



Australian Government
**Department of Education, Employment
and Workplace Relations**



**ANNUAL REPORT
2008–09**



In many areas of Australia it is considered offensive to publish photographs of Aboriginal and Torres Strait Islander peoples who have passed away. Please note that this publication may contain such pictures.

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This annual report is available in print and digital (CD or online) form from the Department of Education, Employment and Workplace Relations and is on the department's website <www.deewr.gov.au>.

To comment, make an inquiry or obtain a copy of this annual report, please contact:

Annual Report Team
Corporate Strategy and Presence Branch
Department of Education, Employment and Workplace Relations
GPO Box 9880
CANBERRA ACT 2601

Telephone: 1300 363 079

Acknowledgments

This report reflects the efforts of many people. Special thanks go to the departmental employees involved in contributing, coordinating and clearing material, as well as:

Annual Report Team: Angie Stiles, Alicia Mount and Kate Carey
Typesetting: GRi.D Communications, Canberra
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Letter of transmittal



Australian Government
Department of Education, Employment and Workplace Relations

Secretary
Lisa Paul PSM

The Hon Julia Gillard MP
Deputy Prime Minister
Minister for Education
Minister for Employment and Workplace Relations
Minister for Social Inclusion
Parliament House
CANBERRA ACT 2600

Dear Deputy Prime Minister

It gives me great pleasure to present to you the Department of Education, Employment and Workplace Relations' Annual Report for 2008–09.

This report has been prepared under section 63 of the *Public Service Act 1995*, which requires me to provide you with a report to present to the Parliament.

The annual report includes information required under section 74 of the *Occupational Health and Safety Act 1991*, section 8 of the *Freedom of Information Act 1982*, section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* and section 311A of the *Commonwealth Electoral Act 1918*.

In addition, I am required to report on the administrative operation of the social security law under subsection 241(1) of the *Social Security (Administration) Act 1999*, which covers the working age payments responsibility of the department.

In accordance with section 57 of the *Financial Management and Accountability Act 1997*, the annual report also includes the audited financial statements and the Auditor-General's report.

I wish to acknowledge the dedication of all departmental employees and their continuing commitment to supporting the government in the implementation of its initiatives.

Yours sincerely

Lisa Paul

1 October 2009

16–18 Mort Street, Canberra ACT 2601
GPO Box 9880, Canberra ACT 2601 | Phone (02) 6121 6000
www.deewr.gov.au | ABN 63 578 775 294

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Overview

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The Secretary's Overview

It is my pleasure to bring you the 2008–09 DEEWR Annual Report on what has been both an exciting and challenging year for the department.

When I look back over 2008–09 I find it has been a year of great accomplishment. The department has delivered on the government's key election commitments that invest in the nation's future productivity while assisting in Australia's response to the challenging economic conditions of the global recession. We have also woven the government's social inclusion agenda into the fabric of our work.

A number of changes to the portfolio ministers and parliamentary secretaries were announced by the Prime Minister on 6 June 2009. These changes saw the departure of Minister O'Connor and Parliamentary Secretary McKew to take on new roles. On behalf of the department, I thank Minister O'Connor and Parliamentary Secretary McKew for their commitment and dedication and wish them all the best in their new portfolios. As part of these changes Minister Kate Ellis became the Minister for Early Childhood Education, Child Care and Youth, in addition to the Sport portfolio; Senator Mark Arbib became the Minister for Employment Participation and the Minister Assisting the Prime Minister on Government Service Delivery; and Mr Jason Clare MP became the Parliamentary Secretary for Employment. We extended a warm welcome to our new Ministers and Parliamentary Secretary.

It was also a year of continuing transition for the department as we merged business systems from three departments, completing the merger to one department. I cannot understate the hard work of everyone across the department who made the transition possible and helped the government deliver its policies in this very eventful year. We are all conscious of the further work that lies ahead to make good the government's vision of a joined-up life-course approach to our policy and program development.

Responding to the global recession

Without doubt, the biggest impact on the portfolio's work in 2008–09 was the global recession. The year commenced with policies and strategies designed to grapple with a skills shortage but by September the uncertainty caused by the collapse of international financial markets demanded swift action from the government to respond to a crisis threatening Australian jobs. DEEWR had a central role in implementing government responses to keep Australia working throughout the downturn. This was only possible due to the commitment, high standards and steady efforts of many people in the department.

Building the education revolution

On 3 February 2009, the Building the Education Revolution program was announced as part of the government's \$42 billion National Building – Economic Stimulus Plan. By the end of June, a total of 20 696 infrastructure projects valued at \$11.27 billion had been approved. This was an excellent demonstration of the department's responsiveness and has made a real difference to creating or preserving vital jobs in the building and construction industry.

Building the Education Revolution is providing a boost to our schools through building new infrastructure and refurbishing facilities such as libraries, school halls and classrooms, science and language centres. It provides not only better learning environments but also support for local communities through local jobs, training opportunities and resources that can be shared by communities.

Jobs and Training Compact

DEEWR people also implemented other important parts of the government's stimulus packages to help protect Australia from the impact of the global recession. The Jobs and Training Compact responds to the downturn by investing in skills to ensure we have a supply of skilled workers as the recovery begins and to meet Australia's long-term needs. The compact includes:

- The Compact with Young Australians to help them remain engaged and lift their skills for the future through achieving a national Year 12 or equivalent attainment rate of 90 per cent by 2015 and strengthening participation requirements for Youth Allowance to support this.
- The Compact with Retrenched Workers including immediate access to Job Services Australia assistance which provides personalised assistance, career advice, referral to available training places, job search help and faster access to income support.
- The Compact with Local Communities including:
 - A \$650 million Jobs Fund to support jobs and build skills through community projects in regions hardest hit by the downturn.
 - Priority Employment Areas which are supported on the ground by Local Employment Coordinators (LECs) who, with employers and not-for-profit groups, identify new job opportunities and help match employment and training opportunities with government services and funding.
 - Supporting the Compact with Local Communities through the assessment of around 2500 applications for Jobs Fund Round 1 and by filling Local Employment Coordinator positions on an interim basis until permanent appointments were made.

Employment services

Another major achievement for 2008–09 is the significant micro-economic reform undertaken in creating Job Services Australia. There was a need for change clearly expressed: to simplify, streamline and improve employment services for jobless Australians and provide a greater emphasis on supporting disadvantaged job seekers and on skills development and training. The new system, Job Services Australia, emerged from comprehensive meetings and consultations with stakeholders, a discussion paper, exposure draft and a request for tender for the new employment services all coordinated by the department.

Job Services Australia represents a new approach to employment services, folding seven separate programs into a one-stop shop to meet the need of both job seekers and employers.

Tender results for the \$4.9 billion service were announced on 1 April 2009 and Job Services Australia commenced on 1 July 2009. There are now more than 2100 Job Services Australia sites across the nation. Early results achieved by the new Job Services Australia providers are very positive.

The department was also heavily involved in the reviews of employment services for people with disability and for Indigenous job seekers, and is managing the implementation of reformed services.

The new Indigenous Employment Program is more flexible and responsive to the needs of employers, Indigenous Australians and their communities as well as being easier to access. Individuals, communities and organisations can access assistance directly from the department through a contract or indirectly from the two panels of providers which have been established to help provide services. Support can also be accessed through pre-designed assistance including the Indigenous Wage Subsidy, Indigenous Cadetship Support and the CDEP Work Experience Subsidy.

The new Disability Employment Services will be implemented from 1 March 2010. Under these reforms, all job seekers with disability will have access to individually tailored employment services, through two simplified streams.

The department managed the first round of funding for the government's Innovation Fund, to provide innovative approaches to achieving training and job outcomes for disadvantaged job seekers.

Implementing Forward with Fairness

The government delivered on its Forward with Fairness election commitment this year with the passage of the *Fair Work Act (2009)* through Parliament on 19 March 2009. In developing the legislation, the government undertook a long and extensive consultation process supported by the department. Peak unions, employer bodies and state and territory workplace relations ministers were given unprecedented access to draft legislation and opportunities to make suggestions for its improvement.

The passage of the legislation was a major milestone in a series of significant achievements. Many DEEWR people contributed to these successes and deserve to feel great pride.

Other significant achievements include, for example, creating Fair Work Australia. Fair Work Australia supports the Fair Work Act and oversees its operation. It provides education, information and advice on all aspects of the new workplace relation system for both employees and employers. It comprises two bodies: a tribunal Fair Work Australia and the Office of the Fair Work Ombudsman and will be fully operational by 1 January 2010.

In addition, major steps were taken towards an historic national approach to occupational health and safety. This is wide ranging important work and will continue into 2009–10.

Transforming Australia's Higher Education System

Recognising that the reach, quality and performance of Australian higher education is key to the nation's economic and social progress, the government initiated a review of higher education late last year to examine the future direction of the higher education system led by Emeritus Professor Denise Bradley AC. The department provided high-quality secretariat support for the review. The report, *Review of Australian Higher Education*, was released in December 2008.

The response to the Bradley Review, *Transforming Australia's Higher Education System*, spells out 10 key reforms funded from 2009–10 that are based on the principles of:

- the importance of the opportunity for all, especially those from groups historically under represented in higher education
- access to university based on merit, not ability to pay
- academic freedom and autonomy
- research that advances knowledge and critical thinking.

These reforms will provide greater leverage for higher education's central role in achieving key objectives for the nation's future, positioning Australia's higher education system to deal with the future challenges, and take advantage of new jobs and other opportunities that will emerge in the years ahead.

Embedding the Education Revolution

This year we continued to progress commitments for the government's Education Revolution, including the Digital Education Revolution, new Council of Australian Governments (COAG) commitments including the continued rollout of Trade Training Centres, national curriculum and transparency of reporting student outcomes, among many.

Digital Education Revolution

The Digital Education Revolution continued its rollout improving teaching and learning in Australian schools that prepare students for further education, training, and to live and work in our ever more technology dominated world. To June 2009, 1864 schools were assisted with the purchase of over 176 000 computers giving all secondary schools across Australia the opportunity to reach a 1:2 computer to student ratio.

Council of Australian Governments

New COAG agreements have required a significant effort across the department this year. We are working in partnership with states and territories on COAG initiatives in the areas of early childhood development, education, skills and workforce development. We are also working on a number of measures aimed at closing the gap on Indigenous disadvantage.

In schooling, new COAG National Partnerships focus on supporting low socio-economic status schools to offer students the same opportunities as schools in less disadvantaged areas. There are National Partnerships offering significant resourcing to support teachers and principals as well as backing up good approaches to literacy and numeracy.

Trade Training Centres

Trade Training Centres are being established in partnership with state, territory and non-government education authorities to help increase the proportion of students achieving Year 12 or equivalent qualifications and help address skill shortages in traditional trades and emerging industries. In 2008–09, 432 schools across Australia were funded to build new, or refurbish existing, trade or vocational education and training facilities.

Australian Curriculum, Assessment and Reporting Authority

This new authority absorbed the functions of the National Curriculum Board and undertook a program of extensive consultation with the Australian education sector through this last year to develop a world-class, rigorous national curriculum from Kindergarten to Year 12 in the key learning areas of English, mathematics, science and history.

Early Childhood

The department is supporting a range of reforms being implemented in recognition that early childhood development sets the foundation for learning and wellbeing throughout life including:

- In November 2008, the COAG endorsed a major new National Partnership on Early Childhood Education. The National Partnership provides \$970 million in Australian Government funding over five years (2008–09 to 2012–13) to support universal access to a 15 hours per week preschool program delivered in the year before full-time schooling, by 2013.
- Thirty-five Children and Family Centres in areas with high Indigenous populations at a cost of \$293 million.
- The Australian Early Development Index as a national progress measure of early childhood development, a \$20.2 million Australian Government investment in 2009.

The department has worked with state and territory governments to develop the National Early Childhood Development Strategy. Work progressed on a range of measures including an Early Years Learning Framework and a National Quality Framework for Early Childhood Education and Care.

As part of the government's commitment to high-quality early childhood development, the department established a Child Care Industry Taskforce that ably assisted in the management of the administration process of Australia's largest child care provider ABC Learning Centres (ABC) Ltd, ensuring the continuity of quality child care for families.

Closing the gap

DEEWR's role across the lifecycle is fundamental to closing the gap on Indigenous disadvantage. In DEEWR Indigenous business is part of our everyday business. Mainstream programs are essential to DEEWR's efforts as we collaborate with our state and territory partners to achieve the COAG Closing the Gap targets in early childhood, literacy and numeracy, Year 12 or equivalent attainment and employment.

This year we undertook a review of our organisational capacity to deliver these critical objectives. Following this review we made a decision to realign our corporate structures to better support our Indigenous work. Consistent with our philosophy that Indigenous business is everyone's business we have placed Indigenous policy branches in each of our main business clusters. We have also created a small, strategic group which will take a whole of portfolio leadership role on Indigenous issues.

The department will continue to work closely with our ministers to develop further our role in relation to the four Closing the Gap targets for which the portfolio has a lead role across the Commonwealth.

Social inclusion and participation

Our work to support social inclusion included the first stage of the Family-centred Employment Project. Findings from the community engagement exercise, which commenced early in 2009 in three locations, have assisted the next stage of the project—the development of different approaches to service delivery for disadvantaged families—scheduled to commence towards the end of 2009.

The department contributed to the Harmer Pension Review and the Henry Review of Australia's Future Tax System, with a focus on the interaction of tax and transfer payment policy settings and how these can maximise opportunities for individuals to participate in work, study and training. This was complemented by our work on the Training and Learning Bonus, the new Training Supplement, the 'learn or earn' changes to Youth Allowance participation requirements and the most significant package of reforms to student income support in over a decade through the government's response to the Bradley Higher Education Review.

People

Through our Strategic Plan we have committed to three 'Approaches' to the way we go about our work. We care for our [DEEWR] people, we connect and engage well inside and outside the department and we aim to find solutions and deliver results.

Staff satisfaction

In February 2009 DEEWR undertook its first all-staff survey. Results indicated a higher level of employee engagement with 42 per cent of DEEWR employees fully engaged compared to the Australian benchmark of 36 per cent. The results show that our people

know what is expected of them at work, they understand how their work contributes to the department delivering results, and they take ownership of what they do.

This reflects the commitment of our people to delivering what is, and will continue to be, a very important range of work which touches the lives of all Australians in a positive way. The survey also identified areas for further work including creating a shared understanding of how people are managed; and how as an organisation we manage change processes.

Diversity in our workplace and culture

This year we have undertaken a number of initiatives to embed Indigenous business in everyday business:

- DEEWR's Reconciliation Action Plan 2009–2011 (RAP) was launched on 27 May 2009.
- DEEWR established our Mura Kaimel – Yarrangi Committee on 6 April 2009. This committee comprises representatives from across DEEWR's Aboriginal and Torres Strait Islander National and State Office Network employees and makes recommendations to the department's People and Leadership Committee on initiatives to improve the recruitment, retention and career development of Indigenous Australians in DEEWR.
- Three Senior Indigenous Advisers were appointed to support Kevin Brahim in his role of Indigenous leadership. In this role he provides leadership for DEEWR's Aboriginal and Torres Strait Islander staff and reports directly to the Secretary on matters related to Indigenous leadership within DEEWR.

Planning for the future

As the impacts of economic stimulus flow through to communities, the department will continue to support the programs and services designed to keep Australia working and provide world-class education and training systems to meet the needs of our workplaces of the future.

There is more work to help ensure Australia is well placed than other nations to respond to the recovery and build even greater prosperity.

We will continue to develop our partnerships with business, non-government organisations and communities to help us provide high-quality policy advice and analysis and be accountable for our performance.

We will maintain our focus on assisting the most vulnerable individuals and communities to access programs and services across the range of our responsibilities and to foster cultures of self-responsibility and reciprocity within communities.

We will also continue to focus on Australia's future needs and how DEEWR can help the government deal with the challenges presented by climate, demographic, technological and economic change.

DEEWR people are well placed to do this as they can build on significant achievements from 2008–09.

Lisa Paul
Secretary

Departmental overview

This section provides an overview of the Department of Education, Employment and Workplace Relations (DEEWR). It covers the department's role in delivering the government's agenda, the department's Executive, adjustments to the department's performance reporting structure and the role of the portfolio.

The department continues to be the lead government agency providing national leadership in education and workplace training, transition to work, and conditions and values in the workplace. Its responsibilities cover government priorities for early childhood development, quality education outcomes, a skilled workforce with greater participation, successful workplaces and an inclusive society.

DEEWR administers approximately \$46 billion annually and has about 6000 employees in over 60 locations in Australia and 26 locations overseas.

Role of the department

The department provides advice to the government and administers programs to achieve government objectives for education, employment and workplace relations. DEEWR works in collaboration with the states and territories, non-government authorities, providers and industry towards achieving its outcomes. DEEWR has offices and agencies throughout Australia and overseas allowing an active, national and client-focused approach to how we work.

DEEWR is committed to providing easy and informative access to its services and support programs and working directly with its clients and stakeholders to ensure that expectations are met.

DEEWR develops and implements government policies and programs to provide education and training opportunities for everyone, to increase employment participation and to ensure fair and successful workplaces. Education, training and workforce participation are central to our vision of 'Creating a productive and inclusive Australia', one that values diversity and provides opportunities for all people to build rewarding social and economic lives.

From early childhood, through education pathways, to the workforce, the government's reforms aim to ensure an equitable society in which everyone has the best chance of reaching their full potential.

The department is at the centre of the government's productivity agenda—one that makes a real difference to the lives of all Australians in a positive way.

It is also vital that DEEWR contributes to the Closing the Gap targets for Indigenous Australians—a challenge that is fundamental to the work across the department and the public service. DEEWR has direct responsibility for four of the six Closing the Gap targets and contributes to the other two targets.

The department's portfolio responsibilities include early childhood education and child care, schooling, training, universities, social inclusion, employment participation and workplace relations. Ultimately, those responsibilities are about productivity and provide the department with the opportunity to make a positive difference.

DEEWR Executive and departmental structure

The department is structured to deliver its business through the Executive and its groups. The role of each member of the Executive is outlined below. The Executive and departmental structure are shown in Chart P1.1.



Lisa Paul—Secretary

Lisa Paul, PSM has been Secretary of the Australian federal Department of Education, Employment and Workplace Relations (DEEWR) since 2007. The portfolio focuses on productivity and is central to Australia's economic growth through people's productivity—their education, skills and labour force contributions. The department is organised by the lifecycle: early childhood, schooling, young people's transitions from school, vocational education, higher education, employment

and workplace relations. DEEWR has a key focus on fairness throughout life, whether it is social inclusion measures in local communities or fairness in the workplace.

Prior to this role, Lisa was Secretary of the Department of Education, Science and Training (DEST) from 2004 to 2007.

She has more than 20 years public sector experience, including three Deputy CEO roles, which were in the Department of Education, Science and Training; the Department of Family and Community Services; and Health Insurance Commission. She has held senior positions in education, welfare, community services, health and housing, in state and Commonwealth governments and in central and line agencies.

Lisa has also sat on the boards for the Australian Research Council (ARC) and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) as well as the boards for the Higher Education Endowment Fund (HEEF) and the Education Investment Fund (EIF).

Lisa has led some important whole of government work. For example, in 2002 she was asked to lead the Australian Government's domestic response to the Bali bombings, for which she was awarded a Public Service Medal.



Robert Griew—Associate Secretary

As Associate Secretary, Robert Griew has a horizontal policy role in the Executive. The role is designed to bring together all parts of the department to prosecute a policy agenda which touches all parts of the portfolio. In particular, Robert has a focus on strategic policy and the department's Indigenous strategy.

Robert recently joined DEEWR from the Victorian Department of Education and Early Childhood Development. He was Secretary of the Northern Territory Department of Health and Community Services from 2003 to 2007 and was the CEO of the AIDS Council of NSW from 1998 to 2001.

Robert has had a 25-year career delivering health policy and programs at the Commonwealth level, as well as in a number of state and territory jurisdictions. He has run public health, Indigenous, ageing and early childhood education programs.

Interspersed with his public sector career, Robert has also worked as a consultant advising on organisational development and public health. He currently holds the position of conjoint Associate Professor in the School of Public Health and Community Medicine at the University of NSW.



Michael Manthorpe—Deputy Secretary

Michael Manthorpe is the Director of the Office of Early Childhood Education and Child Care which is responsible for advancing the government's agenda for high-quality, accessible and sustainable early learning and care. Michael was selected for this role in April 2009. Immediately prior to this, Michael led a taskforce within the department which managed the government's response to the insolvency of ABC Learning.

Michael has served for 21 years in the department's workplace relations, employment, workforce participation and strategic policy areas.



Michele Bruniges—Deputy Secretary

Michele Bruniges joined the department in October 2008 as Deputy Secretary for the Office of Early Childhood Education and Child Care. She moved to her current position as Deputy Secretary, Schools, in April 2009 to focus on delivering the government's commitments for school education.

From 2005–2008 Michele was Chief Executive of the ACT Department of Education and Training. Prior to this she held several senior positions within the NSW Department of Education and Training in areas of curriculum, assessment and reporting and strategic information and planning.

Michele has a Doctorate of Philosophy in Educational Measurement, a Masters Degree in Education from the University of NSW, a Graduate Diploma in Educational Studies and a Diploma in Teaching from Goulburn College of Advanced Education.

She is the recipient of numerous professional awards, including a Churchill Fellowship to study student achievement in education in the US and the Netherlands, an Exceptional Service Award from the Professional Teachers Council NSW for promoting teacher professionalism and has recently become a Fellow of the Australian College of Educators.



Bill Burmester—Deputy Secretary

Bill Burmester spent a decade as a social statistician in the Australian Bureau of Statistics, before being appointed as senior policy adviser in the Department of Finance in 1985. After working on 10 Budgets and numerous other economic statements he moved to the Higher Education Division in the Department of Employment, Education and Training in 1995. Subsequent moves as a Group Manager included responsibilities for the corporate and information technology areas and a return to higher education coinciding with the 2002–03 'Crossroads Review'.

In 2005 he was promoted to Deputy Secretary in DEST with responsibilities covering the Schools Policy area, the Transitions and Career Development area as well as corporate responsibilities for the human and financial resources of the department. With the creation of DEEWR at the end of 2007, Bill was charged with establishing and managing corporate responsibilities of the new department. In mid 2008 he returned to the schools policy area before moving in May 2009 to cover tertiary education, youth and international education issues.



Malisa Golightly—Deputy Secretary

Malisa Golightly has responsibility for the delivery of efficient and effective labour market assistance. She is responsible for the administration of the working age income support payments which are the responsibility of this portfolio (including Newstart and Parenting Payment). Malisa is also responsible for the management and delivery of the portfolio's extensive employment services Job Services Australia, Indigenous Employment Program and Disability Employment Services.

Malisa started her career as a graduate with the Australian National Audit Office in Canberra where she gained extensive experience in performance and financial statement audits. Since joining the former Department of Employment and Workplace Relations in 1999, Malisa has worked across a number of areas of the department before taking up responsibility for employment services and income support in 2005.



Graham Carters—Deputy Secretary

Graham Carters is the Deputy Secretary for Employment and Participation Policy. Graham has responsibility for developing policies and strategies to increase workforce participation and social inclusion in Australia. This includes undertaking labour market research and analysis, formulating policies and advice on enhancing employment services, identifying strategies to increase labour supply and employer demand for priority groups, and developing policies to reduce long-term unemployment and to

increase Indigenous employment.

Graham has been with the department and its predecessors since 1987. He has served predominantly in employment and policy and labour market analysis.



John Kovacic—Deputy Secretary

John Kovacic leads the department's Workplace Relations cluster which is responsible for providing policy and legal advice on workplace relations, occupational health and safety and workers compensation matters; implementing workplace relations reforms in the public and private sectors; administering the employee entitlements safety net scheme—GEERS; intervening in significant tribunal and court cases and managing Australia's relationship with the International Labour Organization.

John began his public service career in 1978 as a graduate clerk with the Department of Productivity. He joined the then Department of Industrial Relations in 1981 and has continued to work in various iterations of that department since then. He has worked in a range of business and corporate areas, both in a national and state office context.



Ewen McDonald—Deputy Secretary

Ewen McDonald is the Deputy Secretary for the Corporate and Network cluster. The cluster includes the Finance, People, Parliamentary and Communications, Legal, Investigations and Procurement, IT Services and Applications, and State Delivery and Network groups. Before taking on this role, Ewen was involved in the establishment of DEEWR and policy and program issues in schools.

Ewen began his career in the Victorian Public Service in 1978 where he worked in a number of agencies before joining the Australian Public Service in 1993. Ewen has worked on policy, program and corporate issues.

Chart P1.1

Executive and departmental structure at 30 June 2009

Secretary
Lisa Paul

Associate Secretary
Robert Griew

**Deputy Secretary—
Director of the OECECC**
Michael Manthorpe

- Early Childhood Development
- Indigenous Pathways and Early Learning
- Early Childhood Programs

**Deputy Secretary—
Schooling and COAG**
Michele Bruniges

- Digital Education
- Lifting Educational Outcomes
- National Education System
- National Initiatives

**Deputy Secretary—
Tertiary, Youth and International**
Bill Burmester

- Youth and Industry Skills
- Higher Education Group
- Tertiary Skills and Productivity
- International

**Deputy Secretary—
Employment**
Malisa Golightly

- Income Support and Stakeholder
- Job Seeker Support
- Specialist Employment Services
- General Employment Services
- Employment Systems
- Employment Purchasing

**Deputy Secretary—
Employment and Strategic Policy**
Graham Carters

- Strategic Policy
- Employment Reform Taskforce
- Social Inclusion and Participation
- Indigenous
- Research Analysis and Evaluation

**Deputy Secretary—
Workplace Relations**
John Kovacic

- Safety and Entitlements
- Workplace Relations Implementation
- Workplace Relations Policy
- Workplace Relations Legal
- Office of the Australian Safety and Compensation Council
- Audit

**Deputy Secretary—
Corporate and Network**
Ewen McDonald

- Finance
- People
- Parliamentary and Communications
- Legal, Investigations and Procurement
- IT Services and Applications
- Delivery and Network

Portfolio overview

At 30 June 2009, the Education, Employment and Workplace Relations portfolio consisted of the Department of Education, Employment and Workplace Relations and the following agencies:

- Australian Fair Pay Commission Secretariat
- Australian Industrial Relations Commission and Australian Industrial Registry
- Australian Learning and Teaching Council Limited
- Australian National University
- Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers Safety, Rehabilitation and Compensation Authority
- Office of the Australian Building and Construction Commissioner
- Teaching Australia – Australian Institute for Teaching and School Leadership Limited
- Workplace Authority
- Workplace Ombudsman.

Each agency produces its own annual report.

Chart P1.2 shows the portfolio structure and departmental outcomes.

Chart P1.2

Portfolio structure and outcomes at 30 June 2009

Portfolio Minister The Hon Julia Gillard MP Deputy Prime Minister Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion		
Senator the Hon Mark Arbib Minister for Employment Participation The Hon Kate Ellis MP Minister for Early Childhood Education, Child Care and Youth Senator the Hon Ursula Stephens Parliamentary Secretary for Social Inclusion and the Voluntary Sector The Hon Jason Clare MP Parliamentary Secretary for Employment		
Department of Education, Employment and Workplace Relations	Secretary Lisa Paul Outcome 1 Improved access to quality services that support early childhood learning and care for children through a national quality framework, agreed national standards, investment in infrastructure, and support for parents, carers, services and the workforce Outcome 2 Improved learning, and literacy, numeracy and educational attainment for school students, through funding for quality teaching and learning environments, workplace learning and career advice Outcome 3 A growth in skills, qualifications and productivity through funding to improve teaching quality, learning, and tertiary sector infrastructure, international promotion of Australia's education and training sectors, and partnerships with industry Outcome 4 Enhanced employability and acquisition of labour market skills and knowledge and participation in society through direct financial support and funding of employment and training services Outcome 5 Safer, fairer and more productive workplaces for employers and employees by promoting and supporting the adoption of fair and flexible workplace arrangements and safer working arrangements	
Portfolio agencies		
Australian Fair Pay Commission Secretariat	Australian Industrial Relations Commission and Australian Industrial Registry	Teaching Australia – Australian Institute for Teaching and School Leadership Limited
Australian National University	Australian Learning and Teaching Council Limited	Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers Safety, Rehabilitation and Compensation Authority
Office of the Australian Building and Construction Commissioner	Workplace Authority	Workplace Ombudsman

The following chart shows the outcome and output structure.

Chart P1.3

Outcome and output structure at 30 June 2009

Outcome 1 Improved access to quality services that support early childhood learning and care for children through a national quality framework, agreed national standards, investment in infrastructure, and support for parents, carers, services and the workforce	Support the Child Care System
	Child Care Fee Assistance
	Early Childhood Education
Outcome 2 Improved learning, and literacy, numeracy and educational attainment for school students, through funding for quality teaching and learning environments, workplace learning and career advice	Government Schools National Support
	Non-government Schools National Support
	Schools Support
	Trade Training
	Digital Education Revolution
	National Action Plan on Literacy and Numeracy
	Building the Education Revolution
	Smarter Schools—Low SES School Communities National Partnership
	Smarter Schools—Improving Teacher Quality National Partnership
	Youth Support
School Student Assistance	
Outcome 3 A growth in skills, qualifications and productivity through funding to improve teaching quality, learning, and tertiary sector infrastructure, international promotion of Australia's education and training sectors, and partnerships with industry	Higher Education Support
	HELP
	Tertiary Student Assistance
	Vocational Education and Training
	VET National Support
	International Education Support
Outcome 4 Enhanced employability and acquisition of labour market skills and knowledge and participation in society through direct financial support and funding of employment and training services	Employment Services
	Indigenous Employment
	Disability Employment Services
	Working Age Payments
Outcome 5 Safer, fairer and more productive workplaces for employers and employees by promoting and supporting the adoption of fair and flexible workplace arrangements and safer working arrangements	Employee Assistance
	Workplace Assistance

Changes to the department's performance reporting structure

The department undertook a major restructure in August 2008 to align the organisational structure with the government's participation, productivity and social inclusion agenda and to enhance its strategic policy capability. The department now reports against five outcomes. Charts P1.2 and P1.3 outline the new outcome structure.

This annual report is based on the 2008–09 Portfolio Budget Statements. It reports on the department's performance against the following nine outcomes:

- Outcome 1 Early Childhood Education and Child Care—children receive quality early childhood education and child care that meets the needs of their parents.
- Outcome 2 School Education—schools and other educators provide high quality teaching and learning to all Australian children, creating good foundation skills and positive life opportunities.
- Outcome 3 Higher Education—Australian higher education institutions provide high-quality teaching and learning for all students, research training for relevant students and enhance the accessibility of their learning and research.
- Outcome 4 Vocational Education and Training—individuals achieve relevant skills from Vocational Education and Training which enhance employability and productivity.
- Outcome 5 Transitions and Youth—young people are engaged and supported to make successful transitions to adulthood and active community participation, including through career development skills, further education, training and employment.
- Outcome 6 International Influence—Australian education and training is recognised as world class and is globally connected.
- Outcome 7 Labour Market Assistance—individuals have access to income support and socially inclusive labour market programs which further economic development.
- Outcome 8 Workforce Participation—policies and strategies are developed to assist disadvantaged Australians to increase their skills and workforce participation through enhanced employment services and employer engagement.
- Outcome 9 More Productive and Safer Workplaces—improved productivity through the development of safer, fairer and more flexible workplaces leading to greater employment for Australians and strong and sustainable economic growth.

Year in photos



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1 DEEWR Secretary's Award Winners with Lisa Paul, March 2009. 2 The Hon Julia Gillard MP, Deputy Prime Minister, at TAFE at RMIT Melbourne in April 2009. Guidelines were released for the next round of funding under the Training Infrastructure Investment for Tomorrow program. Photo courtesy of RMIT University. 3 The Hon Kate Ellis MP, Minister for Youth, with Sydney attendees at the first Australian Youth Forum event youTHINK, held in February 2009. The event, held at ten different locations throughout metropolitan and regional Australia and connected via satellite, provided over 1000 young Australians aged between 15 and 24 years with the opportunity to actively contribute their views on topics such as street violence. 4 Rod Little, DEEWR staff member and a member of the stolen generations addressing over 200 DEEWR staff at the first anniversary of the Prime Minister's Apology to the Stolen Generations function, held in National Office in February 2009. 5 The Prime Minister, the Hon Kevin Rudd MP, addressing the Local Employment Coordinator (LEC) conference in June 2009. The conference was held by the Employment Reform Taskforce to introduce the seven new LECs to their roles and commence the handover process from state network staff.



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1 In May 2009, the Hon Julia Gillard MP, Minister for Education visited Blackmans Bay Primary School in Hobart along with Tasmanian Premier and Education Minister David Bartlett. It was announced that 51 Tasmanian primary schools will receive \$99.3 million under Round One of Primary Schools for the 21st Century. 2 Senator the Hon Mark Arbib, Minister for Employment Participation, announcing in June 2009 that 19 campuses of TAFE NSW Riverina Institute will receive \$4.7 million under the Better TAFE Facilities program, part of the Economic Stimulus Plan. Photo courtesy of TAFE NSW Riverina Institute. 3 DEEWR participants in the ACT Multiple Sclerosis (MS) Society's first 24-hour Mega Swim, held at the Australian Institute of Sport in April 2009. Our DEEWR swimmers raised \$5132, which went to the ACT MS Society's Go for Gold Scholarship Program. 4 Lisa Paul with DEEWR library staff in April 2009, launching the new e-Library and 360 Search Systems. These tools help staff source information more quickly and easily by improving search facilities and the migrating of records into one, more efficient system. 5 Mark Deweerd, Auriel Bloomfield, Kevin Brahim and Shane Williams, Indigenous Leadership Team at the launch of DEEWR's Reconciliation Action Plan in May 2009.



