% of 25-34 year olds have a bachelor degree and 14% have a post graduate degree as their highest qualification <small>ABS, Survey of Education and Work, 2021</small>	Outcome in 2021 79% of 15-64 year olds participate in the labour market <small>ABS, Survey of Education and Work, 2021</small>	
<ul style="list-style-type: none"> a. 26% of 25-34 year olds from major cities b. 40% of 25-34 year olds from outside major cities c. 32% of male 25-34 year olds d. 25% of female 25-34 year olds 	<ul style="list-style-type: none"> a. 49% of 25-34 year olds from major cities b. 25% of 25-34 year olds from outside major cities c. 34% of 25-34 year olds d. 50% of female 25-34 year olds 	<ul style="list-style-type: none"> Have a bachelor degree or higher as their highest qualification 	
Outcome in 2021-22 42% of 15-74 year olds participated in formal and/or non-formal learning in 2021-22 <small>ABS, Work-related training and adult learning, 2022</small>			

Education outlook

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

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

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

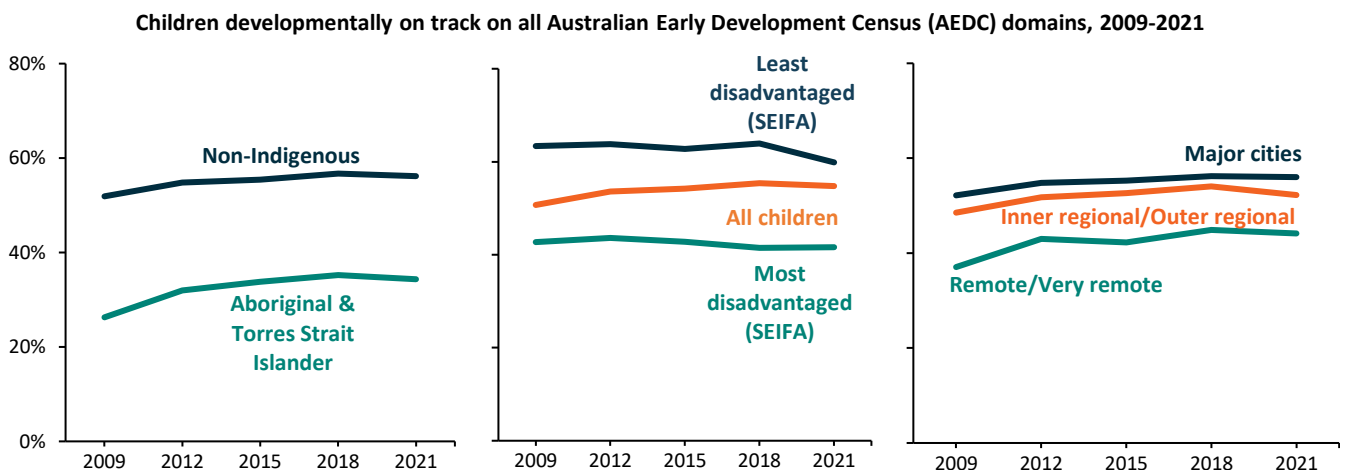


Source: DESE, Key Early Childhood Data, March 2021

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

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

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

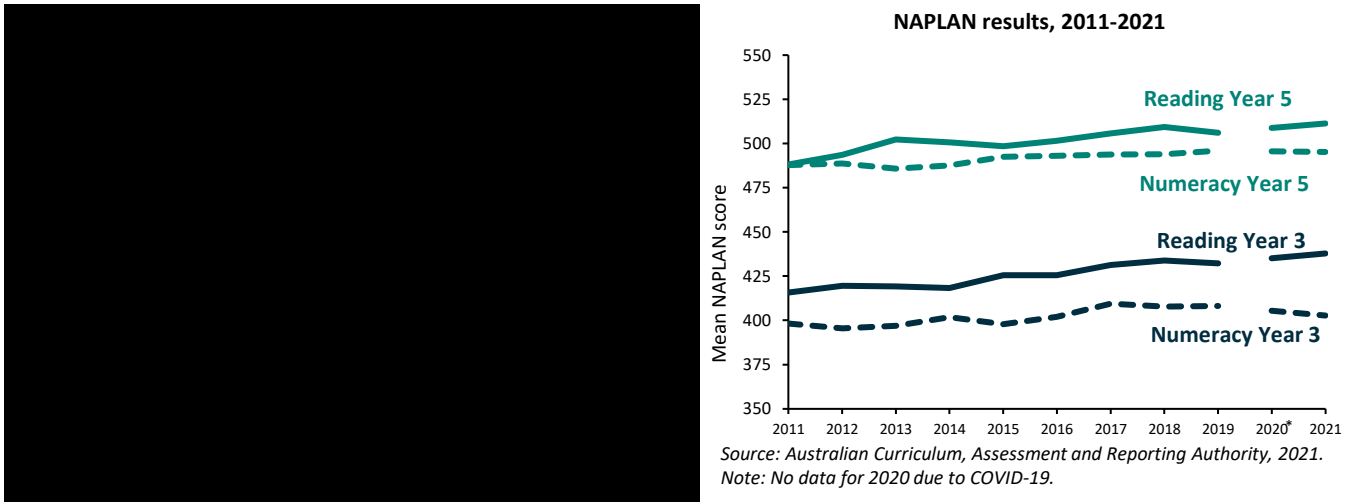


Source: Australian Early Development Census (AEDC) National Report, 2009-2021

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

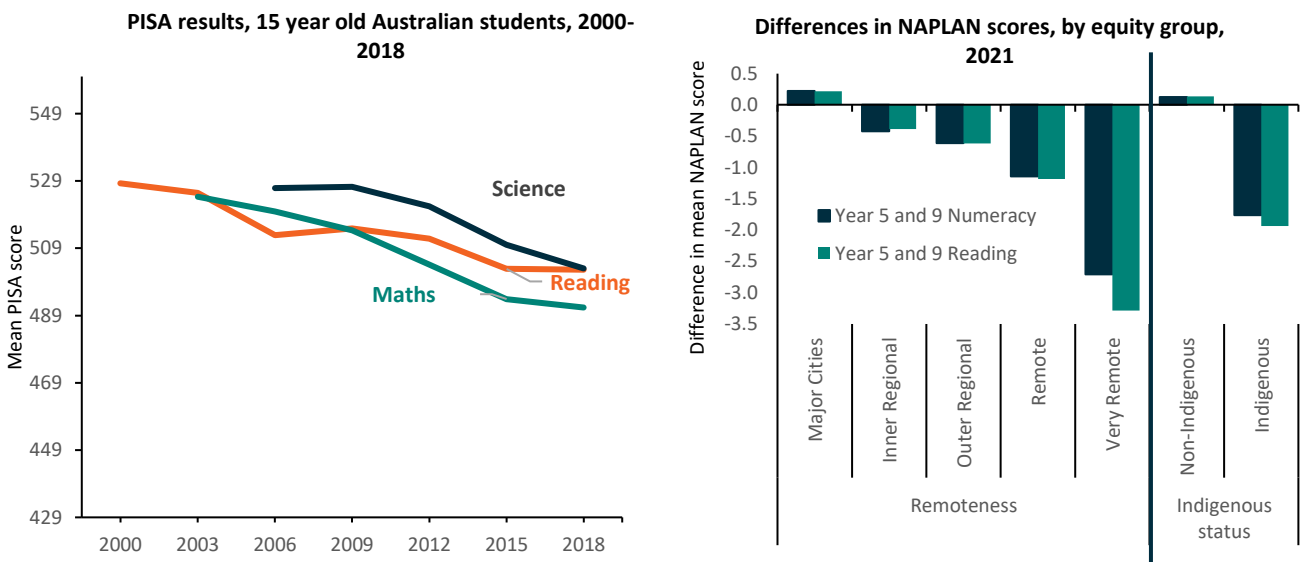
Early learning and school reforms have driven improvements year on year in primary school NAPLAN results. However more needs to be done to support children who are not meeting the minimum standards.

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



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

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



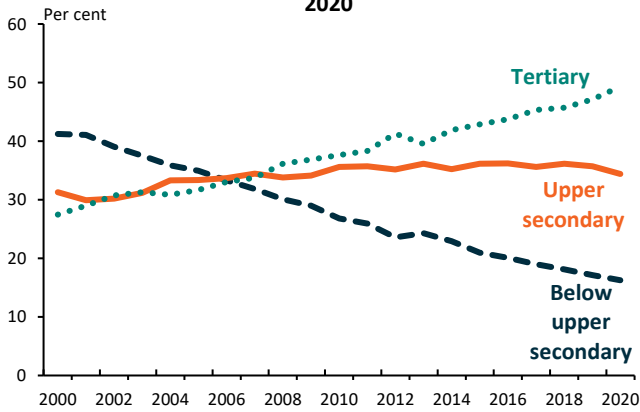
Source: OECD Program of International Student Assessment and Trends in International Mathematics and Science Study. Australian Curriculum, Assessment and Reporting Authority (ACARA), 2021

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

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

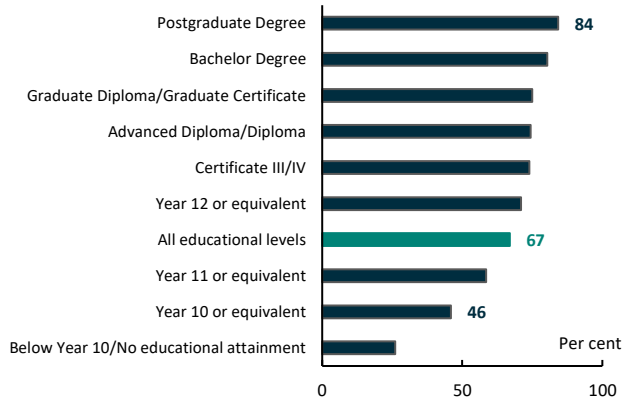
5. More Australians than ever are receiving tertiary qualifications. Labour market participation outcomes remain positive for people who achieve at least a Year 12 certificate.

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



Source: OECD, Education at a Glance, 2021

Participation rate by educational attainment, February 2022

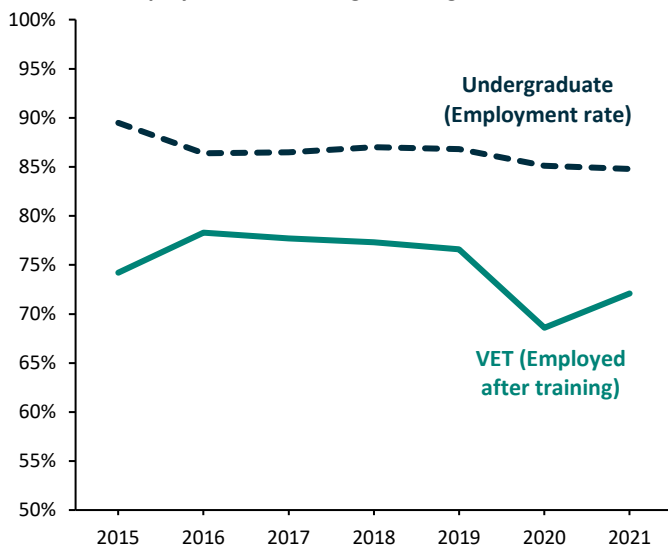


Source: ABS Labour Force, Australia, Detailed, March 2022
(Note: data are in original terms)

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

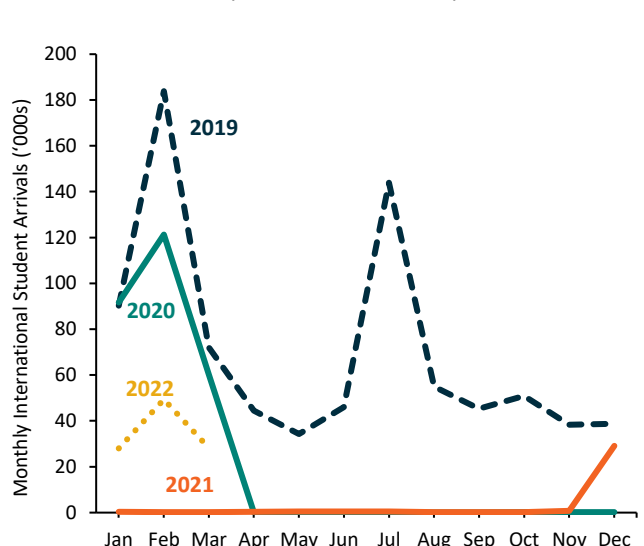
6. Tertiary education was significantly impacted by COVID. Employment rates after graduating VET fell noticeably in 2020, while international student arrivals were very low for much of 2020 and 2021.

Employment rate after graduating, 2015-2021



Source: QILT, Graduate Outcomes Survey; NCVER, VET Student Outcomes

Overseas arrivals, Student Visa Holders, 2019-2022

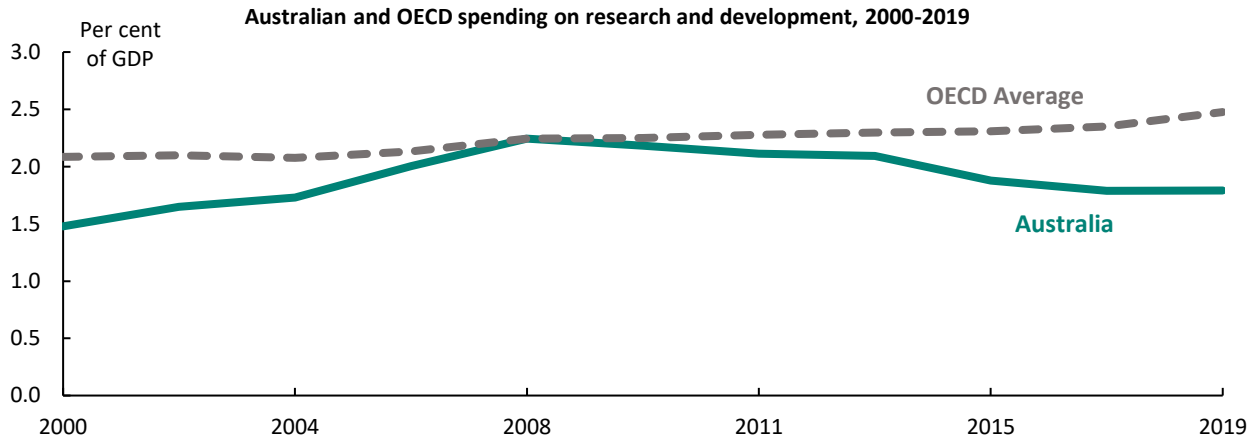


Source: ABS, Overseas Arrivals and Departures, Australia, March 2022

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

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

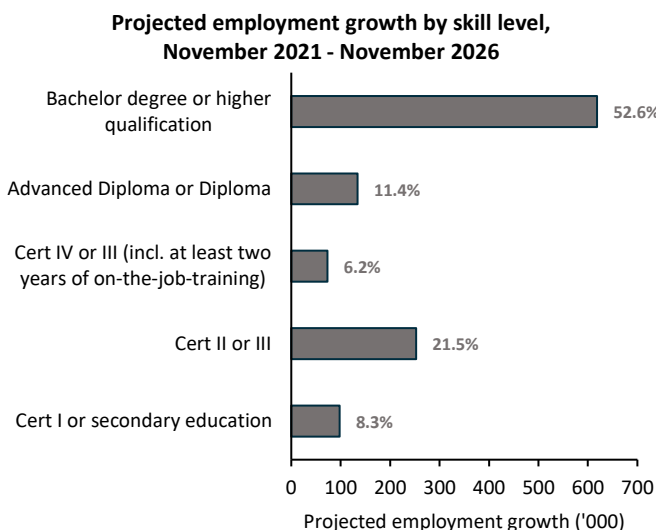
7. Investment in Australian higher education research is steadily increasing, but overall spending on research and development is below the OECD average.