1 Senator the Hon Ursula Stephens at a Social Inclusion Board meeting in Perth, February 2009, with board members Dr Ron Edwards and Ms Linda White. 2 WA State Office staff collected Christmas gifts during 2008 for children in Perth's Princess Margaret Hospital, their generosity making the day a little brighter for sick kids. 3 The Hon Kate Ellis MP visited Brisbane in March to launch Youth Week 2009, pictured here with Fuzzy and Hayden from tv show Video Hits. 4 Staff from the Application Development Branch of Employment Systems Group collecting donations for the Victorian bushfire Appeal.



1 The Australian Apprenticeships Roundtable met in Adelaide in February 2009. The meeting was primarily aimed at finalising issues and progressing action items identified at the previous years' meeting. 2 Lisa Paul at the DEEWR Victorian Bushfire Fundraiser held on Thursday 19 February 2009 in Canberra, congratulating staff on their efforts to help others in their time of need. 3 The Hon Jason Clare, Parliamentary Secretary for Employment, meeting with Local Employment Coordinator Mark King and south-western Sydney MPs Mrs Julia Irwin and the Hon Chris Bowen in June 2009. 4 Australian Apprentice of the Year, Rachael Keily, at the Australian Training Awards held in Darwin in November 2008.

Report on performance

Outcome 1

Early childhood education and child care

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Outcome 1

Early childhood education and child care

The Australian Government's agenda for early childhood education and child care focuses on providing families with high-quality, accessible and affordable integrated early childhood education and child care. The early years of a child's life are critically important, as children do their most vital learning in the first five years. During this time, the brain develops more quickly than at any other time in life. Children deserve the best start in life, one that includes an environment where they are supported to reach their full potential in terms of their health, learning and social development. They deserve high-quality care and education, to equip them for the challenges of the future.

High-quality early childhood services offer the productivity benefits of giving children the best possible start in life and, for parents, the opportunity to be active participants in the workforce or community life.

This vision for Australia's children is shared by all jurisdictions. The Australian Government is working with the states and territories through the Council of Australian Governments (COAG) to build a nationally consistent early childhood education and care system in Australia.

Key initiatives for early childhood education and child care

National quality reforms

A key aspect of the Australian Government's agenda for early childhood education and care is to improve quality. The National Quality Agenda (NQA) for early childhood education and care has four components:

- strong quality standards
- a quality ratings system
- enhanced regulatory arrangements
- the Early Years Learning Framework.

The agenda complements the Australian Government's commitment to ensure that by 2013 all children will have access to a quality early childhood education program in the year before school. Considerable progress was made during 2008–09 in developing and implementing the agenda in collaboration with state and territory governments. The NQA is expected to be considered by COAG in early July 2009.

Early Years Learning Framework

The Early Years Learning Framework (EYLF) is a curriculum framework which will ensure quality and national consistency in the delivery of early childhood education programs across all early childhood settings. The framework is an integral element of the NQA. A consortium of early childhood experts, led by Charles Sturt University, was contracted to undertake this work. The Australian Government and state and territory governments collaboratively developed the first national EYLF in consultation with the early childhood sector.

Universal access

Universal access to quality early childhood education means all children, including Indigenous children and those living in remote locations, will be able to access 15 hours per week of early childhood education for 40 weeks in the year before they begin formal schooling. In November 2008, COAG endorsed the National Partnership Agreement on Early Childhood Education, which commits all governments to achieving this objective by 2013. The Australian Government has made a \$970 million commitment to the National Partnership.

New Early Learning and Care Centres

The Australian Government has committed to establish Early Learning and Care Centres (ELCCs) in areas of unmet demand for child care. The centres will provide integrated early learning and care in a long day care setting that takes into account the specific requirements of the local community. Where possible, the centres will be located on school grounds, TAFE campuses, or university or other community land.

The Australian Government allocated \$114.5 million over four years in the 2008–09 Budget to establish ELCCs in 38 priority locations around Australia, including six Autism-specific centres. The government has worked closely with the states and territories and local governments and, in some cases, directly with private providers, to announce arrangements for 26 of the 38 centres by June 2009. The department will continue progressing arrangements for the remaining 12 priority centres, which will be established in 2010.

Workforce initiatives

The 2008–09 Budget provided funding of \$126.6 million over four years to implement three workforce election commitments to train and retain a quality early childhood workforce. The commitments involve removing TAFE fees for child care diplomas and advanced diplomas from 2009, creating additional university places for early childhood teachers and reducing the Higher Education Contribution Scheme – Higher Education Loan Programme (HECS-HELP) debt of early childhood teachers who work in specific areas. This initiative is being delivered in part through the National Partnership on TAFE Fee Waivers for Childcare Qualifications agreement with states and territories.

Changes to the Child Care Tax Rebate

The Child Care Tax Rebate (CCTR) assists parents or guardians who are working, studying or training with their out-of-pocket child care costs. From July 2008, the CCTR increased from 30 per cent to 50 per cent of out-of-pocket costs. This change means that parents receive higher government assistance closer to the time they incur child care costs, making it easier for them to meet their regular child care expenses.

Key priorities

The key priorities for Outcome 1 in 2008–09 were:

- progressing the government's commitment to give every child access to a preschool program in the 12 months before school, by 2013, by working in partnership with state and territory governments to obtain COAG agreement to the National Partnership Agreement on Early Childhood Education
- implementing the government's commitment to close the gap between Indigenous and non-Indigenous Australians, including by:
 - working across the Australian Government and in partnership with state and territory governments to obtain COAG agreement to a new National Partnership Agreement on Indigenous Early Childhood Development, under which 35 Children and Family Centres will be established and there will be increased access to antenatal care, pre-pregnancy and teenage sexual and reproductive health programs and maternal and child health services
 - ensuring that increasing the participation rates for Indigenous children, particularly those living in remote Indigenous communities, is a focus of bilateral agreements under the National Partnership Agreement on Early Childhood Education
 - establishing another three new creches in the Northern Territory and undertaking additional capital upgrade works in several existing creches in support of the Northern Territory Emergency Response

- providing parents with access to the best possible information about child care, including establishing the mychild website <www.mychild.gov.au>, so parents can readily identify the services that best meet their needs
- implementing the national rollout of the Home Interaction Program for Parents and Youngsters and the Australian Early Development Index (AEDI) national data collection
- developing a national strategy for early childhood development under COAG
- developing the EYLF and options for introducing strong new quality standards, rating system and streamlined regulatory approaches in early childhood education and care for consideration by COAG in July 2009
- implementing the government's initiatives to increase the number and qualifications of the early years workforce
- implementing the government's commitment to establish ELCCs in 38 priority locations across Australia by 2010
- providing advice to government and implementing the government's response to the insolvency of ABC Learning in such a way as to minimise the impact on families
- implementing and rolling out the new Child Care Management System (CCMS)
- ensuring changes to the CCTR, Child Care Benefit (CCB) and Jobs Education and Training (JET) Child Care Fee Assistance were effectively implemented and communicated by the Family Assistance Office.

Key achievements

The key achievements for Outcome 1 in 2008–09 were:

- In October 2008, COAG endorsed a new National Partnership Agreement on Indigenous Early Childhood Development, under which Children and Family Centres will be established across Australia by June 2014 to deliver integrated services that offer early learning, child care and family support programs.
- Bilateral agreements were signed under the National Partnership Agreement for Early Childhood Education, specifying agreed baseline positions, performance benchmarks and deliverables for each jurisdiction as they work towards the goal of Universal Access to preschool education by 2013. Most state and territory governments had signed their agreements by the end of June 2009.
- The national rollout of the AEDI was implemented in close collaboration with the state and territory governments and the independent and Catholic school sectors. This culminated in the first ever national data collection over three months from 1 May 2009. The AEDI has been endorsed by COAG as a national progress measure of early childhood development, providing a population-level measure of how children in a community are developing by the time they reach school age.
- Thirteen new centres for the Home Interaction Program for Parents and Youngsters were established. Funding continued for nine existing centres across Australia.
- The department led the development of the first national Early Childhood Development Strategy—Investing in the Early Years through a collaborative process involving the Australian Government and the state and territory governments and consultation with a number of early childhood experts.
- The mychild website was launched in October 2008. The website provides a virtual hub for parents and carers to access important health, early learning, child care and parenting support information. It also provides families with information about government initiatives and assistance with child care options, including details of local child care centres, the services they offer and the fees they charge.
- States and territories offered eligible fee-free courses under the \$60.3 million initiative to remove TAFE fees for child care diplomas and advanced diplomas from 2009. This initiative is being delivered through a National Partnership Agreement with states and territories.

- The department rolled out a workforce initiative covering early childhood teachers working in eligible locations (such as regional and remote areas, Indigenous communities and areas of high disadvantage) during 2008–09. Early childhood teachers can now apply for a benefit through the taxation system to reduce their HECS-HELP debt by around half.
- The rate of the CCTR was increased so that it now covers 50 per cent of all approved out-of-pocket child care costs up to a maximum of \$7500 per child per year. Payment of the CCTR as a quarterly payment was implemented, giving families more timely assistance closer to when they incur their child care expenses.
- The *Family Assistance Legislation Amendment (Child Care) Act 2009* received Royal Assent on 24 June 2009. The legislation tightens requirements to ensure that child care providers write to parents to inform them of a decision to close a centre. Operators who are planning to close their child care operations will have to give 30 days notice to parents and supply evidence to the government that they have done so.
- Rolling out the new CCMS to over 13 500 child care services that made the transition to or started business during the year.
- Eligibility for JET Child Care Fee Assistance was extended from 12 months of study to 24 months or the part-time equivalent, regardless of the course duration. Families can now receive additional support at the best time for them.
- Compliance visits were made to approximately 10 per cent of child care sites to preserve the integrity of CCB payments to families.
- The department hosted the Child Care Tip-off Line, which families can use to lodge complaints about a child care service's CCB claiming practices. In 2008–09, the Tip-off Line received 549 contacts.
- Following a Request for Proposal process, a new national provider was selected to deliver the Inclusion Support Subsidy. The new national provider will replace the 28 regional providers who were previously funded under the Inclusion and Professional Support Program.
- The outcomes of Round 2 of the Long Day Care Capital Funding Program 2008 were announced in March 2009. Funding was provided to 15 child care services in rural and remote areas to enable them to better meet their community's child care needs and improve the quality of care they provide.
- The Child Care Industry Taskforce was created, and the department facilitated the establishment of the court appointed receiver to manage the consequences of the corporate collapse of ABC Learning.

Government response to ABC Learning

ABC Learning operated more than 1000 child care centres, employed approximately 16 000 staff and cared for around 100 000 children. ABC Learning went into voluntary administration and receivership on 6 November 2008.

A key challenge for the department was to assist the government to respond to the insolvency in such a way as to minimise the impact on parents, children and employees at the ABC centres.

The government provided funding for the loss-making centres and the court appointed receiver, which enabled most of those centres to be sold to new operators. Where it was necessary for a centre to close, the funding enabled the affected children to be offered places in nearby centres. Most of the employees, and their accrued entitlements, were transferred to new operators.

By 30 June 2009, the future of only a small number of the centres, subject to the court appointed receiver's sale process, had not been settled. The 715 more viable centres remained in receivership.

Performance information for Outcome 1

The indicators in Table 1.1 show overall trends for Outcome 1.

Effectiveness indicators

Table 1.1

Effectiveness indicators for Outcome 1

Access to quality early childhood education

→ Preschool participation rates (including by Indigenous children)

Qualified early childhood workforce

→ Proportion of TAFEs offering fee-free Diplomas and Advanced Diplomas of Children's Services

→ Proportion of additional early childhood education university places applied for

Child Care

→ Trend in the number of children with additional needs using Australian Government approved child care services—by target group

→ Trend in the number of Commonwealth funded child care that is used for work-related purposes

Access to quality early childhood education

Preschool participation rates (including by Indigenous children)

Although there are certain data limitations, state and territory governments reported participation (enrolment) rates in preschool in the *2009 Report on Government Services* (for the 2007–08 financial year) that equate to a national participation rate of approximately 70 per cent. Drawing on data in the 2007 National Preschool Census (which focuses on Indigenous preschool participation), the department estimates that in the 2007 calendar year the national Indigenous preschool participation rate was approximately 58 per cent. The Australian Government's goal—which has been adopted by COAG through the National Partnership Agreement for Early Childhood Education—is to achieve universal access to early childhood education in the year before formal school by 2013. As preschool is a voluntary program, an enrolment rate of 95 per cent (for the total population and for Indigenous children) would be considered universal access.

Qualified early childhood workforce

Proportion of TAFEs offering fee-free Diplomas and Advanced Diplomas of Children's Services

TAFEs in all states and territories are now offering fee-free Diplomas and Advanced Diplomas of Children's Services. Several TAFEs have reported that the level of interest in diploma courses has increased markedly as a result of the TAFE fees waiver. There are also reports of an increase in Certificate III enrolments from students keen to advance to the diploma level.

Proportion of additional early childhood education university places applied for

Early feedback shows there has been strong uptake of the Australian Government's additional early childhood education university places. More comprehensive data will be available from 2010.

Child care

Trend in the number of children with additional needs using Australian Government approved child care services—by target group

- Children with disability: 22 100
- Aboriginal, Torres Strait Islander and Australian South Sea Islander children: 14 300
- Children from non-English speaking backgrounds: 84 500
- Total number of children with additional needs using government-approved child care services: 116 000.

This data was derived from the Australian Child Care Census, which was last released in 2008. Trends in this effectiveness indicator cannot be established for the reporting period, as the census is no longer conducted. Further data is expected to be collected and analysed during 2009–10.

Trend in the number of Commonwealth funded child care that is used for work-related purposes

According to the Australian Bureau of Statistics, 75 per cent of children in formal care attend due to work-related reasons.

Source: Australian Bureau of Statistics; June 2008; 4402.0, Childhood Education and Care, Australia. Note: We are unable to compare this statistic with previous years because earlier data for this effectiveness indicator was sourced from the Australian Child Care Census (last compiled in 2006). As this data is from different sources and cannot be compared, a trend cannot be shown.

Northern Territory Emergency Response creches— Milikapiti Creche, Tiwi Islands

As part of the Northern Territory Emergency Response (NTER), the Australian Government funded a package of early childhood measures to help address the child abuse and neglect identified in the *Little Children are Sacred* report.

Under the Supporting Families element of the NTER, funding was provided to establish nine new creches in identified communities where there were previously little or no existing early childhood services for children under five years. Funding was also provided to upgrade facilities at 13 existing creches.

The establishment of a new early childhood service in a remote community is a challenging undertaking. For example, the new transportable creche at Milikapiti was constructed in Queensland, transported in sections by road and barge to the Tiwi Islands and assembled on site. Further work to be carried out on site includes landscaping, play equipment and fencing.



Milikapiti Creche being assembled at the site

Creches provide an ideal vehicle for the delivery of early childhood education programs and give Indigenous children the opportunity to engage in early learning and prepare for formal schooling.

Creches also support workforce participation and encourage local Indigenous women to engage in work and training opportunities in the early childhood area.



Children at the Peppimenarti Creche enjoying water play and reading

Performance in the delivery of administered outputs

Four administered items contribute to Outcome 1. Three (CCB, CCTR and JET Child Care Assistance) help families participate in the economic and social life of the community by supporting them with the cost of child care. The fourth, Child Care Services Support, assists and promotes access to early childhood education and care.

Table 1.2

Performance information for administered outputs

Performance indicator	Estimate	Actual
Child Care Benefit and Child Care Tax Rebate		
→ Number of child care places available	693 700	725 300
→ Number of eligible approved services	11 600	11 700
→ Number of eligible families using approved Commonwealth funded child care services	594 800	604 100
Quality		
→ Percentage of families using approved child care services and receiving Child Care Benefit	96%	77% ^a
→ Percentage of families claiming maximum rate Child Care Benefit	33%	34%
→ Percentage of families claiming minimum rate Child Care Benefit	24%	n/a ^b
Jobs Education and Training Child Care Fee Assistance^c		
→ Number of children in child care	60 000	34 054
→ Number of parents assisted	37 000	22 722
Child Care Services Support		
→ Number of child care services receiving sustainability assistance	2000	1115
→ Number of Family Day Care workers approved for the Family Day Care start-up payment	1800	2400
→ Number of Indigenous child care specific services	260	275
→ Innovative Early Childhood projects commenced in each state and territory	8	15
Quality		
→ Percentage of Long Day Care services that have gone through five steps of the Quality Improvement and Accreditation System and are accredited	94%	93%
→ Percentage of Family Day Care services that have gone through five steps of the Family Day Care Quality Assurance System and are accredited	90%	85%
→ Percentage of Outside School Hours Care services that have gone through five steps of the Outside School Hours Care Quality Assurance System and are accredited	90%	95%

a In the 2008–09 Budget, the government announced the removal of the minimum rate of CCB, replacing it with an extended means-tested taper rate. This measure came into effect from July 2008 and has resulted in a decrease in the proportion of families receiving the CCB as a fee reduction. However, the families who due to the changes have elected to or have had their CCB payment entitlement reduced to zero still meet the other CCB eligibility requirements, so they could receive the increased CCTR entitlement.

b The performance indicator for the percentage of families claiming minimum rate CCB as the minimum rate was removed and a zero rate was introduced in 2008–09.

c Estimates for Jobs Education and Training Child Care Fee Assistance have been revised for the 2009–10 DEEWR Portfolio Budget Statements.

Child Care Benefit and Child Care Tax Rebate

In 2008–09, the Australian Government committed almost \$2 billion under the Child Care Benefit (CCB) and approximately \$1.1 billion under the Child Care Tax Rebate (CCTR) to assist families with the cost of child care.

The CCB is based on a family's income so that it is targeted to people most in need of additional financial assistance. Most families using approved child care receive this subsidy as a fee reduction at the time they pay their fees. Some receive it as a lump sum at the end of the year.

In the 2008–09 Budget, the government announced the removal of the minimum rate of CCB, which was paid to all eligible families regardless of income, replacing it with an extended means-tested rate that tapers until the payment rate reaches zero. The income level at which the CCB cuts out depends on the number of children using approved child care. This measure came into effect on 1 July 2008.

Families not receiving the CCB may still be eligible for the CCTR. The CCTR is not income-tested, so working families using approved child care can receive this assistance regardless of their income.

Previously, the CCTR covered 30 per cent of approved out-of-pocket child care costs, up to a maximum of \$4354 per child per year in 2007–08. From July 2008, the rate of the rebate increased significantly so that it now covers 50 per cent of out-of-pocket costs up to a maximum of \$7500 per child per year. From July 2008, families have also been able to receive the CCTR as a quarterly payment rather than as an annual payment to ensure that it is provided closer to the time they incur their child care expenses. The first quarterly payments were made in October 2008.

The removal of the minimum rate for CCB payment from 1 July 2008 resulted in a reduction in the percentage of families who use approved child care services and receive CCB as a fee reduction (see Table 1.2). However, those families affected by this change (by either electing to have or having their CCB payment entitlement reduced to zero) still met the other CCB eligibility requirements apart from the income test, and so could receive the increased CCTR entitlement. As noted above, from July 2008 a family's rebate entitlement increased to up to \$7500 (indexed) per child per year and to 50 per cent of out-of-pocket costs and was also available to be claimed quarterly, closer to when the costs were incurred. Due to these changes, the estimated actual expenditure for child care fee relief assistance for families under the CCB and the CCTR for 2008–09 increased significantly compared with 2007–08. Estimated actual expenditure for 2008–09 was \$3.11 billion, compared with \$2.33 billion in 2007–08.

Implementation of the Child Care Management System

The Child Care Management System (CCMS) was successfully implemented on schedule.

The new system changes the way that payments of Child Care Benefit (CCB) fee reductions are managed. The system improves the timeliness and accuracy of information on child care supply and use for government and parents. The system reduces the administrative workload on child care centre staff by allowing them to provide all their data at one time in a streamlined electronic format using the internet. It also provides an opportunity for approved child care services to review and streamline their business practices. Parents are able to access an online statement to obtain details of their child care and payments.

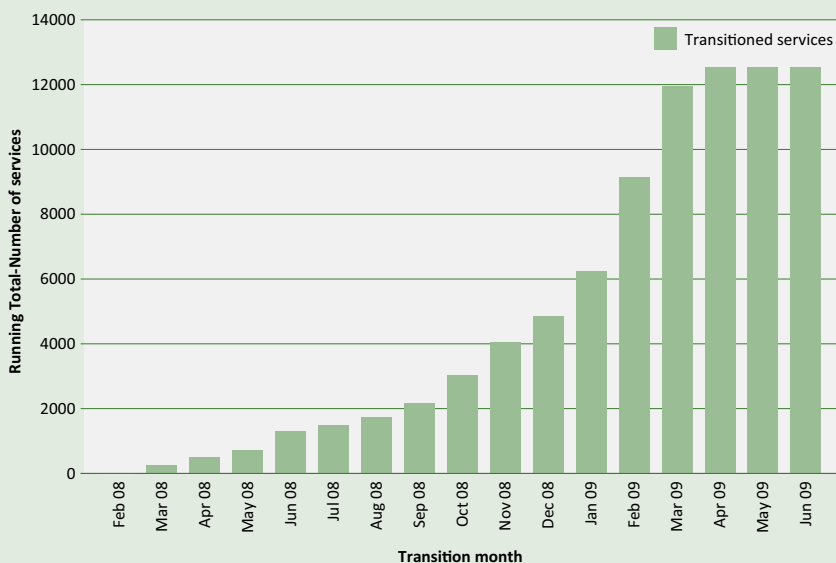
At the start the 2008–09 financial year, approximately 10 per cent of approved child care services were operating on the new CCMS. Over the year, the department worked cooperatively with the child care sector and their software representatives to assist the remaining 90 per cent of approved child care services (approximately 11 200 services) make the transition to the CCMS. At 30 June 2009, more than 13 500 approved child care services were using the system.

The previous Centrelink Operator System required approved child care services to manually process large amounts of information, much of which was based on estimates.

The government provided financial assistance to eligible services to assist with the transition to the CCMS. To support approved child care services with ongoing cash flow, an enrolment advance payment is available for each formal enrolment created in the CCMS. The payment is recovered once the formal enrolment has ended.

Chart 1.1

Approved child care services transition to CCMS, February 2008 to 30 June 2009



Source: CCMS Master Schedule, 30 June 2009.

Jobs Education and Training Child Care Fee Assistance

In 2008–09, the Australian Government committed approximately \$54 million to the JET Child Care Fee Assistance program.

The program provides additional assistance to help families with the cost of child care, usually while they are undertaking study. The assistance is paid to the approved child care service, so that a family's fees can be reduced.

From 1 July 2008, eligibility for JET Child Care Fee Assistance was extended from 12 months of study to 24 months, regardless of the course duration, so customers can choose to receive the additional support at the time most advantageous for them. Where parents are undertaking a course part-time, funding can be extended to the part-time equivalent for the full-time duration. This extension is directed at parents improving their skills through education and training, providing opportunities for sustained employment. There will be an estimated 1700 new JET Child Care Fee Assistance customers each year due to this policy change.

Estimates of the numbers of parents and children involved in the program in 2008–09 were revised at the time of the 2009–10 Budget to more accurately reflect take-up of the program. The number of parents in the program increased from 20 312 in 2007–08 to 22 722 in 2008–09 (almost 12 per cent). Demand and timing for assistance for parents and children is also influenced by the availability and starting dates of courses.

Child Care Services Support

In 2008–09, the Australian Government committed approximately \$382 million under Child Care Services Support.

The Child Care Services Support Program is funded by the Australian Government to support and promote access to quality child care and early learning for children, families and communities through strategies that complement the assistance provided to families through the CCB and the CCTR.

Sustainability Assistance is a demand-driven payment aimed at improving and supporting access to child care services for families in areas of need approved by the department. Over 2008–09, 1115 services received Sustainability Assistance.

The number of Family Day Care (FDC) start-up payments approved for potential or new FDC workers was 2400, significantly higher than the estimated 1800. The increase was due to higher than expected demand.

The estimated number of Indigenous-specific services (260) was based on point-in-time information. Indigenous services can close for short periods during a financial year for many reasons, including community business, inadequate road access and the movements of families and children. The actual number of 275 is also a point-in-time figure (at 30 June 2009) and includes several new services established in the Northern Territory and funded through the NTER.

The original estimate for new Innovative Early Childhood projects was eight, based on the expectation that there would be one project per state or territory. Most jurisdictions nominated more than one project, producing a total of 15 for the year. There was no change in the net cost of the program.

The percentage of FDC services that have gone through five steps of the Family Day Care Quality Assurance (FDCQA) system and are accredited has steadily decreased since November 2008. The decrease below the estimate probably reflects changes in the assessment process for FDC services, introduced in October 2008 by the National Childcare Accreditation Council (NCAC). The changes align the FDCQA with two other child care quality assurance systems, which the council believes is a necessary step to bring FDCQA schemes into a future integrated quality assurance system.

Outside School Hours Care services have performed above the department's expectations and are demonstrating an improved understanding of the requirements of the government's quality assurance program.

Performance in the delivery of departmental outputs

The department's Office of Early Childhood Education and Child Care is responsible for delivering the government's key commitments on early childhood education and child care, as well as for guiding major national policy reform.

Table 1.3

Performance information for departmental outputs

Performance indicator	Estimate	Actual
Program management		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	The majority of payments are made in accordance with relevant administrative targets set by quality assurance processes in DEEWR
Payments are made based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	All payments are made based on calculations which are accurate and in accordance with approved guidelines Quality assurance processes for the Community Support Program are under development
High-quality ministerial replies as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from the ministers and the Parliamentary Secretary to the Secretary	Satisfied ^a
	Analysis of trends over time to monitor percentage delivered within agreed timeframes	
Policy services		
<i>Quality</i>		
High-quality policy advice as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction using feedback from the ministers and Parliamentary Secretary	Satisfied ^a
High-quality research and evaluation reports as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the reports	Qualitative evaluation of satisfaction using feedback to the Secretary from ministers and the Parliamentary Secretary	Satisfied
Research activities are completed according to plan	At least 90% completed to plan	Satisfied
Service delivery		
Satisfactory services as reported by Centrelink through the timely processing of Child Care Benefit Claims	Services provided in accordance with DEEWR–Centrelink Business Partnership Agreement	Centrelink's delivery of child care services in 2008–09 was reported quarterly against the following service delivery indicators: payment integrity, effective customer service, data systems integrity, assurance and policy advice The 2008–09 quarterly reports to the end of March indicated that Centrelink delivered these services satisfactorily and to agreed standards

- a During the year, ministers, parliamentary secretaries and their staff provide feedback on the level of satisfaction with departmental advice during regular meetings with the department. Overall feedback from their offices is that they recognise the significant efforts made by departmental staff and are satisfied with the quality of briefings. Analysis of trends in 2008–09 indicates that the percentage of briefs and ministerials delivered within agreed timeframes is increasing steadily. The number of errors and rejections is also largely trending downward due to an emphasis on feedback to assist line areas to improve quality and presentation.

Outlook for 2009–10

In 2009–10, major priorities will include:

- Continuing to progress the National Quality Agenda for early childhood education and care. The Early Years Learning Framework will be rolled out from July 2009 and supported with training and a range of support materials. Feedback from consultations on the COAG Consultation Regulation Impact Statement will be analysed, and a final regulation impact statement will be developed and presented to COAG in late 2009. A final decision on the reforms will need to balance costs with the benefits of improved quality for children and families.
- Monitoring and supporting state and territory governments' progress towards achieving universal access to early childhood education.
- Monitoring and supporting state and territory governments' progress in achieving the agreed deliverables of the National Partnership on Indigenous Early Childhood Development, including progress on establishing 35 Child and Family Centres.
- In partnership with the states and territories and other stakeholders, the department will lead the development of the universal access strategy for Indigenous (including remote) communities under the National Partnership on Early Childhood Education.
- Ensuring that AEDI data is disseminated effectively to inform future public policy and investment decisions in early childhood. The Australian Government has invested \$20.4 million to 30 June 2011 to implement the AEDI nationally. The first stage of national data collection for the AEDI has begun, and preliminary data is likely to be available in December 2009. The second stage of the collection, in May 2010, will collect data from smaller communities.
- Working closely with the state and territory governments to implement immediate priorities for action within existing resources identified in the National Early Childhood Development Strategy. It is expected that COAG will endorse the strategy in July 2009.
- Working with states and territories to develop a National Early Years Workforce Strategy, as identified in the National Early Childhood Development Strategy.
- Continuing to progress arrangements for the remaining 12 of the 38 priority Early Learning and Care Centres to ensure that they are established in 2010.
- The Special Child Care Benefit will be enhanced to improve access to approved child care for children at risk as part of the National Framework for Protecting Australia's Children.
- With state and territory governments, the department will develop and seek agreement on an Early Childhood Education and Child Care National Information Agreement.
- The ongoing administration of payments and programs.

Report on performance

Outcome 2

School education

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2

Outcome 2 School education

The Australian Government provides educational leadership and works in partnership with state and territory governments and non-government school authorities, parents, educators and other organisations to provide high-quality teaching and learning to all Australian school-age children.

State and territory governments regulate and fund government and non-government schools in Australia. The Commonwealth also funds government schools and is the primary source of public funding for non-government schools.

In 2008–09, many of the government's Education Revolution reforms were put in place and enhanced by further Council of Australian Governments (COAG) commitments.

COAG has set ambitious targets to lift educational attainment and, in turn, contribute to improving productivity and social inclusion. COAG's targets include:

- lifting the Year 12 or equivalent attainment rate to 90 per cent by 2015
- halving the gap between Indigenous and non-Indigenous students in reading, writing and numeracy within a decade
- at a minimum, halving the gap between Indigenous and non-Indigenous students in Year 12 or equivalent attainment rates by 2020.

On 29 November 2008, COAG agreed to implement a package of reforms aimed at ensuring that all Australian school students acquire the knowledge and skills to participate effectively in society and employment in a globalised economy. From 2009, \$2.66 billion is being provided for three new 'Smarter Schools' National Partnerships (NPs) to address educational disadvantage in low socioeconomic status (low SES) school communities, improve literacy and numeracy and improve the quality of teaching. These NPs separately and collectively recognise the importance of teacher excellence, strong school leadership and high professional standards for teachers. They also recognise the need for more of our best principals and teachers to work in disadvantaged schools and for more high-achieving graduates to be recruited into teaching.

The Smarter Schools NPs are complemented by the other NPs established under the Education Revolution: the Digital Education Revolution; the Trade Training Centres in Schools Program; and the Building the Education Revolution, announced in February 2009. The Smarter Schools NPs are also complemented by the National Partnership Agreement on Youth Attainment and Transitions, which is reported under Outcome 5, Transitions and Youth.

The government's commitment to delivering its Education Revolution is underpinned by a new funding framework for schools which came into effect on 1 January 2009.

The new funding framework, agreed by COAG, provides greater flexibility for states and territories to allocate Australian Government funding to areas which they believe will produce the best outcomes for their students. All states and territories have agreed to a national reporting framework of comparable information about school performance and school context. This information will enable comparison of each school with other schools serving similar student populations around the nation.

The *Melbourne Declaration on Educational Goals for Young Australians*, released on 5 December 2008 and agreed to by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA), sets the vision for Australian schooling over the next decade. It set two goals:

- Australian schooling promotes equity and excellence
- All young Australians become
 - successful learners
 - confident and creative individuals
 - active and informed citizens.

Achieving these educational goals is the collective responsibility of governments, school sectors and individual schools, as well as parents and carers, young Australians, families, other education and training providers, business and the broader community.

The department's Indigenous-specific programs and initiatives are designed to complement and support the efforts of the states, territories and non-government sector in lifting educational outcomes for Indigenous students. These programs focus on students, schools and jurisdictions through strategies to enhance school leadership, quality teaching, student engagement, access to quality secondary schools and tertiary institutions, and parent and community participation in schools.

During 2008–09, the department also played a key role in the Northern Territory Emergency Response (NTER) communities. Education initiatives focused on supporting local Indigenous people already working in schools, providing additional classrooms, providing breakfast and lunch for school children, and expanding literacy and numeracy programs to address the educational disadvantage experienced in those communities.

Key priorities

The key priorities for Outcome 2 in 2008–09 were:

- developing and implementing the COAG participation and productivity reforms in school education, including
 - a new schools funding framework, including annual reporting on school performance, that will apply equally to government and non-government schools for the 2009 to 2012 funding period
 - \$550 million for reforms to attract, train, place, develop and retain quality teachers and school leaders in classrooms and schools through the Smarter Schools—Improving Teacher Quality NP
 - \$1.5 billion over seven years for improving educational outcomes in low SES school communities through the Smarter Schools—Low Socio-economic Status School Communities NP
 - \$540 million for improving literacy and numeracy through the Smarter Schools—Literacy and Numeracy NP
 - COAG targets, including those related to Closing the Gap. Strategies to close the gap in educational outcomes between Indigenous and non-Indigenous students include the NPs above, as well as
 - ongoing implementation of the NTER Enhancing Education measures in educational attainment for Indigenous students in remote communities
 - continuing transfer of projects under the Sporting Chance Program into the next four years (2009 to 2012) to increase Indigenous students' engagement with their schooling, leading to improved school attendance and retention to Year 12 or equivalent
 - identifying intensive literacy and numeracy programs that demonstrate success in improving learning outcomes for Indigenous students, building on the existing evidence base of best practice literacy and numeracy projects
 - identifying national good practice in the use of Personalised Learning Plans (PLPs) for Indigenous students and their parents or carers, and developing a package of resources to support teachers in the use of PLPs

- continuing the Community Festivals for Education Engagement Program across the majority of states and territories to assist in improving the attendance, retention and learning outcomes of Indigenous students
- developing, in collaboration with state and territory governments and non-government education authorities, a vision for Australian schooling over the next decade through the *Melbourne Declaration on Educational Goals for Young Australians*
- establishing the Australian Curriculum, Assessment and Reporting Authority (ACARA) as a new Commonwealth statutory authority under the *Commonwealth Authorities and Companies Act 1997* with responsibility for developing a national curriculum, the national assessment program and a national data collection and reporting program
- early publishing of summary results of the first National Assessment Program—Literacy and Numeracy (NAPLAN) 2008, and publication of detailed final report within the year of testing
- responding to the global recession by implementing the three-year \$14.7 billion Building the Education Revolution to stimulate local economies and create jobs, and to provide modern teaching and learning environments for school and community use.

Key achievements

The key achievements for Outcome 2 in 2008–09 were:

- In September 2008, for the first time, national results of literacy and numeracy testing under NAPLAN were published in the same year as testing, in the *2008 NAPLAN Summary Report*. The full national report, *2008 National Assessment Program—Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy* was published in December 2008.
- In October 2008, COAG agreed to establish ACARA, the new national education authority with responsibility for the management of curriculum, assessment and reporting functions at a national level.
- On 29 November 2008, the Commonwealth, state and territory governments agreed to a common set of school performance and transparency requirements, to be implemented through the National Education Association (NEA) and the *Schools Assistance Act 2008*. The requirements are
 - national testing
 - MCEETYA and COAG national reports on schooling
 - publication of school-level information nationally
 - clear and informative reporting to parents
 - publication of information relating to schools (school annual reports).
- On 29 November 2008, COAG agreed to three Smarter Schools NPs on low SES school communities, literacy and numeracy, and improving teacher quality. Work commenced on implementing these NPs in 2009, including
 - initial bilateral agreements and preliminary implementation plans that identify specific reform measures, and the schools and students targeted for the three Smarter Schools NPs, which were agreed with each jurisdiction and were submitted by the end of June 2009
 - thirty literacy and numeracy pilots, which commenced in low SES communities.
- On 5 December 2008, the *Melbourne Declaration on Educational Goals for Young Australians* was released by MCEETYA. The declaration updates the historic 1999 Adelaide Declaration and articulates future directions and aspirations for Australian schooling.

- On 8 December 2008, the *Australian Curriculum, Assessment and Reporting Authority Act 2008* received Royal Assent, establishing ACARA as a new Commonwealth statutory authority under the *Commonwealth Authorities and Companies Act 1997*.
 - ACARA, which absorbs the functions of the interim National Curriculum Board, is responsible for delivering the national curriculum, as well as the transparency and performance reporting agenda with the functions of the previously proposed National Schools Assessment and Data Centre.
 - During 2008–09, ACARA undertook a program of extensive consultation with the Australian education sector and continued the work of the interim National Curriculum Board to develop a world-class, rigorous national curriculum from Kindergarten to Year 12 in the key learning areas of English, mathematics, science and history.
- On 23 December 2008, COAG's Productivity Agenda Working Group agreed to the implementation arrangements for the National Asian Languages and Studies in Schools Program (NALSSP). These were developed in consultation with state and territory education authorities and members of the broader education community.
- In late 2008, the national rollout of the Helping Children with Autism project began. This project comprises professional development for teachers and other school staff, and workshops for parents and carers of school-age children with an autism spectrum disorder.
- On 1 January 2009, the new funding framework for the Commonwealth's financial relations with the states and territories, agreed to by COAG, came into effect.
 - The NEA defines Commonwealth, state and territory roles and responsibilities, objectives, outcomes, performance benchmarks and indicators for schooling. As part of the NEA, the government aligned the Commonwealth recurrent expenditure funding percentages for primary and secondary government schools. The NEA includes estimated additional funding of \$635 million for government primary schools over 2008–09 to 2012–13, acknowledging the importance of the early years of schooling for students' future educational success.
 - The *Schools Assistance Act 2008*, consistent with the framework of the NEA, confirms the government's election commitment to maintain financial support for the non-government school sector for the next four years (2009 to 2012). Between January and February 2009, the government entered into more than 900 funding agreements with non-government schools and 26 funding agreements with non-government school systems.
- On 3 February 2009, the Building the Education Revolution program was announced as part of the government's \$42 billion Nation Building—Economic Stimulus Plan. By the end of June, a total of 20 696 infrastructure projects, valued at \$11.27 billion, had been approved.
- On 17 April 2009, MCEETYA agreed to a framework for the publication of comparable information about school performance and school context, including comparison of each school with other schools serving similar student populations around the nation.
- On 16 June 2009, the Organisation for Economic Co-operation and Development (OECD) Teaching and Learning International Survey (TALIS), in which Australia participated, was released internationally. TALIS was conducted in 23 countries and provides the first internationally comparable data on conditions affecting teachers in schools.
- In June 2009, the Scientists in Schools program was extended, with a further investment of \$2.73 million. The pilot phase, managed by CSIRO Education, achieved high levels of interest and involvement from teachers and practising scientists. Over 1000 partnerships between teachers and scientists have been established so far.
- At 30 June 2009, approximately 330 000 eligible students from the department's outcomes 2, 3 and 4 had received the Training and Learning Bonus. Part of the government's Nation Building and Economic Stimulus Plan, the bonus was a one-

off payment provided to eligible student income support recipients and eligible postgraduate scholarship students to assist with the costs of studying in 2009.

- During 2008–09, the department continued implementing a range of initiatives
 - the Trade Training Centres in Schools Program awarded over \$425 million in funding to 138 projects, representing 432 schools across Australia. In Round One, 223 applications were received and assessed across all school sectors and states and territories
 - funding of \$177.7 million was approved to assist 1864 schools to purchase over 176 300 computers through the Digital Education Revolution's National Secondary School Computer Fund. All secondary schools across Australia have now been given the opportunity to reach a 1:2 computer to student ratio
 - the Le@rning Federation developed 1735 digital resources for teachers and schools, bringing the total number of digital resources in its repository to 8840
 - the fourth and final round of the Australian School Innovation in Science, Technology and Mathematics project was run, and \$3.55 million of grant funding was provided for 56 innovative projects (aimed at invigorating science, maths and technology teaching and learning in schools) involving 350 schools across Australia
 - the first stage of the national Science by Doing project started, led by the Australian Academy of Science, with \$2 million committed by the government. The project aims to develop a model inquiry-based approach to improve science teaching and learning in junior secondary years
 - an additional 14 school-based sports academies, to be managed by the Clontarf Foundation, were established under the Sporting Chance Program
 - fourteen events were delivered nationally under the Community Festivals for Education Engagement program, involving 5635 student participants
 - eight new intensive literacy and numeracy pilots were initiated for underachieving Indigenous students under the Building Strong Foundations 2008 Budget measure
 - a targeted accelerated literacy program was initiated in the four Cape York Welfare Reform Project communities under the Cape York Welfare Reform Trials. In addition, 332 Student Education Trusts were established to assist families to save money to fund educational expenses in the future.
- During 2008–09, the department continued implementing a range of NTER initiatives, including
 - establishing 21 additional classrooms in NTER communities under the Additional Classrooms measure to cater for anticipated increased student enrolment and attendance
 - recruiting and deploying 97 teachers in the Northern Territory under the Additional 200 Teachers measure
 - career planning and skills qualifications profiling for more than 700 Indigenous education staff under the Quality Teaching package
 - commencing teacher qualification upgrades for 22 Indigenous education staff from remote communities
 - providing 66 scholarships for education staff working in remote communities to undertake graduate certificate and masters courses
 - providing incentives to 60 teachers and assistant teachers to complete accredited training
 - establishing regionally-based specialist teams under the Accelerating Literacy measure to provide targeted professional development support to 51 remote community schools to accelerate Indigenous literacy and numeracy outcomes
 - establishing the School Nutrition Program in 68 of the 71 schools in the 73 prescribed communities of the Northern Territory (employing 149 local Indigenous people) to increase school attendance and engagement.

Performance information for Outcome 2

The department reports against effectiveness indicators set out in the department's Portfolio Budget Statements 2008–09.

Effectiveness indicators

The effectiveness indicators for Outcome 2 are achievement of national benchmarks; participation of students from disadvantaged groups in school education; and assistance provided to students. Programs and initiatives delivered by the department which contribute to Outcome 2 form part of a wider set of factors that affect that Outcome.

Table 2.1

Effectiveness indicators for Outcome 2

Achievement of national benchmarks

- Trends in full-time student enrolments in Australian schools—by primary/secondary and government/non-government
- Trends in students receiving Year 12 certificates as a proportion of potential Year 12 population
- Apparent retention rate of full-time students from Year 7/8 to Year 12
- Trends in number of students participating in vocational and technical education in schools
- Trends in full-time student enrolments and number of Australian School-based Apprenticeships at Australian Technical Colleges
- Percentage of school students achieving the national benchmark(s) in:
 - reading
 - writing
 - language conventions (spelling, grammar and punctuation)
 - numeracy

Participation of students from disadvantaged groups in school education

- Trends in the number of Indigenous school students assisted (ABSTUDY)
- Trends in the number of secondary school students assisted by Youth Allowance
- Trends in the number of students in receipt of Assistance for Isolated Children funding
- Trends in the number of new arrivals assisted with English as a Second Language
- Trends in the number of Indigenous school and preschool students
- Percentage of Indigenous students achieving the reading, writing, language conventions (grammar and punctuation) and numeracy benchmarks, Years 3, 5, 7
- Proportion of Indigenous and non-Indigenous 15 to 19 year olds with education attainment of Year 12

Student assistance

- Trends in the number of students receiving income support under
 - ABSTUDY
 - Youth Allowance

Note: In 2008, the National Benchmarks were replaced by the National Minimum Standards for Years 3, 5, 7 and 9. This is the first time that Year 9 has been included in the reporting.

Achievement of national progress measures and targets

Student enrolments

In 2008, the Australian Government's schools programs supported an increasing number of students across Australia. Student numbers increased from their 2007 levels in Queensland, Victoria, Western Australia and the Northern Territory, in line with population growth, while student numbers in the other states remained steady or showed slight decreases in student numbers.

Table 2.2**Full-time school enrolments by level of education, Australia 2006 to 2008**

Year	Level of education		Number of enrolments
	Primary	Secondary	Total
2006	1 936 197	1 432 530	3 368 727
2007	1 969 303	1 447 220	3 416 523
2008	1 973 502	1 460 789	3 434 291

Source: *Schools, Australia 2008*, Cat no. 4221.0, 2009, ABS.

The proportion of total student enrolment in government schools continues to fall, in line with the long-term trends. In 2006, 66.7 per cent of full-time school students were enrolled at government schools; by 2008 this share had fallen to 65.9 per cent. In contrast, non-government schools have increased their share of school enrolments from 33.3 per cent to 34.1 per cent. The major portion of the growth in non-government schools comes from the independent schools sector, which has increased its share of enrolments from 13.1 per cent in 2006 to 13.8 per cent in 2008, while the Catholic schools share has remained steady (from 20.2 per cent to 20.3 per cent).

Table 2.3**Full-time school enrolments by government and non-government sectors, Australia 2006 to 2008**

Year	Government	Non-government	Total
2006	2 248 229	1 120 498	3 368 727
2007	2 268 377	1 148 146	3 416 523
2008	2 264 554	1 169 737	3 434 291

Source: *Schools, Australia 2008*, Cat no. 4221.0, 2009, ABS.

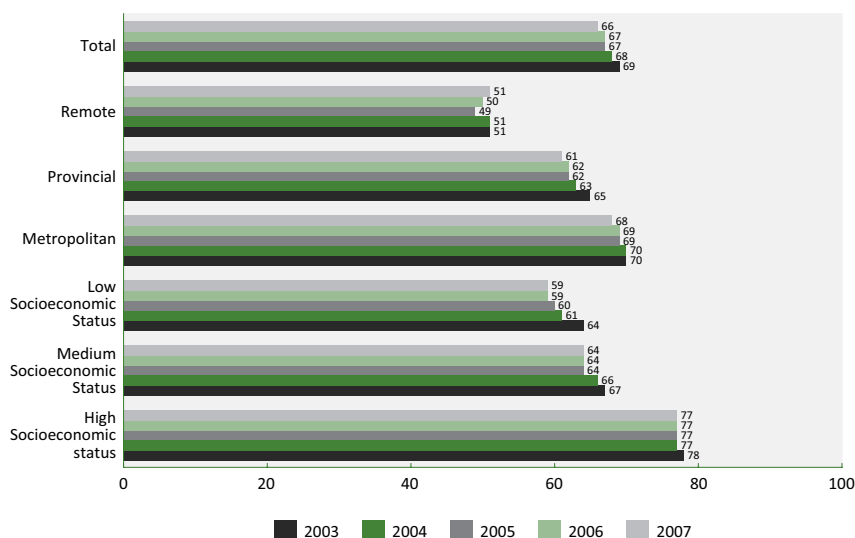
Note: The 2006 data have been revised by the ABS since last year.

Students attaining Year 12 certificates

The higher socioeconomic status groups continue to be much more likely to complete their schooling than lower socioeconomic status groups. Students from metropolitan areas are more likely to complete their schooling than students from provincial areas who in turn are more likely to complete their schooling than students from remote areas.

Chart 2.1

Students receiving Year 12 certificates as a proportion of potential Year 12 population, by geographic location and socioeconomic status



Source: Based on data provided by state and territory examination boards.

Note: Updated data to that provided in the 2007–08 Annual Report on the proportion of Indigenous and non-Indigenous 15 to 19-year-olds with education attainment of Year 12 are not available, as the data provided for the 2007–08 Annual Report were from the 2006 ABS Census of Population and Housing.

Apparent retention rate of full-time students from Years 7/8 to Year 12

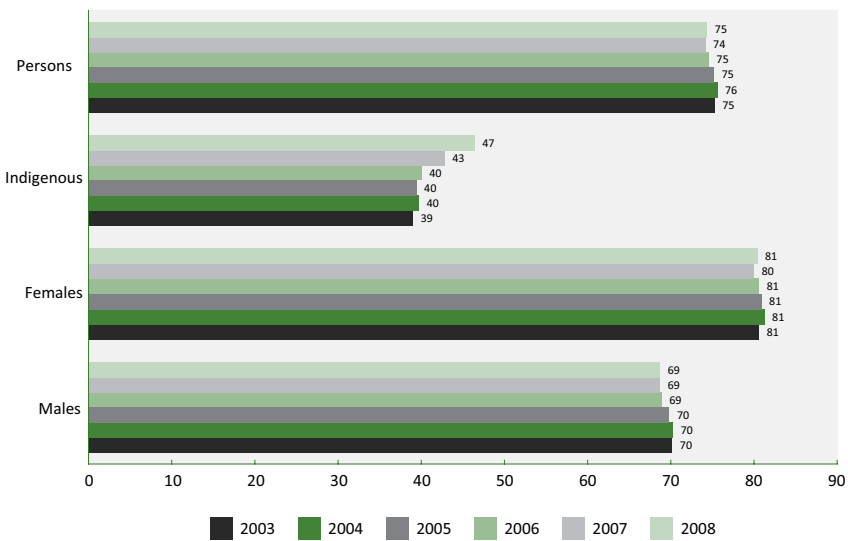
The apparent retention rates of full-time students from Years 7/8 to Year 12 are a measure of continuing students and indicate the percentage of students in a given cohort who continued from the first year of secondary school to Year 12. The apparent retention rate measure is based on full-time students and does not include:

- students undertaking Year 11 or Year 12 on a part-time basis or in mixed programs involving both part-time secondary school and part-time TAFE or vocational education training (VET) options
- overseas migration of students
- structural differences in secondary education across the states and territories
- repeating students
- mature-age students.

The overall Years 7/8 to Year 12 apparent retention rates remained relatively stable between 2003 and 2008. All states and territories reported record numbers of students in their senior years of schooling in 2008.

Chart 2.2

Apparent retention rate of full-time students from Years 7/8 to Year 12, 2003 to 2008



Source: *Schools, Australia 2008*, Cat no. 4221.0, 2009, ABS.

Students participating in vocational and technical education in schools

In 2007, a total of 174 800 students were enrolled in VET in schools, including school-based apprenticeships and traineeships. This represented 33.4 per cent of school students undertaking a senior secondary certificate.

School-based apprenticeships at Australian Technical Colleges

As at the Australian Technical College (ATC) October 2008 Census, there were 2762 students enrolled in the 24 colleges operating in regional and metropolitan areas across all states of Australia. The number of ATC students entering into an Australian School-based Apprenticeship (ASBA) while completing their Year 12 Certificate has continued to increase each year. In October 2008, 64.45 per cent of all ATC full-time student enrolments were in an ASBA. At March 2009, the number of full-time student enrolments had risen to 3369. The number of ATC students undertaking an ASBA in 2009 will be known once the ATC October 2009 census has been completed.

Literacy and numeracy—national minimum standards

In May 2008, the National Assessment Program—Literacy and Numeracy (NAPLAN) tests in reading, writing, language conventions (spelling, grammar and punctuation) and numeracy were administered to all students in Years 3, 5, 7 and 9. This was the first time all students across Australia sat the same tests, which replaced the previous state and territory based literacy and numeracy tests. The assessments are reported on a common scale that covers the full range of achievement from Year 3 to Year 9. Summary national results were published in September 2008, with a full report released in December 2008. The report provided nationally comparable data across the range of student achievement in literacy and numeracy.

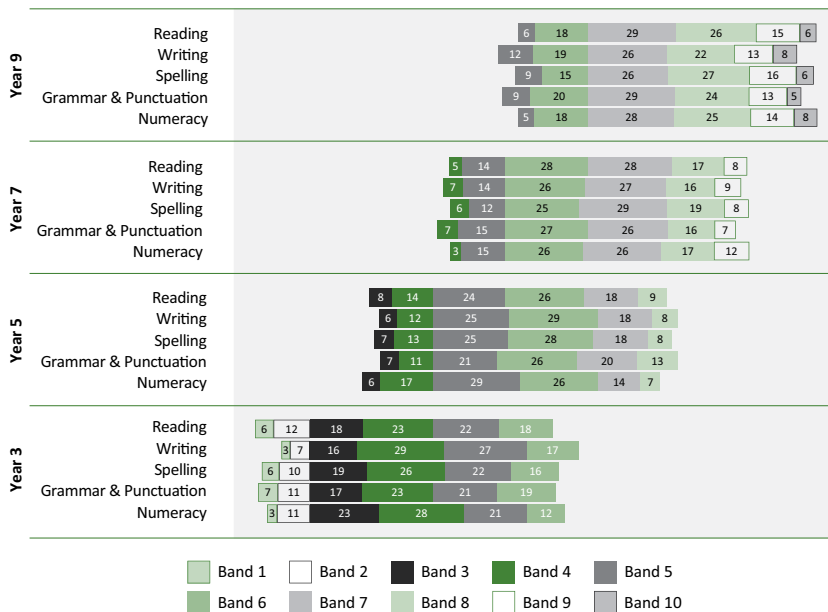
The national minimum standards are represented by a range of scores aligned with the second achievement band for each year level in each domain. The national minimum standard for Year 3 is Band 2, for Year 5 is Band 4, for Year 7 is Band 5 and for Year 9 is Band 6.

In 2008, the percentage of students at or above the national minimum standard (with the exception of Year 9 writing, spelling, and grammar and punctuation) was more than 90 per cent across year levels and domains, ranging from:

- 91.7 per cent (grammar and punctuation) to 95.4 per cent (writing) for Year 3 students
- 91.0 per cent (reading) to 92.7 per cent (numeracy) for Year 5 students
- 91.6 per cent (grammar and punctuation) to 95.4 per cent (reading) for Year 7 students
- 87.2 per cent (writing) to 93.6 per cent (reading) for Year 9 students.

Chart 2.3

Percentage of Year 3, 5, 7 and 9 students above, at or below national minimum standards in reading, writing, spelling, grammar and punctuation and numeracy, NAPLAN 2008



Participation of students from disadvantaged groups in school education (including assistance provided to them)

Indigenous students assisted by ABSTUDY

The number of Indigenous secondary school students in receipt of ABSTUDY has increased by 0.5 per cent, from 25 730 in June 2008 to 25 861 in June 2009.

Secondary school students assisted by Youth Allowance

The number of secondary school students in receipt of Youth Allowance has increased by 3.3 per cent, from 97 296 in June 2008 to 100 545 in June 2009.

Students in receipt of Assistance for Isolated Children funding

In 2008, 11 212 students received Assistance for Isolated Children (AIC) allowances. Although this was less than the 12 100 students anticipated for this period, student numbers are stable when compared with previous years. In 2007, AIC assisted 11 500 students, and in 2006, 11 468 students received assistance.

New arrivals assisted with English as a Second Language

In 2008, the English as a Second Language—New Arrivals program assisted 13 931 students. Although this was less than the 14 536 students assisted in 2007, assistance depends on the number of eligible migrants. From 1 January 2009, the government schools component of this program was consolidated into the NEA.

Indigenous school and preschool students

The number of Indigenous students continues to increase. After making allowances for a change in the coverage of the National Preschool Census, Indigenous preschool enrolments have increased by 8 per cent (738 students) since 2006. Most of the increase occurred in Queensland where an additional 537 students were counted in the 2008 National Preschool Census, following full introduction of the Preparatory year to Queensland's school system.

There has been strong and consistent growth in the numbers of Indigenous student enrolments in Australian schools between 2001 and 2008. The overall average annual growth rate was 4.5 per cent (compared to an average annual growth rate of 0.6 per cent for non-Indigenous students) so that the total number of Indigenous students has increased by almost one third in this period.

Table 2.4

Full-time school and preschool enrolments for Indigenous students

	2006	2007	2008
Indigenous school students	140 389	147 181	151 669
Indigenous preschool students ^a	9275	9627	10 014 ^b

a These data are sourced from the National Preschool Census, which is not compulsory. The definition of preschool varies between jurisdictions.

b Change in series—the 2008 data include 3607 preschool students and 178 Indigenous preschool students from preschools not identified in earlier years.

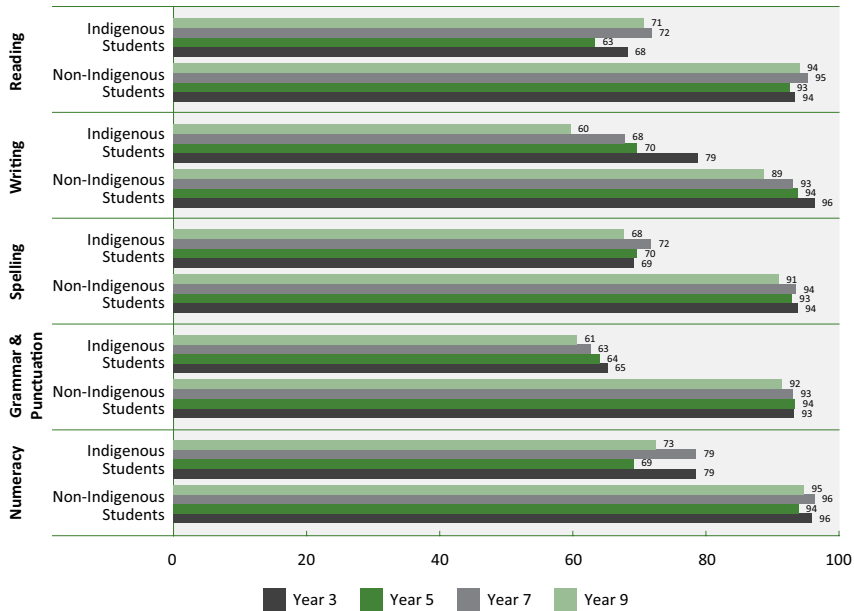
Source: Indigenous school students—*Schools, Australia*, Cat no. 4221.0, several years; ABS, Indigenous preschool students—*National Preschool Census*, several years.

Indigenous students achieving national minimum standards in literacy and numeracy

The percentage of Indigenous students estimated to be working at or above the national minimum standard is markedly lower than for non-Indigenous students in all domains and at all year levels.

Chart 2.4

Percentage of Year 3, 5, 7 and 9 Indigenous and non-Indigenous students at or above the national minimum standards in reading, writing, spelling, grammar and punctuation, and numeracy, NAPLAN 2008



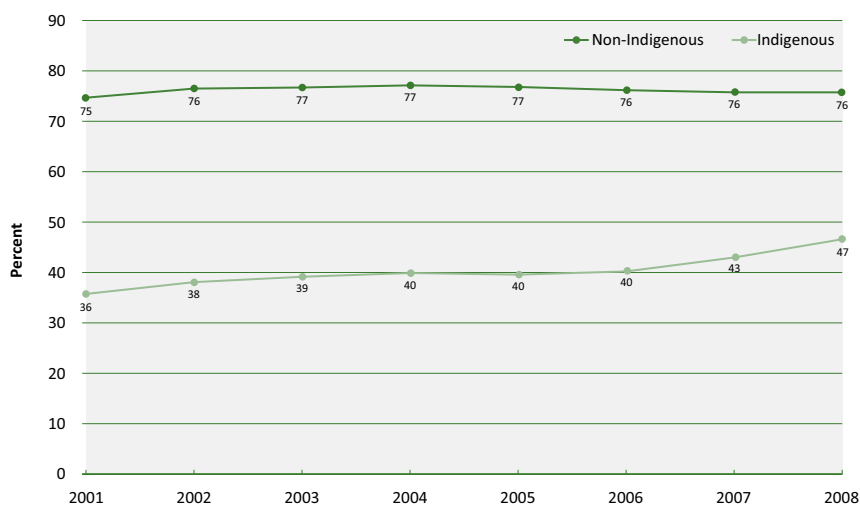
Source: 2008 National Assessment Program—Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy, MCEETYA.

Apparent retention rates of full-time Indigenous students from Years 7/8 to Year 12

Since 2001, Indigenous apparent retention rates from Years 7/8 to Year 12 have increased by 11 percentage points, from 36 per cent to 47 per cent. In this period, the gap between Indigenous and non-Indigenous Year 12 retention rates has reduced from 39 percentage points to 29 points. Between 2006 and 2008, the national Year 12 apparent retention rate has increased from 40 per cent to 47 per cent, largely brought about by improvements in Queensland, Western Australia and South Australia.

Chart 2.5

Apparent retention rates of full-time secondary students, Indigenous and non-Indigenous students from Years 7 and 8 to Year 12



Source: *Schools Australia*, Cat no. 4221.0, several years, ABS.

Performance in the delivery of administered outputs

The department administers funding to support the government's strategy to increase participation and productivity through better outcomes from school education. Priorities for funding include recurrent and capital assistance for schools and for individuals (including those with special needs); and funding for teachers, schools and other organisations to promote quality teaching and learning. Administered items and related programs, with their priorities and achievements, are provided in Table 2.5.

Table 2.5

Performance information for administered outputs

Performance indicator	Estimate	Actual
Funding for schools		
Recurrent grants		
Number of full-time equivalent students funded		
→ Total	3 451 424	3 416 748
→ Government	2 292 735	2 260 774
→ Non-government	1 158 689	1 155 974
Capital grants		
Number of schools assisted with capital support ^a		
→ Total	400	371
→ Government	100	125
→ Non-government	300	246
Australian Technical Colleges		
→ Number of Australian Technical Colleges	24	24
→ Number of student enrolments	4000	3369 ^b
Investing in Our Schools Programme^c		
Number of eligible schools that receive funding	1840	1084

Performance indicator	Estimate	Actual
Education Revolution		
National Action Plan for Literacy and Numeracy^d—literacy and numeracy pilots		
Number of pilots funded	–	12 ^e
Digital Education Revolution		
National Secondary School Computer Fund		
Number of schools assisted in funding rounds	1800	1864
Trade Training Centres—Trade Training Centres in Schools Program		
Number of schools funded	–	432 ^f
Number of projects funded	–	138 ^f
Assistance to individuals, including those with special needs		
Country Areas Program		
Number of schools assisted	1600	1413
Non-government School Term Hostels		
→ Number of hostels supported	19	18
→ Number of students supported	560	517
English as a Second Language—New Arrivals		
Number of new arrivals assisted	16 000	13 931
An Even Start—National Tuition Program^g		
Number of eligible students who received support	–	87 057
Drought Assistance for Schools		
→ Number of schools assisted	2345	2232
School student support		
ABSTUDY		
→ Number of school students receiving ABSTUDY at June 2009	30 000 ^h	25 861
Youth Allowance		
→ Number of secondary school students receiving Youth Allowance at June 2009	100 000 ^h	100 545
Assistance for Isolated Children		
→ Students in receipt of Assistance for Isolated Children funding	12 100	11 212
Assistance for quality teaching and learning		
Online Curriculum Content for Australian Schools		
→ Number of online curriculum resources made available to school jurisdictions through The Le@rning Federation	8600	8840
Literacy, Numeracy and Special Learning Needs (LNSLN)—National Projectsⁱ		
Number of projects funded	16	24
Quality outcomes		
Australian Government Quality Teacher Program		
Number of teachers assisted	45 000	39 919
Targeted Quality Outcomes		
Number of schools assisted under Boys Education program	–	– ^j
Values Education and Civics and Citizenship Education		
Number of schools supported through		
→ Values Education		
– school clusters (representing 141 schools)	25 clusters	15 clusters
– school resources	10 000	10 000
→ Civics and Citizenship Education		
– school grants 'Celebrating Democracy Week'	100	– ^k
– number of schools receiving the Parliament and Civics Education Rebate (PACER)	1270	1669
Boosting Innovation, Science, Technology and Mathematics Teaching		
Number of organisations involved in Australian School Innovation in Science, Technology and Mathematics (ASISTM) ^l school projects:		
→ Schools	375	350
→ Universities	20	28
→ Other organisations	215	235

Performance indicator	Estimate	Actual
National School Chaplaincy		
→ Number of schools approved	130	384 ^m
Grants and Awards program		
→ Number of Australian Student Prize awards	500	500
Indigenous education		
→ Number of Indigenous		
– school students (full-time)	152 332	151 669
– preschool students ⁿ	9800	10 014
Indigenous Tutorial Assistance Scheme		
→ Number of providers funded	1650	846 ^o
'Mixed-mode' Away-From-Base initiative		
→ Number of providers funded	31	29
Whole of School Intervention Strategy ^p		
→ Number of projects approved	480	441
Supplementary recurrent assistance ^p		
→ Number of providers funded	190	203

a Figures are for 2008 calendar year.

b Full-time student enrolments at the ATC March 2009 Census.

c The Investing in Our Schools Programme ceased at the end of the 2008 calendar year. The final funding round for government schools was in 2007. The final funding round for non-government schools was in 2008, and saw grants with a higher than anticipated average value awarded, resulting in fewer projects across a smaller number of schools.

d The National Action Plan for Literacy and Numeracy (DEEWR Portfolio Budget Statements 2008–09, p. 43, Table 2.2) forms part of the government's education reforms. It is funded by the redirection of funds from Realising Our Potential programs: National Literacy and Numeracy Vouchers, Rewarding Schools for Improving Literacy and Numeracy Outcomes and Summer Schools for Teachers. (2008-09 Budget Measures Budget Paper No.2, p. 152).

e There is a total of 30 literacy and numeracy pilots funded from the following sources:

- 16 pilots funded through the National Projects element of LNSLN
- 12 pilots funded through the National Action Plan for Literacy and Numeracy
- two pilots funded through the Closing the Gap initiative.

f This number represents successful projects/schools that were announced in Round One during 2008–09. It does not reflect the number of projects/schools funded, as some funding will be paid in 2009–10.

g Previously 'Reading Vouchers Program' and 'National Literacy and Numeracy Vouchers Program'. The Reading Vouchers Program ceased at the end of 2007. An Even Start—National Tuition Program commenced in 2008 and ceased in June 2009.

h A revised 2008–09 estimate was made in the 2009–10 DEEWR Portfolio Budget Statements, p. 94.

i Previously known as 'Grants to Foster Literacy and Numeracy' in the 2005–2008 funding period. From 2009, this funding has been rolled into the Specific Purpose Payments base of the NEA. Only residual payments for contracts in place are continuing. It should be noted that the 24 projects initiated under this funding pool also include the 16 literacy and numeracy pilots.

j This program is being reviewed as part of a broader inclusive education approach.

k Following an internal review of the Civics and Citizenship Education program, 'Celebrating Democracy Week' was not held in 2008.

l ASISTM projects start and finish at different times and run for different durations. The figures for 2008 relate to Round 4 projects only.

m Fewer schools than expected signed their funding agreements during 2007–08. The remainder of the funding agreements were executed by January 2009. In total, 2698 schools were approved for funding under this program.

n These data are sourced from the National Preschool Census, which is not compulsory. The definition of preschool varies between jurisdictions. The 2008 data include 3607 preschool students and 178 Indigenous preschool students from preschools not identified in earlier years.

o Indigenous Tutorial Assistance Scheme (ITAS) providers may have been funded under multiple ITAS program elements and, if so, have been counted for each funded element. These provider numbers also include business and individual tutors contracted under DEEWR-administered ITAS arrangements during the 2008 calendar year.

p This program ceased on 31 December 2008.

Funding for schools

At August 2008, 9562 schools in Australia had enrolled over 3.4 million full-time students and employed more than 279 000 teachers. Some 66 per cent of students were enrolled in government schools and 34 per cent in non-government schools. Of the non-government school students, 60 per cent were enrolled in Catholic schools.

Changes to the funding framework

Since 1 January 2009, the Australian Government's contribution to government school funding has been allocated through the NEA, giving state and territory governments the flexibility to allocate Commonwealth funding to areas which they believe will produce the best outcomes for their students. The NEA reduces Commonwealth prescriptions on service delivery by the states and territories, in conjunction with outlining clearer roles and responsibilities and implementing outcomes-based public accountability. School funding from the Australian Government was previously provided to states and territories and non-government schools and systems under the *Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004* which governed the Commonwealth's funding arrangements for schools for the 2005 to 2008 funding period.