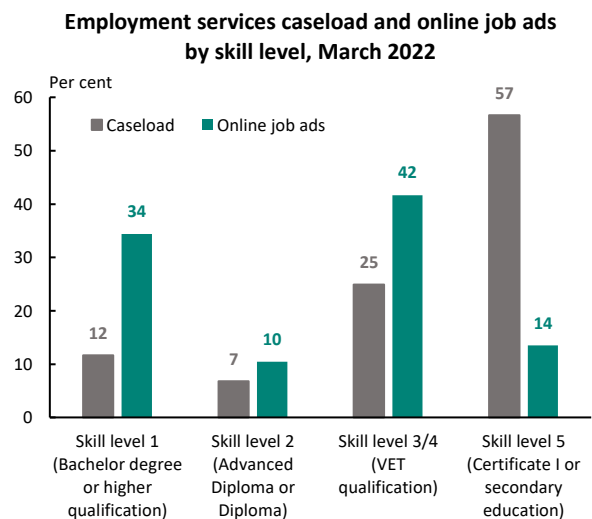
Source: OECD, *Gross domestic spending on research and development, 2019*

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

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



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



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

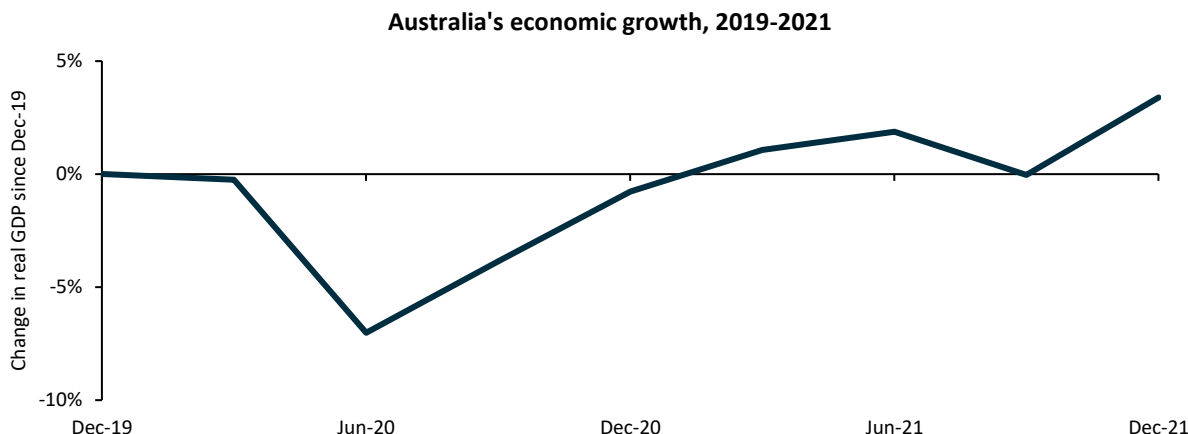
Over the next five years (November 2021 to November 2026), jobs growth is projected to be highest in roles requiring a bachelor degree or higher, with the second highest growth in roles requiring a Certificate II or III. Education and skills are critical in meeting future workforce needs. Ensuring Australians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

Economic and labour market outlook

This outlook provides insights into economic and labour market conditions and pressures, with a focus on the jobactive caseload and projected employment growth and skills needs.

The economy and labour market are showing signs of recovery from COVID, as evidenced through a range of indicators, including GDP, unemployment and participation.

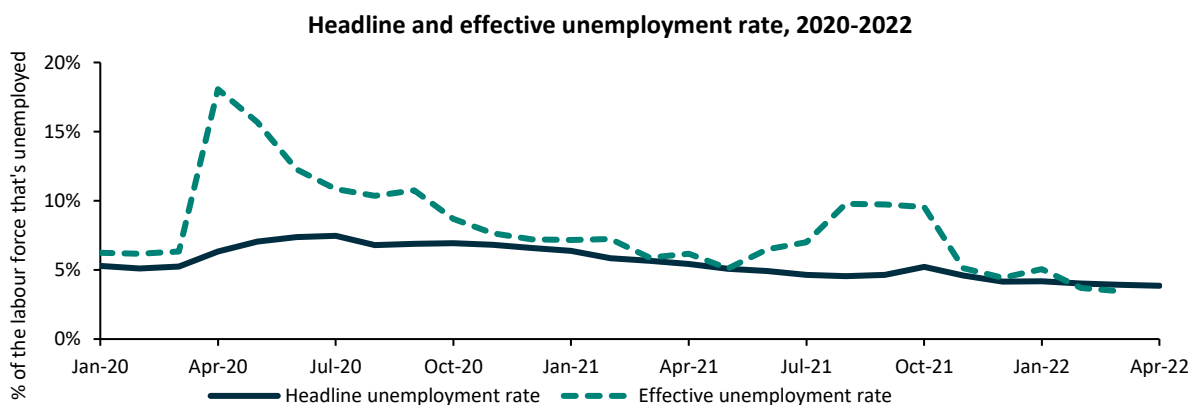
1. The economy is rebounding from COVID.



Source: ABS Australian National Accounts, Seasonally adjusted, December 2021

The Australian economy contracted by 6.8 per cent in the June 2020 quarter as a result of the initial COVID impact, before rebounding strongly. The economic recovery experienced temporary setbacks due to the Delta variant, which resulted in a slowdown in the September 2021 quarter. This was followed by a solid rebound in the December 2021 quarter (latest GDP data) as mobility restrictions eased. Timely indicators suggest that economic activity has remained resilient to the Omicron outbreak and east coast floods in the March 2022 quarter.

2. The unemployment rate has fallen and participation is high.

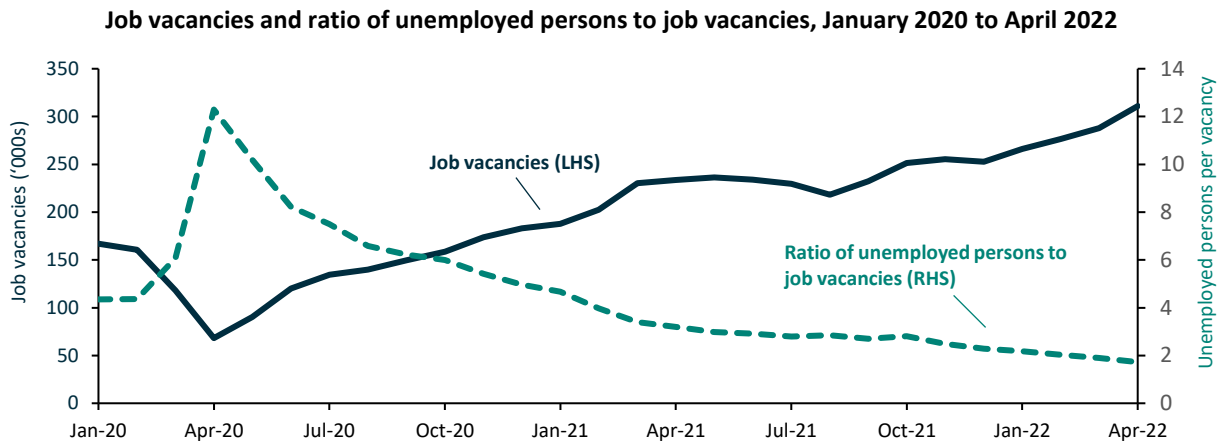


Source: ABS Labour Force, Australia, Seasonally adjusted, April 2022 and DESE calculations, March 2022

After reaching 7.5 per cent in July 2020, the headline unemployment rate fell to 3.9 per cent in March and April 2022 — the lowest rate since 1974. Similarly, participation in April 2022 was at a near record high of 66.3 per cent (well above the 62.6 per cent recorded in May 2020). The headline unemployment rate understated labour market slack during lockdowns because it didn't count people leaving the labour force, or those employed but working zero hours. The effective unemployment rate accounts for this. There is considerable disparity in unemployment rates between regions, with the gap between the highest and lowest SA4 unemployment rates (reflecting local labour markets or groups of labour markets) averaging ~10 percentage points over the last five years (ABS Labour Force, Australia, Detailed, March 2022, 6-month average of original estimates).

Tight labour market conditions are exacerbating workforce pressures and skills shortages, while inflationary pressures are rising.

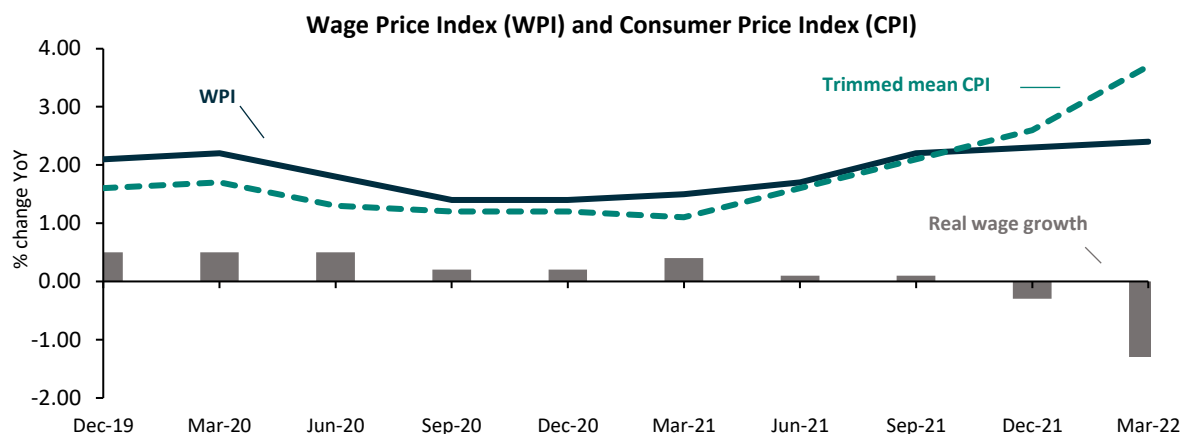
3. Job vacancies are elevated and employers report difficulty recruiting.



Source: National Skills Commission Internet Vacancy Index, Seasonally adjusted and ABS Labour Force, Australia, Seasonally adjusted, April 2022

Job vacancies have been elevated for most of the pandemic (aside from an initial drop). This is the result of monetary and fiscal stimulus and labour supply constraints (due to lower migration). As at April 2022, there were 1.7 unemployed persons per job vacancy (using the National Skills Commission Internet Vacancy Index). This is the lowest ratio since August 2008. In April 2022, 64 per cent of recruiting employers* who were surveyed reported recruitment difficulty (National Skills Commission Recruitment Experiences and Outlook Survey, April 2022). Recruitment difficulty was slightly higher for greater capital cities than rest of state areas (65 per cent and 62 per cent respectively). For most of the series, difficulty has been higher for rest of state areas (series began August 2020).

4. Inflationary pressures are rising but wages are not keeping pace.



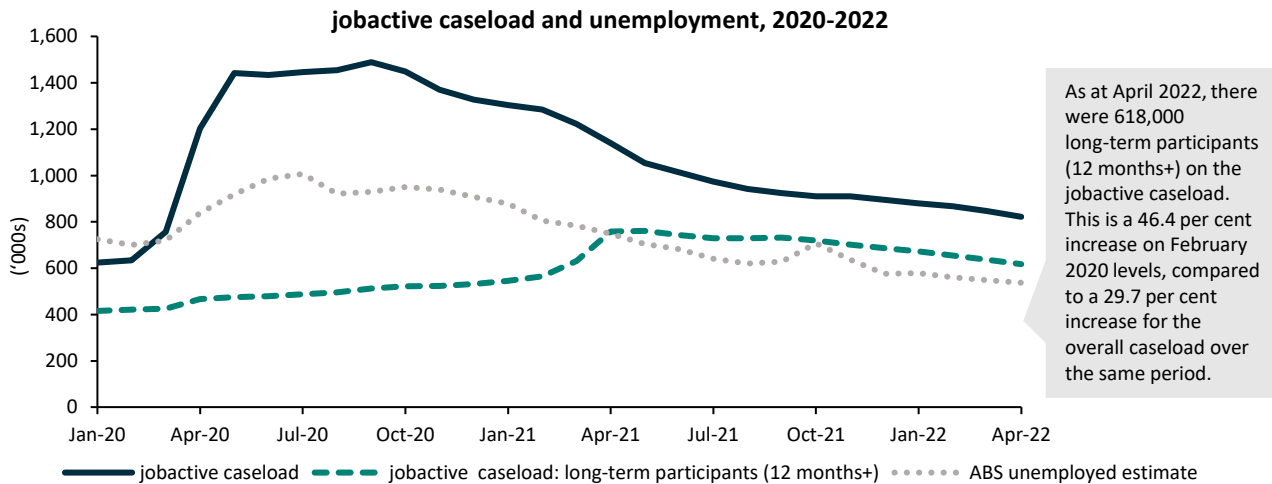
Source: ABS Consumer Price Index, Australia, Seasonally adjusted and ABS Wage Price Index, Australia, Seasonally adjusted, March 2022

Global factors (such as fuel prices and supply chain pressures) have significantly contributed to rising inflation, with headline inflation at 5.1 per cent over the year to the March 2022 quarter, and underlying inflation at 3.7 per cent. The Wage Price Index (WPI) rose 2.4 per cent over the same period. While there are indications from the RBA's Business Liaison Program that broader measures of wage growth may be picking up, the RBA forecasts inflation will outstrip the WPI until late 2023. Productivity is one of the main contributors to long-term real wage growth. Productivity can be boosted by education and skills, as well as matching people to jobs that best use their skills.

* 'Recruiting employers' are those who were currently recruiting at the time of the survey, or who recruited in the previous month.

Despite strong labour market conditions, some people are still struggling to find work, with the jobactive caseload remaining above pre-COVID levels.

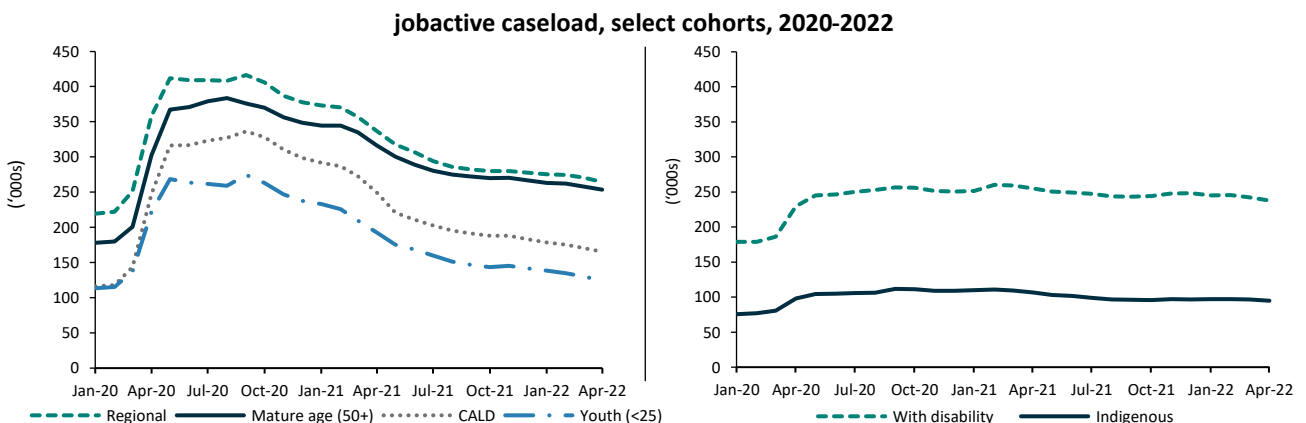
5. The jobactive caseload is elevated. Three in four participants have been on caseload for a year or more.



Source: jobactive data, April 2022 and ABS Labour Force, Australia, Seasonally adjusted, April 2022

While the jobactive caseload has declined since peaking at 1.49 million in September 2020, it remains above pre-COVID levels (821,000 as at April 2022). This is despite high vacancy rates. 75.2 per cent of participants are long-term participants, having been on caseload for 12 months or more, an increase from the 66.6 per cent in February 2020. Many job seekers face multiple barriers to work and there is a mismatch between the skills and qualifications of participants and available jobs. The jobactive caseload is higher than the ABS estimate of unemployment, in part due to some participants working, but not earning enough to exit income support (27.5 per cent of the caseload).