Funding for non-government school students is now provided under the *Schools Assistance Act 2008* which also came into effect on 1 January 2009. With the passage of this legislation, the government met its election commitment to maintain funding arrangements for non-government schools for the 2009 to 2012 funding period. Funding for non-government schools under this legislation includes the Literacy, Numeracy and Special Learning Needs program; the Country Areas Program; the English as a Second Language—New Arrivals program; the School Languages Program; Short Term Emergency Assistance; and Establishment Assistance. This legislation also includes a new provision whereby non-government schools with a majority of Indigenous enrolments (80 per cent Indigenous enrolments or 50 per cent Indigenous enrolments for schools located in very remote areas) receive maximum funding under the SES funding arrangements (that is, 70 per cent of Average Government School Recurrent Cost). With respect to recurrent funding, these arrangements include continuing the use of the SES funding model and maintaining the provision of a remoteness loading.

Recurrent grants

Between 1 July 2008 and 31 December 2008, almost \$932 million in recurrent grants was provided to government schools to assist with the recurrent costs of school education. From 1 January 2009, recurrent grants for government schools were incorporated into the NEA.

During 2008–09, over \$5.6 billion in recurrent grants was provided to non-government schools to assist with the recurrent costs of school education, and approximately \$800 000 in Short Term Emergency Assistance was provided. The government also provided almost \$25 million of funding under the Indigenous Supplementary Assistance program and Indigenous Funding Guarantee in the last six months of 2008–09.

Recurrent grants funding for non-government schools is provided on a per student basis as a percentage of the average recurrent cost of educating a student at a government school, as set out in the *Schools Assistance Act 2008*. The percentage for each non-government school varies according to a formula that measures the SES status of a school's community. The SES funding model involves linking student residential addresses to Australian Bureau of Statistics (ABS) national Census data to obtain a socioeconomic profile of the school community and measure its capacity to support the school. The SES student residential address collection for the funding period 2009 to 2012 took place in 2007. Non-government schools' SES scores for 2009 to 2012 were recalculated in 2008 based on 2006 national Census data.

Provision exists under the schools funding legislation for the approved authority of a non-government school to seek a review of a school's SES score if it considers that the SES score:

- has not been determined correctly
- does not reflect the socioeconomic circumstances of the school's community
- is no longer accurate because of a significant change in the school's circumstances.

In 2008–09, 12 non-government schools had their SES score changed under these provisions.

Since 2008, non-government schools received a remoteness loading for students at campuses that are 'moderately accessible', 'remote' or 'very remote'. Remoteness is classified against the ABS's Remoteness Structure under the Australian Standard Geographical Classification. The remoteness structure used for 2008 classifications was based on the 2001 Census of Population and Housing, using 2001 Census Collection District boundaries. For 2009 to 2012, remoteness structure classifications are based on the 2006 Census of Population and Housing, using 2006 Census Collection District boundaries. The loading is 5 per cent of the entitlement for a moderately accessible classification; 10 per cent for a remote classification; and 20 per cent for a very remote classification. Eligible schools received 50 per cent of their entitlement in January 2008 (based on 2007 status and enrolments) and the remainder in October 2008 (adjusted for actual enrolments at the schools census date in 2008).

In 2008, a non-government school could receive maximum SES funding, without regard to an SES score, if it was a Special School or Special Assistance School. For the 2009 to 2012 funding period, these schools continue to receive maximum SES funding. In addition, the new category of Majority Indigenous Student School, which also attracts maximum SES funding, has been implemented. This category is for non-government schools where 80 per cent or more of the total number of students receiving primary and secondary education are Indigenous, or for schools classified as very remote (Remoteness Area 4) where 50 per cent or more of the total number of students are Indigenous.

From 1 January 2009, funding previously provided for Indigenous students through six programs under the *Indigenous Education (Targeted Assistance) Act 2000* was consolidated in the Indigenous Supplementary Assistance program under the *Schools Assistance Act 2008*. The government also introduced the Indigenous Funding Guarantee to ensure that non-government schools and school systems received Indigenous funding at least comparable to that provided under the previous programs in 2008.

Throughout 2008–09, Short Term Emergency Assistance funding was available to non-government schools under schools funding legislation. This funding was available to eligible schools in the event of an unexpected circumstance causing severe, temporary difficulty, where the eligible school had exhausted all other sources of assistance and is able to resume operations satisfactorily within two years of financial assistance being provided.

Capital grants

For the 2005–2008 funding period, capital grants funds were provided to state and territory governments to enable them to provide and improve capital infrastructure in their schools. Through this period, funding was also available to non-government school communities to provide and improve capital infrastructure, where they would otherwise not have access to sufficient capital resources. From 1 January 2009, capital funding for the government school sector was incorporated in the funding available through the NEA. Through 2009–2012, the Australian Government will continue to provide capital grants funding to the non-government sector on the same basis as it did for 2005–2008.

Financial Health Assessment Framework

The *Schools Assistance Act 2008* requires non-government schools to be financially viable in order to receive Australian Government funding. As a means of measuring the financial performance of schools and determining a school's financial viability, the government is piloting a Financial Health Assessment Framework for non-government schools. Assessments are based on a number of financial indicators and industry benchmarks, and schools are assigned to a grouping according to the number of benchmarks it meets.

The Financial Health Assessment Framework has been designed in consultation with a reference group that is made up of representatives from the National Catholic Education Commission, the Independent Schools Council of Australia and Christian Schools Australia. An independent consultant, with accountancy qualifications and experience in the non-government school sector, was engaged to develop indicators and make recommendations to the department and the reference group.

The pilot began in May 2009. At its conclusion, the department will undertake a comprehensive review of the framework. This review will include a detailed analysis of the process, benchmarks and financial indicators. The process will also include analysis of feedback and input from schools, school systems, associations and other interested parties.

Supplementary funding for school operations

The government is fulfilling its 2007 election commitment to provide \$16 million over four years to Orthodox Jewish schools to take account of the special circumstances of families at these schools. Four schools will receive funding under this commitment, with each school receiving a proportion of \$4 million per year (from 2008 to 2011) based on the total enrolments at the four schools. The funds are for operational expenditure to support the education of students at the schools.

Australian Technical Colleges

ATCs integrate trade training with school curriculum. Students complete Years 11 and 12 of their schooling, undertake school-based apprenticeships and start Certificate III-level training in a traditional trade. ATCs are industry led and provide training relevant to employers' needs.

The funding agreements with the 24 ATCs expire on 31 December 2009. The department is working with all states and territories and with stakeholders in regions with an ATC presence to ensure that the work of ATCs is integrated into the broader education and training effort.

Investing in Our Schools Programme

The Investing in Our Schools Programme funded small-scale infrastructure projects in schools. In line with a funding decision of the previous government, funding for this program ended in 2008. The final funding round for government schools was held in 2007. Allocations to non-government schools will be finalised in 2009. Fewer schools than estimated were funded, because an overall smaller number of high value projects were submitted and subsequently approved for funding.

Education Revolution

The government's Education Revolution involves greater collaboration and sharper focus on improving outcomes as students move through school. Reform involves collaboration across the government and non-government sectors and a genuine partnership involving parents, children, students, employers and all levels of government.

National Action Plan for Literacy and Numeracy (including the Smarter Schools—Literacy and Numeracy National Partnership)

The 2008–09 Budget announced funding of \$577.4 million over four years to deliver a National Action Plan for Literacy and Numeracy. The centrepiece of the action plan is the Smarter Schools—Literacy and Numeracy NP, with funding of \$540 million. The NP provides \$500 million over four years from 2009 to states and territories to implement and facilitate literacy and numeracy reforms and accelerate student improvement through three priority reform areas:

- effective and evidence-based teaching of literacy and numeracy
- strong school leadership and whole school engagement with literacy and numeracy
- effective use of data.

The NP is a new and collaborative approach to put in place the support and practices that will deliver sustained improvement in literacy and numeracy outcomes for all students, especially those who are at risk of falling behind. The NP will accelerate progress towards the ambitious literacy and numeracy target set by COAG to halve the gap for Indigenous students in reading, writing and numeracy within a decade.

The NP also commits \$40 million for national strategic and targeted support of literacy and numeracy, including diagnostic tools, resources and mechanisms to facilitate the sharing of best practice information nationally. This investment will support the learning outcomes of all students, including those most at risk of falling behind, and will include \$13 million for ACARA to support research and data collection.

The Australian Government has invested a further \$41.03 million in 30 literacy and numeracy pilots in low SES communities as part of the National Action Plan. The pilots are trialling, or expanding on, initiatives to lift the literacy and numeracy performance of disadvantaged and Indigenous students. The pilots target the priority reform areas and contribute to the evidence base of what works in sustaining improvements in literacy and numeracy. The pilots are underway in over 400 government, Catholic and independent schools across Australia and will operate throughout 2009 and 2010.

These initiatives are complemented by the \$56.4 million Budget measure Closing the Gap: Expansion of Intensive Literacy and Numeracy Programs for Underachieving Indigenous Students and Individual Learning Plans. This measure supports the expansion of high-impact literacy and numeracy strategies and programs for Indigenous students.

Smarter Schools—Low Socio-economic Status School Communities National Partnership

The Low SES School Communities NP will facilitate a range of within-school and out-of-school reforms to address the learning needs and wellbeing of students in low SES schools. Through the NP, the Australian Government will provide \$1.5 billion over seven years from 2009 to facilitate reforms that will build on teacher quality, principal flexibility, school accountability and innovative learning opportunities. The NP will support nationally significant reforms to better equip students for further education, workforce participation and civic responsibilities. It will contribute to a range of social policy objectives, including addressing social exclusion and Indigenous disadvantage.

Smarter Schools—Improving Teacher Quality National Partnership

The Improving Teacher Quality NP will help attract and retain quality teachers and leaders in schools. The Australian Government will commit \$550 million to this partnership. Teacher quality is the single greatest influence that schools have on student engagement and achievement. From the overall funding allocation for this partnership, \$50 million will go to professional development to enable principals to better manage their schools and achieve improved student results.

Digital Education Revolution

The Australian Government is committed to enriching the quality of education in Australia and is working collaboratively with state and territory governments and non-government education authorities to achieve this through the Digital Education Revolution (DER). The aim of the DER is to contribute sustainable and meaningful change to teaching and learning in Australian schools that will prepare students for further education, training, and living and working in a digital world. Through the DER, the government is providing \$2.2 billion over six years to:

- provide for new information and communications technology (ICT) equipment for all secondary schools with students in Years 9 to 12 through the National Secondary School Computer Fund. Three application-based rounds have been funded. Future funding will be provided on a per capita basis through an NP with state and territory governments and funding agreements with non-government education authorities
- support the deployment of high-speed broadband connections to Australian schools
- collaborate with states and territories and the Australian Council of Deans of Education to ensure that new and continuing teachers can access training in the use of ICT that enables them to enrich student learning
- provide for online curriculum tools and resources that support the national curriculum and specialist subjects such as languages
- enable parents to participate in their child's education through online learning and access
- support mechanisms to provide vital assistance for schools in the deployment of ICT.



The Hon Julia Gillard MP, Minister for Education, was pleased to announce the successful schools of Round Two of the National Secondary School Computer Fund (the Fund) at Caboolture State High School on 28 January 2009.

Framework for Open Learning Program

The Framework for Open Learning Program (FOLP) fosters innovation in the educational use of ICT and supports national collaboration to promote the diffusion of innovation throughout the education and training system. Priorities for activities funded under FOLP accord with the Joint Ministerial Statement on Information and Communications Technologies in Australian Education and Training: 2008–2011 and support government initiatives under the DER.

Trade Training Centres in Schools Program

The Trade Training Centres in Schools Program is an important element of the government's Education Revolution. It will provide \$2.5 billion over 10 years to enable all secondary schools across Australia to apply for funding of between \$500 000 and \$1.5 million for Trade Training Centres.

The program will provide for new and upgraded trade training and technical facilities in schools to improve access for senior secondary students to trade-related VET and provide meaningful career pathways. The centres are being established to help increase the proportion of students achieving Year 12 or equivalent qualification and to help address skills shortages in traditional trades and emerging industries.

The government has established strong collaboration with state and territory education authorities, the National Catholic Education Commission and the Independent Schools Council of Australia to support the implementation of the program. All states, territories and sectors agreed to the program's underpinning Partnership Arrangements. Funding agreements were developed and executed with each state, territory and sector education authority with successful Round One projects.

In Round One of the program, 223 applications for funding from all school sectors and across all states and territories were received and assessed. Over \$425 million in funding was awarded to 138 projects representing 432 schools across Australia.

Building the Education Revolution

Building the Education Revolution (BER) is a key element of the government's \$42 billion Nation Building—Economic Stimulus Plan to support jobs, stimulate local economies and invest in important infrastructure, like schools, for the long-term.

Through the BER, the government aims to:

- provide economic stimulus through the rapid construction and refurbishment of school infrastructure
- build learning environments to help children, families and communities participate in activities that will support achievement, develop learning potential and bring communities together.

The three elements of the \$14.7 billion BER are:

- \$12.4 billion for Primary Schools for the 21st Century—for all Australian primary schools, K-12 (primary school component), maximum Indigenous (80 per cent or more Indigenous student enrolment) and special schools to build new iconic facilities such as libraries, multipurpose halls or classrooms, or to upgrade existing facilities
- \$1 billion for Science and Language Centres for 21st Century Secondary Schools—for the construction or refurbishment of science laboratories or language learning facilities
- \$1.3 billion for the National School Pride program—for all Australian schools to undertake construction of small-scale infrastructure and minor refurbishment projects.

A full list of successful schools and their planned projects is available at <www.buildingtheeducationrevolution.gov.au>.

\$2.5 million BER construction project gets underway

Fulham North Primary School in Adelaide was one of 1499 schools to receive a share of \$2.8 billion in funding under Round One of Primary Schools for the 21st Century, a key element of the BER.

The school received \$2.5 million to build a new multi-purpose hall and three new classrooms, a welcome investment for the school's 340 students, its teachers and the community.

Opened in 1973, the school has outgrown its small and run-down shelter shed that was used for indoor activities, and needs more learning spaces to keep up with its growing needs. The new multi-purpose space will provide the school with an indoor facility to house all the students at once for activities, assemblies, performing arts and other performances throughout the year. The teachers are looking forward to using the space, which will have purpose-built acoustics, proper storage facilities, a kitchenette and teacher preparation space.

The new classrooms will feature a flexible floor plan to allow for a variety of class sizes and needs. There will be a new art and activity space to inspire the students' creativity, and an ICT computer pod space for interactive learning. The school's Principal, Mr Mark Ireland, said he anticipates that the new space will enable the middle primary classes to improve interaction and learning outcomes and will create stronger student bonds between school grades.

Mr Ireland is delighted that progress is already well underway, with Badge Constructions, who began construction at the end of June 2009, due to complete the project by April 2010. 'It's not just the teachers and students that are looking forward to using the new hall. Community yoga and martial arts groups are also intending to use the space in the evenings and we've had enquiries from other community groups that are interested in using the new space', said Mr Ireland.

Badge Constructions' Managing Director, Mr Jim Whiting, said that they welcome the opportunity to build first-class facilities for the school community. 'In addition to the construction at Fulham North Primary, we've secured other BER projects in Queensland, Western Australia and South Australia which will keep our staff and our subcontractors busy in the coming months', he said.



Deputy Prime Minister Julia Gillard, South Australian Premier Mike Rann, and Steve Georganas, Federal Member for Hindmarsh, meet with teacher Briony Venhoek and some of the students at Fulham North Primary School in Adelaide.

National curriculum

A national curriculum for all students from Kindergarten to Year 12 in the key learning areas of English, mathematics, science and history is being developed by 2010, under the guidance of ACARA, for implementation in all jurisdictions from 2011. ACARA, which absorbs the functions of the interim National Curriculum Board, will also be responsible for the transparency and performance reporting agenda, including the functions of the previously proposed National Schools Assessment Data Centre.

National Asian Languages and Studies in Schools Program

The National Asian Languages and Studies in Schools Program (NALSSP) started on 1 January 2009. It supports the goal that by 2020 at least 12 per cent of students will exit Year 12 with a fluency in Mandarin, Japanese, Indonesian or Korean sufficient for engaging in trade and commerce in Asia or for university study.

Early indications are that there is strong demand across the education community for the NALSSP. More than 680 schools submitted applications for grants under Round One of Becoming Asia Literate: Grants to Schools. Some 117 expressions of interest were received for Round One of the Strategic Collaboration and Partnership Fund.

A NALSSP Reference Group, announced by the Hon Julia Gillard MP, Deputy Prime Minister, in May 2009, met for the first time in June 2009. The group will provide expert advice and high-level strategic oversight across all elements of the NALSSP.

Local Schools Working Together

Local Schools Working Together is a pilot program designed to identify new models of infrastructure funding for schools. A specific focus is on projects that involve shared infrastructure between education sectors and, where appropriate, community groups. A maximum of \$62.5 million will be allocated over a four-year period, starting in 2008–09. In Round One, \$31.7 million was approved for 15 projects.

Assistance to individuals, including those with special needs

The department administers programs, projects and initiatives, and provides advice on access, equity and student wellbeing, to improve educational opportunities for students who are disadvantaged because of disability, geographic location or SES. It provides funding for English-language tuition for eligible students who are new arrivals. Other national initiatives include support for drought-affected families; students with literacy, numeracy and special learning needs; and those affected by autism spectrum disorder.

Country Areas Program

The Country Areas Program (CAP) provides funding to non-government schools in geographically isolated areas. CAP aims to help schools and school communities improve educational outcomes and opportunities for students who are educationally disadvantaged because of their geographic isolation, so that their learning outcomes match those of other students. From 1 January 2009, funding for government schools under CAP was incorporated into the NEA with the states and the Northern Territory. CAP funding is distributed by education authorities at the local or state level according to their eligibility criteria and priorities. In 2008, funding of \$30.5 million was provided to 1413 government, Catholic and independent schools in Australia.

Non-government School Term Hostels

Non-government School Term Hostels (NGSTH) is a demand-driven program which funds hostels to provide a high standard of care to rural primary and secondary school students

residing at the hostels. The initiative also supports rural communities by assisting hostels to provide an affordable alternative to boarding school or distance education for rural and remote families. In 2008, 18 hostels were assessed as eligible for funding under the program. Eligible hostels received \$2709 per student. In total, 517 students were resident at the hostels on the date the student count was taken for the purpose of the program. From 2009, Australian Government funding for NGSTH has been incorporated into the NEA.

English as a Second Language—New Arrivals

The English as a Second Language—New Arrivals program is a demand-driven program which provides funding to non-government education authorities to improve the educational opportunities and outcomes of newly arrived students of languages other than English backgrounds. It develops their English language competence and facilitates their participation in mainstream education activities. From 1 January 2009, funding for government schools under the program was incorporated in the NEA with states and territories. In 2008, the program cost \$5786 per person (\$11 572 per person for humanitarian arrivals).

Literacy, Numeracy and Special Learning Needs

The Literacy, Numeracy and Special Learning Needs (LNSLN) program provides per capita funding for educationally disadvantaged students, including students with disabilities. From 2009, funding for government school education authorities has been incorporated into the NEA, and the LNSLN will only contribute funding for additional teaching and learning assistance in non-government systems and schools. The National Projects element of LNSLN supports strategic national research projects and initiatives to improve the learning outcomes of educationally disadvantaged children and school students.

An Even Start—National Tuition Program

An Even Start—National Tuition Program was implemented for the 2008 calendar year and was subsequently extended into the first half of the 2009 calendar year to maximise outcomes for all registered students. Tuition funding of \$700 was provided for eligible students who did not meet the 2007 minimum benchmark for literacy and/or numeracy in Years 3, 5 or 7. Tuition was also available to those students who were formerly exempt from benchmark testing. The program concluded in June 2009. In 2008–09, \$55.348 million was spent on this program.

School Languages Program

The School Languages Program (SLP) supports the study of Asian, European, Indigenous and Auslan languages in mainstream schools and after-hours community languages schools. In 2008, SLP funds were distributed to state and territory education authorities to implement strategies for languages education.

From 2009, the funding previously provided to government schools under the SLP is provided through the NEA. The government will continue to provide SLP funding for non-government schools through the *Schools Assistance Act 2008*. In 2009, \$12.334 million will be provided to non-government schools.

The MCEETYA National Statement and Plan for Languages Education in Australian Schools 2005–2008 (the National Plan) guides the development of language education in schools. All education ministers have agreed to revise and update the National Plan for the period 2009 to 2012.

Drought Assistance for Schools

Drought Assistance for Schools supports drought-affected families experiencing financial hardship to meet education expenses. It assists with the cost of items such as textbooks, excursions and extracurricular activities, and provides other schooling-related support which benefits students. The program provides up to \$10 000 per school per year for government and non-government, rural and remote schools located in Exceptional Circumstances (EC) declared areas. In 2008–09, 2232 rural and remote schools were located in EC declared areas and attracted a total of \$17.42 million in funding, with \$13.16 million provided to government schools and \$4.26 million provided to non-government schools. The reduction in the number of schools assisted from the estimation provided in the 2008–09 PBS is largely a result of a reduction in the number of EC declared areas at 1 January 2009.

Helping Children with Autism

The Helping Children with Autism (HCWA) project is part of a cross-portfolio response to the increasing prevalence of children with an autism spectrum disorder (ASD). The package aims to improve the educational outcomes of school-aged children with an ASD and is being implemented from 2007–08 to 2011–12.

The project delivers professional development for teachers and other school employees to increase their understanding, skills and expertise in working with students with an ASD. It also provides workshops and information sessions for parents and carers of school-aged children to assist them to develop productive partnerships with their child's teachers and school leaders. The national rollout of the project commenced in 2008–09, at a cost of \$5.319 million.

Boys Education program

This program is being reviewed as part of a broader inclusive education approach.

National School Drug Education Strategy, Safe Schools and Student Wellbeing

Efforts to improve the wellbeing of young people in school are critical for maximising the likelihood that they remain engaged and benefit from their participation in schooling.

Priorities have included:

- implementing a review of the National Safe Schools Framework, which emphasises the need for teachers to have appropriate training in positive student management, and the need for schools to respond proactively to all incidents of victimisation or abuse
- ongoing involvement in the Consultative Working Group on Cyber-safety under the direction of the Department of Broadband, Communications and the Digital Economy, and the Safe and Supportive School Communities Committee established by the Australian Education Systems Officials Committee.

The Social and Emotional Learning—The Primary Years scoping study is building an evidence base showing the relationship between student wellbeing (encompassing a range of physical, emotional and mental health issues) and student learning outcomes, in order to more effectively address students' academic potential and improve their life outcomes. A further scoping study is being conducted to investigate existing research and school-based education programs in the area of alcohol and youth binge drinking. The study will support future school-based work in educating students on the physical, social and emotional harms and the risks to personal safety and the safety of others that arise from excessive alcohol consumption. In 2008–09, the National School Drug Education Strategy received \$3.682 million in funding.

Parliament and Civics Education Rebate

The Parliament and Civics Education Rebate (PACER) provides a subsidy for schools travelling more than 150 kilometres to the national capital for a civics and citizenship excursion. Schools must visit Parliament House, Old Parliament House and the Australian War Memorial to be eligible for the subsidy. The rebate is paid for Year 4 to Year 12 students and aims to support their learning in civics and citizenship education. PACER is a demand-driven program and the take-up has been higher than expected. In 2008, PACER assisted more than 85 500 students from 1669 schools to visit the national capital as part of their civics and citizenship education. In 2008–09, PACER received \$3.909 million in funding.

National Student Aptitude Test for Tertiary Admission

The National Student Aptitude Test for Tertiary Admission is a pilot program which provides an opportunity for a broader cohort of students to exhibit their potential and to access tertiary education, particularly those who have not considered or had access to that level of education. The program is trialling the use of uniTEST, an aptitude test for undergraduate admissions, which assesses generic reasoning and thinking skills. Universities can use uniTEST as a supplementary mechanism for assessing Year 12 students and other potential candidates who might not have otherwise gained entry to a tertiary course in an Australian university. Four universities participated in the uniTEST pilot: The Australian National University, Flinders University, Macquarie University and the University of Ballarat. Each university used uniTEST in different ways, appropriate to the needs of the institution and students. A cohort of 547 candidates sat uniTEST in December 2008 and January 2009 and approximately 100 were offered a place in 2009. All students who sat uniTEST and began university studies will have their 2009 academic performance tracked. The analysis of this data will form part of a comprehensive evaluation of uniTEST.

School student support

ABSTUDY

ABSTUDY provides assistance for students and apprentices from Indigenous backgrounds to participate in full-time education, training or apprenticeships. At June 2009, 25 861 school students were receiving ABSTUDY; 6472 of them in receipt of ABSTUDY Living Allowance and 19 389 ABSTUDY Other.

Youth Allowance

Youth Allowance for students is a means-tested income support payment available to eligible young people aged 16 to 24 years. Youth Allowance provides assistance for students and apprentices to participate in full-time education, training or apprenticeships.

At June 2009, 100 545 secondary school students were receiving Youth Allowance. Of these, 93 192 Youth Allowance recipients were assessed as dependent and 7353 were assessed as independent. In June 2009, 20.6 per cent of full-time secondary students receiving Youth Allowance had private earnings (on average, \$209 a fortnight).

Reviews of recipients' compliance

The department has a number of measures in place to assist in maintaining the integrity of administered payments. Because data for students is aggregated, information about these measures for school education can be located in Outcome 3—Higher education.

Assistance for Isolated Children

The Assistance for Isolated Children (AIC) scheme is a demand-driven program which provides financial assistance to families of primary, secondary and certain tertiary students who are unable to attend an appropriate government school on a daily basis because of geographic isolation. If a student does not have reasonable access to an appropriate government school, parents are able to send the student to a school of their choice. Apart from the Additional Boarding Allowance, all allowances under the AIC scheme are free of income and assets tests. All allowances, with the exception of the Pension Education Supplement, are indexed annually. In 2008–09, AIC received \$61.753 million in funding.

Assistance for quality teaching and learning

The department supports improvements in the quality of teaching, learning and leadership in schools through national programs, initiatives, policy development and advice. The Smarter Schools—Improving Teacher Quality National Partnership agreement will drive reforms to maintain and improve the quality of teaching and school leadership. Government-funded research will identify ways to reward quality teaching and attract and retain the best teachers.

Online Curriculum Content for Australian Schools

The department recognises the capacity for effective digital resources to support curriculum delivery and the development of next-generation teaching and learning. Digital resources can increase students' and teachers' ICT literacy and make curriculum material more engaging and relevant. The Le@rning Federation—a joint initiative with states and territories—develops and licenses online digital materials to support teaching and learning. The materials are available free of charge for use by schools in Australia and New Zealand.

At the end of 2008–09, The Le@rning Federation completed Phase 3 (2006–2009) of its activities. The more significant achievements over that time include the establishment of Scootle, an online resource portal, to provide digital curriculum content to schools where access is otherwise difficult (over 50 million hits were received in 2008–09); involvement in the collaborative development of ScoT, the Schools Online Thesaurus, to make digital learning resources easier to find; and establishment of interoperable industry and educational standards to ensure that digital curriculum content can be used on computers and operating systems across Australia and New Zealand.

Since its inception in 2001, the Le@rning Federation has delivered on all targets set by Australian governments and, in some cases, exceeded them. Against a target of 8600 online curriculum resources by the end of 2008–09, the Le@rning Federation delivered 8840 items. This initiative finished on 30 June 2009.

Australian Government Quality Teacher Program

The Australian Government Quality Teacher Program (AGQTP) provides funding to the government and non-government school sectors to support opportunities for their teachers and school leaders to become involved in professional learning, with the aim of:

- equipping them with the skills and knowledge needed for teaching in the twenty-first century in accordance with the Education Revolution
- providing national leadership in high-priority areas of teacher professional learning need
- improving the professional standing of teachers and school leaders.

Professional learning activities are undertaken in three priority areas:

1. curriculum
2. targeted learning needs
3. cross curricular/whole school.

It was anticipated that up to 45 000 teachers would be able to participate in the AGQTP in 2008–09. However, due to decisions made at the jurisdictional level (which can include timing and nature of delivery) as well as the types of courses offered and release availability for participants, a total of 39 919 teachers participated in AGQTP activities in 2008–09.

Additionally, the AGQTP provides funding to Teaching Australia—Australian Institute for Teaching and School Leadership—to raise the status, quality and professionalism of teachers and school leaders throughout Australia. In 2008–09, AGQTP received \$31.6 million in funding.

National School Chaplaincy Program

The National School Chaplaincy Program assisted schools and their communities to provide pastoral care, general religious and personal advice and comfort to students and employees.

The 2698 successful schools which were able to appoint a suitable chaplain have started their chaplaincy service. In 2008–09, the National School Chaplaincy program received \$54.222 million in funding.

Interfaith and Intercultural Understanding

As part of the COAG-endorsed National Action Plan to Build Social Cohesion, Harmony and Security, the Australian Government provided funding of \$1.05 million over three years (2007–2009) to the Promoting Interfaith and Intercultural Understanding in Schools Settings pilot program. The pilot was implemented in Lakemba and Macquarie Fields, New South Wales, and involved 16 schools. The pilot aimed to strengthen the interconnectedness between students, parents and community leaders with different socioeconomic backgrounds and belief systems. The three main elements were:

- interschool cooperation
- the development of educational resources
- teacher professional development.

The pilot concluded in June 2009 and a review of the pilot was published on the Values Education website at <www.valueseducation.edu.au/verve/_resources/Interfaith_and_Intercultural_Review_Report.pdf>.

Civics and Citizenship Education

The Civics and Citizenship Education program supports students to become active and informed citizens with an understanding and appreciation of Australia's system of government and civic life. Funding is provided for a national civics and citizenship education website, state and territory partnership projects to document evidence-based good practice in teaching civics and citizenship, and national activities such as the National Schools Constitutional Convention and the Simpson Prize history competition for students. In 2008–09, the Civics and Citizenship Education program received \$1.176 million in funding.

Values Education

The Values Education program aims to make values a core part of schooling in line with the National Framework for Values Education in Australian Schools. The funding supports professional learning for teachers in all jurisdictions; clusters of schools implementing

good practice approaches; curriculum resources for all schools; national activities, including an annual national forum and projects with parents, principals, teachers and teacher educators; and a values education website. In 2008–09, the Values Education program received \$5.549 million in funding.

The Values Education Good Practice Schools Project Stage 2 concluded in 2008. Its replacement, the Values in Action Schools Project, is represented by 15 clusters of schools. Every state and territory is represented by at least one cluster, and the schools involved are from diverse locations, levels and sectors. The project builds on the findings of the Values Education Good Practice Schools Project Stage 1 and Stage 2, and involves schools designing, implementing and evaluating the outcomes of high-quality values education projects.

Boosting Innovation, Science, Technology and Mathematics Teaching

The Boosting Innovation in Science, Technology and Mathematics Teaching program aims to raise the scientific, mathematical and technological literacy and the innovative capacity of Australian school students, to create learning environments from which more world-class Australian scientists and innovators will emerge, and to provide impetus for the development of a new generation of excellent teachers of science, technology and mathematics. In 2008–09, the program received \$4.241 million in funding.

Positive Education Teacher Training Pilot

The Positive Education Teacher Training Pilot trained 209 teachers and school leaders from government and non-government schools in positive education approaches over two six-day residential conferences held at Geelong Grammar School between 10 and 23 January 2009.

Teachers and school leaders received training in the core concepts and skills of positive education and resilience and the practical application of those skills in the classroom. In 2008–09, the Positive Education Teacher Training Pilot received \$15.523 million in funding.

Family–School and Community Partnerships Bureau

The Australian Government acknowledges the importance of parental and community engagement in schools as a means to improve students' learning experiences and their academic outcomes. In acknowledgment of this, the Australian Government committed \$800 000 over four years to support the establishment of a Family–School and Community Partnerships Bureau in 2008–09. This commitment recognises that the national parent bodies can use their unique networks and experience to help drive a major qualitative improvement in Australian education.

National Assessment Program

The National Assessment Program encompasses the set of assessments of student performance endorsed by MCEETYA. It includes national full-cohort literacy and numeracy assessments in Years 3, 5, 7 and 9, three-yearly sample assessments in science literacy, civics and citizenship, and ICT literacy, and Australia's participation in international assessments.

National Assessment Program—Literacy and Numeracy

The first NAPLAN tests were conducted in May 2008 for Year 3, 5, 7 and 9 students in all schools. For the first time, all students in the same year level were assessed using the same test items in the domains of reading, writing, language conventions (spelling, grammar and punctuation) and numeracy. This allowed greater consistency and comparability of results across jurisdictions than was possible under the previous system of state and territory based tests.

NAPLAN reports the full range of student achievement against a common scale from Year 3 to Year 9 in each domain. Each scale consists of 10 bands to cover the full range of student achievement demonstrated by NAPLAN tests across Years 3 to 9. Six of these bands are used for reporting student achievement in each year level, and the national minimum standard is the second band for each year level.

Table 2.6

NAPLAN reporting scale

	Bands reported	National minimum standard
Year 3	Bands 1–6	Band 2
Year 5	Bands 3–8	Band 4
Year 7	Bands 4–9	Band 5
Year 9	Bands 5–10	Band 6

National minimum standards in NAPLAN are defined by designated achievement bands, replacing the national benchmarks for reading, writing and numeracy. The national minimum standard results from NAPLAN are not comparable with national benchmark results published in previous years.

Students below the national minimum standard for their year level need focused intervention and support to help them achieve the skills they require to progress in their schooling. Although students whose results are in the minimum standard band have typically acquired the basic elements of literacy and numeracy at the relevant year level, they remain at risk and need close monitoring and additional support to ensure that they have the opportunity to achieve their potential.

MCEETYA published the national results from NAPLAN 2008 testing in the *2008 NAPLAN Summary Report* in September 2008 and in a full national report *2008 National Assessment Program—Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy* in December 2008. This was the first time that national literacy and numeracy results were published in the year of testing.

The second round of 2009 NAPLAN tests was administered in May 2009. National results will be published by the new Ministerial Council for Education, Early Childhood Development and Youth Affairs in a summary report in September 2009, and the full national report will be released in December 2009.

National Assessment Program—sample assessments

Selected groups of students in Years 6 and 10 participate in the national sample assessments which are held on a rolling three-yearly basis. Students' achievement is measured against nationally agreed proficiency standards in science literacy (for Year 6 students), civics and citizenship (Year 6 and Year 10 students), and ICT literacy (Year 6 and Year 10 students). The cyclical conduct of the sample assessments using comparable data sets allows the monitoring of trends in student performance over time.

Samples of Year 6 students participated in science literacy assessments in 2003 and 2006. The *2006 National Assessment Program—Science Literacy Year 6 Report* was published in May 2009. Nationally, 54.3 per cent of Year 6 students achieved or bettered the proficient standard. The percentage of students achieving or bettering the proficient standard in 2006 was lower than the percentage in 2003. While the percentage of students in the highest proficiency level in 2006 was greater than in 2003, the percentage of students in the lowest proficiency level in 2006 was also greater than in 2003. The third assessment will be held in October 2009.

Samples of Year 6 and Year 10 students participated in Civics and Citizenship assessments in 2004 and 2007. The *2007 National Assessment Program—Civics and Citizenship Years 6 and 10 Report* was published in February 2009. Results of the 2007 assessment showed that, nationally, 54 per cent of Year 6 students achieved or bettered the Year 6 proficient

standard and 41 per cent of Year 10 students achieved or bettered the Year 10 proficient standard. This represented a slight improvement for both year levels over students' performance in 2004. The next assessment will be held in 2010.

Samples of Year 6 and Year 10 students participated in ICT Literacy assessments in 2005 and 2008. The 2008 National Assessment Program—ICT Literacy Years 6 and 10 Report is yet to be published.

National Assessment Program—international assessments

The National Assessment Program encompasses Australia's participation in international tests. The international assessments provide information on the progress of Australian school students relative to other countries and assist education systems and schools to identify strengths and weaknesses in policy and practice.

Australia participates in two international sample assessments—the OECD's Programme for International Student Assessment (PISA) and the Trends in International Mathematics and Science Study (TIMSS):

- PISA, which is conducted every three years, tests a sample of 15-year-old students in Years 9, 10 or 11 in reading, mathematical and scientific literacy. COAG has agreed that results from PISA will be one of the indicative progress measures used to provide information on the progress of Australian schooling towards achieving COAG-agreed outcomes and aspirations.
- TIMSS, which is conducted every four years by the International Association for the Evaluation of Educational Achievement, tests a sample of students in Years 4 and 8.

The Australian results from the 2007 cycle of TIMSS, which were released in December 2008, showed that Australian students were above average in three out of the four test areas. However, for Year 8 mathematics, Australia scored only at the average level of all countries.

Since TIMSS 2003, Australia's mathematics performance improved at the Year 4 level and was unchanged at the Year 8 level. Performance in science was unchanged for Year 4 and decreased for Year 8. Over the same period, a number of countries have improved their performance relative to Australia.

Indigenous students have recorded much lower results than non-Indigenous students in both PISA and TIMSS, and their results have not shown improvement over several testing cycles:

- For PISA, Indigenous students achieve well below the OECD average, while Australia as a whole performs above the OECD average.
- For TIMSS 2007, the gap between Indigenous and non-Indigenous performance increased for students at the Year 4 level and remained consistent across cycles at the Year 8 level.

National reporting on schools

The government is committed to improving the quality of education and providing greater transparency and accountability for schools.

All states and territories have agreed to a reporting framework of nationally comparable information about school performance. A range of indicators will be reported, including data on school performance such as national testing results and Year 12 attainment rates, and contextual information relevant to the needs of the student population. Information reported will also include data on schools' capacity, including numbers and qualifications of teaching staff and resources.

Implementation of school reporting information will be managed by ACARA, an independent statutory body. ACARA is expected to provide information on comparable performance and contextual indicators for all schools towards the end of 2009. This

information will be published on a new national website with profile information for every school.

Under the NEA and the *Schools Assistance Act 2008*, all schools are also required to meet public reporting requirements by providing an annual report to the community on school performance and aspects of the education that they provide, which can include information about school ethos and philosophy, special programs offered and achievements.

Grants and awards programs

Australian Student Prize

The Australian Student Prize recognises the academic excellence and achievement of high-performing secondary students. Five hundred prizes are awarded every year and each winner receives \$2000 and a certificate. The prizes to each state and territory are allocated on a pro rata basis according to the Year 12 population for the previous year and the number of Science, Mathematics and Informatics Olympiad medal winners. In 2008, there were 22 Olympiad medal winners. Those students are automatically eligible for the Australian Student Prize and are included in the 500 prizes awarded nationally.

Curriculum Corporation

The Curriculum Corporation is a ministerial company owned by Australian and New Zealand education ministers. It undertakes activities that are in the national interest, to support and augment the work of the states and territories in providing educational experiences for all students.

Key projects undertaken by the Curriculum Corporation in 2008–09 include the implementation of the National Assessment Program—Literacy and Numeracy and The Le@rning Federation.

Asia Education Foundation

Grants and Awards Program funding was provided to the Asia Education Foundation (AEF) to further the objectives of the National Statement for Engaging Young Australians with Asia in Australian Schools. In May 2009, the AEF launched the Asia Literacy Business Alliance at its National Summit, representing 45 leading Australian companies and peak business bodies. The AEF also advocated the inclusion of Asia literacy in the *Melbourne Declaration on Educational Goals for Young Australians* and the inclusion of Asia content in the national curriculum. In addition, the AEF began developing a new web portal to support its activities.

Indigenous education

Indigenous Tutorial Assistance Scheme

The Indigenous Tutorial Assistance Scheme (ITAS) provided supplementary tutorial assistance to eligible Indigenous students across the school, VET and higher education sectors. In 2008, 846 providers were funded.

The Years 9, 10, 11 and 12 ITAS, the Remote Indigenous Students and In-Class Tuition elements of ITAS for non-government schools were consolidated under the *Schools Assistance Act 2008* (Division 9—Indigenous supplementary assistance). From 1 January 2009, ITAS for government schools was incorporated in the NEA. The consolidation of these programs will provide schools with greater flexibility to support a wider range of strategies to assist all Indigenous students. It will also reduce the burden on school administration.

From 1 January 2009, ITAS for government VET institutions was rolled into the National Agreement for Skills and Workforce Development. ITAS for eligible non-government VET institutions has been continued in 2009 as a transitional arrangement while further reforms are agreed that will apply from 2010. ITAS tertiary tuition to support Indigenous students studying university award-level courses will not be affected by these reforms.

Away-From-Base

'Mixed-mode' Away-From-Base is available to higher education and VET providers to accelerate educational outcomes for Indigenous students beyond those which would reasonably be expected from mainstream and own-source funding. This program provides funding to cover travel costs, including fares, meals and accommodation for Indigenous students studying approved 'mixed-mode' courses that require short-term travel away from their permanent home. In 2008, 29 providers were funded to assist students to undertake 'mixed-mode' courses.

Whole of School Intervention Strategy

The Whole of School Intervention Strategy was implemented over the period 2005 to 2008. In 2008–09, the government committed funding of over \$9.8 million for 81 Homework Centre projects and 360 Parent School Partnerships Initiative projects. From 1 January 2009, funding that had been used for the Homework Centres was transferred to the *Schools Assistance Act 2008* to become Indigenous Supplementary Assistance. The funding portion previously allocated to Parent School Partnerships Initiatives was redirected to the new Parental and Community Engagement (PaCE) Program, which will be rolled out in the second half of 2009. PaCE will expend \$84 million over four years (2009 to 2012) for projects that enhance the capacity of Aboriginal and Torres Strait Islander parents and communities to engage with schools and education providers in order to improve their children's educational outcomes.

Supplementary Recurrent Assistance

Supplementary Recurrent Assistance for government schools was incorporated in the NEA on 1 January 2009. For government VET institutions, it was been incorporated in the National Agreement for Skills and Workforce Development. Supplementary Recurrent Assistance for non-government schools was transferred to the *Schools Assistance Act 2008* to become Indigenous Supplementary Assistance.

These new arrangements will provide state and territory authorities and non-government schools with greater flexibility to implement effective solutions at a local level to address areas of greatest need. This streamlined approach will enable educational institutions to support a wider range of strategies and will reduce the administrative burden.

Supplementary Recurrent Assistance for eligible preschools and non-government VET institutions has been continued in 2009 as a transitional arrangement while further reforms are agreed that will apply from 2010.

Expansion of Intensive Literacy and Numeracy Programs

The department identified a number of innovative literacy and numeracy strategies to lift the literacy and numeracy performance of Indigenous students. Pilot projects were established in the government, Catholic and independent school sectors to trial new, or expand on existing successful, projects and contribute to the evidence base of what works in sustaining improvements in literacy and numeracy for Indigenous students.

Personalised Learning Plans

The department researched and identified emerging good practice in the use of Personalised Learning Plans (PLPs) with Indigenous students, from which a comprehensive package of resources was developed to help schools and teachers to prepare and maintain PLPs for every Indigenous student up to Year 10.

Indigenous Youth Mobility Program

The Indigenous Youth Mobility Program (IYMP) provides opportunities for Indigenous young people, mainly from remote areas, to access post-secondary qualifications, including apprenticeships, VET and higher education in participating major centres. Participants receive access to accommodation, mentoring, tutoring and personal support. IYMP engaged its first apprentices, VET and university students in January 2006, and from this time until June 2009 the program had a target of relocating 600 young people from remote areas to a major centre to take up training opportunities. The IYMP achieved 98 per cent of this target (587 students started the program). This was a strong result, particularly in the light of longer establishment timeframes for accommodation and other program elements in some locations. In 2008–09, 233 young people began training or university. The total funding paid for IYMP since its inception is \$18.7 million, with \$4.9 million paid in 2008–09.

Indigenous Youth Leadership Program

The Indigenous Youth Leadership Program (IYLP) provides scholarships for disadvantaged Indigenous students, mainly from remote areas, to attend high-performing schools and universities and to develop their leadership potential. In Semester 2 of 2008, 220 (179 secondary and 41 tertiary) students were in receipt of an IYLP scholarship at 35 schools and 32 university campuses across Australia. The number of students supported increased to 362 (304 secondary and 58 tertiary) in Semester 1 of 2009, covering 50 schools and 30 university campuses. The program's retention rate is 90 per cent for secondary students and 85 per cent for tertiary students. Some 40 IYLP students achieved Year 12 completion in 2008, 57 IYLP students are on track to do so in 2009. A small number left the program, often to return to local schools. The total funding paid for IYLP since inception is \$16.2 million, with \$10.1 million paid in 2008–09.

Sporting Chance Program

The Sporting Chance Program, which aims to engage young Indigenous people in their education through sport and recreational activities, has two elements: school-based sports academies for secondary school students; and engagement strategies for primary and secondary school students. Both initiatives support students through programs such as healthy living, positive attitudes and lifestyles, mentoring and leadership, and goal and career planning. In 2008–09, the program expanded to include 37 sports academies across Western Australia, the Northern Territory, South Australia, Queensland and New South Wales, supporting approximately 3000 students.

Data collected in 2008 show promising trends for the academic progress of Indigenous students participating in the program. On average, across all academies, over 50 per cent of participants were reported as having improved their academic performance. The average school attendance rate across academies in 2008 was 79 per cent. Qualitative reporting indicates that there have been significant, positive changes in many students' attitudes and behaviours.

Indigenous Boarding Infrastructure Fund

As part of the 2007–08 Budget, the Expanding Education Options measure provided \$50 million to enable eligible non-government boarding schools that accommodate Indigenous students, particularly those in remote and regional areas, to upgrade aged

and deteriorating facilities and/or to expand facilities to accommodate increasing numbers of Indigenous students. Of this allocation, \$44 million was expended across 28 projects during 2008–09.

In addition, the Expanding Education Options measure provided \$15.3 million for Indigenous Boarding Infrastructure—Urgent Projects. This funding was fully expended to support 12 urgent upgrade projects during 2008–09.

Community Festivals for Education Engagement

Annual funding of \$3.05 million has been provided for the four-year period from 2006–07 to 2009–10 under the Community Festival for Education Engagement program. The aim of the program is to encourage students to attend school regularly, complete Year 12 and pursue further educational and employment opportunities. The program's events also promote a greater understanding of contemporary and traditional Aboriginal and Torres Strait Islander cultures. In 2008, five organisations produced 14 festival events in New South Wales, the Northern Territory, Queensland, South Australia, Western Australia and Victoria. There were 5635 students who participated in these events.

Northern Territory Emergency Response education measures

Progress has been made in areas key to improving access and quality of education for Indigenous students in the Northern Territory. This includes the recruitment of 97 teachers in 2008–09 as part of the Australian Government's commitment to provide an additional 200 teachers in the Northern Territory over four years. In the 2008–09 Budget, the government announced funding of \$28.9 million over four years for three new Indigenous Boarding Facilities in the Northern Territory. It has since undertaken feasibility studies and community consultation.

Lochy Munro inspires at Vibe Alive

One of the inspirational participants at the 2008 Vibe Alive community festival in Kalgoorlie was Lochy Munro, a Year 5 student at O'Connor Primary School, Kalgoorlie.

Lochy personified the goals of the event, funded under the Community Festivals for Education Engagement program that uses activities such as sport, music, dance, and art to enhance self confidence and encourage students to think about their schooling, future goals and aspirations. Lochy talked to staff at the DEEWR stall at the careers market about achieving his personal goal of becoming a chef.

Despite having to use aids to help him walk, Lochy completed the 100 m dash with a winning smile on his face as more than 1000 students and adults cheered him across the finish line. He took part in all of the scheduled activities, including Paint it Up (art), Make Some Noise (singing), Got the Moves (dance) and Hoops Up (basketball) with his team, as well as being an outstanding leader in individual activities.

Lochy was also a star of beyondblue's hip hop sessions. These sessions, which are led by professional dancers as part of Indigenous Hip Hop Projects, provide an innovative approach to raising awareness of depression and anxiety and boosting morale and confidence among young Aboriginal and Torres Strait Islander people through hip hop and breakdance.

Surrounded by participants dancing together before the closing ceremony, Lochy demonstrated his self-confidence by taking his place in the centre of the 'Circle of Confidence', encouraging others to join in.

As well as serving as a role model for other festival participants, Lochy's enthusiasm and commitment to take part in some of the more challenging activities was an inspiration to everyone who saw him.



Left: Lochy Munro shows the way (finishing the 100m dash).
 Right: Lochy, with Kerrie Hayes, a patron of Vibe Alive, after receiving an award for his inspirational participation in the 2008 Vibe Alive community festival.

Dare to Lead

The Dare to Lead project continued to deliver professional learning opportunities to principals and promote cultural understanding and intercultural exchange through cultural tours, school visits and access to best practice resources. Dare to Lead, delivered by Principals Australia, effects change in schools through the formation of a coalition of school leaders (representing 52 per cent of all schools Australia wide) enlisted to improve educational outcomes for Indigenous students. In early 2009, the third phase of the Dare to Lead project, Partnerships Building Success, was initiated. This project aims to challenge education leaders to improve the outcomes for Indigenous students and to build reconciliation through developing partnerships with community and businesses and across schools.

What Works

The What Works project is a workshop-based professional development program for teachers, focused on initiating change in teaching practices at the school level to improve educational outcomes for Indigenous students. Professional development workshops are delivered by National Curriculum Services to teachers in all states and territories. From its start in 2002 until 30 June 2009, the project delivered a total of 1361 professional development workshops to approximately 40 274 teachers.

Cape York Welfare Reform Trials

In 2008–09, the department worked closely with the Cape York Institute to deliver the key education components of the Cape York Welfare Reform Trials. The trials, in the Cape York communities of Aurukun, Coen, Hope Vale and Mossman Gorge, resulted in the establishment of voluntary student trust accounts, known as Student Education Trusts, to assist families to save money to meet educational expenses. As part of the trials, additional literacy instruction was provided to Indigenous students through the accelerated literacy program MULTILIT (Making Up Lost Time in Literacy).

Performance in the delivery of departmental outputs

Table 2.7

Performance in delivery of departmental outputs

Performance indicator	Estimate	Actual
Program management		
<i>Quality</i>		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	All Recurrent Grants and Short Term Emergency Assistance funding was provided in accordance with approved timelines
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	All Recurrent Grants funding was based on calculations which are accurate and in accordance with approved guidelines
Percentage of schools over time receiving grants under Investing in Our Schools Programme	95% of all government schools	99% of all government schools and 93% of all non-government schools
Effective reporting of student performance in nationally agreed key areas	Results agreed and published	Results agreed and published for: 2008 NAPLAN for Year 3, 5, 7 and 9 students ^a national sample assessments in science literacy (2006) and civics and citizenship (2007) 2007 TIMSS ^b
Effective use of online Schools Service Point	98% of all returns will be collected online	100% achieved
Effective implementation of the Fibre Connections to Schools (FCS) initiative as part of the Digital Education Revolution	A roadmap of current and foreseeable broadband requirements prepared for stakeholder review	A national baseline of schools' connectivity was established in August 2008 and made publically available on the Digital Education Revolution website
	Develop an agreed strategic approach and purchasing principles by all Australian schools sectors to the development of their broadband networks	High-level strategies and investment principles were developed in consultation with government and non-government schools authorities
	Develop an agreed implementation plan for FCS activities	A Digital Education Revolution Implementation Roadmap was completed and provided to the Productivity Agenda Working Group in January 2008 The rollout of high-speed broadband to schools under the Digital Education Revolution has been delayed pending the outcome of the review of regulatory arrangements and the National Broadband Network implementation study (expected in February 2010) to ensure coordination between the two broadband initiatives
National Report to Parliament on Indigenous Education and Training	Sixth ^c report to be tabled in Parliament in 2008	Sixth report tabled in Parliament during October 2008
Timeliness of Parliamentary reports (including interim responses where appropriate) provided to Parliament and its Committees	At least 90% meet deadline	Satisfied
High-quality ministerial replies as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from the ministers and Parliamentary Secretary to the Secretary	Satisfied ^d
	Analysis of trends over time to monitor percentage delivered within agreed timeframes	

Performance indicator	Estimate	Actual
Policy services		
<i>Quality</i>		
High-quality policy advice as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from the ministers and Parliamentary Secretary to the Secretary	Satisfied ^d
High-quality research and evaluation reports as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the reports	Qualitative evaluation of satisfaction using feedback from the ministers and Parliamentary Secretary to the Secretary	Satisfied ^d
Research activities are completed according to plan	At least 90% completed to plan	Satisfied
Service delivery		
<i>Quality</i>		
Satisfactory services as reported by Centrelink through the timely processing of ABSTUDY, Youth Allowance, Assistance for Isolated Children claims	Services provided in accordance with the DEEWR–Centrelink Business Partnership Agreement	Centrelink's performance against the key indicators of timeliness and correctness of payments as set out in the DEEWR–Centrelink Interim Business Partnership Agreement 2008–09 was satisfactory for these payments

- a MCEETYA 2008 (September), 2008 NAPLAN Summary Report. National Assessment Program—Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy, Melbourne.
- b MCEETYA 2008 (December), 2008 National Assessment Program—Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy, Melbourne.
- c The 2008–09 PBS was incorrect when it stated (p. 60) that the fifth report would be tabled in Parliament in 2007, as the fifth report was tabled in Parliament during February 2008. This was reported in the 2007–08 Annual Report (p. 69). The 2008–09 PBS should have stated that the sixth report would be tabled in Parliament in October 2008. (The seventh report will be tabled in Parliament in August 2009. The eighth (and final) report will be tabled in Parliament in December 2009.)
- d During the year, ministers, parliamentary secretaries and their staff provide feedback on the level of satisfaction with departmental advice during regular meetings with the department. Overall feedback from their offices is that they recognise the significant efforts made by departmental staff and are satisfied with the quality of briefings. Analysis of trends in 2008–09 indicates that the percentage of briefs and ministerials delivered within agreed timeframes is increasing steadily. The number of errors and rejections is also largely trending downward due to an emphasis on feedback to assist line areas to improve quality and presentation.

Outlook for 2009–10

Implementation of the Education Revolution, including the COAG reforms, will continue, reflecting the government's focus on lifting educational outcomes for all Australians and attaining the Closing the Gap targets for Indigenous students. This will be achieved through continued collaboration with state and territory governments and non-government education authorities.

In a significant national reform, ACARA will publish information on each Australian school on a new specific-purpose website. This unprecedented transparency will enable parents and the community to understand school achievements and the context for those achievements for each school, including student attainment, school resources and the characteristics of the students that each school serves. This will provide governments with a genuinely national basis for school evaluation and improvement, accountability and resource allocations. The reporting is scheduled to begin from the end of 2009.

ACARA will also continue to develop a national curriculum across kindergarten to Year 12 in the key learning areas of English, mathematics, the sciences and history, for implementation by 2011.

An open and transparent review of school funding arrangements will start in 2010 and conclude in 2011. This review is intended to ensure that the strongest possible platform is built for long-term investment and improvement in educational outcomes beyond 2012, when the current funding period concludes.

State and territory implementation plans for the three Smarter Schools NPs will be published in 2009. The NPs focus on lifting educational outcomes through addressing the particular educational needs of low SES school communities; improving literacy and numeracy outcomes for all students; and improving teacher quality. Final implementation plans and bilateral agreements will include the outcomes to be achieved and measures for improvement. The department will continue to work closely with states and territories to further develop a framework for sharing evidence of what works. An evaluation will be undertaken to examine the effectiveness of the NP reforms.

Work will continue with state, territory and non-government education providers and Indigenous Australians to develop an Indigenous Education Action Plan in 2010. The plan will contain a range of actions, including regional and school-level strategies, to achieve targets to close the gaps between the outcomes of Indigenous Australians and other Australians.

Consistent with Budget commitments, the department will expand the Sporting Chance Program, the Indigenous Youth Leadership Program and the Indigenous Youth Mobility Program. As a result, more Indigenous Australians will be able to benefit from these programs. Importantly, the Sporting Chance Program will introduce a focus for young women, and the Indigenous Youth Mobility Program will focus on improving connections with industry.

The department will continue to work with the Northern Territory Government and other education providers to implement four measures under the Northern Territory Emergency Response. The construction of up to 22 extra houses for teachers in remote communities during 2009–10 will help to address the urgent need for teacher accommodation in the Northern Territory and increase teacher employment and retention rates. As part of the ongoing effort to close the gap in the Northern Territory, the School Nutrition Program will continue to help with learning and engagement in education through delivery of breakfast and lunch to school-aged children. The Enhancing Education Elements initiative provide for Accelerating Literacy and Numeracy programs and Quality Teaching initiatives. These measures will develop opportunities and build the capacity needed to improve Indigenous educational outcomes and economic participation over the coming years.

In response to the findings of the Bradley Review of Australian Higher Education, reforms to Youth Allowance and ABSTUDY will remove the financial barriers to the participation of students from low SES backgrounds and Indigenous students.

Report on performance

Outcome 3

Higher education

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Outcome 3 Higher education

Higher education plays a significant role in ensuring the economic and social prosperity of Australian life. By participating in and achieving a post-school qualification, individuals have the knowledge and ability to contribute fully to Australian society and to meet the challenges of a fast-moving and internationally competitive knowledge economy.

As part of its Education Revolution, the government's goal is for Australia to be among the most highly educated and skilled nations on earth, and to be in the top group of Organisation for Economic Co-operation and Development (OECD) nations for university research and knowledge diffusion. Higher education is central to achieving this goal. The government is working with higher education providers to boost productivity, equip Australians with the knowledge needed for future jobs, and ensure the sector's sustainability and status as a world-class education system.

The Australian higher education sector comprises 37 public and two private universities, one Australian branch of an overseas university and three self-accrediting and approximately 150 non-self-accrediting higher education institutions. In 2008, 771 932 domestic students and 294 163 international students were studying in Australian higher education institutions. Those numbers included 75 364 international students studying offshore.

The Australian Government is the primary source of public funding for Australian universities and self-accrediting institutions under the legislative framework of the *Higher Education Support Act 2003*. Publicly funded institutions receive on average approximately 55 per cent of their operating revenue from government grants and payments on behalf of students who take out loans. From 1 January 2009, full fee-paying places for domestic undergraduate students were phased out at public universities and replaced with new Commonwealth supported places. This change enables people access to university on the basis of merit rather than ability to pay and contributes to realising the social inclusion and participation elements of the Education Revolution.

To improve access to higher education places, including for students from Indigenous communities and regional and remote areas, the government introduced the National Priority Scholarships which are available for undergraduate students enrolling in priority disciplines such as medicine, nursing, dentistry, allied health, science, engineering, teaching and mathematics and the National Accommodation Scholarships which are for students relocating more than 100 kms in order to study specialist courses not available near their home.

Students and universities were also encouraged to respond to labour market needs through the allocation of additional Commonwealth supported places in nursing and early childhood education, and the reduction of student contributions towards the cost of studying mathematics or science. Those initiatives made higher education available to more students and provided greater links between the higher education sector and the needs of Australian society.

A world-class higher education sector requires significant investment in capital infrastructure to provide high-quality spaces for learning, teaching and research. The Government established the Education Investment Fund from 1 January 2009 and, through two funding rounds, has committed \$1.5 billion in major capital funding. Through a one-off payment of \$500 million from the Better Universities Renewal Fund, \$500 million from the Teaching and Learning Capital Fund and financial support through the Capital Development Pool, the Government is making a significant investment in infrastructure to underpin the quality and capacity of the higher education sector.

In 2008, the government commissioned the Review of Australian Higher Education, chaired by Professor Denise Bradley AC. The Bradley Review examined and reported on the future direction of the higher education sector, its fitness for purpose in meeting the needs of the Australian community and economy and the options for reform. Run concurrently with the Review of the National Innovation System, the Bradley Review helped to develop a long-term vision for higher education into the next decade and beyond.

The Bradley Review affirmed that the reach, quality and performance of Australia's higher education system are central to Australia's economic and social progress. It also identified areas where immediate action is needed to address weaknesses and build on strengths. This action will ensure that the higher education system is sustainable into the future and that it continues to grow and enhance the outcomes of tertiary education. In response to the Bradley Review's recommendations, the government has committed \$5.4 billion to a significant reform agenda that will see higher education and research fuelling economic development and productivity, and supporting Australia's role as a leader in the Asia-Pacific region.

Key priorities

The key priorities for Outcome 3 in 2008–09 were:

- Implementing the government's 2008–09 Budget measures to
 - encourage students to study mathematics and science
 - phase out full fee-paying places for domestic undergraduate students at public universities
 - increase nursing and early childhood education places
 - support James Cook University to establish a new school of dentistry
 - expand Commonwealth supported places at the University of Notre Dame Australia.
- Implementing the Training and Learning Bonus for eligible students and postgraduate scholarship holders under the Nation Building – Economic Stimulus Plan.

Key achievements

The key achievements for Outcome 3 in 2008–09 were as follows:

- A single cohort of 90 new Commonwealth supported higher education nursing places was allocated for commencement in second semester 2008 and a further 1134 new ongoing places were allocated for commencement in 2009. These places will provide opportunities for people to study nursing and increase the number of nursing graduates available to work in hospitals.
- 500 new Commonwealth supported early childhood education places were allocated for commencement in 2009. Providers were invited to apply for a further 500 new places to be allocated for commencement in both 2010 and 2011. These places will help meet the national demand for degree-qualified early childhood education teachers.
- The maximum annual student contribution amount for mathematics and science units of study was reduced to the lowest 'national priority' rate from 1 January 2009. The lower contribution applies to new students and some continuing students who transfer to a course of study in the natural and physical sciences from a course in another field.
- The transitional loading under the Commonwealth Grant Scheme to compensate higher education providers for a reduction in revenue resulting from lower student contributions was implemented.

- HECS-HELP benefit guidelines were made under the *Higher Education Support Act 2003* to enable eligible mathematics and science graduates to apply for a reduction in their compulsory HELP repayment if they work in related occupations, including teaching.
- 130 additional Commonwealth supported places were allocated to the University of Notre Dame Australia in the national priority areas of nursing, education and medicine. The government committed \$11.1 million for the new places over four years and \$7.5 million in capital funding.
- \$49.5 million over four years was provided to James Cook University to establish a new school of dentistry in Cairns. This will support 60 commencing Commonwealth supported dentistry places, and capital and clinical outreach.
- Full fee-paying undergraduate places for domestic students commencing at public universities were phased out and replaced by 2607 new Commonwealth supported places, to commence in 2009. Transitional assistance of \$9.76 million was also provided.
- During 2008 the Australian Government introduced amendments to the *Higher Education Support Act 2003*, which removed the Higher Education Workplace Relations Requirements (HEWRRs) as a condition of university funding. From 1 January 2008, funding that was conditional on providers meeting the HEWRRs has been built into the cluster rates that are set in legislation and indexed annually in line with Part 5-6 of the Act.
- 3000 National Priority Scholarships and 1500 National Accommodation Scholarships were introduced as part of the expanded Commonwealth Scholarship Program, which will give more young people from low socioeconomic backgrounds the chance to participate in higher education.
- The Review of Australian Higher Education, which was undertaken by an independent expert panel led by Professor Denise Bradley AC, delivered a final report in December 2008, making 46 recommendations for reform. The government responded to the review in the May 2009 Budget, announcing a \$5.4 billion package to support higher education and research over the next four years.
- The department finalised two assessment processes for approving income support for students undertaking masters degrees by coursework programs. As at June 2009, 435 masters courses were approved and 3677 students were in receipt of student income support payments.
- The department and Centrelink implemented government measures to assist students during the global recession, including the \$950 Training and Learning Bonus provided in the first semester of 2009 to eligible student income support recipients and eligible postgraduate scholarship students. At 30 June 2009, approximately 330 000 eligible students had received the bonus under the department's Outcomes 2, 3 and 4.
- The 2008–09 Budget measure Enhanced Connectivity between Centrelink and University Systems, which supports the exchange of student information between some universities and Centrelink to reduce the incidence of income support debt for students, was implemented. Thirty-eight Australian universities are taking part in this program. June 2009 data indicates a more than 70 per cent reduction in study-related debt for students attending universities that have implemented the new system.
- The department implemented financial assistance under the Economic Security Strategy, announced in October 2008. The financial assistance, which is paid by Centrelink, included:
 - one-off payments to pensioners, seniors, carers, and people with disability, of \$1400 for singles and \$1050 to each member of a couple on a qualifying payment (this included recipients of DEEWR payments such as Austudy and ABSTUDY who were over age pension age)
 - payments to families of \$1000 per eligible dependent child, including any recipients of Youth Allowance (dependent) and ABSTUDY (dependent).

Performance information for Outcome 3

The department's outputs reflect the Australian Government's priorities for higher education, as part of its commitment to ensuring that higher education plays a leading role in equipping Australians with the knowledge and skills to make Australia a more productive and prosperous nation.

Effectiveness indicators

The department uses several effectiveness indicators to measure the impact that the government is seeking to achieve in relation to the higher education agenda. The overall impact of departmental activities should be viewed in the context that Australia's higher education sector is not controlled solely by the government but in partnership with various external stakeholders. Performance over the long-term can also be influenced by prevailing economic and labour market conditions and, in some cases, by international circumstances. Performance information for the effectiveness indicators is summarised in Table 3.1.

Table 3.1

Effectiveness indicators for Outcome 3

Effectiveness indicator	Actual performance
Trend in number of domestic enrolments (full-time equivalents)	The number of domestic enrolments increased by 2.6 per cent between 2007 and 2008 to 542 503 equivalent full-time student load (EFTSL)
Trend in number of domestic postgraduate enrolments (full-time equivalents)	The number of domestic postgraduate enrolments increased by 3.9 per cent between 2007 and 2008 to 87 758 EFTSL
Trend in number of undergraduate completions	The number of undergraduate completions increased by 2.3 per cent between 2007 and 2008 to 158 522
Trend in number of postgraduate coursework completions	The number of postgraduate coursework completions increased by 8.4 per cent between 2007 and 2008 to 92 565
Percentage of higher education graduates in full-time employment within four months of completion of degree, of those available for work	In 2008, 85.2 per cent of higher education graduates (bachelor degree) available for work were in full-time employment within four months of completing their degree. This is an increase of 0.7 percentage points from 84.5 per cent in 2007
Trend in graduate starting salaries as a proportion of average weekly earnings	In 2008, the median annual starting salary for bachelor degree graduates aged under 25, in their first full-time jobs after completing their degree, was \$45 000 (up 4.7 per cent or \$2000) from \$43 000 in 2007. Over the period 2001 to 2008, the median starting salary of bachelor degree graduates has averaged 117 per cent of the median earnings of all full-time workers aged 20 to 24 years
Trend in number of all Indigenous students by selected higher education course level categories	Indigenous enrolments increased by 1.7 per cent between 2007 and 2008 to 9529 students. Postgraduate enrolments increased by 11.3 per cent, while undergraduate enrolments remained steady, increasing by only 0.9 per cent
<i>Student support</i>	
Percentage of the relevant full-time higher education student population ^a receiving support under:	
→ HECS-HELP	In 2008, 88.1 per cent of full-time students received HECS-HELP, compared to 87.9 per cent in 2007
→ FEE-HELP	In 2008, 4.2 per cent of full-time students received FEE-HELP, the same proportion as in 2007
Trend in the number of full-time students receiving income support under:	
→ Youth Allowance	The number of higher education students assisted under Youth Allowance increased by 10.8 per cent, or 12 735 recipients, from 117 624 in June 2008 to 130 359 in June 2009

Effectiveness indicator	Actual performance
Austudy	The number of higher education students assisted under Austudy increased by 14.8 per cent, or 2431 recipients, from 16 385 in June 2008 to 18 816 in June 2009
ABSTUDY	The number of higher education students assisted under ABSTUDY increased by 7.3 per cent, or 205 recipients, from 2810 in June 2008 to 3015 in June 2009

a Undergraduate and postgraduate students attending Table A higher education providers.