6. Some cohorts in jobactive have fared better in the recovery than others.

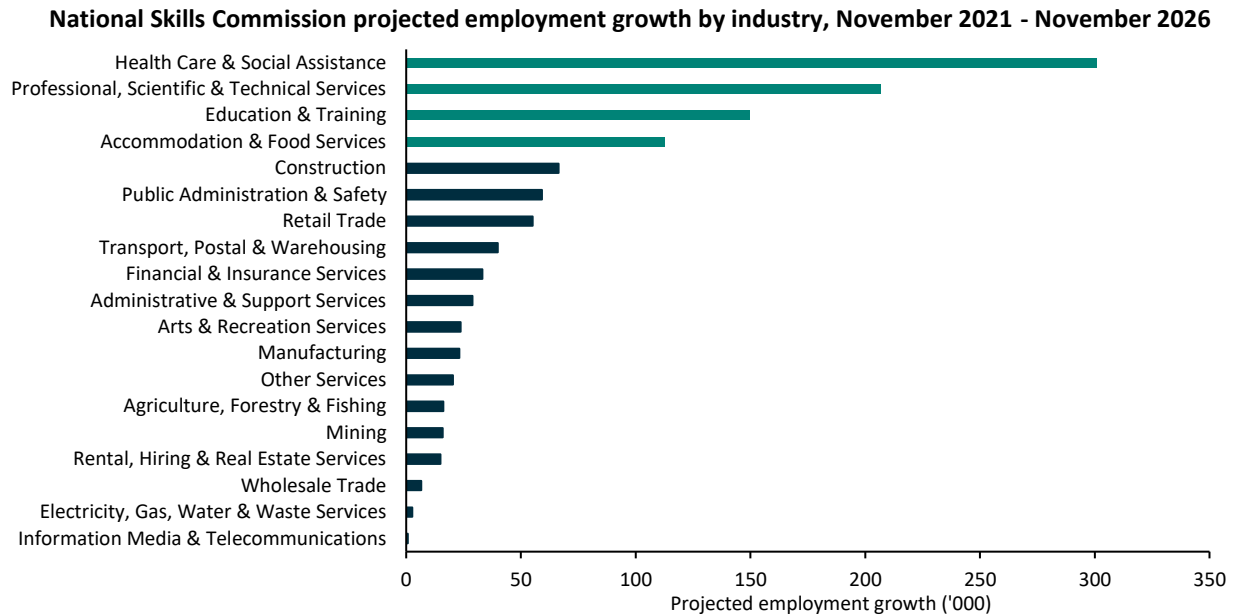


Source: jobactive data, April 2022. Note: participants can belong to multiple cohorts (e.g. be regional and young)

The jobactive caseload increased significantly in 2020, but the increase was sharper for some cohorts than others. As the labour market has recovered, the total jobactive caseload has declined over 2021 and 2022. The regional, mature age, culturally and linguistically diverse (CALD) and youth caseloads have fallen broadly in line with the overall caseload (although the youth and CALD caseloads have fallen more quickly, while the regional and mature age caseloads have been slower to decline). Despite this, the CALD and mature age caseloads are 40.0 per cent and 41.0 per cent higher than pre-COVID respectively, compared to 29.7 per cent for the overall caseload (as at April 2022). While increasing less sharply in 2020, the people with disability and Indigenous caseloads have not fallen nearly as much as other cohorts.

The RBA forecasts the unemployment rate will decline to around 3.5 per cent in early 2023 and remain around this level to June 2024. The education and skills systems will be important to meet future workforce needs.

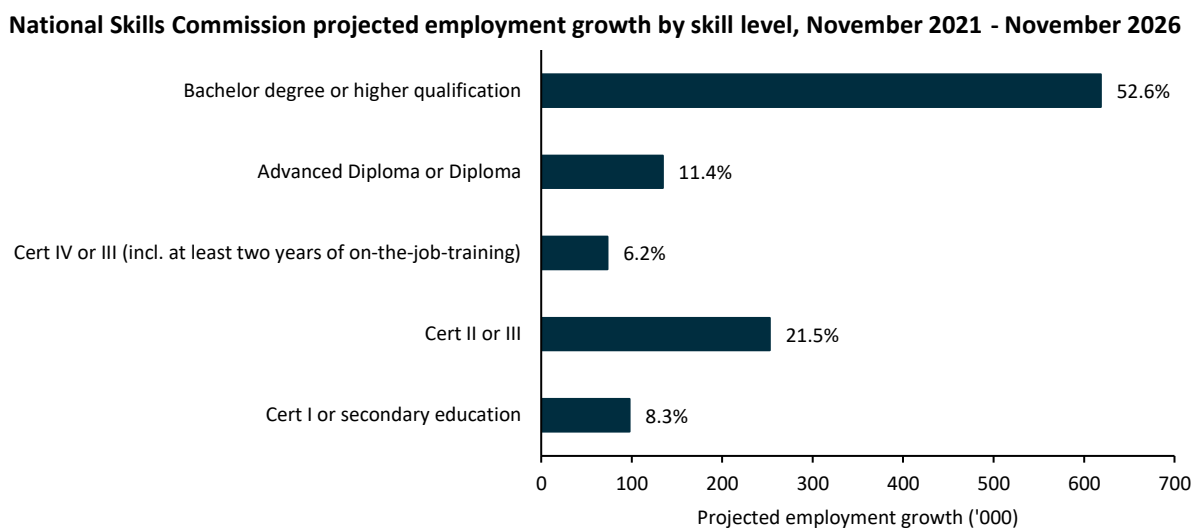
7. Over the next five years, four industries are projected to provide almost two-thirds of jobs growth.



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

Of the four industries projected to contribute the most to employment growth, all are services industries. This is consistent with continued ageing of the population and increased growth in demand for services.

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



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

Over the next five years (November 2021 to November 2026), jobs growth is projected to be highest in roles requiring a bachelor degree or higher, with the second highest growth in roles requiring a Certificate II or III, highlighting the importance of education and skills to meeting future workforce needs.



2

Your Agenda

Table of Contents – Your Agenda

2. Your agenda

Commitment roadmap

Commitments

Skills

Jobs and Skills Australia

A future made in Australia skills plan: TAFE commitments

New energy apprenticeships

New energy skills program

Australian skills guarantee

Tasmanian jobs hub and training centre

Trade training centre at Ellenbrook Secondary College

Commitments with significant linkages to your portfolio

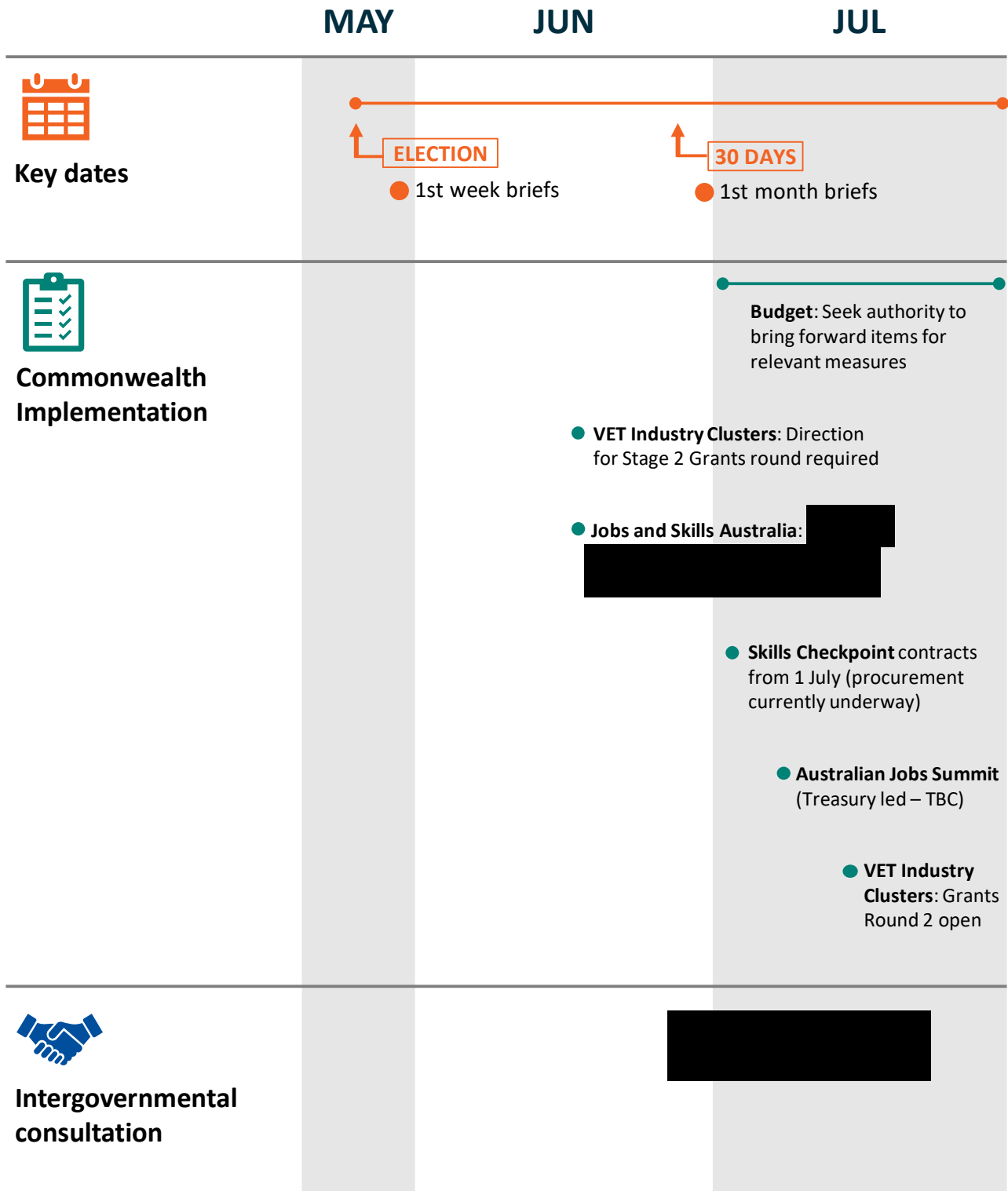
Department approach to implementation

Commitment roadmap – skills and training

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

These milestones are not exhaustive.

See commitment briefs for more detailed implementation information.



NOTE: Timing of milestones and events are approximate

Commitment roadmap – skills and training

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

These milestones are not exhaustive.

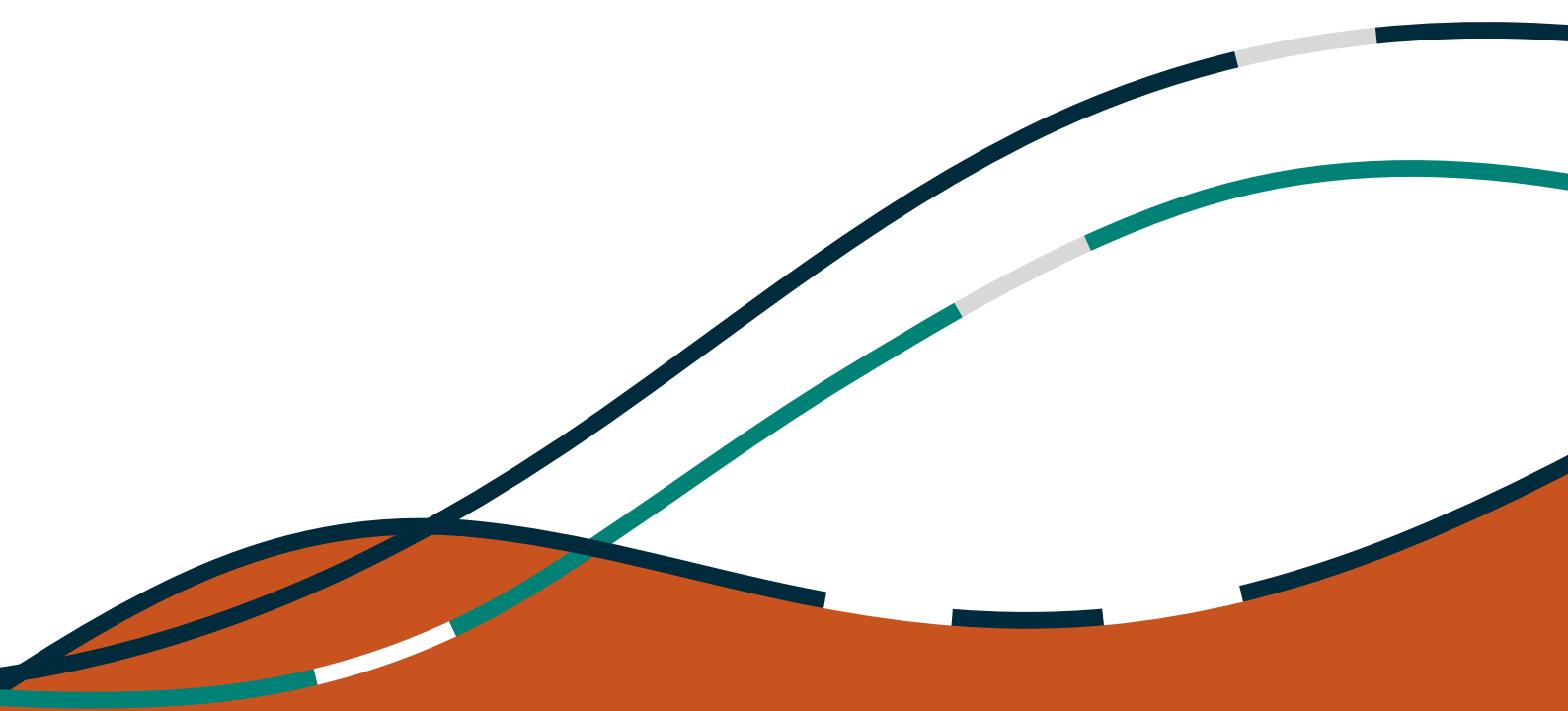
See commitment briefs for more detailed implementation information.



NOTE: Timing of milestones and events are approximate



Commitments



Skills

Commitment brief summary

Skills

Summary

This section includes **seven** briefs which provide advice on the implementation of your commitments in the Skills sector.

Commitment	Announcement date	Funding	Action required	Implementation risk rating
Jobs and Skills Australia	12 Nov 2021	Funded from National Skills Commission	In the next month	
A future made in Australia skills plan: TAFE commitments	5 Nov 2021	Costs not available	In the next month	
New energy apprenticeships	5 Nov 2021	\$52 million 2022-23 to 2025-26	In the next month	
New energy skills program	11 Apr 2022	\$10.7 million 2022-23 to 2025-26	In the next six months	
Australian skills guarantee	21 Apr 2022	Costs not available	In the next six months	
Tasmanian jobs hub and training centre	25 Feb 2022	\$1 million	In the next six months	
Trade training centre at Ellenbrook Secondary College	8 April 2022	\$3 million	In the next six months	

Jobs and Skills Australia

Announcement	Funding	Priority
12 November 2021	Zero cost to portfolio.	[REDACTED]
The Hon. Anthony Albanese MP		[REDACTED]
anthonyalbanese.com.au/media-centre/lets-invest-in-skills-for-our-greatest-resource-opinion-herald-sun		

Description

This commitment will establish Jobs and Skills Australia – ‘a new independent agency responsible for researching workforce trends and providing advice about what skills are needed now and in the future’. ‘It will be modelled on Infrastructure Australia’.

Its ‘functions will include:

- workforce and skills analysis
- preparing capacity studies, including for emerging and growing industries
- undertaking specific plans for targeted groups such as the regions, over-55 workers, and youth
- reviewing the adequacy of the training and vocational system.’

Jobs and Skills Australia will also ‘have a statutory obligation to undertake workforce forecasting and assessing skills requirements for those services where government is the major funder, and where demand is forecast to expand – including the human services of the National Disability Insurance Scheme, aged care and health.’ ‘Jobs and Skills Australia will be a genuine partnership across all sectors – business leaders, both large and small; State and Territory governments; unions; education providers; and those who understand particular regions’.