Performance in the delivery of administered outputs

Under the *Higher Education Support Act 2003* and annual appropriations, the department administers a number of programs and initiatives that fund higher education in Australia. A summary of the performance of administered activities for higher education during 2008–09 is provided in Table 3.2.

Table 3.2

Performance information for administered outputs

Performance indicator	Estimate	Actual
Higher education funding		
<i>Commonwealth Grant Scheme (CGS)</i>		
Number of Commonwealth supported domestic undergraduate places	412 000	419 009
Number of Commonwealth supported domestic postgraduate coursework places	>20 000	20 529
<i>Medical loading</i>		
Number of CGS medical places for which medical student loading is provided	9346	9346 ^a
<i>Regional loading</i>		
Number of regional campuses under the CGS for which regional loading is provided	85	85
<i>Enabling loading</i>		
Number of CGS places for which enabling loading is provided ^a	4145	4145
<i>Workplace Productivity Program</i>		
Number of projects receiving funding	54	54
<i>Superannuation Program</i>		
Number of universities assisted	19	18
<i>Capital Development Pool and Special Projects</i>		
Number of projects funded	42	39
<i>Collaboration and Structural Reform Program^b</i>		
Number of projects funded	26	23
<i>Diversity and Structural Adjustment Fund</i>		
Number of lead universities assisted ^c	20	34
Number of projects funded	-	56
<i>Quality initiatives</i>		
Number of organisations rewarded	4	4
<i>Learning and Teaching Performance Fund</i>		
Number of universities rewarded	23	32
<i>Equity programs</i>		
Number of Table A higher education providers assisted	38	38
<i>National institutes</i>		
Number of institutions assisted	3	3
<i>Commonwealth Scholarships</i>		
Number of scholarships allocated to higher education providers ^d	39 690 ^e	39 790
<i>Indigenous Support Fund</i>		
Number of providers receiving funding to support Indigenous students	39	38
<i>Indigenous Higher Education Advisory Council</i>		
Number of meetings held each year	3	3
<i>Higher education special projects</i>		
Number of university regional campuses receiving funding by the Support for Small Businesses on Regional University Campuses Program	15	15

Performance indicator	Estimate	Actual
Number of Commonwealth supported places accessed by students in the National Centre of Excellence for Islamic Studies	40	48.45 ^a
Number of projects supported by the Voluntary Student Unionism Transition Fund for Sporting and Recreational Facilities	42	42
Framework for Open Learning		
Number of projects funded	12	11
Higher Education Loan Program (HELP)		
Domestic higher education students (equivalent full-time student load) enrolled in award courses in receipt of HELP loans ^f	>385 000	385 598
Number of OS-HELP loans to assist students to undertake some of their course overseas ^g	2805	2626
ABSTUDY		
Number of higher education students in receipt of ABSTUDY at 30 June	4000 ^h	3015
Youth Allowance		
Number of higher education students in receipt of Youth Allowance at 30 June	126 000 ^h	130 359
Austudy		
Number of higher education students in receipt of Austudy at 30 June	20 000 ^h	18 816

- a These numbers are for calendar year January to December 2008.
- b From 1 January 2008, the Collaboration and Structural Reform Program was subsumed by the Diversity and Structural Adjustment Fund.
- c Each project may involve several organisations working in collaboration, with one university acting as the lead organisation.
- d Includes new and continuing scholarships.
- e Total includes the new Indigenous Access Scholarships.
- f Numbers expressed as EFTSL (equivalent full-time student load). Excludes OS-HELP and VET FEE-HELP loans. Data includes all students in receipt of HECS-HELP loans and FEE-HELP loans, but does not include those receiving HECS-HELP assistance as a discount for upfront payments.
- g Data are provided for calendar year 2008 based on nominal loans allocated to providers.
- h A revised 2008–09 estimate was in the 2009–10 DEEWR Portfolio Budget Statements, p. 117. The revision was due, in part, to improved attribution of student income support recipient data across sectors.

Table 3.3 shows the HELP payments the government made to providers on behalf of students who chose to take out a HELP loan (HECS-HELP, FEE-HELP and OS-HELP—excluding VET FEE-HELP). In the case of HECS-HELP, the payments also included the amount of the HECS-HELP discount for those students who chose to pay all, or at least \$500, of their student contribution upfront to the provider.

Providers are paid based on an estimate of amounts that will be payable for that year. A reconciliation of payments is undertaken when actual amounts payable are known. Where actual amounts are different from the estimate, an adjustment is made to future payments. This adjustment may be to payments in the following year.

Table 3.3

HELP payments to providers on behalf of students^a

	2007 \$m	2008 \$m
HECS-HELP loans	1895	2062
FEE-HELP loans	538	625
OS-HELP loans	9	14
Total HELP loans	2442	2701
HECS-HELP discount	99	104
Total paid to providers on behalf of students	2541	2805
Upfront payment of student contributions by students to providers (upfront payments) ^b	454	484

- a The figures in both columns represent actual payments to providers, including the effect of any reconciliations determined by 3 July 2009.
- b Total upfront payments by students to providers, including payments by students eligible for the upfront discount and those students not eligible for the discount.

Table 3.4

Total outstanding HELP debt and the transactions affecting the debt balance during the year

	2007–08 \$'000	2008–09 \$'000
Accumulated HELP debt at 1 July	14 042 587	15 830 358
Amount of HELP debt reported by higher education providers to the Australian Taxation Office—January to June 2007	1 302 866	–
Amount of HELP debt reported by higher education providers to the Australian Taxation Office—July to December 2007	1 183 282	–
Amount of HELP debt reported by higher education providers to the Australian Taxation Office—January to June 2008	–	1 441 228
Amount of HELP debt reported by higher education providers to the Australian Taxation Office—July to December 2008	–	1 323 131
Indexation of HELP debts more than 11 months old at 1 June	400 339	621 684
HELP receipts paid through the tax system (PAYG) ^a	–922 302	–1 160 119
Compulsory repayment amounts deferred ^b	1355	1651
Voluntary repayments of HELP debt to the Australian Taxation Office ^c	–184 701	–196 922
Bonus on voluntary repayments	–18 167	–19 288
Repayments to individuals	1198	683
Transfers of credit ^d	158	130
Amounts remitted under s. 106L of the <i>Higher Education Funding Act 1988</i>	–69	–20
Amounts remitted under the <i>Higher Education Support Act 2003</i> ^e	–8106	–9650
Amount of HELP debt variation where debtor has died	–5423	–6978
Variations performed by the Australian Taxation Office based on variation advices	37 498	375
Amount of HELP debt variation due to bankruptcy	–27	–10
Amount of HELP debt variation deemed irrecoverable at law	–1	–2
Amount of HELP debt variation deemed uneconomical to pursue	–	–
Waiver of HELP debt by Department of Finance and Deregulation under s. 34 of the <i>Financial Management and Accountability Act 1997</i>	–129	–75
Accumulated HELP debt at 30 June	15 830 358	17 826 177

- a HELP receipts paid through the tax system (PAYG) are in relation to the previous income year.
- b Compulsory repayment amounts deferred under s. 106W (hardship) of the *Higher Education Funding Act 1988* and/or s. 154-45 of the *Higher Education Support Act 2003*.
- c The voluntary repayments figure for 2007–08 differs from the figure published in the DEEWR Annual Report 2007–08 as the figure previously published included transfers of credit, which is now a separate line item.
- d Credit balances that are offset against other primary tax debts. The *Higher Education Support Act 2003* s. 151-15 requires the Australian Taxation Office to offset credit balances relating to a client against any other primary tax debts before issuing a refund.
- e Amounts remitted under s. 137-5(4), s. 137-5(5) and s. 137-10(4) of the *Higher Education Support Act 2003*.

Note: Columns may not add due to rounding.

Table 3.5

Outstanding HELP debt after taking into consideration the accrual transactions related to the 2008–09 income year

	Estimated 2007–08 \$'000	Actual 2007–08 \$'000	Estimated ^a 2008–09 \$'000
Accumulated HELP debt at 30 June as reported by the Australian Taxation Office	15 830 358	15 830 358	17 826 177
Amount of HELP debt to be reported for the period 1 January to 30 June ^b	1 374 815	1 441 228	1 511 857
HELP receipts paid through PAYG ^c	–1 059 561	–1 158 469	–1 285 918
Total HELP debt at 30 June	16 145 613	16 113 118	18 052 116
Amount of HELP debt expected not to be repaid ^d	3 414 166	3 697 884	4 258 081
Total HELP debt estimated to be repaid	12 731 447	12 415 234	13 794 036

- a It is necessary to estimate the amount of HELP debt to be incurred for the period 1 January to 30 June 2009 due to the timing of the reporting of data by providers.

- b The actual HELP debt amount for the period 1 January to 30 June 2008 did not include revisions. The accumulated HELP debt for 2008–09 includes revisions to debts incurred from 1 January 2005 onwards which were reported by providers to the Australian Taxation Office up to 31 March 2009.
- c DEEWR estimates the amount of HELP receipts to be paid through the tax system in relation to the current income year.
- d The estimated provision for the amount of HELP debt not expected to be repaid is determined by a preliminary actuarial assessment. The actual amount is determined once a full dataset is available for the financial year.

Note: Columns may not add due to rounding.

Notes for Tables 3.4 and 3.5:

Note 1: The *Higher Education Support Act 2003* gives the Commissioner of Taxation sole responsibility for collecting HELP repayments through the taxation system. DEEWR has primary responsibility for the management of HELP, including the total accumulated debt, and includes in its financial statements information collected by the Australian Taxation Office with respect to the total accumulated debt (See Part 5 Financial Statements). The Australian Taxation Office supplies this information in certified form, pursuant to the Minister for Finance Financial Statements of Department's Accrual Reporting Guidelines.

Note 2: To reflect the overall operation of HELP, the full transactions relating to the scheme are presented in the department's financial statements as though DEEWR received the additional tax instalment deductions collected through the PAYG system.

Note 3: The full value of the outstanding debt is expected to be recovered because individuals are not required to make repayments through the taxation system unless their income in a year exceeds an indexed minimum (\$39 824 for 2007–08 and \$41 595 for 2008–09). It is estimated that of the total debt outstanding at 30 June 2009, \$4 258 million is not expected to be repaid due to the income contingent nature of HELP repayments and debt being written off upon death of a debtor.

Funding for higher education

Commonwealth Grant Scheme

Under the Commonwealth Grant Scheme (CGS), the Australian Government provides funding to higher education providers to support the provision of undergraduate and some non-research postgraduate student places. Funding agreements detail the number of places (in broad discipline clusters) that providers are funded to deliver. Eligible providers may also receive additional funding for:

- regional loading—assists higher education providers to meet the higher costs associated with their regional location, size and history
- enabling loading—provides additional funding to higher education providers for students undertaking a course to assist them to undertake a course leading to a higher education award and who cannot be charged a student contribution
- medical student loading—for Commonwealth supported places in a medicine course of study, completion of which would allow provisional registration as a medical practitioner
- transitional loading—additional funding for mathematics, statistics and science units of study to compensate for the reduction in the maximum student contribution amount for commencing Commonwealth supported students undertaking those units. In 2009, transitional loading was also supplied to compensate providers for any transitional costs associated with the phase out of domestic undergraduate full fee-paying places.

During 2008–09:

- Providers were funded for 433 771 Commonwealth supported places to be delivered in 2008 and for 443 957 places to be delivered in 2009 as specified in their funding agreements (funding is subject to adjustment for under-enrolment or over-enrolment).
- Over 1900 new commencing Commonwealth supported places were allocated as a result of 2008–09 Budget measures.
- Funding agreements were negotiated with all higher education providers in receipt of Commonwealth supported places.
- Regional loading provided funding of \$30.5 million for 2008 and \$31.2 million for 2009.

- Enabling loading provided funding of \$13.2 million for 2008 and \$13.5 million for 2009.
- Medical student loading provided funding of \$10.6 million for 2008 and \$11.8 million for 2009.
- Transitional loading for mathematics, statistics and science provided funding of \$89 million to providers for 2009. Transitional loading for the phase out of domestic undergraduate fee-paying places provided funding of \$9.76 million to providers for 2009.

Workplace Reform Program

The Workplace Reform Program (WRP) commenced in 2000 and offered higher education providers additional funding equivalent to 2 per cent of the salary component of their operating grant, conditional on those providers implementing reforms in management, administration and workplace practices.

In 2005, a proportion of WRP funding was incorporated into the CGS funding cluster rates. Until the end of 2009, the remaining proportion will continue to be paid as a supplement to CGS funding to providers that were assessed as eligible prior to the introduction of the CGS. WRP funding was \$49.1 million in 2008 and \$50.1 million in 2009.

Workplace Productivity Program

The Workplace Productivity Program (WPP) was a competitive grants program open to higher education providers listed in Table A of the *Higher Education Support Act 2003*. The program, which started in 2006, aimed to improve the efficiency, productivity and performance of universities. In total, 84 projects were funded under two competitive funding rounds held in 2006 and 2007, with three additional projects funded outside the rounds. Total funding for the 87 projects was \$140 million. Of these, 54 projects received funding in 2008–09. Following the Australian Government's commitment to abolish Australian Workplace Agreements (AWAs), the WPP guidelines were repealed and the department worked collaboratively with universities to remove any reference to AWAs or 'direct relationships between employers and employees' in funding agreements. There was no reduction in funding following these changes. The government accepted the recommendation of the Review of Australian Higher Education in 2009 that the WPP be discontinued.

Superannuation program

The Australian Government provides supplementary funding to eligible higher education providers to cover certain superannuation expenses incurred for staff who are members of identified state government emerging cost superannuation schemes. A proportion of the funding is recovered from the relevant states under cost-share arrangements. The number of providers funded decreased from 19 to 18 in 2008–09 as a result of the merger of the Australian Maritime College with the University of Tasmania.

Capital Development Pool and special capital projects

The Australian Government assists with capital development requirements in the higher education sector, providing annual funding on a competitive basis through the Capital Development Pool (CDP) program.

In 2008–09, funding was paid for projects to enhance teaching and learning and that provide graduates with skills in areas of workforce need. This included support for campuses in regional centres and urban growth corridors, areas of national importance such as nursing, teaching, and health and science related fields, as well as IT related projects that enhance educational delivery. Projects supported include:

- La Trobe University—\$3 million over two years for the expansion of the university's facilities at the Shepparton Tertiary Education Precinct
- The University of Western Sydney—\$3 million over two years for the design and construction of a new purpose-built clinical school facility at the Blacktown Hospital campus
- Griffith University—\$3 million over two years for a new Science and Engineering Building on the university's Gold Coast campus
- Edith Cowan University—\$5.3 million over three years for the construction of nursing education facilities with the Health and Wellness Building located at the university's Joondalup campus
- The University of Tasmania—\$3.9 million for upgrading student accommodation and providing new training simulators at the Australian Maritime College.

Diversity and Structural Adjustment Fund

The Diversity and Structural Adjustment Fund, which began on 1 January 2008, aimed to promote structural reform by eligible higher education providers that supports greater specialisation among providers, more diversity in the higher education sector and better responsiveness to labour markets operating in the local or national interest.

Over \$200 million was allocated to the Diversity Fund over four years (2008–2011). On 11 December 2008, the Hon Julia Gillard MP, Minister for Education, announced the successful projects for the fund's 2008 competitive funding round. The full list of successful projects is available from the department's website <www.deewr.gov.au/dsa>.

In addition \$3.7 million was distributed from the Diversity Fund to assist publicly funded universities with implementation of the Australian Higher Education Graduation Statement. The statement aims to describe a higher education qualification in an easily understandable way. It has the potential to make Australian awards better understood internationally, thus enhancing the international mobility of Australian graduates and Australia's competitiveness in the international higher education export market. In 2008–09, a total of 27 universities received grants of \$100 000 each to assist with the implementation of the statement. The fund will be subsumed by the Structural Adjustment Fund in 2010.

Quality initiatives

In 2008–09, four organisations were supported under the quality initiatives to assure and enhance the quality of Australia's higher education sector.

The Australian Learning and Teaching Council (ALTC) received a total of \$27.962 million from the Australian Government to deliver its grants and awards programs. The ALTC's achievements will be reported in its annual report.

The Australian Universities Quality Agency (AUQA) received a total of \$1.2 million from the Australian Government to carry out activities to assure and enhance the quality of Australia's higher education sector, including universities' offshore operations.

Graduate Careers Australia received around \$660 000 to conduct the annual Australian Graduate Survey, comprising the Course Experience Questionnaire, the Graduate Destinations Survey and the Postgraduate Research Experience Questionnaire. The Australian Graduate Survey provides valuable information about graduates' satisfaction with their learning experiences and their employment and further study outcomes. This is used in policy-making and to inform the higher education sector's understanding of some aspects of its effectiveness.

The Australian Council for Educational Research (ACER) developed and administers the Graduate Skills Assessment (GSA) test. The GSA is a test of student's generic skills that can be assessed at university entry and exit level. The GSA provides an objective

measure of the generic skills of graduates in the areas of critical thinking, problem solving, interpersonal understanding and written communication. ACER was eligible to receive up to \$88 500 in 2008. The GSA was funded on a per test basis.

Learning and Teaching Performance Fund

The Learning and Teaching Performance Fund rewards universities for excellence and improvement in learning and teaching for undergraduate students. In 2009, 32 universities received funding, compared with 23 in 2008. The increase in the number of universities receiving funding may be attributed to a change in policy objectives for the fund between 2008 and 2009. Whereas in 2008, the fund rewarded excellence in learning and teaching, in 2009 it rewarded both excellence and sustained improvement. As in previous years, performance was measured using statistical indicators, including measures of student satisfaction, student success and graduate outcomes.

Table 3.6

Learning and Teaching Performance Fund Allocations, 2009

	Excellence total \$	Improvement total \$	Total funding \$
Australian Catholic University	337 812	702 230	1 040 043
Central Queensland University	–	643 978	643 978
Charles Darwin University	–	–	–
Charles Sturt University	–	–	–
Curtin University of Technology	–	738 225	738 225
Deakin University	1 015 206	1 577 227	2 592 433
Edith Cowan University	1 680 039	1 158 217	2 838 256
Griffith University	–	1 247 618	1 247 618
James Cook University	–	890 223	890 223
La Trobe University	1 014 749	1 470 248	2 484 997
Macquarie University	961 733	915 771	1 877 505
Monash University	3 554 981	2 155 117	5 710 098
Murdoch University	–	–	–
Queensland University of Technology	–	1 831 489	1 831 489
RMIT University	–	1 950 950	1 950 950
Southern Cross University	–	603 263	603 263
Swinburne University of Technology	983 682	635 696	1 619 379
The Australian National University	1 665 593	785 515	2 451 108
The Flinders University of South Australia	–	–	–
The University of Adelaide	919 952	933 333	1 853 285
The University of Melbourne	2 579 365	1 256 859	3 836 224
The University of New England	466 106	566 318	1 032 425
The University of New South Wales	5 167 038	1 769 305	6 936 344
The University of Newcastle	–	–	–
The University of Queensland	995 226	1 435 549	2 430 776
The University of Sydney	3 478 518	2 009 870	5 488 389
The University of Western Australia	2 754 913	1 198 854	3 953 768
University of Ballarat	576 797	674 845	1 251 642
University of Canberra	–	550 992	550 992
University of South Australia	–	1 531 685	1 531 685
University of Southern Queensland	468 647	819 589	1 288 237
University of Tasmania	1 291 252	944 114	2 235 366
University of Technology, Sydney	3 406 837	1 473 084	4 879 921
University of Western Sydney	–	1 646 575	1 646 575
University of Wollongong	2 529 022	746 488	3 275 510
University of the Sunshine Coast	–	569 161	569 161
Victoria University	720 502	1 135 578	1 856 080

Higher Education Equity Support Program

The Higher Education Equity Support Program provided funding to eligible higher education providers to implement strategies that will assist in removing barriers to access for students from disadvantaged backgrounds. This may include students from low socioeconomic status backgrounds, students from regional and remote areas, students with disability and students from non-English speaking backgrounds. Approximately \$11.47 million was allocated to eligible providers during 2008.

National Institutes Program

In 2008–09, funding under the National Institutes Program was provided to the Australian National University, Batchelor Institute of Indigenous Tertiary Education and the University of Tasmania (for the Australian Maritime College) in recognition of their national role in particular areas of higher education.

Commonwealth Scholarships

The Commonwealth Scholarships program provides financial assistance to students from low socioeconomic status backgrounds, especially Indigenous students and students from regional and remote areas, with costs associated with higher education. The program has two key components: Commonwealth Education Costs Scholarships (CECS), which assist students with general education costs and which, in 2008, were valued at \$2162 a year for up to four years; and Commonwealth Accommodation Scholarships (CAS), which assist students from regional and remote areas with their accommodation costs if they have to move to undertake higher education, and which, in 2008, were worth \$4324 a year for up to four years.

In 2008 the Commonwealth Scholarships program was expanded to introduce two new scholarships for students studying for two-year associate degrees and to provide annual funding for 1000 Indigenous Access Scholarships (IAS). The Indigenous Access Scholarships assist Indigenous Australians wishing to access higher education, particularly those who need to relocate from regional and remote areas. In 2008, an IAS was valued at \$4080. In addition, the Australian Government broadened the CECS and CAS scholarship types to provide up to one year's assistance to Indigenous students to undertake a higher education enabling course, in preparation for enrolling in an undergraduate program. The government allocates funding for Commonwealth Scholarships annually to higher education providers who determine their own application and selection processes in line with broad Government Commonwealth Scholarship guidelines.

All Commonwealth Scholarships are indexed annually and are not treated as income for Social Security pensions and allowances, or for ABSTUDY.

Approximately \$122 million was allocated to eligible providers for Commonwealth Scholarships in 2008.

Higher Education Loan Program

Since 1989, Australian students in Australian Government funded higher education places have generally been required to contribute to the costs of their education. In 2008–09, the Australian Government assisted eligible students through the Higher Education Loan Program (HELP), as follows:

- HECS-HELP for students in Commonwealth supported places, which provides a loan for student contributions or a 20 per cent discount for upfront payments of \$500 or more.
- FEE-HELP loans for domestic fee-paying students enrolled at universities, approved higher education providers or Open Universities Australia, up to a lifetime limit of \$104 142 for medicine, dentistry and veterinary science courses, and \$83 313 for

all other courses—2009 limits, indexed annually. A 20 per cent loan fee applies to undergraduate courses of study. Undergraduate fee paying places for domestic students at public universities are being phased out from 1 January 2009.

- OS-HELP loans (maximum per loan in 2009—\$5410) for undergraduate Commonwealth supported students to undertake part of the study towards their Australian courses at an overseas institution. Students have access to two loans over a lifetime and a 20 per cent loan fee applies in 2009. From 1 January 2010, OS-HELP loans will no longer have a loan fee.

People with a HELP debt are required to make repayments when their income exceeds the minimum threshold, which was \$41 595 in 2008–09. Voluntary repayments receive a 10 per cent bonus for repayments of \$500 or more.

As part of reforms to encourage more people to study mathematics and science, from 1 January 2009 the maximum annual student contribution amount for new students (and some continuing transferring students) who study mathematics (including statistics) and science units was reduced from \$7412 to the lowest ‘national priority’ rate of \$4162 (2009 rates). Funding of around \$562.2 million over four years was allocated for this initiative.

In addition, during 2008–09 a new HECS-HELP benefit was implemented. The benefit enables eligible mathematics and science graduates (who graduate from second semester 2008 onwards) to apply to the Australian Taxation Office for a reduction in their compulsory HELP repayment if they are employed in mathematics and science related occupations, including as teachers of those subjects in secondary and primary schools, for up to 260 weeks of eligible employment. The HECS-HELP benefit reduces compulsory HELP debt repayments by up to \$1500 in the 2008–09 income year (indexed in future). Funding of \$63.6 million over four years was provided for this initiative. Eligible early childhood education teachers who work in particular areas of need also receive a similar HECS-HELP benefit, valued up to \$1600 in 2008–09.

During 2008–09, the department received six applications from institutions to offer FEE-HELP. At 30 June 2009, 73 institutions had approval to offer FEE-HELP, in addition to the institutions listed in Tables A, B and C of the *Higher Education Support Act 2003*.

Higher Education Disability Support Program

Approximately \$6.4 million was available in 2008 through the Higher Education Disability Support Program. This funding aims to assist eligible higher education providers in meeting the educational support and equipment costs associated with supporting students with disability. The program also aims to encourage providers to develop strategies to facilitate the access, participation, retention and success of students with disability.

Business, Industry and Higher Education Collaboration Council

The Business, Industry and Higher Education Collaboration Council (BIHECC), established in 2004, consists of high-level membership drawn from across the business and academic sectors. BIHECC’s role was to advise the Minister on ways to increase collaboration between the higher education sector and other public and private business, industry, community and educational organisations. BIHECC has met 11 times since 2004 and commissioned the following reports: *Knowledge Exchange Networks in Australia’s Innovation System* (2005); *Graduate Employability Skills* (2007); *Philanthropy in Australia’s Higher Education System* (2007); and *The Business Case for Knowledge Transfer* (2007).

In its submission to the Review of Australian Higher Education (July 2008), BIHECC noted that, in its current form, the council had run its course and that other models for formal interaction between the sectors should be considered. The terms of BIHECC members expired in August 2008 and BIHECC was dissolved in February 2009.

Transitional Costs Program

The Transitional Costs Program was introduced in 2008 to assist higher education providers with the transitional costs associated with changes to the maximum student contribution amount for Commonwealth supported students undertaking accounting and related disciplines. The Transitional Costs Program provided funding of \$48 million in 2008 and \$32 million in 2009. The program will cease at the end of 2012.

Income support for students

Youth Allowance, Austudy and ABSTUDY provide assistance for students from low-income and Indigenous backgrounds to enable them to participate in full-time education, training or an Australian Apprenticeship. These payments are demand-driven and all eligible recipients receive assistance.

At June 2009, 130 359 higher education students were in receipt of Youth Allowance, 18 816 higher education students were in receipt of Austudy, and 3015 higher education students were in receipt of ABSTUDY.

Of these, 48 643 Youth Allowance recipients were assessed as dependent and 81 716 were assessed as independent. In June 2009, 42.6 per cent of full-time higher education students in receipt of Youth Allowance had private earnings (on average, \$392 a fortnight).

The following information encompasses results from the department's Outcomes 2, 3 and 4. This data is aggregated as management information is not available at the outcome level.

The department has a review program to assist in maintaining the integrity of administered savings. Information obtained from Centrelink's Integrated Review System mainframe data shows that approximately 230 000 student payment reviews were completed in the reporting year. As a result of those reviews, 32 182 recipients had their payments reduced or cancelled, 8161 had their payments increased, and 39 255 had their debts raised, with an estimated value of \$70.7 million.

Student income support payment debts raised and recovered

In 2008–09, approximately 130 000 new student payment debts, with a value of almost \$120 million, were raised; \$92.3 million of debt was recovered by Centrelink and its contracted mercantile agents; and \$7 million was waived under provisions of the *Social Security Act 1991*, the *Financial Management and Accountability Act 1997* or the *Student Assistance Act 1973*.

Indigenous Support Program

The Indigenous Support Program (ISP) provides funding to higher education providers to assist them in meeting the needs of Indigenous students and to advance the goals of the National Aboriginal and Torres Strait Islander Education Policy. The funding is performance based, with three components to the formula: Indigenous student enrolments, student progress rates, and award course completion rates. The index used for ISP is the Higher Education Cost Adjustment Factor. The allocations are adjusted each year based on data from the Higher Education Student Statistical Collection.

In 2008–09, the program funded Australian higher education providers to enable them to improve the participation, opportunities and outcomes of Indigenous students and staff. A wide variety of approaches to improving Indigenous access and participation were adopted, including the following strategies:

- intensive Indigenous orientation programs for students entering higher education through non-mainstream avenues

- on-campus residential programs targeted at Indigenous high school students
- academic and social support, including resourcing computer labs and tutoring rooms that are reserved for Indigenous students within Indigenous Education Units
- employment of full-time Indigenous Student Support Officers
- Indigenous mentoring programs targeted at students in need
- Indigenous special entry provisions and culturally appropriate student recruitment processes.

In 2008–09, the Australian Maritime College merged with the University of Tasmania, reducing the number of providers receiving funding through ISP from the estimated 39 to 38.

Indigenous Higher Education Advisory Council

The Indigenous Higher Education Advisory Council (IHEAC) provides policy advice to the Australian Government on improving higher education outcomes for Indigenous people.

In 2008–09, a new measure was introduced to increase the rate of payment accuracy. The purpose of this measure, which started on 1 July 2008, is to increase the number of assessments of people receiving payments through Centrelink, where data-matching with the Australian Taxation Office suggests the need for such a review. The reviews seek to identify people who have failed to declare, or may have underdeclared, income or assets to Centrelink. This measure will reduce overpayments and lead to the recovery of amounts already incorrectly paid.

During 2008–09 IHEAC held three meetings and a forum, outlined below:

- IHEAC Meeting 11–13 and 15 August 2008 at the Crowne Plaza Hotel, Canberra
- IHEAC Stakeholders Forum—14 August at the Crowne Plaza Hotel, Canberra
- IHEAC Meeting 12–19 November 2008 at the Crowne Plaza Hotel, Darwin
- IHEAC Meeting 13–19 March 2009 at the Hyatt Hotel, Canberra.

The focus of those meetings was on strategies and issues for improving higher education outcomes for Indigenous staff and students. A large part of IHEAC's work in 2008–09 has centred on providing a submission and response to the Review of Australian Higher Education. The purpose of the IHEAC Stakeholders Forum was to identify key issues and recommendations for the submission to the Review of Australian Higher Education. Over 80 delegates from 31 universities and a number of professional organisations attended the forum, which provided an opportunity to showcase the depth of knowledge, skills, expertise, experience and commitment of Australia's Indigenous higher education community.

Parallel to this, IHEAC has made significant progress on a number of important fronts, including:

- providing a response to the Review of the National Innovation System (the Cutler Review)
- providing a submission to the Review of Australia's Future Tax System (the Henry Review)
- engaging with Universities Australia on the need to incorporate Indigenous cultural competency across the sector
- developing a National Indigenous Higher Education Workforce Strategy and examining ways to evaluate and improve existing student finance measures.

IHEAC also progressed a scoping study on an Indigenous Learned Academy and Indigenous Centre of Researcher Development.

IHEAC has been involved in selecting the recipients for the Indigenous Staff Scholarships. Scholarship holders receive a stipend and tuition fee, which allows them to take one year of leave from their employment to further their studies at a higher education provider. IHEAC provided recognition for Indigenous elders by awarding five Indigenous Elders and Leaders Awards at their conference dinner in 2008.

Other appropriations

Small business incentives for regional campuses

The Support for Small Businesses on Regional University Campuses Program was part of the transitional arrangements in response to the introduction of Voluntary Student Unionism (VSU). The program assists higher education providers to encourage and support small businesses to establish operations on regional campuses to provide services for students. The types of business services that the program has supported include health, accommodation, child care, food and beverage supplies and textbook and educational supplies.

Total funding of \$4.4 million was allocated under the program to 20 projects across nine universities. Final payments will be made in 2009–10.

National Centre of Excellence for Islamic Studies

The National Centre of Excellence for Islamic Studies opened in 2007. It was established, with support from the government, by a group of Australian universities comprising the University of Melbourne, the University of Western Sydney and Griffith University. In 2008–09, the centre continued to establish itself as a place for research and education excellence in Islamic studies.

The centre provides learning opportunities for all Australians interested in Islamic studies and is helping to prepare people for work with and in Australian Muslim communities as school teachers, social workers, health professionals, business managers, community leaders and other professionals.

The government provided funding to the centre for 40 Commonwealth supported places in 2008. An additional 8.45 places were provided by the host institutions from their existing pool of Commonwealth supported places. In November 2008, the centre held an international conference 'Challenges to Social Inclusion in Australia: The Muslim Experience'. The centre has the benefit of a National Consultative Committee to help inform its activities, and the department represents the government on this committee.

Supporting the universities to establish the centre was a government initiative under the COAG National Action Plan to Build on Social Cohesion, Harmony and Security.

Voluntary Student Unionism Transition Fund for Sporting and Recreational Facilities

The Voluntary Student Unionism (VSU) Transition Fund for Sporting and Recreational Facilities was established in 2006 to assist universities adjust to voluntary student unionism, which was a result of the *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Act 2005*. A key objective of the fund is to assist universities to provide sporting and recreational infrastructure in areas with limited access to alternative facilities. A total of 51 projects were funded across 27 universities, with a total value of \$85 million, through two competitive funding rounds held in 2006 and 2007. All funding under the VSU Transition Fund has been committed.

Centre for Social Impact

The Centre for Social Impact was established in 2008 by the University of New South Wales and its consortium partners, Swinburne University of Technology and the University of Melbourne, with funding from the government in the form of a \$12.5 million endowment.

The centre aims to improve business engagement with the not-for-profit sector and to build the capacity and effectiveness of the sector through its educational programs and research activities.

Each year, the centre reports against the following objectives:

- to offer world-class teaching relating to the not-for-profit sector in collaboration with leading Australian and international institutions
- to produce high-quality research relevant to improving the effectiveness of the not-for-profit sector and thus producing a beneficial social impact
- to work with strategic partners to help develop and deliver better solutions for the not-for-profit sector
- to focus on specific areas of need in the not-for-profit sector.

The Australian Government's \$12.5 million endowment to the centre has already been matched with funding through philanthropic and other contributions, ahead of the expected target date of 2012.

Framework for Open Learning Program

The Framework for Open Learning Program supports cross-jurisdictional and cross-sectoral information and communications technology (ICT) in education to promote leadership and better practice in the use of ICT and digital resources to enhance student learning throughout life. The program's objective is to support national projects that encourage the effective and efficient use of ICT across all education sectors. Funding priorities reflect the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) Joint Ministerial Statement on ICT in education and training (2008–2011).

In 2008–09, the program continued to fund education.au Limited, Education Network Australia, secretariat support for the Australian ICT in Education Committee (AICTEC) and secretariat support for AICTEC's .edu.au Domain Administration Committee (eDAC). The program's funded projects completed in 2008–09 included research into learners' and educators' views of learning with technologies and an independent governance and pricing review of the .edu.au domain.

Better Universities Renewal Funding

The \$500 million Better Universities Renewal Funding initiative, which was announced in the 2008–09 Budget, recognised the immediate need to renew campus infrastructure. The initiative will enable higher education providers to implement projects in the priority areas of information and communications technology, laboratories, libraries and student study spaces, teaching spaces and student amenities.

Funding agreements have been finalised with institutions and the grants were paid in 2007–08 to all Table A and Table B providers under the *Higher Education Support Act 2003*. Under the funding agreement, all institutions submitted a schedule of works plan for projects that aligned with one or more of the priority areas. All schedules have been approved. All of the funding for this initiative must be expended by 30 June 2011.

Institution Assessment Framework

The Australian Government monitors the accountability, quality, fairness and financial viability of higher education institutions and the sector through the Institution

Assessment Framework. The framework aims to ensure that the institutions it funds are sustainable and deliver the outputs for which they are funded, that their outcomes are of high quality and that they comply with their legal obligations. The department's assessments are based on quantitative and qualitative data from universities and external sources. Assessments focus on four key areas: organisational sustainability; achievements in higher education provision; quality; and compliance with requirements of the *Higher Education Support Act 2003*.

Education Investment Fund

The Education Investment Fund (EIF), subsumed the Higher Education Endowment Fund (HEEF) and provides funding to transform higher education, vocational education and training and research. The EIF is a major component of the government's Education Revolution and aims to build a modern, productive Australian economy to meet the challenges of the future.

Education Investment Fund

Two funding rounds of the Education Investment Fund (EIF), one of the Australian Government's Nation-building Funds, were completed in 2008–09.

As part of the Nation Building package announced by the Prime Minister on 12 December 2008, the Hon Julia Gillard MP, Deputy Prime Minister, and Senator the Hon Kim Carr, Minister for Innovation, Industry, Science and Research, announced funding of \$580 million to be fast-tracked to universities through Round 1 of the fund.

The ministers approved 11 successful projects as part of a \$4.7 billion nation-building infrastructure package to protect Australia's economy in tough times.

The successful projects were selected from 55 eligible applications received. The proposals were from across the teaching, learning and research sectors, as well as from a variety of disciplinary areas ranging from education and creative arts to medical research, engineering and science.

In February 2009, the Deputy Prime Minister and Senator Carr announced the opening of EIF Round 2, through which the vocational education and training (VET), higher education, and research sectors had the opportunity to present significant, strategic infrastructure projects with the capacity to transform Australian tertiary education and research. EIF Round 2 was conducted within a short timeframe to maximise the opportunity to provide a much-needed stimulus to the Australian economy.

On Budget night 2009, the government announced that 31 projects would receive \$934 million of funding from Round 2 of the EIF. Twelve of the successful projects were for VET infrastructure, 11 were for higher education teaching and learning facilities, and eight were for research infrastructure. Taking into account co-investment by project collaborators, the total value of the 31 projects was \$1.8 billion.

The government also announced its continuing commitment to world-class teaching, learning and research infrastructure. An allocation of \$500 million was announced for EIF Round 3, as well as a special \$650 million Sustainability Round, to support VET, higher education and research infrastructure related to climate change and sustainability activities.

Performance in the delivery of departmental outputs

Table 3.7

Performance information for departmental outputs

Performance indicator	Estimate	Actual
Program management		
<i>Quality</i>		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Programs funded under the <i>Higher Education Support Act 2003</i> achieved 100% compliance
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Programs funded under the <i>Higher Education Support Act 2003</i> achieved 100% compliance
Timeliness of parliamentary reports (including interim responses where appropriate) provided to Parliament and its committees	At least 90% meet deadline	— ^a
High-quality ministerial replies as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from ministers and the Parliamentary Secretary to the Secretary	Satisfied ^b
	Analysis of trends over time to monitor percentage delivered within agreed timeframes	
Policy services		
<i>Quality</i>		
High-quality policy advice as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from ministers and the Parliamentary Secretary to the Secretary	Satisfied ^b
High-quality research and evaluation reports as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the reports	Qualitative evaluation of satisfaction using feedback from ministers and the Parliamentary Secretary to the Secretary	Satisfied ^b
Research activities are completed according to plan	At least 90% completed to plan	At least 90% of research activities were completed to plan
Service delivery		
<i>Quality</i>		
Satisfactory services as reported by Centrelink through the timely processing of ABSTUDY, Austudy, Youth Allowance, Assistance for Isolated Children claims	Services provided in accordance with DEEWR–Centrelink Business Partnership Agreement	Centrelink's performance against the key indicators of timeliness and correctness of payments, as set out in the DEEWR–Centrelink Interim Business Partnership Agreement 2008–09, was satisfactory for these payments

- a The department experienced delays in responding to the House of Representatives Standing Committee on Education and Training review on the Review of the Department of Education, Science and Training Annual Report 2006–07. At present there is insufficient data available to determine the actual performance. The department will improve on its data collection for the next reporting period.
- b During the year, ministers, parliamentary secretaries and their staff provide feedback on the level of satisfaction with departmental advice during regular meetings with the department. Overall feedback from their offices is that they recognise the significant efforts made by departmental staff and are satisfied with the quality of briefings. Analysis of trends in 2008–09 indicates that the percentage of briefs and ministerials delivered within agreed timeframes is increasing steadily. The number of errors and rejections is also largely trending downward due to an emphasis on feedback to assist line areas to improve quality and presentation.

Outlook for 2009–10

In response to the findings of the Bradley Review, the Australian Government will make an unprecedented investment in universities and the tertiary education system to drive comprehensive reform across the post-compulsory education and training sector.

To further improve the tertiary education sector, the government is implementing reforms to the structure of higher education funding, the student income support system, the regulation of quality across the sector and support for increased participation in the sector from low socioeconomic status students. Pathways between the higher education and vocational education and training sectors will be strengthened and streamlined, and a new national body will assure the quality of Australia's higher education sector. This will further increase Australia's appeal as an excellent study destination for international students.

Initiatives for 2009 to 2013 include:

- In 2010, funding to support the low socioeconomic status participation targets will make up around 2 per cent of teaching and learning grants, and will increase to about 3 per cent in 2011. By 2012, equity funding will be broadly in line with the Bradley Review's recommendation to increase it to 4 per cent of teaching and learning grants. The funding will support the government's aim to increase the higher education enrolment of students from a low socioeconomic status background to 20 per cent by 2020. This includes \$394 million new funds, plus existing Equity Support funding.
- Implementation, by 2012, of a student-centred funding model based on student demand. The government will fund Commonwealth supported places for all undergraduate domestic students accepted into an eligible, accredited higher education course at a recognised public higher education provider. Transitional arrangements will be in place for 2010 and 2011. During the transitional period, the current cap on funding for over-enrolments will be raised from 5 per cent to 10 per cent before being removed in 2012. The current funding floor for under-enrolment will be maintained during the transitional period (a provider's funding is reduced for under-enrolment of more than 1 per cent, in funding terms, to a maximum of 4 per cent). An additional \$491 million over four years has been provided to fund an estimated 80 000 additional Commonwealth supported places.
- \$83 million will be provided over four years to reduce HELP repayments for eligible education and nursing graduates if they work in teaching or nursing professions. For students commencing from 1 January 2010, student contributions for education and nursing units of study will be increased from the National Priority to the Band 1 level, providing additional revenue for higher education providers to improve resourcing for education and nursing courses. The cost will be \$33 million over four years.
- \$578 million for revised indexation for higher education funding (including research funding administered by the Department of Innovation, Industry, Science and Research) will be introduced from 2012, with transitional arrangements in 2011 for teaching and learning. The increase in indexation will provide funding security and certainty for institutions to support improved student-to-staff ratios and greater student engagement.
- Australia's tertiary education and research sectors will benefit from a capital injection of \$2.985 billion from the EIF.
- \$57 million for the Tertiary Education Quality and Standards Agency, to be established from 2010 to underpin a strong quality-assurance framework for Australian higher education, and to drive improved teaching and learning standards for students.
- From 2012, \$206 million for new performance funding to reward institutions that meet agreed targets in key areas such as improving the quality of teaching and learning and the outcomes for students from low socioeconomic backgrounds.

- The introduction of mission-based compacts which will provide a new framework for funding and accountability. Compacts will help to align institutional activity with national priorities. They will also help set performance targets for each institution in relation to quality, attainment and participation by students from under-represented groups.
- New arrangements for student income support will provide comprehensive changes to the student income support system to remove financial barriers to the participation of students from low socioeconomic backgrounds and Indigenous students. The new arrangements support the government's goal to increase the higher education enrolment of students from a low socioeconomic background to 20 per cent by 2020.
- The OS-HELP loan fee will be removed in 2010. This will encourage Australian students to study overseas during their higher education courses, enhancing their student experience and learning outcomes.
- \$402 million in funding will be provided to support significant structural change across the sector, which could include the creation of new models of higher education institutions, and collaborations between higher education providers and vocational education and training providers. Total funding includes \$64 million from the existing Diversity and Structural Adjustment Fund, and \$200 million funded from the EIF for the capital components of structural adjustment.
- The department will continue to administer student income support payments in accordance with the legislation and policy guidelines. Implementation of the Participation Requirements for Young Australians budget measure for current recipients of Youth Allowance will also continue. In 2009–10, a new DEEWR–Centrelink Business Partnership Agreement will be put in place.

Report on performance

Outcome 4

Vocational education and training

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Outcome 4 Vocational education and training

Vocational education and training (VET) plays a central role in developing the skills base of Australia's workforce by offering opportunities for all Australians to pursue their career aspirations. Traditionally, young people have undertaken training through VET, but many more Australians are now upgrading their formal skills to meet new workforce requirements and to better position themselves to take up emerging opportunities. The national training system now provides high-quality, industry-driven and nationally recognised training to one in eight working-age Australians.

Currently, Australia is facing unprecedented economic circumstances, with the global recession having a significant impact on the workforce. Workforce skills development plays an important role in Australia's response to this crisis; maintaining Australia's economic capacity in difficult times and increasing the growth potential for the Australian economy when it recovers.

Australian Government's aspiration for vocational education and training

The Australian Government, in conjunction with the states and territories, has worked with industry to develop a training system that provides Australians with the vocational skills they need to enter or re-enter the workforce and to upskill. This cooperation is reflected in the National Agreement on Skills and Workforce Development, which identifies the long-term objectives of the Australian Government and state and territory governments on skills and workforce development and affirms the common commitment of all governments to work in partnership, and to work with businesses and industry, to develop the skills of the Australian people.

The agreement came into effect on 1 January 2009 as part of the Council of Australian Governments (COAG) reform agenda. The agreement provides specific targets for increasing the skill levels of all Australians, including Indigenous Australians, and gives the states and territories greater flexibility to target funding to their individual needs and to achieve improved VET outcomes. Specific targets in the agreement include:

- doubling the number of higher qualification completions (diploma and advanced diploma) by 2020
- halving the proportion of Australians aged 20 to 64 years without qualifications by 2020 (training them to Certificate III level and above).

Australian Government's role in vocational education and training

The government is committed to a strong national training system that delivers economic and social benefits to individual students, industry and business.

New funding arrangements to support VET as part of a joint commitment to achieve new targets for vocational skills for Australians have been agreed. Commonwealth–state financial arrangements have been settled through a new intergovernmental agreement and the National Partnership Agreement for Productivity Places Program.

Consistent with the approach to all COAG National Partnerships, negotiations emphasised the shift away from input controls towards a focus on reporting and accountability of over 500 000 new qualification commencements for job seekers and existing workers. Within the parameters of the National Partnership for Productivity Places Program, states and territories have therefore been provided with greater flexibility to deliver the program. This approach has enabled states and territories to tailor training to suit local priorities and to use the funding provided under the National Partnership for Productivity Places Program to help meet obligations under the Compact with Young Australians and the Compact with Retrenched Workers, which aim to improve the overall skill level of the Australian population.

Under the new arrangements, states and territories are largely responsible for delivering the Productivity Places Program from 2009 to 2012. The Australian Government retains responsibility for delivering a small number of training places that will be used to assist redundant workers to reskill or upskill (structural adjustment places) and job seekers to obtain business skills (New Enterprise Incentive Scheme).

In 2008–09, in response to the global recession, the government announced a number of initiatives to enhance the VET system and strengthen the skills base to secure jobs and continue the training of apprentices and trainees to ensure that their skills are relevant to the needs of industry. Initiatives included:

- The Securing Apprenticeships and Traineeships initiative, which assists out-of-trade Australian Apprentices to remain connected to the workforce and maintain the value of their investment in training through successful completion of their qualifications.
- The Securing Apprenticeships and Traineeships through Registered Training Organisations initiative, which allows Australian Apprentices who have been made redundant to maintain the value of their investment in training by allowing them to complete the off-the-job component of their training arrangements.
- The Teaching and Learning Capital Fund for the VET sector, announced by the government as part of the nation-building infrastructure package to support the economy, which focuses on modernising and improving the quality of teaching and learning infrastructure. The fund will inject \$500 million into public skills and training infrastructure to increase the capacity of the training sector. Funding will focus on capital investments to modernise and improve the quality of teaching and learning facilities across the VET sector.
- The Vocational Education Broadband Network, which will provide the infrastructure to enable TAFEs to access a high-quality broadband network tailored to the requirements of the training sector.

Key priorities

The key priorities for Outcome 4 in 2008–09 were:

- implementing initiatives announced as part of Building the Education Revolution
- transitioning the Productivity Places Program to states and territories through the National Partnership
- implementing the new Skills and Workforce Development National Agreement
- implementing VET FEE-HELP
- developing the National Licensing System for Specified Occupations
- finalising the 2005–2008 Commonwealth–State Agreement for Skilling Australia’s Workforce.

Key achievements

The key achievements for Outcome 4 in 2008–09 were:

- delivering the Productivity Places Program in accordance with priorities and arrangements agreed with the states and territories through COAG
- implementing income-contingent loans, VET FEE-HELP, to stimulate the take up of higher level skills by reducing the financial barrier to students having to pay tuition fees up front for diploma, advanced diploma, graduate certificate and graduate diploma courses
- implementing programs and initiatives announced as part of the Education Revolution—Skilling Australia for the Future, for a more productive and inclusive society
- implementing the new Skills and Workforce Development National Agreement, including the COAG targets for 2020

- implementing relevant outcomes of the Review of Australian Higher Education, particularly with respect to collaboration between higher education and VET institutions and the participation of disadvantaged groups
- implementing the Securing Apprenticeships and Traineeships initiative to support out-of-trade Australian Apprentices to remain connected to the workforce and maintain their investment in training
- developing an intergovernmental agreement for the National Licensing System for Specified Occupations
- launching proposals to streamline existing financial incentives under the Australian Apprenticeships Incentives Program to reduce the administrative burden for employers while retaining valuable support for employers, apprentices and trainees
- supporting the Industry Skills Councils to expand their capacity to help businesses identify the training and development needs of their workforce
- supporting retrenched workers to gain skills and qualifications in fields in which there are employment opportunities through a number of initiatives, including the Compact with Retrenched Workers and the Productivity Places Program for retrenched workers
- providing ongoing support for industry engagement in the VET system through a range of measures from high-level strategic government bodies to local grassroots activity covering a range of different themes in a number of regions
- publishing the *Learning for Jobs: OECD Reviews of Vocational Education and Training* and the *Systemic Innovation in the Australian VET System: Country Case Study Report* at the end of 2008. The OECD reports provided recommendations to the VET sector, which were considered and responded to through the work of COAG, the Ministerial Council for Vocational and Technical Education (MCVTE) and the National Senior Officials Committee
- utilising the Education Investment Fund for capital expenditure, renewal and refurbishment of VET institutions
- convening The BIG Skills Conference, 2–5 March 2009, bringing together 1190 national and international delegates to discuss key training sector issues and stimulate change in the Australian tertiary sector
- hosting the 2008 Australian Apprenticeships Roundtable—a group comprising 31 apprentices and trainees, drawn from a variety of industry areas across Australia—to discuss their Australian Apprenticeships experience, their challenges and successes. The roundtable reported its findings to MCVTE in November 2008 and its report is published at <www.australianapprenticeships.gov.au>
- implementation with Centrelink of government measures to assist students during the global recession including the Training and Learning Bonus of \$950 provided in Semester 1 2009 to eligible student income support recipients and eligible postgraduate scholarship students. As at 30 June 2009, approximately 330 000 eligible students had received the Training and Learning Bonus under the department's Outcomes 2, 3 and 4
- implementation through Centrelink of financial assistance under the Economic Security Strategy announced in October 2008 including:
 - one-off payments to pensioners, seniors, carers, and people with disability of \$1400 for singles and \$1050 to each member of a couple on a qualifying payment. Included were recipients of DEEWR payments such as Austudy and ABSTUDY who were over age pension age.
 - families received \$1000 per eligible dependent child including any recipients of Youth Allowance (dependent) and ABSTUDY (dependent).

- finalising the Ministerial Council for Employment, Education, Training and Youth Affairs (MCEETYA) review of the 2002 *Ministerial Declaration on Adult Community Education*, and working with the states and territories to publish the 2008 *Ministerial Declaration on Adult Community Education*
- finalising effective mutual recognition arrangements for licensed vocationally trained occupations.

Performance information for Outcome 4

The department uses a range of performance indicators to measure the impact of its programs and activities. The overall impact of departmental activities should be viewed in the context that VET outcomes are not controlled solely by the government, but are achieved in partnership with external stakeholders, particularly state and territory governments and industry.

Effectiveness indicators

Table 4.1

Effectiveness indicators for Outcome 4

Vocational education and training

- Trend in student participation in VET
- Trend in Australian Apprenticeship commencements
- Trend in student achievement in VET
- Trend in Australian Apprenticeship completions
- Employment outcomes—increasing percentage of VET graduates employed at the end of May by year of completion of training
- Employer satisfaction with Australian Apprenticeship Centres
- Trend in number of Indigenous students in the public VET system by Australian Qualifications Framework level
- Trend in number of Indigenous Australian Apprenticeship completions

Special assistance

- Number assisted through Workplace English Language and Literacy (WELL) Program
- Increase in the percentage of the Language, Literacy and Numeracy Program (LLNP) participants who complete at least one block of training and go on to further training or employment

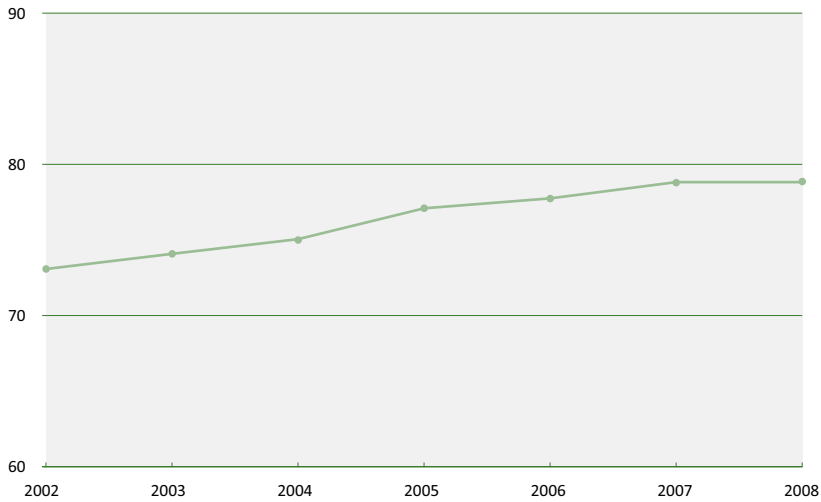
Student assistance

- Percentage of the relevant full-time student population receiving support under:
 - FEE HELP
- Trend in the number of full-time students receiving income support under:
 - Youth Allowance
 - Austudy
 - ABSTUDY

Employment outcomes

The impact of post-school education and training is most evident in employment outcomes, which indicate that Australians with post-compulsory qualifications have higher levels of employment than those who do not continue their formal training.

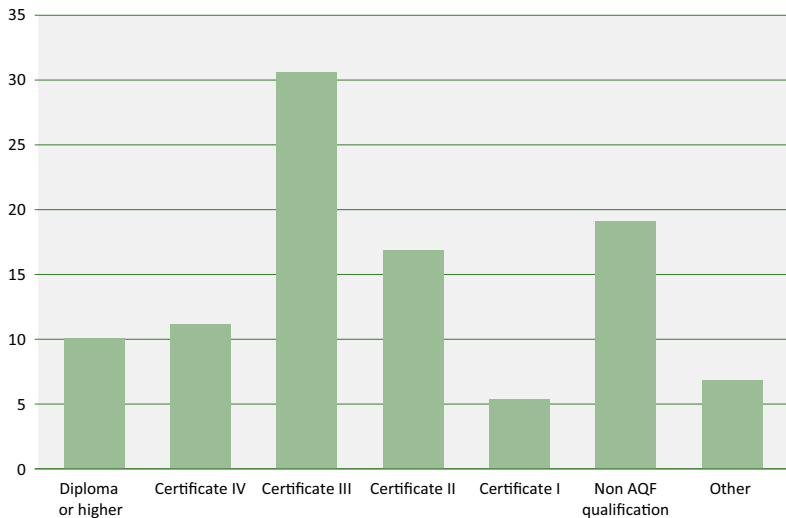
The percentage of TAFE graduates employed in the year after completion of their training rose slightly between 2002 and 2007 (Chart 4.1). Post-training outcomes for Indigenous and other students differ, but the gap narrowed from 18 percentage points in 2006 to 13 points in 2008.

Chart 4.1**Percentage of TAFE graduates employed at the end of May in the year following completion of training**

Source: National Centre for Vocational Education Research (NCVER) Student Outcomes Survey, 2002–08.

Participation trends

The number of VET students undertaking higher level qualifications (Certificate IV, diploma or advanced diploma) has increased by 4 per cent since 2006, though the number in 2008 is still 8 per cent below the 2002 level. In contrast, the number of VET students undertaking Certificate III qualifications increased by 36 per cent between 2002 and 2008. The number of students enrolled in 'other recognised courses' continued to decline and is now 34 per cent below the 2002 level. Chart 4.2 shows the level of qualification for which VET students are enrolled.

Chart 4.2**Percentage of VET students by Australian Qualifications Framework level**

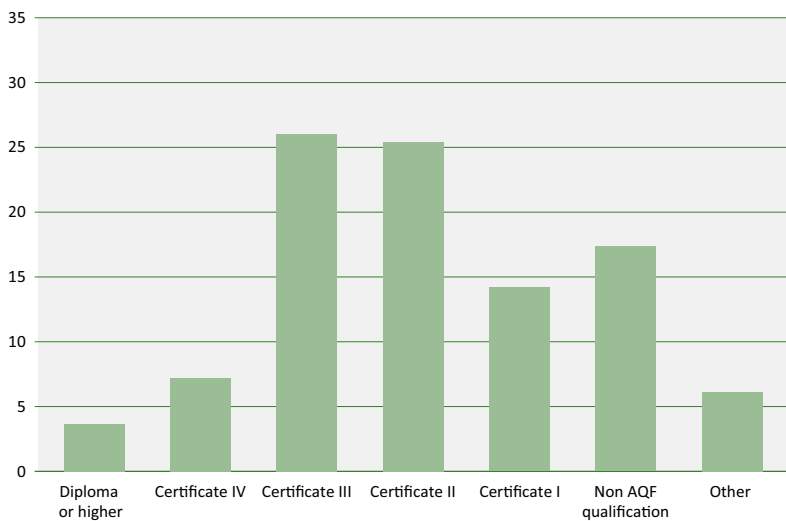
Source: NCVER National VET Provider Collection, Students 2008 dataset.

Indigenous participation in vocational education and training

The number of Indigenous VET students undertaking higher level qualifications (Certificate IV, diploma or advanced diploma) has increased by 4 per cent between 2002 and 2008. The number undertaking Certificate III qualifications increased by 45 per cent over the same period. The number enrolled in 'other recognised courses' was 22 per cent above the 2002 level. After decreasing between 2002 and 2005, the number of Indigenous students enrolled in Certificate II qualifications continued to increase, and in 2008 was 13 per cent above the 2002 level. Indigenous students were more likely to enrol for certificates I and II (14 and 25 per cent respectively for Indigenous students, compared to 5 and 17 per cent for other students). Indigenous students were less likely to undertake higher level qualifications than non-Indigenous students (11 per cent compared to 22 per cent). Chart 4.3 shows the level of qualification for Indigenous students.

Chart 4.3

Percentage of Indigenous VET students by Australian Qualifications Framework level

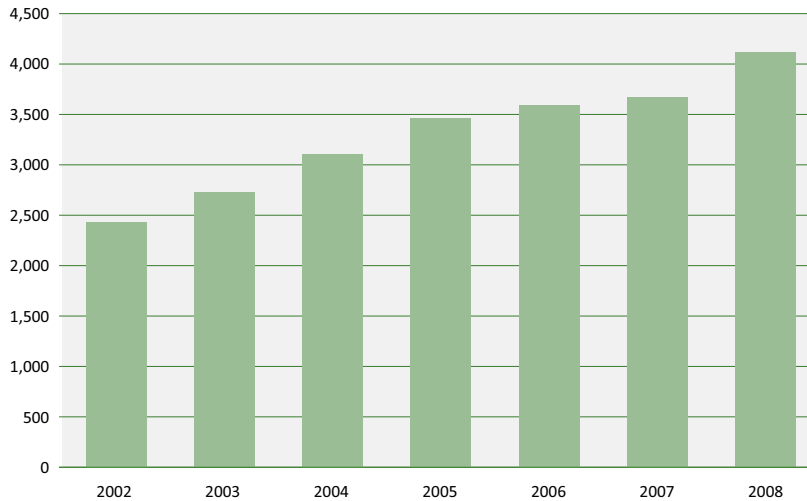


Source: NCVET National VET Provider Collection, Students 2008 dataset.

The number of Indigenous students successfully completing Australian Apprenticeships has increased consistently since 2002. Completions in 2008 were 69 per cent above 2002 levels (36 per cent for non-Indigenous students). In 2008, higher level qualifications for Indigenous students were up 318 per cent from 2002 (215 per cent for non-Indigenous students), and Certificate III completions were 132 per cent higher (48 per cent for non-Indigenous students). The gap between Indigenous and other apprentices completing Certificate III qualifications has halved since 2002–2004, from 21–22 percentage points to 11 percentage points. Chart 4.4 shows the number of Indigenous students successfully completing Australian Apprenticeships.

Chart 4.4

Indigenous completions in Australian Apprenticeships



Source: NCVET National Apprentice and Trainee Collection, March 2009 estimates. (The number of completions is for the year ending 30 September 2008).

Performance in the delivery of administered outputs

Table 4.2

Performance information for administered outputs

Performance indicator	Estimate	Actual
Australian Apprenticeship Centres		
Number of organisations contracted to provide services	28	28
Number of Australian Apprenticeship commencements	272 600	284 502
Number of Australian Apprenticeship completions	132 200	145 277
Support for Australian Apprenticeships		
Total number of employers assisted nationally	97 400	95 309
Total number of Australian Apprentices assisted nationally through Personal Benefits	79 500	139 152
Australian Apprenticeship Access Program		
Number of eligible job seekers assisted	9500	10 754
Australian Apprenticeship Workforce Skills Development		
<i>Productivity Places Program</i>		
Total number of job seekers assisted	44 000 ^a	92 292
Total number of existing workers assisted	66 000	43 456
<i>Group Training in the Trades Program</i>		
Number of pre-vocational places supported in trade areas	1200	1704
<i>Targeted Initiatives Program</i>		
Number of Group Training Organisations (GTOs) supported	32	32
Number of apprentices through GTOs:		
→ commencements	547	678
→ completions	N/A	70
<i>Joint Group Training Program</i>		
Number of Australian Apprentice commencements in state/territory group training sub-programs	22 500	17 759
<i>Training Initiatives for Indigenous Adults in Regional and Remote Communities program</i>		
Number of projects funded	2600	38 ^b

Performance indicator	Estimate	Actual
Workplace English Language and Literacy		
Number of individuals assisted through Workplace English Language and Literacy (WELL) Program	16 500	12 146
Language, Literacy and Numeracy		
Number of individuals assisted through Language, Literacy and Numeracy Program (LLNP)	24 000 ^c	15 710
Disability Coordination Officers		
Number of Disability Coordination Officers funded (FTE)	31	31
ABSTUDY		
Number of students attending a TAFE college or private training institution as at June	2000 ^d	4389
Youth Allowance		
Number of students attending a TAFE college or private training institution in receipt of Youth Allowance as at June	25 000 ^d	42 222
Austudy		
Number of students attending a TAFE college or private training institution in receipt of Austudy as at June	8000 ^d	13 962

a An additional 71 000 places were announced during 2008–09.

b Estimate in the Portfolio Budget Statements 2008–09 incorrectly referred to the number of participants. Projects for 2008 calendar year are 38.

c A revised 2008–09 estimate was made in the 2009–10 DEEWR Portfolio Budget Statements.

d A revised 2008–09 estimate was made in the 2009–10 DEEWR Portfolio Budget Statements, due in part to improved attribution of student income support recipient data across all sectors.

Supporting national vocational education and training priorities

The department administers funding to achieve national VET priorities, including through:

- Vocational Education and Training—National Programs, which support the implementation of the national goals and objectives contained in *Shaping our Future: Australia's National Strategy for vocational education and training 2004–2010* and related national priorities
- the new Intergovernmental Agreement on Federal Financial Relations, which commenced on 1 January 2009. The agreement implements a new framework for federal financial relations between the Commonwealth of Australia and the states and territories, after the conclusion of the 2005–2008 Commonwealth–State Agreement for Skilling Australia's Workforce. The agreement provides for the following new funding arrangements
 - under the National Agreement for Skills and Workforce Development, the government will provide an estimated \$6.7 billion over the forward estimates from 1 January 2009 to 2012–13. States and territories will have greater flexibility to target funding to address their individual needs and to achieve agreed VET outcomes
 - the government will provide approximately \$47.4 million annually (indexed) to manage the National Training System. This funding as a commonwealth own-purpose expense has been identified and set aside for consideration by training ministers—not unlike previous arrangements for Strategic National Initiatives
 - the government will provide funding under the National Partnership Agreement for Productivity Places Program, which aims to reduce skills shortages and increase the productivity of industry and enterprises. All governments are committed to increasing investment in training and ensuring that this is targeted to address areas of skills shortages across the Australian economy. Funding of \$208.2 million is being provided for 2009–10
- the National Centre for Vocational Education Research (NCVER), a national research, evaluation and information organisation that provides data for the VET sector.

Quality in vocational education and training

Individuals and employers must have confidence in the quality of the qualifications awarded under the national training system, wherever they are delivered in Australia. The Ministerial Council for Vocational and Technical Education (MCVTE) provided the national focus for VET through the National Agreement for Skills and Workforce Development. This agreement committed parties to elements of the National Training System, which include the following:

- *Principles*, including that policies are informed by the needs of clients, investment in skills is sufficient to meet labour market demand, and the training framework is flexible and responsive.
- *Governance*, which establishes the decision-making processes and the bodies responsible for training.
- *Quality assurance and regulation*, which include the national standards for the registration and auditing of training providers and accreditation of courses, and national standards for state and territory registering bodies (in the Australian Quality Training Framework).
- *National products*, which comprise the unified system of national qualifications in schools, vocational education and training and the higher education sector contained in the Australian Qualifications Framework. Training packages specify the skills and knowledge required to perform effectively in the workforce; the development and endorsement process for the packages ensures that they meet a quality standard and are highly responsive to industry's existing and future demand for skills.

National awards in vocational education and training

The national training system recognises, rewards and promotes quality results. The department promotes excellence in achievement through its management of high-profile national awards, including the Minister's Awards for Excellence and the Australian Training Awards.

The department managed the 2008 Australian Training Awards and Minister's Awards for Excellence, and is managing the events for 2009. Both ceremonies will be held in Canberra, with the Minister's Awards for Excellence on 18 August 2009 and the Australian Training Awards on 19 November 2009.

Skilling Australia for the Future

Under the Skilling Australia for the Future initiative, the government has funded the Productivity Places Program, which will deliver 711 000 training places over five years in areas of skills shortage to ensure that Australian workers develop the skills they need.

Following the implementation of the program, the demand for places was fully utilised by the beginning of September 2008. In order to ensure that job seekers were able to access training, an additional 15 000 training places were announced in late September 2008.

In November 2008, COAG negotiated a National Partnership Agreement, enabling the state and territory governments to deliver the program to job seekers and existing workers from 2009 until 2012. The states and territories are in various stages of implementing the program.

As part of the government's Economic Security Strategy to strengthen the Australian economy, the government announced the release of an additional 56 000 places for job seekers. To ensure that job seekers were able to access those places through to 30 June 2009, the government introduced a demand management strategy. By the end of June 2009, there were 114 967 job seekers enrolled in training under the Productivity Places Program, and 92 292 job seekers had commenced training.

The existing worker places under the program were managed through state and territory (state) delivery arrangements with both levels of governments contributing to funding. States and territories committed to deliver a total of 39 290 existing worker places and the Australian Government committed to deliver 1250 places through a series of national enterprise trials that were managed by industry skills councils.

As a key component of the Skilling Australia for the Future initiative, the strengthened role of industry skills councils was expanded in the national training system. Under this initiative, these industry skills councils are funded to:

- provide integrated industry intelligence and advice to Skills Australia, government and enterprises on workforce development and skills needs
- actively support the development, implementation and continuous improvement of high-quality training and workforce development products and services, including training packages
- provide independent skills and training advice to enterprises, including matching identified training needs with appropriate training solutions
- work with enterprises, employment service providers, training providers and government to allocate training places.