Jobs and Skills Australia will be ‘one of the first things that we do to drive that change through the economy’.

- [REDACTED]
- [REDACTED]
- [REDACTED]

[Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

[Redacted]

[Redacted]

Legislation

Legislation will be required to establish Jobs and Skills Australia as a statutory body. Other pieces of legislation will need to be revoked (NSC Act) or amended depending on the scope of the new agency and any decisions on other existing statutory functions.

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

Cost

Jobs and Skills Australia is of zero cost (Source: Labor’s Plan for a Better Future. Better Budget, Better Economy)

Media and stakeholders

N/A

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Department contacts:	
Ms Nadine Williams Deputy Secretary Skills and Training [Redacted] [Redacted]	Ms Mary McDonald First Assistant Secretary Skills Reform Taskforce [Redacted] [Redacted]

Future made in Australia skills plan: TAFE commitments

Announcement	Funding	Priority
5 November 2021	\$846.4 million	
The Hon. Anthony Albanese MP	2022-23 to 2025-26	

alp.org.au/policies/fee-free-tafe-and-more-university-places

Description

This commitment covers a number of TAFE-related funding commitments made as part of the Government's \$1.2 billion Future Made in Australia Skills Plan 'to focus on closing the gap on key areas of skills shortages with new places at university and TAFE'.

- \$796.4 million over four years for 465,000 Fee Free TAFE places, including 45,000 new places for students studying in industries that were impacted by COVID-19, industries of national importance and industries facing skills shortages. Targeted cohorts will include 'school leavers, workers wanting to retrain or upskill, and unpaid carers – who are predominantly women – to get back into the workforce'.
- Ensuring that at least 70 per cent of Commonwealth VET funding is for public TAFE.
- \$50 million TAFE Technology Fund to 'improve IT facilities, workshops, laboratories and tele-health simulators across the country'. Specific announcements are:
 - \$3.24 million for Midland TAFE (WA) for a wind turbine training centre
 - \$2 million for Bentley TAFE (WA) for a commercial kitchen
 - \$2.5 million for Pimlico TAFE (QLD) for an arts precinct
 - \$1 million for Thursday Island TAFE (Qld) for a Health Hub
 - \$1 million to replace an automotive spray booth at the Devonport TasTAFE Campus.
- You have also committed \$10 million for the construction of a 'Youth Foyer' at the new Canberra Institute of Technology (CIT) Woden precinct, which will provide accommodation for homeless or at-risk young people while they complete their education.

[Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

[Redacted]

[Redacted]

[Redacted]

Legislation

N/A.

[Redacted]

[Redacted]

- [Redacted]

- [Redacted]

[Redacted]

- [Redacted]

- [Redacted]

Cost

Financial impact over the forward estimates (\$ millions): \$-846.4

	2021-22	2022-23	2023-24	2024-25	2025-26
Total Impact on Underlying Cash Balance (\$ millions)	0	-137.1	-254.9	-237.9	-216.5

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

Media and stakeholders

N/A.

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Department contacts:	
<p>Ms Nadine Williams Deputy Secretary Skills and Training ██ ██</p>	<p>Ms Mary McDonald First Assistant Secretary Skills Reform Taskforce ██ ██</p>

New energy apprenticeships

Announcement	Funding	Priority
11 April 2022	\$52 million	[REDACTED]
The Hon. Anthony Albanese MP	2022-23 to 2025-26	[REDACTED]

alp.org.au/policies/new-energy-apprenticeships

Description

This commitment will *'encourage Australians to train in the new energy jobs of the future and provide the additional support they need to complete their training'* by providing \$100 million to support 10,000 New Energy Apprenticeships over four years from 2022-23 (2,500 commencements per year).

2,000 places will be dedicated to Queensland. Apprentices who choose to train in new energy industries will receive up to \$10,000 over the duration of the apprenticeship: \$2,000 on commencement and \$2,000 a year for up to four years afterwards, including on successful completion.

'Relevant energy industries include rooftop solar installation and maintenance, large-scale renewable projects, energy efficiency upgrades to homes and businesses, green hydrogen, renewable manufacturing, and relevant agricultural activities'.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

[Redacted]

Legislation

Legislative requirements will be reviewed once implementation detail is settled.

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

Cost

Financial impact over the forward estimates (\$ millions): **-\$52.0**

	2021-22	2022-23	2023-24	2024-25	2025-26
Total Impact on Underlying Cash Balance (\$ millions)	0	-5.4	-10.5	-15.5	-20.6

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

Media and stakeholders

N/A

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Department contacts:

Ms Nadine Williams

Deputy Secretary

Skills and Training Group

[Redacted]

[Redacted]

Ms Clare Sharp

First Assistant Secretary

Apprenticeships and Foundation Skills Division

[Redacted]

[Redacted]

New energy skills program

Announcement	Funding	Priority
13 May 2022	\$10.7 million	[REDACTED]
The Hon. Anthony Albanese MP	2022-23 to 2025-26	[REDACTED]
alp.org.au/policies/new-energy-apprenticeships		

Description

This commitment will develop *'fit-for purpose training pathways for new energy industry jobs in partnership with the states and territories, industry, and unions'*. As part of the Program, a mentoring program will be established in which experienced workers in new energy industries will help to train and support new apprentices.

In conjunction with New Energy Apprenticeships, the Program will support the Government's agenda *'to prioritise growth and investment in the renewable energy sector as part of the 'Powering Australia' plan'*.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Legislation

No new legislation is required. New program guidelines may be required.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Cost

Financial impact over the forward estimates (\$ millions): -10.7

	2021-22	2022-23	2023-24	2024-25	2025-26
Total Impact on Underlying Cash Balance (\$ millions)	0	-5.4	-5.3	0	0

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

Media and stakeholders

N/A

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Department contacts:

Ms Nadine Williams

Deputy Secretary

Skills and Training Group

[Redacted]

[Redacted]

Ms Renae Houston

First Assistant Secretary

VET Quality and Policy Division

[Redacted]

[Redacted]

Australian Skills Guarantee

Announcement	Funding	Priority
21 April 2022	Costs not available	[Redacted]
The Hon. Anthony Albanese MP		[Redacted]
alp.org.au/policies/secure-australian-jobs		

Description

This commitment will introduce the Australian Skills Guarantee (the Guarantee). This commitment will see the Government *'train thousands of workers by ensuring one in ten workers on major, federally funded government projects is an apprentice, trainee or cadet'*.

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

- [Redacted]

- [Redacted]

[Redacted]

[Redacted]

[Redacted]

Legislation

Legislative requirements will be reviewed once preferred detailed policy settings are determined.

[Redacted]

[Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

[Redacted]

- [Redacted]

- [Redacted]

Cost

Costs not available.

Media and stakeholders

N/A.

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Department contacts:	
Ms Nadine Williams Deputy Secretary Skills and Training Group [Redacted] [Redacted]	Ms Clare Sharp First Assistant Secretary Apprenticeships and Foundation Skills Division [Redacted] [Redacted]

Tasmanian jobs hubs and training centre

Announcement	Funding	Priority
25 February 2022	\$1 million	[Redacted]
The Hon. Anthony Albanese MP		[Redacted]
anthonyalbanese.com.au/media-centre/labor-to-combat-tasmanian-skill-shortage-with-jobs-hub-and-training-centre-mitchell		

Description

This commitment comprises two initiatives to *‘upskill and create new local jobs in south-east Tasmania tailored to the current and future demands for skilled workers in the region.’* The first initiative is to, in partnership with Sorell Council and the South East Region Development Association (SERDA), create a SERDA Jobs Hub that will be *‘located centrally in Sorell and be accessible for a target market of mature age students, job seekers, young parents returning to the workforce, people up-skilling, and business owners’*. The second initiative involves *‘expanding the local Trade Training Centre in Sorell’* as *‘the current facility is too small and too out of date for what is required to build a local workforce.’*

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Legislation

Legislative requirements will be reviewed once implementation detail is settled.

[Redacted]

[Redacted]

- [Redacted]

[Redacted]

- [Redacted]

- [Redacted]

Cost

\$1 million announced

Source: anthonyalbanese.com.au/media-centre/labor-to-combat-tasmanian-skill-shortage-with-jobs-hub-and-training-centre-mitchell

Media and stakeholders

The Tasmanian Government made an election commitment to invest \$1.5 million in the expansion of facilities at the Sorell Trade Training Centre. It noted the total upgrade would cost \$3 million and it was seeking partnership funding from the Commonwealth for the remainder.

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Department contacts:	
<p>Ms Nadine Williams Deputy Secretary Skills Group [Redacted] [Redacted]</p>	<p>Ms Clare Sharp First Assistant Secretary Apprenticeships and Foundation Skills Division [Redacted] [Redacted]</p>

Trade training centre at Ellenbrook Secondary College

Announcement	Funding	Priority
8 April 2022	\$3 million	[REDACTED]
The Hon. Tanya Plibersek MP		[REDACTED]
wamnews.com.au/news/labor-promises-support-for-3-million-trade-training-centre-in-ellenbrook-to-woo-wa-voters/		

Description

This commitment will provide ‘a major funding boost to build a new trade training centre at the Ellenbrook Secondary College for practical skills training and certification’. The new centre, which will emphasise teaching school students and adults trades in the hospitality and construction industries, will contain a commercial kitchen, a training café, and amenities suitable for trades such as bricklaying and plumbing. The commitment will facilitate ‘surveys, detailed planning, site consultancy and accurate costings.’

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Legislation

Legislative requirements will be reviewed once implementation detail is settled.

[REDACTED]

[REDACTED]

- [REDACTED]

[REDACTED]

- [REDACTED]

- [REDACTED]

Cost

\$3 million announced

Source: [wamnews.com.au/news/labor-promises-support-for-3-million-trade-training-centre-in-ellenbrook-to-woo-wa-voters/](https://www.wamnews.com.au/news/labor-promises-support-for-3-million-trade-training-centre-in-ellenbrook-to-woo-wa-voters/)

Media and stakeholders

N/A.

Summary of 2022 action

To be included in next economic update (Budget or MYEFO)	Requires new or amended legislation, regulation, or guideline	Requires inclusion in Education Ministers meeting	Requires inclusion in Skills Ministers meeting
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Department contacts:

Ms Nadine Williams

Deputy Secretary

Skills Group

[REDACTED]

[REDACTED]

Ms Clare Sharp

First Assistant Secretary

Apprenticeships and Foundation Skills Division

[REDACTED]

[REDACTED]

Commitments with significant linkages to your portfolio

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

Full Employment White Paper, informed by an Australian Jobs Summit

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

Secure Australian Jobs Plan

This commitment to improve job security encompasses several skills and training commitments, including Fee Free TAFE, an Australian Skills Guarantee and establishing Jobs and Skills Australia.

Women's economic security taskforce

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

Better support for people living with disability

This commitment is to ensure *'real progress is made in education and employment outcomes for people with disability'* by better measuring implementation of the National Disability Strategy. This intersects with skills and training.

New Youth Engagement Model

This commitment will *'provide a voice and structure for younger Australians'* to directly engage with government and contribute to policy development. It intersects with your responsibility for young people's skills development.

Building a stronger university system

Additional university places over 2022 and 2023 will *'make it easier for Australians to find a spot at university and get a job'*, and additional courses will be offered in national priority areas and where there are skill shortages. A Startup Year providing income contingent loans to graduating students will *'provide a platform for future job growth and economic opportunity'*. These commitments are relevant to your responsibility for skills and training.

Trade Diversification Plan

This commitment includes development of an export market and product diversification strategy. International education is one of Australia's largest exports, and building on this market will be a crucial part of the plan.

Powering Australia Plan

This commitment will *'create jobs, cut power bills and reduce emissions by boosting renewable energy'*. The plan includes investing in 10,000 New Energy Apprentices and a New Energy Skills Program, for which your portfolio is responsible.

A future Made in Australia Plan

This commitment will *'create jobs, boost vital skills and supercharge national productivity'*. It includes a focus on leveraging Government procurement to maximise the use of Australia-made goods, investing in the manufacturing sector and providing more Australian families and businesses with quality, high speed internet. Under the plan 1 in 10 workers on major government projects will be an apprentice, trainee or cadet. This intersects with your portfolio responsibility for skills and training.

Australian Public Service (APS) operations

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

Department approach to implementation

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

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

Accountability

Senior Responsible Officer

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

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

Assurance and Oversight

Investment and Implementation Committee (IIC)

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

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

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

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

The Portfolio Project Office

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

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

Assurance activities

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

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

Project Performance Reporting

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

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

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

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



3

Early Priorities

Table of Contents – Early Priorities

3. Early priorities

Early briefs

First contacts

Early events

Early Briefs

First week briefs

Brief	
WHOLE OF PORTFOLIO	Contact: Marcus Markovic Deputy Secretary, Corporate and Enabling Services
Delegations and authorisations	Depending on the nature of any machinery of government changes, you may need to provide delegations and authorisations to departmental staff.
Budget Estimates 2022-23 – tabling Questions on Notice	To note the answers to questions on notice taken during the 2022-23 Budget Estimates ahead of them being provided to the Committee on the tabling date of 27 May 2022.
SKILLS	Contact: Nadine Williams Deputy Secretary, Skills and Training
CHC Community Services Training Package – aged care and disability qualifications	To advise options to progress consideration and endorsement by Skills Ministers of recent changes to aged care and disability care qualifications.

First month briefs

Brief

WHOLE OF PORTFOLIO

Contact: **Marcus Markovic**

Deputy Secretary, Corporate and Enabling Services

Legislation bids for 2022 winter and/or spring sitting(s): Approval of legislation bids (timing dependent on how the legislation program is to be managed, including deadlines for bids and proposed parliamentary sitting pattern for the commencement of the new Parliament).

National office accommodation project: To provide an update on the project which will see the department, with the Australian Electoral Commission, lease up to 70,000 square metres of office space in Canberra's central business district from 2024-25. The project will require Public Works Committee and Finance Minister approval.

SKILLS

Contact: **Nadine Williams**

Deputy Secretary, Skills and Training

Election commitment

Jobs and Skills Australia: To brief you on options for the establishment of Jobs and Skills Australia.

Election commitment

A future made in Australia skills plan – TAFE commitments: To confirm key policy parameters for implementation of your TAFE commitments, including the preferred approach for negotiating with states and territories.

Election commitment

Australian Skills Guarantee: To brief on the design of the Guarantee and the mechanism for delivery.

Election commitment

Tasmanian jobs hub and training centre: To brief on options to implement this commitment and key parameters for negotiations with the Tasmanian government.

Election commitment

Trade training centre at Ellenbrook Secondary College: To brief on options to implement this commitment and key parameters for negotiations with the Western Australian government.

Election commitment

New Energy Apprenticeships: To brief on options for the New Energy Apprenticeships under the Australian Apprenticeships Incentive System (AAIS) model, the occupations that could be covered, definition of a 'new energy' industry, and expected number of apprenticeship and traineeship commencements based on modelling over the forward estimates.

Apprenticeships incentives reform: To seek approval to implementation arrangements for the new apprenticeship incentive system (due to be in place by 1 July 2022), including amendments to program guidelines, introduction of legislation in the spring sittings, and an exemption from Grants Hub delivery.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

First Contacts

Contact	
WHOLE OF PORTFOLIO	
<p>The Hon Alister Henskens, MP NSW Minister for Skills and Training NSW Minister for Science, Innovation and Technology</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>The Hon Gayle Tierney, MP VIC Minister for Training and Skills VIC Minister for Higher Education</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>The Hon Dianne (Di) Farmer, MP QLD Minister for Employment and Small Business QLD Minister for Training and Skills Development</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>The Hon Suzanne (Sue) Mary Ellery, MLC WA Minister for Education and Training</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>The Hon Blair Boyer, MP SA Minister for Education, Training and Skills</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>The Hon Roger Jaensch, MP TAS Minister for Education, Children and Youth TAS Minister for Skills, Training and Workforce Growth</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>Mr Chris Steel, MLA ACT Minister for Skills</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>The Hon Paul Kirby, MLA NT Minister for Jobs and Training</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

Contact

SKILLS

<p><u>Australian Skills Quality Authority (ASQA)</u> [Redacted]</p>	<p>[Redacted]</p>	<p>ASQA is the national regulator for the vocational education and training (VET) sector.</p>
<p><u>Independent Higher Education Australia</u> [Redacted]</p>	<p>[Redacted]</p>	<p>IHEA is the peak body for independent higher education providers. Their membership includes independent universities and colleges educating students in undergraduate and postgraduate programs.</p>
<p><u>Independent Tertiary Education Council of Australia (ITECA)</u> [Redacted]</p>	<p>[Redacted]</p>	<p>ITECA is a membership-based peak body bringing together independent providers in the higher education and VET sectors.</p>
<p><u>National Australian Apprenticeship Association (NAAA)</u> [Redacted]</p>	<p>[Redacted]</p>	<p>NAAA support their members by providing a unified voice to government and industry to enhance a strong and viable apprenticeship support system.</p>
<p><u>National Australian Apprenticeship Association (NAAA)</u> [Redacted]</p>	<p>[Redacted]</p>	<p>NAAA support their members by providing a unified voice to government and industry to enhance a strong and viable apprenticeship support system.</p>
<p><u>National Careers Institute Advisory Board</u> [Redacted]</p>	<p>[Redacted]</p>	<p>Ms Persson is Chair until 31 August 2022, and is a VET and careers sector advocate.</p>
<p><u>National Skills Commission</u> [Redacted]</p>	<p>[Redacted]</p>	<p>The Commissioner provides advice and leadership on Australia’s labour market, workforce skills needs, and simplifying and strengthening the VET system.</p>
<p><u>TAFE Directors Australia (TDA)</u> [Redacted]</p>	<p>[Redacted]</p>	<p>TDA is the peak national body representing Australia’s network of publicly owned TAFE institutes and university TAFE divisions.</p>

Contact		
<p><u>Office of Student Identifiers Registrar (OSIR)</u></p> <p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>OSIR helps students and education or training providers to access the Unique Student Identifier Registry System to create, find, verify and update USIs securely.</p>
<p><u>National Centre for Vocational Education Research (NCVER)</u></p> <p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>NCVER is the national professional body responsible for collecting, managing, analysing and communicating research and statistics on the vocational education and training (VET) sector.</p>
PEAK BODIES		
<p><u>Business Council of Australia (BCA)</u></p> <p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>The BCA champions the role of responsible businesses in generating sustainable economic growth, and advocates for policy settings that are in the national interest.</p>
<p><u>Australian Chamber of Commerce and Industry (ACCI)</u></p> <p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>The ACCI is Australia’s largest business network. Membership includes state and territory chambers of commerce, national industry associations and a council of business leaders from individual enterprises across Australia.</p>
<p><u>Australian Industry Group (Ai Group)</u></p> <p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>Ai Group represents more than 60,000 small and large businesses in sectors including manufacturing, construction, transport & logistics, engineering, labour hire, mining services, the defence industry, civil airlines and ICT.</p>
<p><u>Australian Council of Trade Unions (ACTU)</u></p> <p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>The ACTU co-ordinates union campaigns, represents workers at government and non-government forums, and provides industrial, policy and other support to affiliates.</p>
<p><u>Australian Council of Social Service (ACOSS)</u></p> <p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>ACOSS is a national advocate supporting people affected by poverty, disadvantage and inequality, and the peak council for community services nationally.</p>

Early Events

Event Title	Location/Date	Role of the Minister	Rationale
SKILLS			
[Redacted Content]			



4

Overviews

Table of Contents – Overviews

4. Overviews

Vocational education and training sector

Commonwealth-state relations

Workforce

Women's labour market participation

National Agreement on Closing the Gap

People with disability

Youth

Regional education and employment

Vocational Education and Training sector

Overview

Size and scope

The Vocational Education and Training (VET) sector is large and diverse. In 2020, around 3,500 Registered Training Organisations (RTOs) delivered VET courses to almost 4 million students, including 1.3 million government-funded students.¹ Of those who completed a qualification in 2020, 72 per cent studied for job related reasons. 15 per cent did so for personal development, and 13 per cent wanted to do further study.²

VET covers accredited courses that are nationally recognised, preparing graduates for entry level jobs through to highly technical occupations. Spanning Certificate I to Diplomas and Advanced Diplomas (overlapping with higher education), VET students can undertake single subjects (units of competency) or microcredentials (sometimes called skill sets) to meet specific skills needs, for example associated with licencing requirements. Most government-funded program enrolments, including apprentices, are enrolled in a Certificate III or IV.³

VET courses are delivered by public, private and not-for-profit providers. This includes schools offering VET for secondary students, enterprise RTOs offering training to their employees and dual-sector universities offering VET in addition to higher education. Around 70 per cent of combined Commonwealth and state government VET delivery and capital funding is allocated to state-owned TAFE institutes.⁴

Impact

In addition to providing the skills needed to get a job, the VET system offers flexible and industry-relevant training, helping workers become more productive while taking advantage of new opportunities in a changing economy. In 2019, about 900,000 students aged 35-55 years were doing a VET course to upskill or reskill for a job-related reason. About 70 per cent of these students were already employed and about 20 per cent held at least a Bachelor Degree.⁵

Economic forecasts show VET will continue to have a central role in supporting participation and productivity in the workforce. The National Skills Commission (NSC) projects that more than 9 in 10 future jobs will require post-school qualifications. Jobactive participants may not be well placed to take on these roles – of the 143,000 most job-ready participants, only 47 per cent have post-school qualifications. Further, the NSC projects employment growth in many vital sectors that rely on VET graduates, including aged care, disability care, childcare, and agriculture.

¹ NCVER 2021, *Total VET students and courses 2020*, NCVER, Adelaide.

² NCVER 2021, *Australian vocational education and training statistics: VET student outcomes 2021*, NCVER, Adelaide.

³ NCVER 2021, *Total VET students and courses 2020*, NCVER, Adelaide.

⁴ NCVER 2021, *Government funding of VET 2020*, NCVER, Adelaide.

⁵ Productivity Commission, *National Agreement for Skills and Workforce Development Review, Study Report*.

Governance

Responsibility for VET is shared between the Commonwealth and the states and territories (states).

- States manage VET delivery within their respective jurisdictions.
- The Commonwealth transfers funding to states for skills and workforce development, and directly funds specific skills programs (including apprenticeships programs).
- The Commonwealth and states work together to implement national policy priorities through the Skills National Cabinet Reform Committee.

VET training packages are currently developed by Industry Reference Committees (IRCs), with the support of Skills Service Organisations (SSOs). The Australian Industry and Skills Committee (comprising industry representatives nominated by Commonwealth and state skills ministers) is responsible for the approval of training packages before they are provided to skills ministers for final endorsement.

From 1 January 2023, reforms to industry engagement arrangements will come into effect. This includes newly established Industry Clusters replacing the IRCs and SSOs. Industry Clusters guide the development of training packages while outlining VET system policies.

The Australian Skills Quality Authority (ASQA) is the national regulator for VET, except in Western Australia and Victoria which have state-based regulators. ASQA registers training providers, monitors compliance with national standards and investigates quality concerns.

Funding

As at the 2022-23 Budget, Commonwealth investment in VET in 2021-22 amounts to an estimated \$7.8 billion, more than double pre-COVID levels (\$3.2 billion in 2018-19). Commonwealth funding in 2021-22 includes:

- \$5.0 billion to fund the Government's own skills programs, including employer incentives and support for Australian Apprenticeships.
- \$2.2 billion in transfers to states, including \$1.6 billion under the National Agreement for Skills and Workforce Development (NASWD) and a further \$0.6 billion via National Partnership Agreements, including JobTrainer, the Skilling Australians Fund, the Revitalising TAFE Campuses Across Australia Initiative and Energising Tasmania.
- Around \$0.6 billion for income contingent VET Student Loans and Trade Support Loans.

States collectively contributed \$3.9 billion of their own funding to VET in 2020, with funding levels varying across jurisdictions. Commonwealth transfers to states represent approximately 35 per cent of all state VET expenditure.

[REDACTED]

COVID and Vocational Education and Training

The pandemic affected teaching models in the tertiary education sector and had significant impacts on VET enrolments. In 2020, against a background of strict border closures, total VET enrolments decreased by 6.4 per cent.⁷ The number of fee-for-service students in Australia (domestically) dropped by 10.4 per cent and the number of international students decreased by 1.2 per cent. This was partially offset by the number of students enrolled in government-funded training increasing by 4.3 per cent.

The Australian Government's response to the pandemic included establishing the \$2 billion JobTrainer Fund in partnership with state and territory governments. JobTrainer funds free or low fee training for job seekers and young people in areas of identified skills need. In addition, the Government invested in considerable employer incentives for apprentices and trainees, including the Supporting Apprentices and Trainees and Boosting Apprenticeship Commencements wage subsidies.

Mental health

Research suggests teaching staff faced a student cohort experiencing higher levels of mental ill-health. Between February 2017 and October 2021, psychological distress increased noticeably among people aged 18 to 35 years, but remained largely unchanged or improved for older Australians.⁸ Among Australians aged 15 to 19 years in 2020, those in equity cohorts, such as Indigenous Australians and people with disabilities, experienced higher levels of psychological distress.⁹ It is likely that these observations extend to people attending tertiary education.

⁷ NCVET, 19 August 2021, [Fewer VET students overall but government-funded students increase in shift towards short courses \(ncver.edu.au\)](https://www.ncver.edu.au).

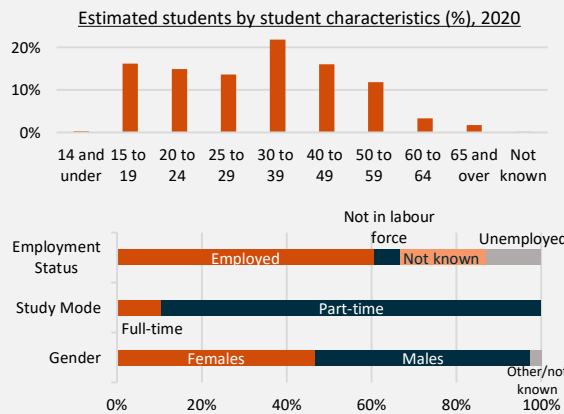
⁸ Nicolas Biddle and Matthew Gray, 19 November 2021, [Microsoft Word - Tracking paper - October 2021 - For web.docx \(anu.edu.au\)](https://www.anu.edu.au)

⁹ Brennan N. et al., (2021). [Psychological Distress in Young people in Australia: Fifth Biennial Youth Mental Health Report 2012-2020](https://www.youthmentalhealthreport.org.au).

Snapshot of participation and funding in Vocational Education and Training

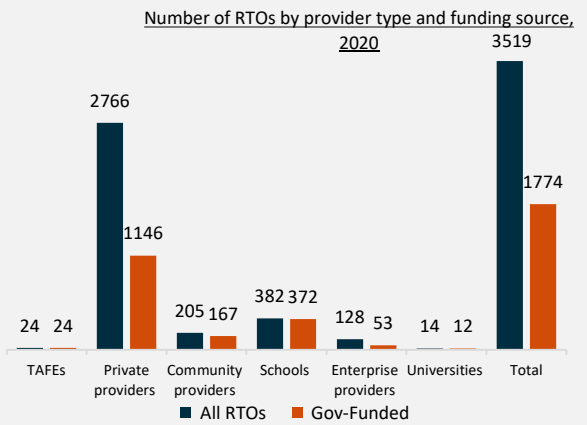
In 2020, 21.7% of working age (15-64) Australians participated in VET. 58.5% of Australians (aged 15-74) had a Certificate III or above.

1. VET provides lifelong opportunities to diverse cohorts. Most VET students study part-time and most are employed.



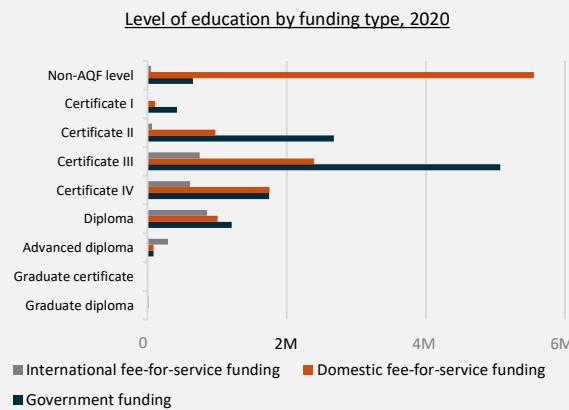
Source: NCVET 2021, Total VET students and courses 2020

2. Most Registered Training Organisations are private or not-for-profit, but TAFEs deliver 52% of government-funded VET.



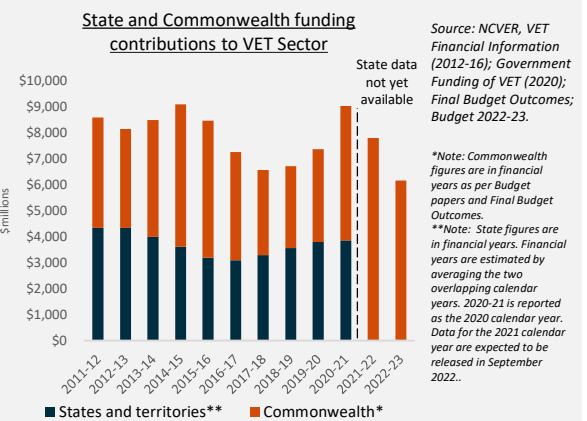
Source: NCVET 2021, Total VET students and courses 2020

3. Most Australian Qualification Framework (AQF)-level enrolments are government-funded, and most non AQF-level enrolments are fee-for-service.



Source: NCVET 2021, Total VET students and courses 2020

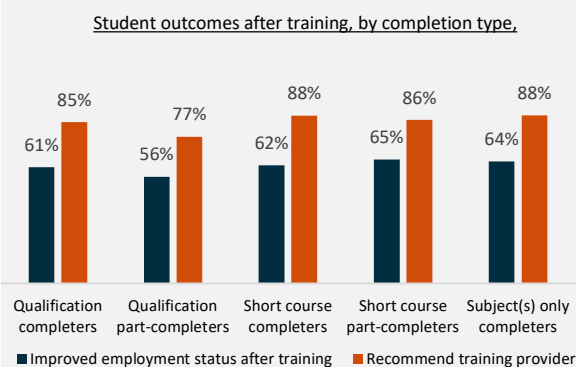
4. There has been a significant increase in Commonwealth funding contributions to the VET Sector.



Source: NCVET, VET Financial Information (2012-16); Government Funding of VET (2020); Final Budget Outcomes; Budget 2022-23.

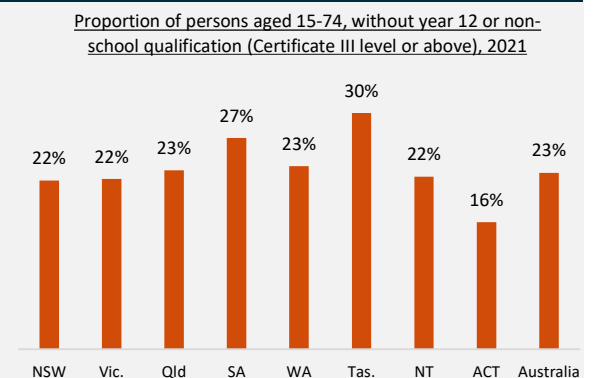
*Note: Commonwealth figures are in financial years as per Budget papers and Final Budget Outcomes.
 **Note: State figures are in financial years. Financial years are estimated by averaging the two overlapping calendar years. 2020-21 is reported as the 2020 calendar year. Data for the 2021 calendar year are expected to be released in September 2022.

5. Most students report improved employment outcomes after training, and the vast majority would recommend their training provider.



Source: NCVET 2021, Australian vocational education and training statistics: VET student outcomes 2021

6. About a quarter of Australian residents lack a year 12 or non-school qualification, it is projected over the next five years, 90% of future jobs will require a post school qualification.



Source: ABS, Education and Work, Australia May 2021

The reform journey

National Agreement for Skills and Workforce Development (NASWD)

One of six national agreements under the new Intergovernmental Agreement on Federal Financial Arrangements. It outlines governments' shared aspiration to make VET more accessible and relevant, while emphasising jurisdictional flexibility in pursuing these aims. The NASWD is underpinned by a legislated Specific Purpose Payment, guaranteeing states an effectively untied stream of Commonwealth funding.

Reforms to income contingent loans

The VET Student Loans (VSL) program replaced the VET Fee Help program from 2017. The redesigned loans scheme limited provider eligibility, restricted loans to certain courses and set loans caps.

Reviews of the VET system and the NASWD

An Expert Review of Australia's VET System (Joyce Review) made recommendations to strengthen quality assurance, speed up qualification development, simplify funding and skills matching, improve careers information, clarify secondary school pathways, and provide greater access for disadvantaged Australians.

The Productivity Commission separately reviewed the NASWD and found that it is 'overdue for replacement', noting governments have stepped back from some of its policy aspirations.

Economic recovery from the COVID-19 pandemic

Key initiatives included the \$2 billion JobTrainer fund (in partnership with States) to deliver low fee or free training to young people and job seekers, and significant increases in apprenticeship incentives through the Supporting Apprentices and Trainees, Boosting Apprenticeship Commencements and Completing Apprenticeship Commencements measures.

Ongoing negotiation of new national skills agreement

2009

2012

2017

2019

2020

2021

2022

Reforms to expand access to VET

The NASWD was updated in 2012. Alongside this, a new National Partnership Agreement (NPA) for Skills Reform was agreed by COAG to drive ambitious reforms – including a National Training Entitlement to enable all working age Australians without a Certificate III or higher qualification to access a government subsidised training place. This entitlement was implemented differently across states. The NPA expired in 2017. In parallel, the Commonwealth expanded access to loans through the VET FEE HELP program.

Establishment of the Skilling Australians Fund

The Skilling Australians Fund (SAF) supports domestic skills development. Revenue for the SAF is from an ongoing levy paid by employers who sponsor skilled workers from overseas. The SAF is currently distributed to States (excluding Queensland and Victoria) under a National Partnership, expiring on 30 June 2022.

New national system architecture

Following the Review of Australia's VET System, new features of VET system architecture were introduced:

- National Skills Commission: to provide expert advice on the labour market and skills needs.
- National Careers Institute: to provide authoritative and accurate careers information.
- Skills Organisations: to deepen industry engagement and improve course development.

Heads of Agreement for Skills Reform

All governments agreed to immediate reforms related to industry engagement, quality, and qualifications development, and committed to work collaboratively to develop a new national skills agreement to replace the NASWD. Priorities for a new agreement included increasing real investment in the VET system, linking funding to high-value training, improving consistency for students and industry, and enhancing transparency and accountability.

Commonwealth-state relations

Overview

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

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

Commonwealth-state relations architecture

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

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

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

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

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

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

Education Ministers Meeting (previously Education Council)

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

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

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

Commonwealth and state roles and responsibilities

Early childhood education and care

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

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

Schooling

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

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

Skills/Vocational education and training (VET)

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

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

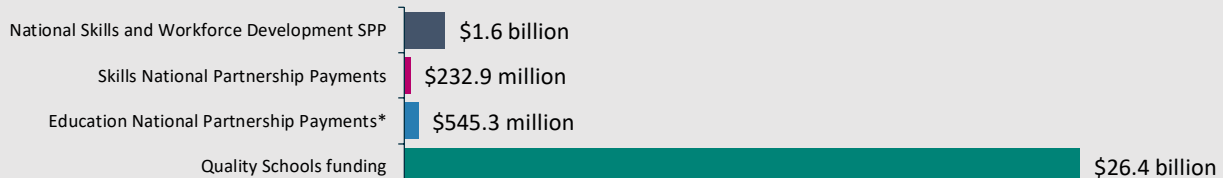
In 2020, as part of the Heads of Agreement for Skills Reform, the Commonwealth and state governments agreed to an approach and priorities for developing a new national skills agreement to replace the NASWD. Negotiations are due for completion by 30 June 2022. [REDACTED]

Snapshot of Commonwealth and state funding for sectors

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

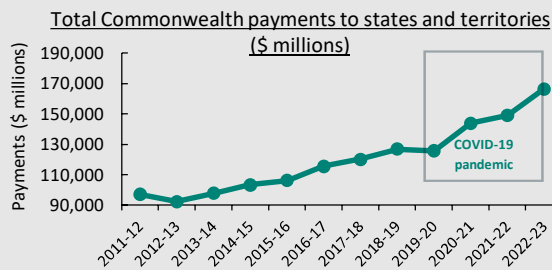
1. In 2022–23 the Commonwealth will provide \$27.0 billion to support state education services. A further \$1.8 billion will be provided to support state skills and workforce development.

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



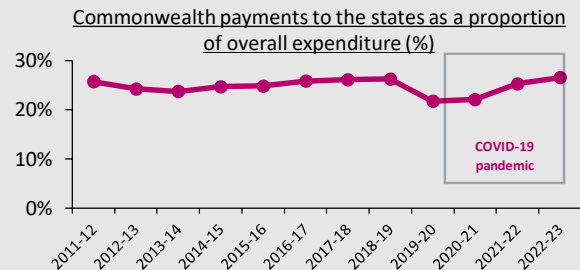
Source: 2022–23 Budget, Paper 3
*includes preschool funding

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



Source: 2022-23 Budget

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

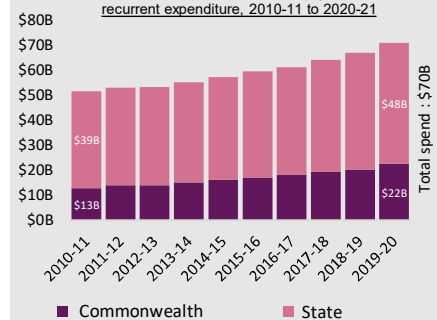


Source: 2022-23 Budget

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

Schools

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

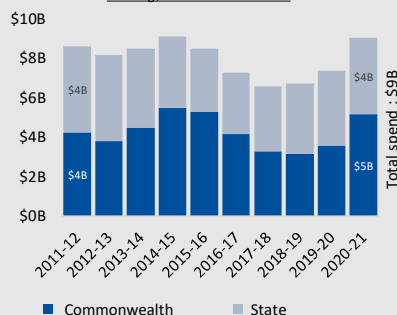


Notes:

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

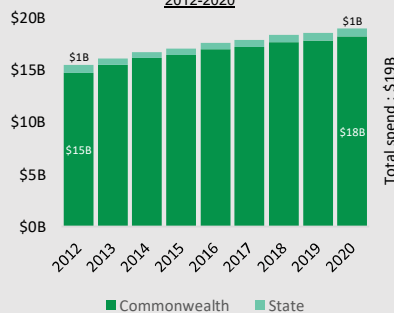
Source: Department (Higher Education); NCVER and Final Budgets Outcomes (VET); RoGS 2022 (other sectors)

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



Higher Education

University Revenue from Government Sources 2012-2020



The reform journey

Intergovernmental Agreement on Federal Financial Relations (IGA FFR)

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

National Agreement on Skills and Workforce Development (NASWD)*

The NASWD identified the long-term objectives of commonwealth, state and territory governments. The objective of the NASWD is to support a VET system that delivers a productive and highly skilled workforce which enables all working age Australians to develop the skills and qualifications needed to participate effectively in the labour market

In 2020, all governments signed a Heads of Agreement for Skills Reform setting out priorities for a new national skills agreement to replace the NASWD.

Australian Education Act 2013

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

National School Reform Agreement*

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

New Federation Funding Agreements Framework (FFA)

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

Preschool Reform Agreement, 2022-2025*

2008

Universal Access National Partnership

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

2012

National plan for school improvement

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

2009

2013

Formation of National Cabinet

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

2019

National Federation Reform Council (NFRC)

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

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

2020

Intergovernmental Agreement on Data Sharing

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

2021-22

*Intergovernmental agreements underpinned by legislative funding arrangements

Workforce

Overview

Skills, employment and workforce settings are critical to support a better future for Australians

Australia's economic and labour market recovery from the impacts of the COVID-19 pandemic has seen the unemployment rate reach 3.9 per cent in March and April 2022 – the lowest rate recorded since August 1974. In March 2022, the participation rate reached a record high of 66.4 per cent (before declining slightly to 66.3 per cent in April 2022).¹ At the same time, demand for labour has remained elevated and almost two-thirds of hiring employers are reporting difficulty filling vacancies.²

Tight labour market conditions have exacerbated workforce pressures and skills shortages, with some sectors more impacted than others, such as care and support and public infrastructure.³ The fall in temporary migration has affected labour supply in some of the industries and occupations that particularly rely on this workforce, such as in Accommodation and Food Services. The lifting of travel restrictions will alleviate some of this pressure. A sustained period of tight labour market conditions may drive desirable outcomes, such as wage growth. However, the impact may be subdued in sectors where the link between labour market conditions and wage growth is not direct (e.g. where migrants are working in sectors with limited bargaining power or where government has a role in setting wages, or where benefits are directed at capital deepening and not the labour share of income).

Looking forward, Australia will need to fill an estimated more than one million new jobs in the five years to November 2026. Strong, recent employment growth is already contributing to this projected increase.⁴ Employment services participants need to be provided with significant or tailored supports to overcome impediments to take on these roles – while some participants are job-ready, many experience barriers to employment. Consideration should also be given to the barriers experienced by women, mature workers, First Nations people, and people with a disability that may prevent greater workforce participation. The introduction of Workforce Australia will support this by focussing on job seekers, including disadvantaged Australians, who need the most help to find sustainable employment in order to decrease their risk of long-term and very long-term unemployment.

Demographic changes will also impact the availability of a suitable workforce. Australia's population is estimated to be 4.9 per cent smaller in 2030-31 than previously forecast, largely due to the impact of the pandemic on net overseas migration.⁵ Further, the participation rate is expected to decrease over the longer term as a result of the ageing population, though this is expected to be partially offset by projected increases in women's and older people's participation.

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

² National Skills Commission (April 2022), *Recruitment Experiences and Outlook Survey*; Australian Bureau of Statistics (February 2022) *Job Vacancies, Australia*.

³ Department of Education, Skills and Employment (2022) *National Care and Support Workforce Strategy*; Infrastructure Australia (2021) *Infrastructure workforce skills supply*.

⁴ National Skills Commission, 2021 Employment Projections.

⁵ Commonwealth of Australia, 2021 Intergenerational Report.

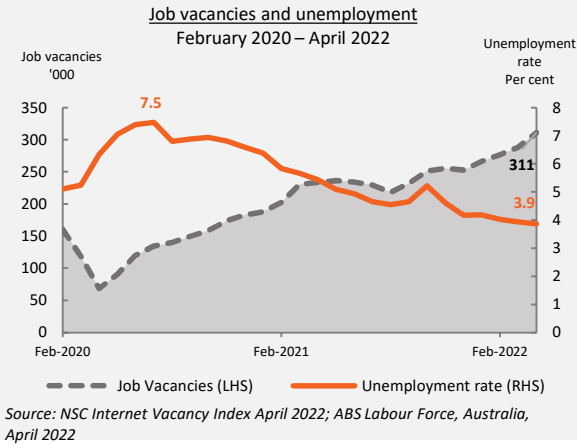
The department has responsibility for education, skills and training – important levers in addressing skill shortages and workforce pressures. The labour market is progressively demanding higher skills (including in science, technology, education and mathematics fields) with an estimated 9 out of 10 jobs requiring post school qualifications over the five years to November 2026. This reflects the central role of both vocational education and training and higher education in supporting participation and productivity. The department also has responsibility for administering a number of employer, industry and regional programs and initiatives to support Australia’s workforce.

A system-wide approach is required to address the challenges of workforce capability. There is scope to enhance the workforce evidence base, including monitoring and analysis of supply and demand at the industry and occupational level. There is also an opportunity for larger coordinated structural changes across the Commonwealth, such as changes to taxation, migration and industrial relations policies, to increase workforce participation, boost economic security, reduce shortages and support inclusive economic growth. There is also opportunity to consider the role of education and training, childcare, employment services and concentrated disadvantage, as well as how to best supply labour to fast growing sectors such as the care economy.

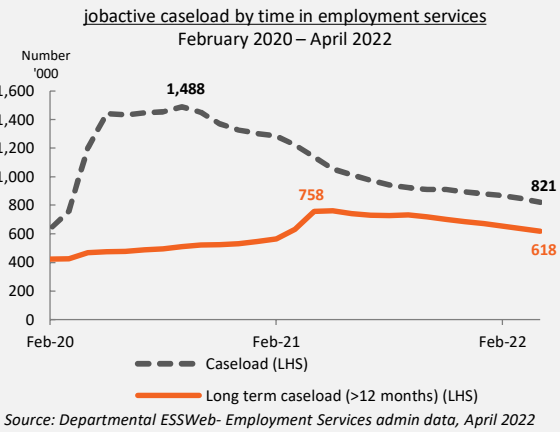
Snapshot of workforce

Education, skills and training systems, and job matching are important levers in addressing skills shortages and workforce pressures

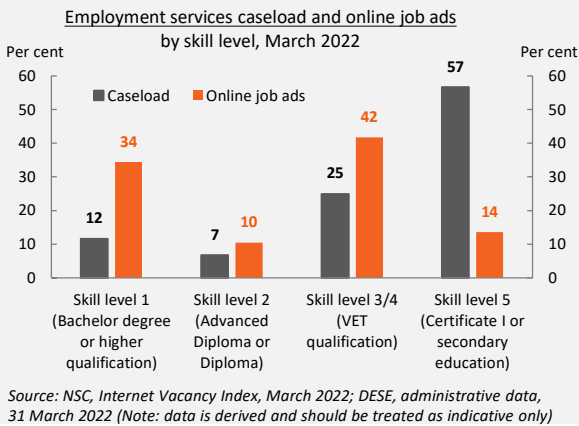
1. Job vacancies are elevated while the unemployment rate is low



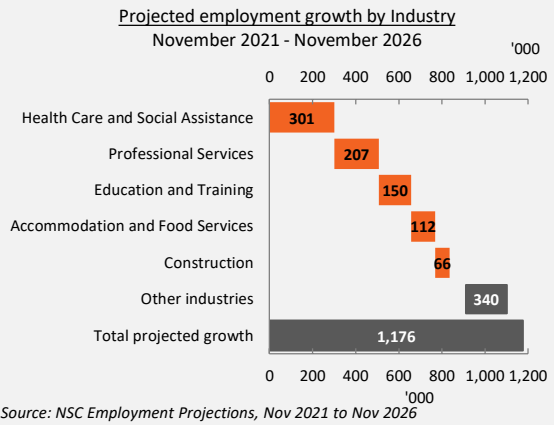
2. The jobactive caseload remains above pre-COVID levels



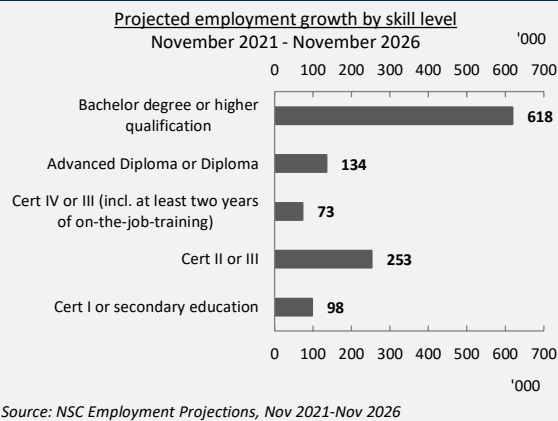
3. There is a shortage of available jobactive participants to fill job vacancies due to skills mismatches



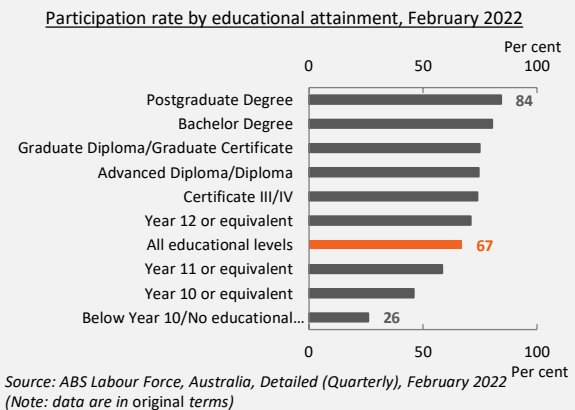
4. Over the next five years, four industries are projected to provide almost two-thirds of jobs growth



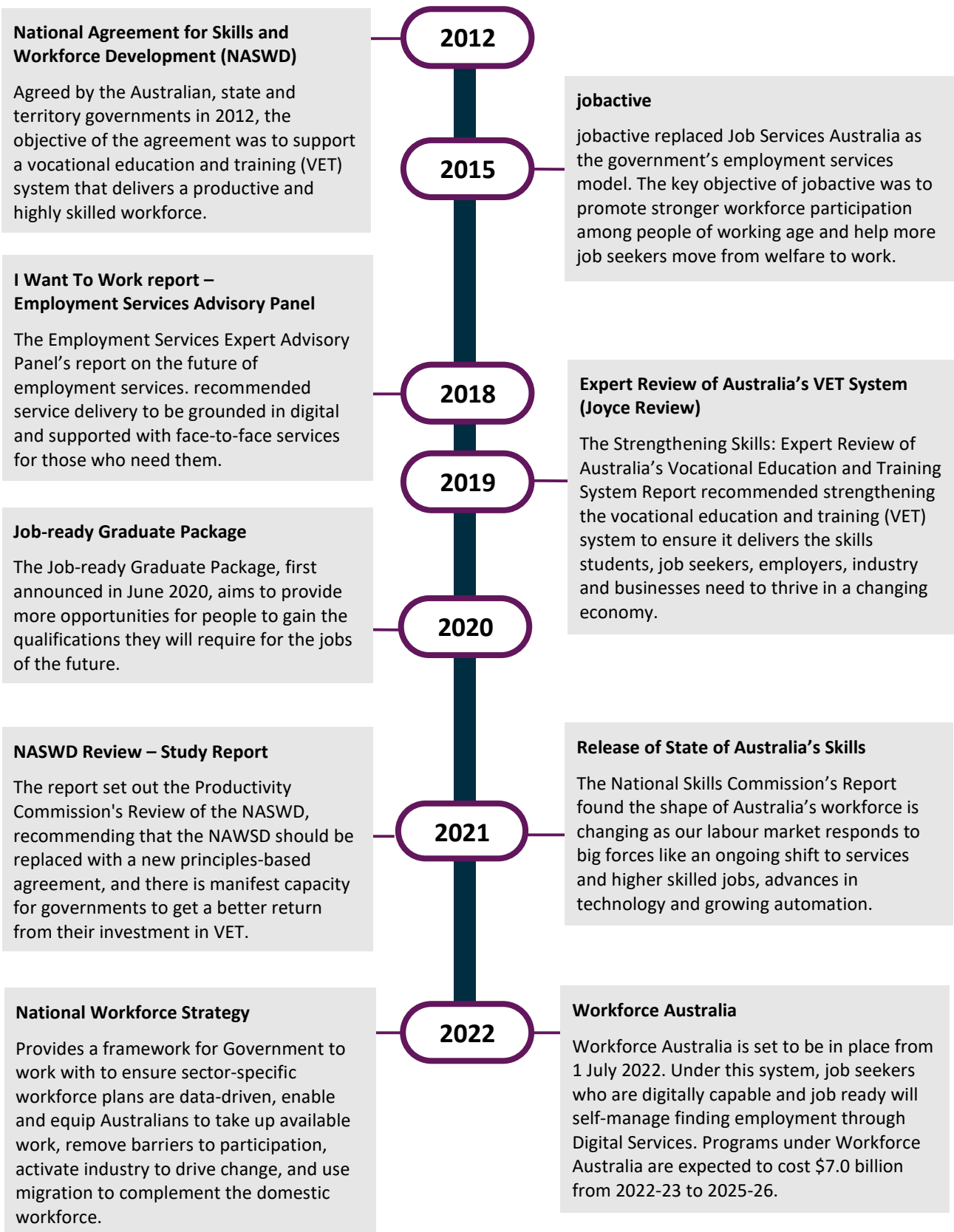
5. Over the next five years, 9 in 10 jobs created are projected to require post-school education



6. Education is a significant determinant of workforce participation



The reform journey



Women's labour market participation

Overview

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

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

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

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

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

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

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

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

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

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

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

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

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

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

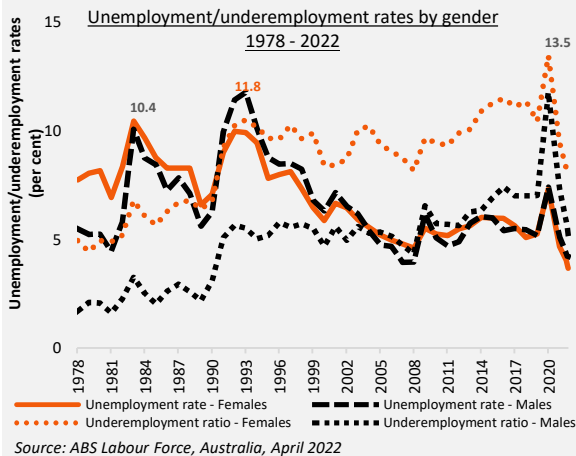
Across the life journey, alongside child care, education and skills policy, this department also delivers activities to encourage women's participation in non-traditional trades and STEM careers and supports employers to reduce barriers to attracting and retaining women. Measures can assist by encouraging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

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

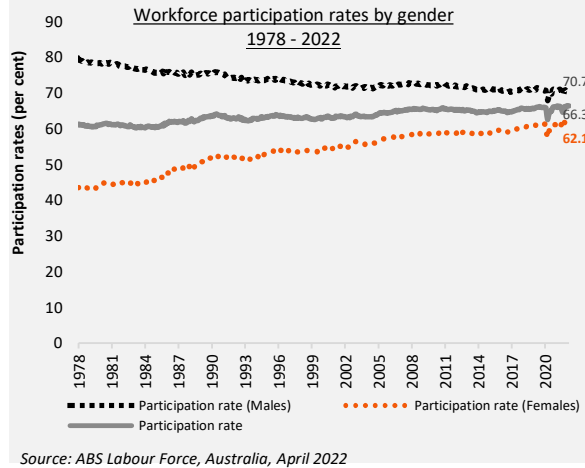
Snapshot of women's labour market participation

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

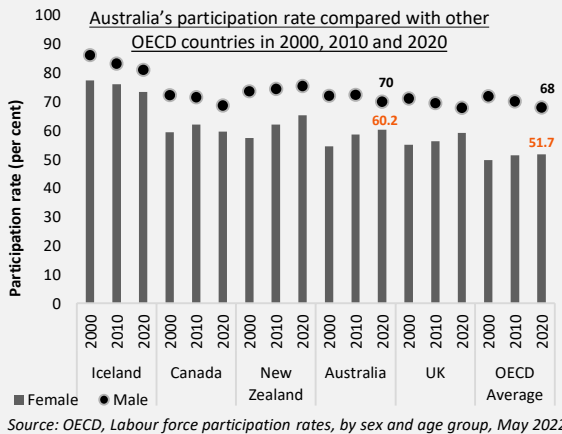
1. Women are consistently more likely to be underemployed



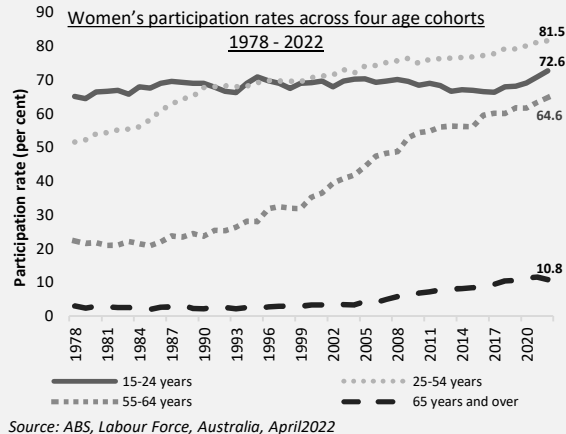
2. The gap in workforce participation has narrowed, but persists



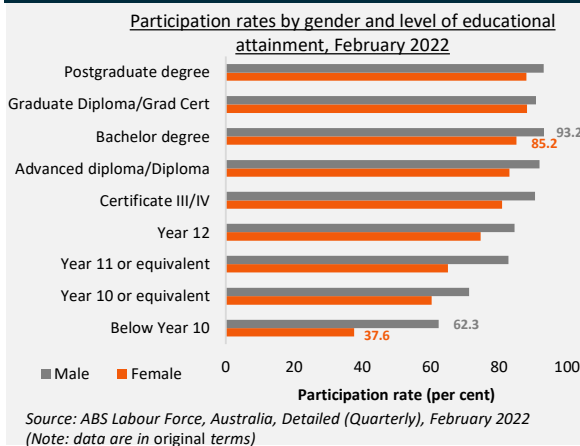
3. Australia's women's participation rate is above the OECD average



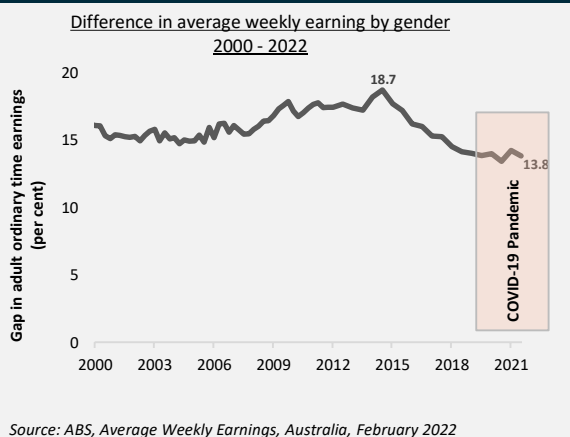
4. Women's participation rates have increased across all age cohorts



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



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



The reform journey

Fair Work Act 2009

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

Workplace Gender Equality Agency (WGEA)

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

Child Care Subsidy (CCS)

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

Child Care Subsidy rate lifted for second and subsequent children

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

2009

2010

2012

2013

2018

2021

2022

National Paid Parental Leave (PPL) scheme introduced

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

National Disability Insurance Scheme (NDIS)

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

Child Care Subsidy annual cap removed

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

Labor's 2022 Women's Budget Statement

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

The National Agreement on Closing the Gap

Overview

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

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

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

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

Closing the Gap targets

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

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

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

¹ ABS Census, 2016

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

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

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

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

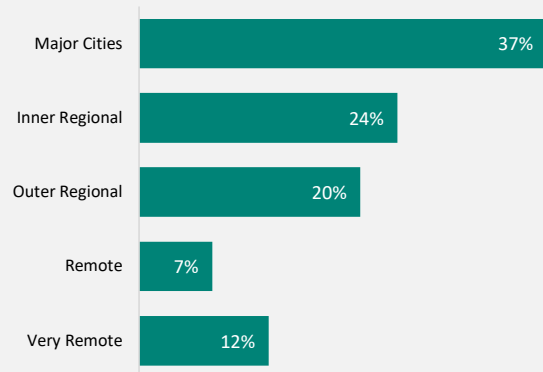
Percentage of non-Indigenous and Indigenous by age group, 2016



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

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

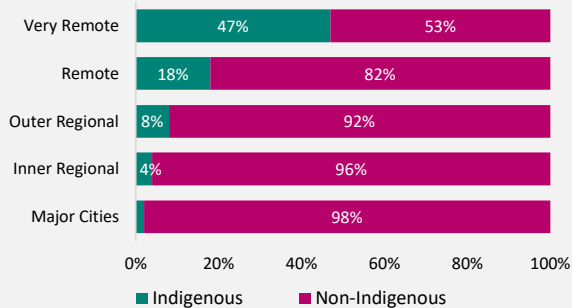
Distribution of Australia's Indigenous population by remoteness, 2016



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

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

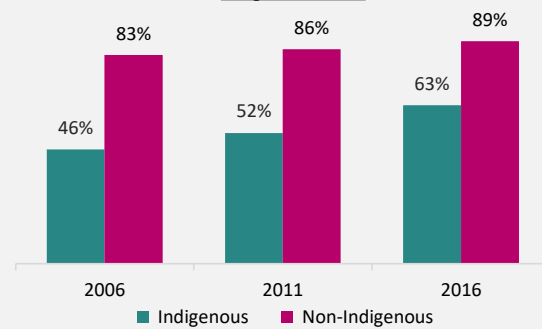
Distribution of Australia's Population by Remoteness and Indigenous Status, 2016 (%)



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

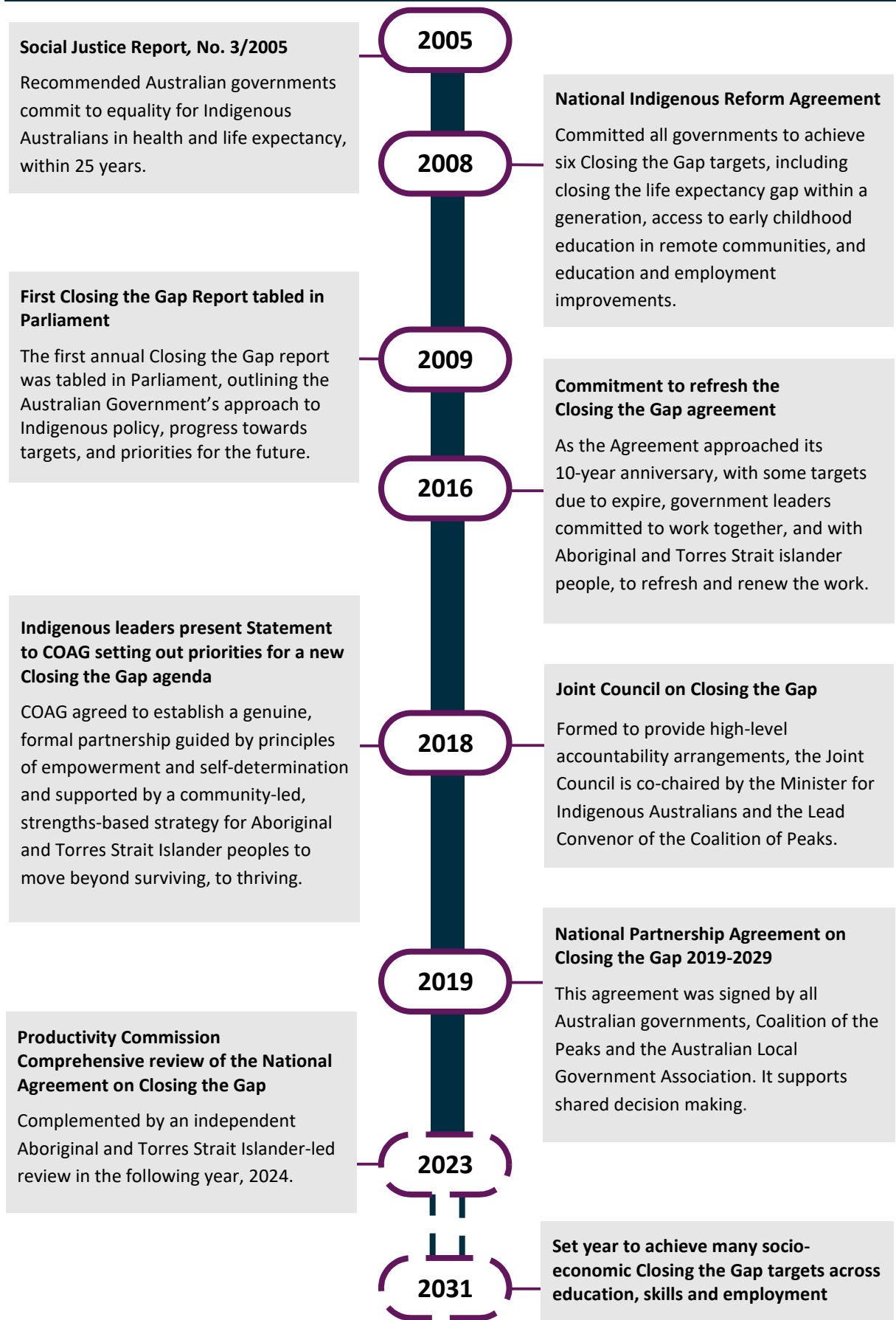
4. The proportion of First Nations students completing Year 12 or equivalent has increased significantly since 2006, but a large gap remains when compared to non-Indigenous students.

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



Source: ACARA Year 12 Certification rates, 2016

The reform journey



People with disability

Overview

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

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

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

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

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

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

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

² Ibid.

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

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

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

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

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

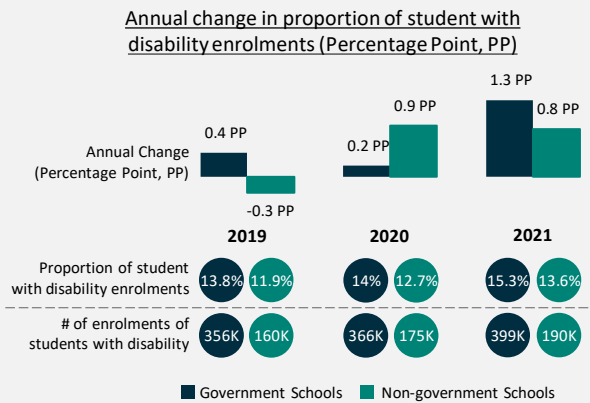
The department has been working with the Department of Social Services (DSS) on the Disability Employment Support Reform (DESR), including reforms to the Disability Employment Services (DES) program, to ensure it aligns and complements Workforce Australia as much as possible. [REDACTED]

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

Snapshot of people with disability in education and employment

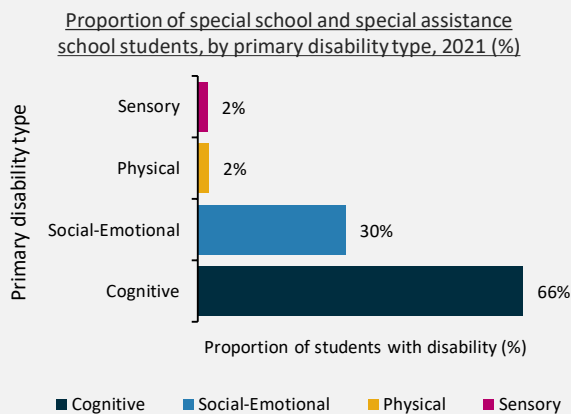
Australia's population includes approximately 4.4 million people with disability, or one in six Australians (ABS 2018).

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



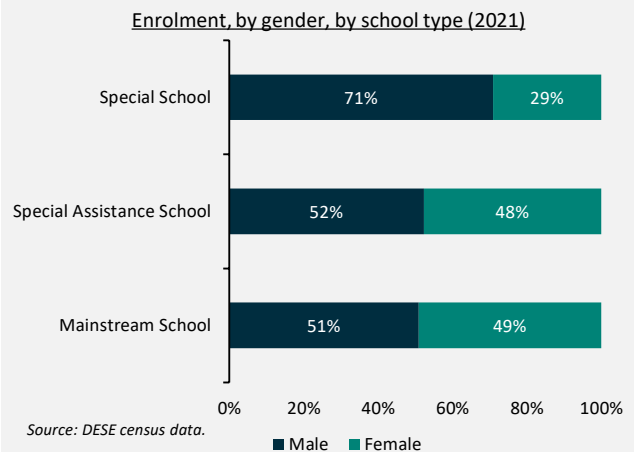
Source: DESE school funding models as at 2022-23 Budget

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



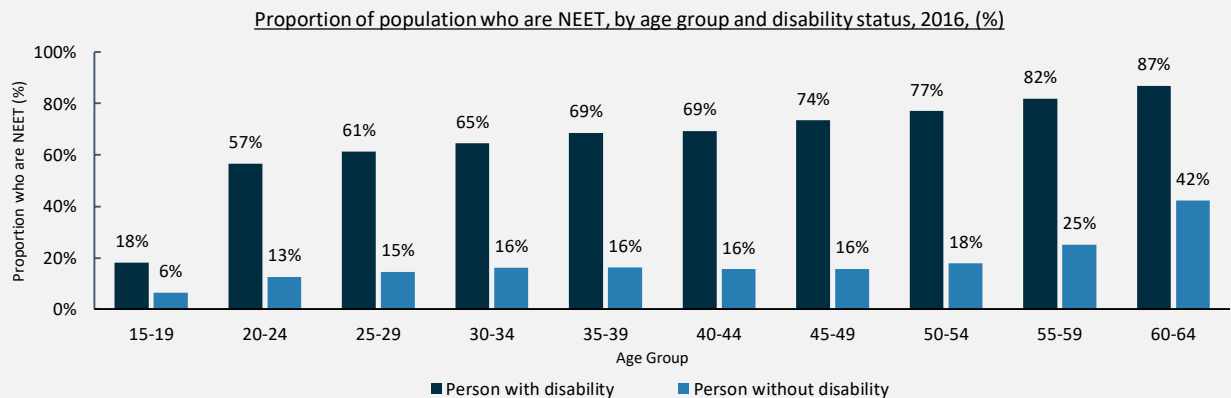
Source: NCCD 2021 data. NB: In the charts above, 'special schools' includes special schools and special assistance schools

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



Source: DESE census data.

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



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

The reform journey

Disability Discrimination Act 1992

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

1992

Disability Standards for Education 2005

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

2005

United Nations Convention on the Rights of Persons with Disabilities

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

2006

National Disability Strategy 2010–2020

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

2010

School funding disability loading

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

2014

Nationally Consistent Collection of Data on School Students with Disability

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

2016

National Disability Insurance Scheme

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

2017

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

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

2018

Changes to the Australian Education Act

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

2019

2021

Australia's Disability Strategy 2021–2031

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

Youth

Overview

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

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

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

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

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

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

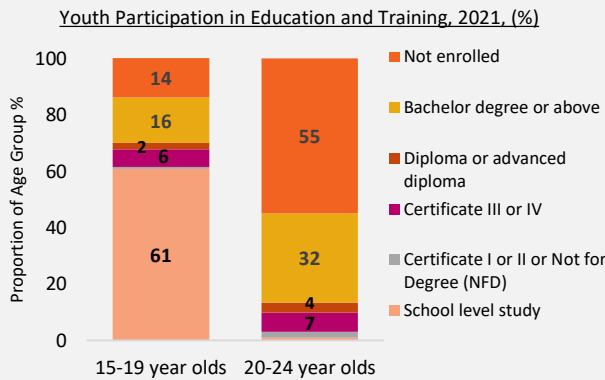
³ Life at 25 now and then visualisation using LSAY, NCVER (2019); Longitudinal survey.

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

Snapshot of participation and outcomes for the youth cohort

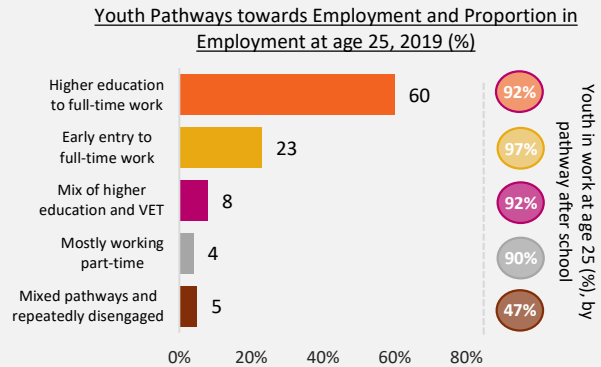
In 2021, there were around 3.1 million young people (aged 15-24 years), which represents around 12 per cent of the population.

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



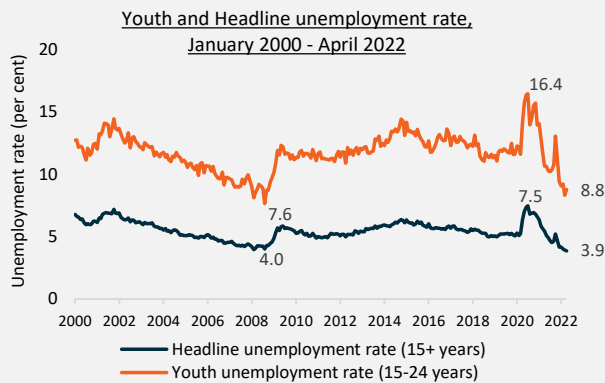
Source: Productivity Commission, Report on Government Services, 2022

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



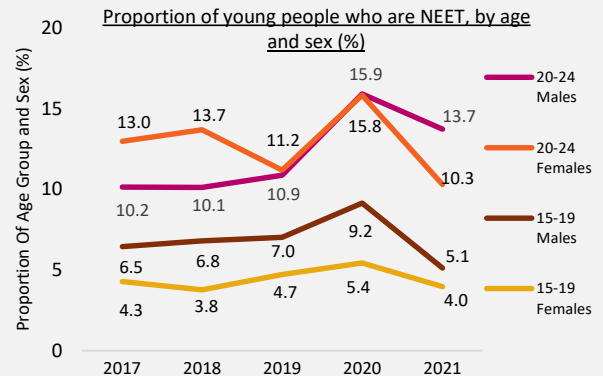
Source: Visualising school-to-work pathways using LSAY, NCVET (2019); Longitudinal survey of 3189 respondents, 2006-2016.

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



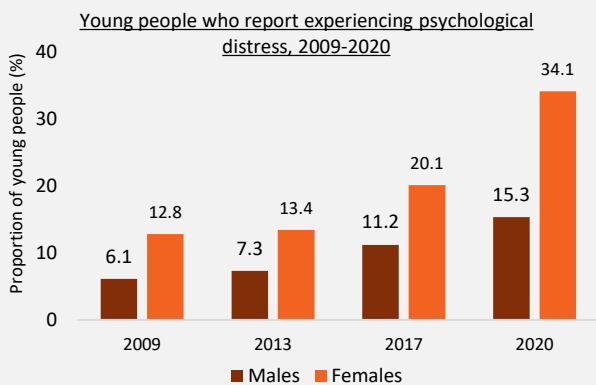
Source: Labour Force, ABS, 2022

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



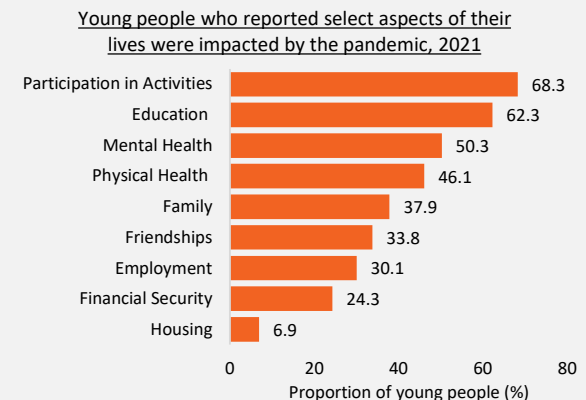
Source: OECD, 2021

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



Source: Mission Australia, 2021

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



Source: Mission Australia, 2021

The reform journey

Youth Summit

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

2008

Office of Youth established

Compact with Young Australians introduced

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

2009

National Youth Participation Requirement introduced

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

The National Strategy for Young Australians launched

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

2010

2013

Office of Youth combined into the department

Youth Jobs PaTH commenced

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

2017

Youth mental health and suicide prevention plan

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

Youth Taskforce established

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

2019

National Youth Policy Framework released

Review of senior secondary pathways

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

2020

2021

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

Regional education and employment

Overview

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

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

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

Regional education

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

Regional areas face barriers to education, including:

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

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

² Regional Ministerial Budget Statement 2022-23

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

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

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

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

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

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

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

Regional employment

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

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

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

⁷ ABS Schools Australia 2021

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

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

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

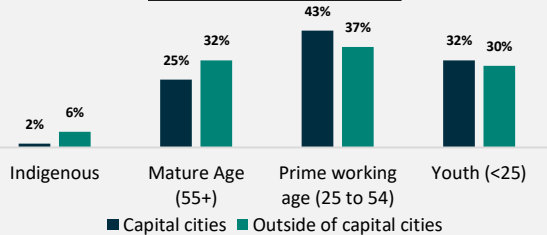
¹¹ Australian Bureau of Statistics, Labour Force Survey (Detailed), March 2022

Snapshot of regional education and employment

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

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

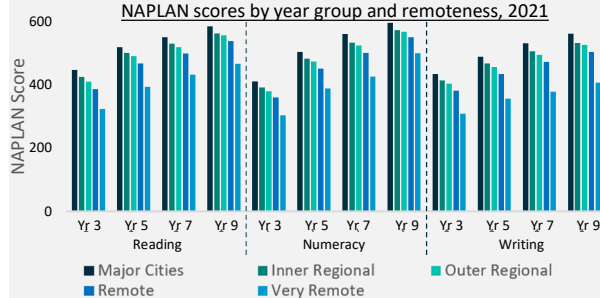
Share of resident population by selected characteristics and remoteness



Source: ABS, Census 2016

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

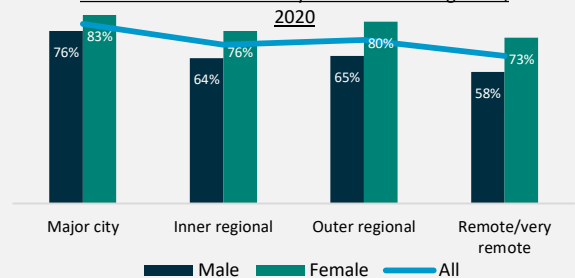
NAPLAN scores by year group and remoteness, 2021



Source: NAPLAN National Report for 2021 (ACARA)

4. Year 12 certification rates decrease as remoteness increases

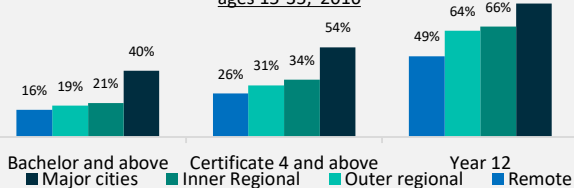
Year 12 certification rate by remoteness and gender, 2020



Source: ACARA, Yr 12 certification rates (2020)

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

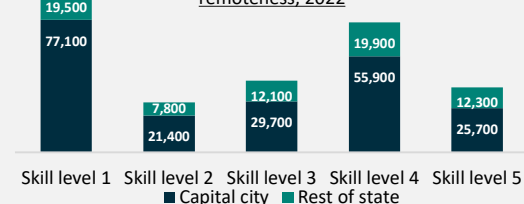
Highest level of educational attainment by remoteness ages 15-35, 2016



Source: ABS, Census of Population and Housing, 2016

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

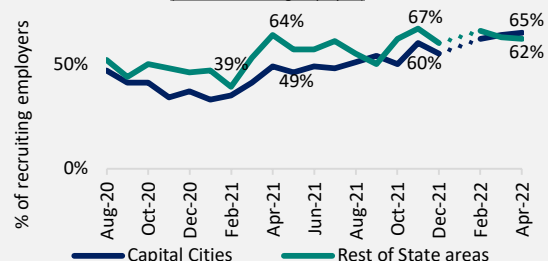
Numbers of job advertisements by skill level and remoteness, 2022



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

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

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



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

The reform journey