Australian Apprenticeships

Australia's apprenticeship system is a national training pathway that offers opportunities to people to concurrently train, study and earn an income in more than 500 careers. Currently, there are more than 415 000 Australian apprentices in training, and funding for them and their employers is allocated through personal benefits and incentive payments. The funding for apprentices is in recognition of the critical role of Australian Apprenticeships in protecting and growing Australia's skills base. It acknowledges the importance of maintaining the flow of fully qualified tradespeople to support economic growth, especially as the country emerges from the current economic downturn, when it is anticipated that the demand for skills will rebound strongly.

A number of programs have been designed to support and increase the take-up of Australian Apprenticeships, including the Australian Apprenticeships Incentive Program, Group Training Programs and the Fast-Track Apprenticeships Program.

Encouraging higher level VET qualifications

The Incentives for Higher Technical Skills program and VET FEE-HELP aim to increase vocational training participation in diploma and above qualifications, ensuring that productivity increases and that the Australian workforce remains competitive. Both programs encourage and support articulation between vocational education and training and higher education.

Supporting social inclusion through skills development

Workplace English Language and Literacy Program

The Workplace English Language and Literacy (WELL) Program provides assistance each year to workers with low literacy levels to improve their English language, literacy and numeracy skills, so that they can better participate in employment and training activities. Improved language, literacy and numeracy skills will assist these workers to retain their jobs, participate in further training, gain promotion, work more effectively, and improve their job mobility.

Lower than projected numbers trained under the WELL program in 2008–09 resulted from increasing training costs, a reduction in metropolitan (general large) projects and a greater proportion of projects occurring in remote areas, where projects tend to be small and high cost.

Language, Literacy and Numeracy Program

The Language, Literacy and Numeracy Program aims to improve eligible job seekers' English language, literacy and numeracy skills to assist them to secure sustainable employment or to participate in further education and training. It is widely recognised that gains in language, literacy and numeracy skills will also improve the quality of participants' daily lives.

The program provides initial basic and advanced English language training, including some vocationally specific courses, as well as basic and advanced literacy and numeracy training. Face-to-face training services are delivered by 40 organisations from more than 360 sites around Australia, and services are also available by distance education anywhere in Australia. Complementary training, which targets disadvantaged client groups, including Indigenous, humanitarian youth, people with disability, young males and isolated females, can be used to deliver flexible and innovative training to support those client groups.

Australian Apprenticeships Access Program

The Australian Apprenticeships Access Program is aimed at vulnerable job seekers who have expressed an interest in obtaining an Australian Apprenticeship but face barriers transitioning into a skilled employment pathway.

The program provides early intervention to encourage vulnerable job seekers to pursue their apprenticeship goal, particularly in priority occupation areas. The program assists job seekers by providing nationally recognised pre-vocational training, training in basic work and life skills, pastoral care, advocacy and intensive job search and post-placement support.

Income support for students

Youth Allowance, Austudy and ABSTUDY provide assistance for students from low-income and Indigenous backgrounds to participate in full-time education, training or an Australian Apprenticeship. These payments are demand-driven, and all eligible recipients receive assistance.

At June 2009, 42 222 VET students were in receipt of Youth Allowance, 13 962 VET students were in receipt of Austudy and 4389 VET students were in receipt of ABSTUDY. There were 4961 Australian Apprentices in receipt of income support.

Reviews of recipients' compliance

The department has a number of measures in place to assist in maintaining the integrity of administered payments. Because data for students is aggregated, information about these measures for vocational education and training students can be located in Outcome 3—Higher education.

The BIG Skills Conference

The department hosted The BIG Skills Conference in Sydney from 2 to 5 March 2009. The conference was conceived in a time of strong economic growth and was held in a time of global economic uncertainty. About 1200 people, including international delegates, attended the conference and a range of national and international speakers shared their experiences.

The conference themes included the role of skills and training in tough economic times, climate change and sustainability and the changing tertiary education and training landscape in Australia.

One of the strongest messages from the conference was that change is constant. In an environment of continual change, there is the need to educate and train people to anticipate change by developing their own capabilities, and to ensure that students and workers have both the breadth and depth of skills to allow them to move from job to job and career to career. There is also the narrowing gap between the university and vocational education and training sectors, as technological change drives demand for a 'broadband of learning'—learning for technical skills and learning that stretches the imagination.

Throughout the conference participants were reminded of the challenges that climate change poses to Australia and the world. Climate change will alter the nature of existing jobs and drive a shift to jobs that do not currently exist.

Another important message was that skills development is a lifelong undertaking and that every stage of the education and training process, from early childhood through to ongoing workforce development, must be supported, integrated and linked through seamless transitions and pathways.

Performance in the delivery of departmental outputs

Table 4.3

Performance information for departmental outputs

Performance indicator	Estimate	Actual
Program management		
<i>Quality</i>		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	All programs made payments in accordance with administrative targets set by quality assurance processes
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	All programs met administrative targets
Lead reform of the national training systems as agreed by the Council of Australian Governments and priorities identified by MCVTE	Initiatives implemented in accordance with COAG and MCVTE	The National Agreement for Skills and Workforce Development was agreed by ministers at COAG on 29 November 2008 and commenced on 1 January 2009. An agreement for significant reform in the VET sector, to commence on 1 July 2009, was concluded with Victoria.
Encourage a shared commitment under the <i>Skilling Australia's Workforce Act 2005</i> between the Australian Government and state and territory governments to promote a national approach to the delivery of vocational education and training through collaboration and cooperation. The current multilateral agreement will be finalised on 31 December 2008	The multilateral agreement, a bilateral agreement and annual VET plan are in force between the Australian Government and state and territory governments	The multilateral agreement, a bilateral agreement and annual VET plan were in force between the Australian Government and state and territory governments
Annual National Report of the Australian Vocational and Technical Education System is tabled in the Australian Parliament	Annual National Report for 2007 is tabled in the Australian Parliament by October 2008	The Annual National Report was tabled in the Australian Parliament in October 2008
Timeliness of parliamentary reports (including interim responses where appropriate) provided to parliament and its committees	At least 90% meet deadline	— ^a
High quality ministerial replies as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from the ministers and the Parliamentary Secretary to the Secretary Analysis of trends over time to monitor percentage delivered within agreed timeframes	Satisfied ^b
Skills Australia is established and operating as an independent statutory body	Stakeholders accept the advice provided by Skills Australia and the body establishes a presence within the national training system	Skills Australia has provided advice to the Deputy Prime Minister and input on a range of topics of relevance to the national training system. In developing its advice, Skills Australia has consulted broadly and collaborated with a wide range of stakeholders. The Chair has actively engaged in forums and other training and education events
<i>Client Satisfaction</i>		
High quality delivery of Australian Apprenticeships Support Services, Australian Apprenticeships Centres as measured by satisfaction surveys undertaken in 2007 and 2008	At least 85% satisfaction by employers and Australian Apprentices	At least 91% satisfaction by employers and Australian Apprentices

Performance indicator	Estimate	Actual
Policy services		
<i>Quality</i>		
High quality policy advice as measured by the level of satisfaction of ministers and the Parliamentary Secretary with quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from the ministers and the Parliamentary Secretary to the Secretary	Satisfied ^b
High quality research and evaluation reports as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the reports	Qualitative evaluation of satisfaction using feedback from ministers and the Parliamentary Secretary to the Secretary	Satisfied ^b
Research activities are completed according to plan	At least 90% completed to plan	Satisfied
Service delivery		
<i>Quality</i>		
Satisfactory services as reported by Centrelink through the timely processing of ABSTUDY, Austudy, Youth Allowance, Assistance for Isolated Children claims	Services provided in accordance with DEEWR–Centrelink Business Partnership Agreement	Centrelink’s performance against the key indicators of timeliness and correctness of payments as set out in the DEEWR–Centrelink Interim Business Partnership Agreement 2008–09 was satisfactory for these payments

- a The department experienced delays in responding to the House of Representatives Standing Committee on Education and Training review on the Review of the Department of Education, Science and Training Annual Report 2006–07. At present there is insufficient data available to determine the actual performance. The department will improve on its data collection for the next reporting period.
- b During the year, ministers, parliamentary secretaries and their staff provide feedback on the level of satisfaction with departmental advice during regular meetings with the department. Overall feedback from their offices is that they recognise the significant efforts made by departmental staff and are satisfied with the quality of briefings. Analysis of trends across 2008–09 indicates that the percentage of briefs and ministerials delivered within agreed timeframes is increasing steadily. The number of errors and rejections is also largely trending downward due to an emphasis on feedback to assist line areas to improve quality and presentation.

Outlook for 2009–10

In the year ahead, the department will focus on:

- responding to the global recession by supporting the engagement and retention of Australian Apprentices during the economic downturn
- ensuring that people from disadvantaged backgrounds have access to and improved outcomes from vocational education and training with the formation of a new National VET Equity Advisory Council and delivery of national VET equity reform
- improving quality assurance, accountability and choice
- establishing the new Ministerial Council for Tertiary Education and Employment
- implementing a national policy and action plan for the VET sector to assist in preparing Australia for the transition to a more sustainable economy
- reforms to Youth Allowance and ABSTUDY in response to the findings of the Bradley Review of Australian Higher Education will positively impact on school students as they will remove the financial barriers to the participation of students from low socioeconomic backgrounds and Indigenous students
- continuing to administer student income support payments in accordance with the legislation and policy guidelines. Implementation of the Participation Requirements for Young Australians budget measure for current recipients of Youth Allowance will also continue. In 2009–10, a new DEEWR–Centrelink Business Partnership Agreement will be put in place.

Report on performance

Outcome 5

Transitions and youth

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Outcome 5 Transitions and youth

The government engages with and supports young people in their transition to adulthood and active participation in the community in a number of ways, including through career development skills, further education, training and employment.

The government is also working to support young Australians through the Office for Youth. The Office for Youth is working to raise the profile and engagement of young people and the youth sector; inform and develop public policy on youth affairs; and promote, advocate and support a comprehensive approach to young people's engagement and participation in their communities and society.

The Australian Youth Forum is one of the main communication channels between the Australian Government, young people and the youth sector. The forum gives young people the chance to be directly involved in developing, shaping and influencing government policies by contributing their ideas on important current issues. The Australian Youth Forum engages young people through its website <www.youth.gov.au/ayf> and in person at forums and community activities.

The government believes that education is a key element in building a just, participative and productive society in which young Australians are able to reach their full potential. Difficult economic conditions have heightened the urgent need to support young people, who are particularly vulnerable in periods of tight labour markets.

At its 30 April 2009 meeting, the Council of Australian Governments (COAG) agreed to:

- bring forward its 90 per cent Year 12 or equivalent attainment target from 2020 to 2015
- commit to a trajectory of halving the gap in Indigenous attainment by 2020
- rapid implementation of a Compact with Young Australians to entitle those under 25 years to an education or training place, to be implemented by 1 July 2009 for 15- to 19-year-olds, and 1 January 2010 for 20- to 24-year-olds
- implement a National Youth Participation Requirement, making it mandatory for young people to participate in schooling until they complete Year 10 and to participate in full-time education, training or employment, or a combination of those until age 17, on 1 January 2010.

Those commitments will be delivered in collaboration with the states and territories under a National Partnership on Youth Attainment and Transitions, which also involves the clarification of roles and responsibilities between the Commonwealth and the states and territories in the area of youth career and transitions. As part of its contribution to the National Partnership, the Australian Government will implement changes to its youth career and transitions program arrangements. Those changes will include the consolidation of existing youth transitions programs into the following four new elements (two of which will be developed in consultation with the states and territories and in place from 1 January 2010):

- **Maximising Engagement, Attainment and Successful Transitions**—\$106 million in funding to the states and territories to support the implementation of reforms in the areas of multiple learning pathways, career development and mentoring
- **National Career Development**—\$47 million in funding administered by the Australian Government for the development of resources that will be of most benefit to all jurisdictions if undertaken at the national level (for example, the *Job Guide* and myfuture.edu.au)

- **School Business Community Partnership Brokers**—\$183 million in funding for a program that will improve community and business engagement with schools to extend learning beyond the classroom, increase student engagement, deepen learning experiences, lift attainment and improve educational outcomes
- **Youth Connections**—\$287 million in funding for a program which will provide an improved safety net for youth at risk through tailored case management and support to help them reconnect with education or training and build resilience, skills and attributes that promote positive choices and wellbeing.

The new career and transition program arrangements will build on the success of current programs and be informed by a range of evidence, including program evaluations, recent research reports and stakeholder feedback. The Australian Government will also work closely with states and territories to put these new programs in place. The collaborative approach with the states and territories will simplify support for young people and make it easier for them to get help when they need it.

The Australian Government will put the new programs in place initially, until the states and territories achieve agreed reform outcomes under the National Partnership, at which point the funding and responsibility will be transferred to the states and territories.

The programs funded under Career Advice Australia will continue to deliver coordinated career and transition support services for Australians aged 13 to 19 years, through local, state and national networks, until the end of 2009. The Enterprise and Career Education Program will also continue to support the development of quality enterprise education, career development, vocational learning and transition support for school students through a range of strategic initiatives to the end of 2009.

Key priorities

The key priorities for Outcome 5 in 2008–09 were:

- working collaboratively with states and territories and education authorities to support COAG objectives to increase Year 12 or equivalent attainment to 90 per cent by 2015 and to develop a National Partnership on Youth Attainment and Transitions
- developing a policy blueprint for consolidating and streamlining youth career and transition programs into four new elements to be put in place under the National Partnership on Youth Attainment and Transitions in collaboration with the states and territories
- continuing to deliver the Career Advice Australia initiative and programs administered under the Enterprise and Career Education Program to the end of 2009 to facilitate successful transitions for young Australians from school to further education, training and work
- progressing the government's commitments to increase on-the-job training for students engaged in vocational education and training in schools; developing a Job Ready Certificate; implementing the Mentors for our Students pilot program; and improving business–school connections
- establishing the Australian Government Office for Youth to enable a greater focus on youth affairs through the identification of key issues affecting young Australians
- establishing the Australian Youth Forum as a formal communication between the Australian Government, young people and the youth sector to give young people the chance to be directly involved in developing, shaping and influencing government policies by contributing their ideas on important current issues.

Key achievements

The key achievements for Outcome 5 in 2008–09 were as follows:

- On 30 April 2009, COAG agreed to a Compact with Young Australians and to the development of a National Partnership on Youth Attainment and Transitions. The National Partnership will clarify roles and responsibilities in the area of youth, career and transitions, including that
 - the Australian Government will have primary responsibility for youth labour market programs
 - the states and territories will have primary responsibility for the delivery of education and training, including Vocational Education in Schools work placements
 - the states and territories will progressively take over primary responsibility for all youth, careers and transitions programs.
- An additional seven Connections providers commenced services in 2008. The number of providers delivering Connections increased from 49 in 2007 to 56 in 2008.
- Over 200 people, representing more than 100 organisations, attended national consultations in March 2009 to discuss the development of a Job Ready Certificate (52 written submissions were received).
- \$26.6 million was provided to states and territories for the On-the-Job Training Initiative.
- 25 Local Community Partnerships were contracted to pilot the Mentors for our Students initiative and aim to find 750 mentors with experience working in fields that require mathematics, science, and engineering, to work with 2250 secondary students.
- 383 students were awarded the Australian Vocational Student Prize for 2008, and 17 of these students also received a Prime Minister's Award for Skills Excellence in School.
- 14 369 visitors accessed the Australian Career Development Studies website <www.career.edu.au>, and 11 Registered Training Organisations used the Certificate IV in Career Development.
- 298 413 quality career information products were provided by the department.
- 731 events were held as part of the 2009 National Career Development Week.
- 232.2 million hits were recorded for the national career information site <myfuture.edu.au> in 2008. myfuture.edu.au won the NetGuide Best Government Site Award.
- 118 career advisers received scholarships under the Scholarships for Career Advisers program.
- The Office for Youth was launched in September 2008.
- The Australian Youth Forum was launched in October 2008. Since its launch, the forum has engaged approximately 2000 young people in direct conversations with the government through national youTHINK and local outreach events.
- The National Advisory Group on Body Image was established to inform the development of a national strategy and voluntary industry code of conduct on body image.
- Provision of support for National Youth Week, Australia's largest celebration of young people.

Performance information for Outcome 5

Programs and initiatives delivered by the department which contribute to Outcome 5 form part of the wider set of factors that affect that outcome. Table 5.1 indicates the overall trends under Outcome 5.

Effectiveness indicators

Table 5.1

Effectiveness indicators for Outcome 5

Transitions to Work and Education

- Trends in student participation in vocational education and training (VET) in schools and work placements
 - In 2008, the number of Structured Workplace Learning placements facilitated by Local Community Partnerships were 5 per cent higher than in 2007, and the number of schools participating increased by 11 per cent.
- Trends in schools–business partnerships
 - In 2008, the number of schools partnering with business through the Adopt a School program was 20 per cent higher than in 2007.

Youth

- Trends in the number of youth assisted (Mentor Marketplace, Transition to Independent Living Allowance, YouthLinx)
 - From 1 January 2010, the new youth, career and transition support program arrangements will be in place under the National Partnership on Youth Attainment and Transitions. These programs will replace the Mentor Marketplace and YouthLinx programs and other youth programs.
 - Over the past three years, the number of young people accessing the Transition to Independent Living Allowance has steadily increased. As announced in the 2008–09 Budget, from 1 July 2009 the Transition to Independent Living Allowance will be increased from \$1000 to \$1500 for eligible young people leaving care.

Performance in the delivery of administered outputs

Table 5.2

Performance information for administered outputs

Performance indicator	Estimate	Actual
Careers, transitions and partnerships^a		
Number of young people supported through:		
→ Youth Pathways	25 500	30 820
→ Connections program	3000	3421
→ Structured Workplace Learning	80 000	82 890
Number of schools supported through:		
→ Career and Transition Support	2600	2345
→ Adopt a School	1400	1449
Number of students supported through Adopt a School	25 000	21 307
Regional Industry Career Advisers (RICA) Network:		
→ Number of contracts	57	57
→ Number of service regions	57	57
Number of industry sectors with contracts in place to deliver National Industry Career Specialist (NICS) Network services	10	10
Youth engagement		
Mentor Marketplace		
→ Number of young people assisted	2560	2300
Transition to Independent Living Allowance		
→ Maximum number of young people able to be assisted within allocation	2500	2500
→ Number of young people accessing the Transition to Independent Living Allowance	1600	2197

Performance indicator	Estimate	Actual
YouthLinx		
→ Number of contacts with young people through YouthLinx activities	300 000	347 340
→ Number of families engaged through YouthLinx family support activities ^a	13 500	12 863
→ Number of young people engaged through YouthLinx family support activities	40 000	38 271
Quality		
→ Percentage of young people and service providers reporting positive outcomes from participation in YouthLinx activities	92%	92%
→ Percentage of young people, their families and service providers reporting positive outcomes from contact with YouthLinx for family support activities	90%	93%

- a These programs, administered under the careers, transitions and partnerships program (Youth Pathways, Connections, Structured Workplace Learning, Career and Transition Support, Adopt a School, RICA network and NICS network), are based on calendar year business levels. These actual business levels are for the 2008 calendar year.
- b The current guidelines for YouthLinx family support allow for flexibility in assessing engagement.

Careers, transitions and partnerships

The department administers the Australian Government's career development and transition support activities under this item. The Career Advice Australia initiative supports Australians aged 13 to 19 years to make successful transitions from school. Government commitments administered under this item are:

- to increase on-the-job training for students engaged in vocational education and training in schools
- to develop a Job Ready Certificate
- to improve business-school connections
- to provide quality career information.

The key elements of Career Advice Australia are:

- a national network of Local Community Partnerships
- industry leadership at a regional and national level
- support for young people disconnected, or at risk of disconnecting, from education
- quality career development services for schools, teachers and career advisers.

A national network of Local Community Partnerships

The national network of Local Community Partnerships (LCPs) worked with schools, professional career practitioners, parents, other youth services providers and business to improve access to quality career information, career development and experiential learning opportunities for young people across Australia.

In 2008, LCPs facilitated 82 890 Structured Workplace Learning placements, an increase of 5 per cent in the number of facilitated placements in 2007. In 2008, 1713 schools participated in Structured Workplace Learning, an 11 per cent increase on numbers in 2007.

In 2008, 1449 schools partnered with businesses in Adopt a School projects, compared with 1209 in 2007 (a 20 per cent increase). In 2008, 3474 employers were involved in Adopt a School projects, compared with 3021 in 2007 (an increase of 15 per cent).

Industry leadership at a regional and national level

Regional Industry Career Advisers and National Industry Career Specialists, in partnership with LCPs, provided high-quality, relevant, localised industry career information, advice and resources, focusing, in particular, on areas with high skill needs.

Support for young people disconnected, or at risk of disconnecting, from education

Youth Pathways provides individualised assistance to 13- to 19-year-olds who are most at risk of not completing Year 12 (or its equivalent) and ultimately making a successful transition to further education, training or work. In 2008, 84 per cent of Youth Pathways participants had a known outcome. Of these participants, 93 per cent were in education, training, employment or other positive activity at the end of their participation in the program. In 2008, 81 per cent of Indigenous participants had a known outcome. Of these participants, 90 per cent were in education, training, employment or other positive activity at the end of their participation in the program.

The Connections program is targeted at 13- to 19-year-olds who are disconnected from mainstream schooling, and assists to re-engage them in education, training or employment through tailored, flexible education and training. In 2008, 96 per cent of full-time Connections participants received the full range of assistance and support available under the program, an increase of 76 per cent on figures for 2007, and 73 per cent of participants completed an accredited course as part of their program.

Quality career development services for schools, teachers and career advisers

Career advisers have an important role in helping young people to develop a sense of themselves, their aspirations and the world of work. The Australian Government is working to improve the standard of career development services (including career education in schools and the standing of career teachers), through a range of initiatives. Those initiatives include supporting the implementation of national standards for career development practitioners, the delivery of a Certificate IV in Career Development, and the Scholarships for Career Advisers program. In 2008, 14 369 visitors accessed the Australian Career Development Studies website, and 11 Registered Training Organisations used the Certificate IV in Career Development. In 2008–09, 118 career advisers received scholarships under the Scholarships for Career Advisers Program.

The Enterprise and Career Education Program (ECEP) is the umbrella program for national initiatives that aim to build enterprise, employability and career development skills. Initiatives funded under ECEP include:

- myfuture.edu.au, Australia's national career information system. It is a Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) initiative and is jointly funded with the states and territories. The initiative is aimed at Australians of all ages and includes a personal career decision making tool; facts about occupations, courses and salaries; and information to help those who assist others to make career decisions.
- *Job Guide*, a publication that describes occupations and explains how to choose a job, plan a career and look for work. It is provided free of charge to all schools for all Year 10 students. In March 2009, copies of the guide were distributed to 275 982 students.
- Australian Blueprint for Career Development, a framework for designing, implementing and evaluating career development programs for young people and adults, developed and jointly funded through MCEETYA. In 2008–09, the revised Australian Blueprint for Career Development was released <www.blueprint.edu.au> and MCEETYA approved funding for the ongoing maintenance and hosting of the Blueprint website until 2011–12.
- The Australian Vocational Student Prize and the Prime Minister's Award for Skills Excellence in Schools, which recognise up to 500 outstanding Year 12 students who have demonstrated excellence in vocational education and training. Winners of the Prime Minister's Award are selected from the highest achieving recipients in the categories of highest achieving in each state and territory, the highest achieving Indigenous student, and the highest achieving students in each represented industry.

Youth engagement

YouthLinX is a prevention and early intervention program that supports young people and their families to build self reliance and strengthen their family relationships, and encourages community involvement.

YouthLinX services provide practical support and guidance to young people and their families by helping them deal with issues affecting their wellbeing as a family, and by referring them to other specialist services as required. Support may include advocacy, referral and information, skills development and provision of skilled practical assistance.

The Mentor Marketplace program assists young people who are separated, or at risk of separating, from families, communities, education, training and work with mentoring services.

From 1 January 2010, the new youth, career and transition support program arrangements will be in place under the National Partnership on Youth Attainment and Transitions. These programs will replace the Mentor Marketplace and YouthLinX programs and other youth programs.

The Transition to Independent Living Allowance is available to young people aged 15 to 25 years who have exited or are about to exit state-based care and/or informal care such as juvenile justice, out-of-home care, foster care, supported care or Aboriginal and Torres Strait Islander kinship care arrangements. The program is administered by Southern Youth and Family Services in Wollongong, New South Wales.

Performance in the delivery of departmental outputs

Office for Youth

The Office for Youth was formally launched by the Hon Kate Ellis MP, Minister for Youth, on 25 September 2008 and is part of the department. The office supports the government in working for and with young people on issues that are important to them. The office plays a strategic role in analysing the impacts of policies and programs across Australian Government agencies and advises on youth policy issues raised in the media and by young Australians.

Australian Youth Forum

The Australian Youth Forum (AYF) was established as a formal communication channel between the Australian Government, young people and the youth sector. The AYF provides young people with ongoing opportunities to engage with the Australian Government and to be directly involved in developing, shaping and influencing the government's policy development and decision-making processes.

Since the launch of the AYF in October 2008, over 2000 young people have been engaged in conversation with the Australian Government through national and regional events. Young people also have ongoing opportunities to contribute their ideas through the AYF website <www.youth.gov.au/ayf>. The website has received over 1.1 million hits since October 2008.

Through the AYF, young people are consulted on key policy development areas for the Australian Government, and the ideas of young people have been fed into the development of the government's second green paper on electoral reform, the House of Representatives Standing Committee on Family, Community, Housing and Youth inquiry into and report on the impact of violence on young Australians, and the National Human Rights Consultation.

Table 5.3

Performance information for departmental outputs

Performance indicator	Estimate	Actual
Program management		
<i>Quality</i>		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	All payments are made in accordance with administrative targets set by quality assurance processes
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Payments made by all programs were accurate and met relevant administrative targets
Timeliness of parliamentary reports (including interim responses where appropriate) provided to parliament and its Committees	At least 90% meet deadline	At least 90% were completed to plan
The Office for Youth is established by 1 July 2008 and officially launched	Milestones are met	The Office for Youth was established on 1 July 2008 and was officially launched on 25 September 2008
The Australian Youth Forum is established by October 2008 as a voice to government for young people and the youth sector	Milestone is met	Milestone was met
Consultations are undertaken in all states and territories to support the development of the Australian Youth Forum	Milestone is met	Milestone was met
High-quality ministerial replies as measured by the level of satisfaction of ministers with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from ministers and the Parliamentary Secretary to the Secretary	Satisfied ^a
	Analysis of trends over time to monitor percentage delivered within agreed timeframes	
Policy services		
<i>Quality</i>		
High-quality policy advice as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from ministers and the Parliamentary Secretary to the Secretary	Satisfied ^a
High-quality research and evaluation reports as measured by the level of satisfaction of ministers with the quality and timeliness of the reports	Qualitative evaluation of satisfaction using feedback to the Secretary from ministers and the Parliamentary Secretary	Satisfied ^a
Research activities are completed according to plan	At least 90% completed to plan	Satisfied

a During the year, ministers, parliamentary secretaries and their staff provide feedback on the level of satisfaction with departmental advice during regular meetings with the department. Overall feedback from their offices is that they recognise the significant efforts made by departmental staff and are satisfied with the quality of briefings. Analysis of trends in 2008–09 indicates that the percentage of briefs and ministerials delivered within agreed timeframes is increasing steadily. The number of errors and rejections is also largely trending downward due to an emphasis on feedback to assist line areas to improve quality and presentation.

Outlook for 2009–10

Transitions

COAG agreed to the National Partnership on Youth Attainment and Transitions at its 2 July 2009 meeting. Following this, the Australian Government will work collaboratively with states and territories to develop and sign implementation plans for each jurisdiction, including agreeing to state-based trajectories for meeting the closing the gap attainment target.

Procurement processes for the new School Business Community Partnership Brokers program and the Youth Connections program will be undertaken, with new providers in place by 1 January 2010. The current contracts with Career Advice Australia, YouthLinx and Mentor Marketplace providers will cease on 31 December 2009. The department will work closely with current providers to ensure that the discontinuing programs are managed effectively and that there is a smooth transition to the new collaborative programs.

As part of the government's response to the 2020 Summit, a Business–School Connections Roundtable will be established in 2009–10. The roundtable will oversee the development of a practical strategy to ensure that secondary schools benefit from connections with business. This will support the broader commitment to improve the linkages between schools and their communities.

Youth

The Office for Youth will continue to raise the profile and engagement of young people and the youth sector; inform and develop public policy on youth affairs; and promote, advocate and support a comprehensive approach to young people's engagement and participation in their communities and society.

Report on performance

Outcome 6

International influence

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Outcome 6 International influence

During 2008–09, the international arm of the department, Australian Education International (AEI), worked in partnership with international education stakeholders to continue to deliver a successful internationalised education and training sector that contributes to Australia's long-term productivity and prosperity, despite some emerging issues later in the year.

Domestically and internationally, through its strategic links with government and industry representatives, educational institutions and international students, AEI integrates policy, regulation, international engagement and promotion to support international education. AEI showcases the quality of Australia's education and training system and qualification recognition framework through its international network. The network covers 19 countries and comprises 25 offices, based mainly at Australian embassies, consulates and high commissions. AEI is also represented in a further nine European and two Latin American locations.

The sector has grown at an average of 15 per cent per year over the past decade. In 2008, there were more than 540 000 international student enrolments at Australian education institutions—a number that continues to grow. International education has made a significant contribution to Australia. It has now grown to be our third largest source of overseas earnings, generating \$15.5 billion in 2008 and supporting more than 125 000 jobs. There are now estimated to be more than one million Australian alumni around the world, providing numerous business, technical, scientific, diplomatic and security links that benefit Australia.

Nearly 34 per cent of international students in Australia study at our 39 universities or independent higher education institutions. Vocational education and training (VET) is the fastest growing education sector for international students in Australia, with 175 461 enrolments in 2008. Enrolments of international students in Australian schools grew by 7 per cent in 2008. Increasingly, international students are seeking Australian VET qualifications in their own countries. In 2008, Australian universities had more than 1000 offshore programs with overseas higher education institutions, and our VET institutions now deliver courses in more than 30 countries.

Chart 6.1

AEI's international network



Key priorities

Australia's education and training sector is part of an increasingly globalised environment in which students and providers are becoming more discerning and mobile. The global financial crisis has intensified competition in the international education market, and emerging safety concerns in Australia in 2008–09, further highlighted the importance of the sector to Australia's economy, culture and society. In this environment, Australia's ability to remain an international influence in education and training will depend on the strength of its international relationships, and on its ability to deliver world-class education and training, to provide international students with engaging, rewarding and safe study and living experiences, and to maintain quality assurance mechanisms.

The key priorities for Outcome 6 in 2008–09 were:

- supporting the sector to respond to the global recession through the Study in Australia 2010 drive, announced by the Hon Julia Gillard MP, Deputy Prime Minister, on 16 March 2009
- continuing to create the environment for sustainable international education engagement by the Australian education and training sector through Australia's government-to-government relationships, including the free trade agreements agenda and regional and international trade agreements
- strengthening engagement and communication with stakeholders by deepening AEI's understanding of each sector and its needs, while improving stakeholders' understanding of AEI's objectives and the need for strategic partnership between AEI and the education and training industry
- encouraging more Australians to study abroad as part of their education experience, while attracting the world's best students to undertake Australian education and training
- driving the implementation of the Transnational Education Quality Framework
- administering the *Education Services for Overseas Students Act 2000* (ESOS Act) and its National Code 2007, and continuing to enhance the policy associated with education services for overseas students
- utilising multilateral forums to enhance qualifications recognition and quality assurance in the Asia–Pacific region
- working with state and territory governments to progress key issues through the Joint Committee on International Education.

AEI delivered these priorities for 2008–09 through its research, sector support, regulatory and policy advising capabilities and market intelligence.

Key achievements

The key achievements for Outcome 6 in 2008–09 were:

- announcement of the Study in Australia (SIA) 2010 strategy, a \$3.5 million drive to support Australia's international education and training sector during the global recession, which included
 - support to Australian international education providers in the English Language Intensive Courses for Overseas Students (ELICOS) and VET sectors to benchmark their own measures of student experience and satisfaction with equivalent providers elsewhere in Australia and overseas
 - support to the Group of Eight universities to investigate how to better position Australia as an attractive study destination for high-performing postgraduate research students

- AEI professional development workshops, covering an overview of the Australian education system and the current Australian regulatory framework for international education, for education agents in China, India, Malaysia, Indonesia, South Korea and Thailand
- AEI National Briefings—nine workshops promoting good practice in supporting international students—which were attended by over 1100 education and training providers in Australian capital cities
- delivery of 414 courses in 25 countries launched on AusLIST in 2008, the Australian list of international course providers
- enhancement of the Endeavour Awards through the Prime Minister’s Australia Asia Endeavour Awards, a \$14.9 million initiative over four years that will further develop the internationalisation of Australian education
- AEI participation in a meeting of the Regional Committee of the United Nations Educational, Scientific and Cultural Organization (UNESCO) Regional Convention on Recognition of Studies, Diplomas and Degrees in Higher Education in Asia and the Pacific held in Manila, Philippines, in May 2009
- provision of \$380 000 in funding, through the Professional Services Development Program, to Australian organisations to work towards the international recognition of Australian professional qualifications and skills, and the recognition of overseas professional qualifications and skills in Australia
- provision of \$743 000 in funding, through the Assessment Subsidy for Overseas Trained Professionals program, to assist financially disadvantaged, overseas-trained professionals cover the cost of assessments and/or examinations that must be passed to qualify for employment in certain professions in Australia
- announcement of the ESOS Act review, commencing in 2009–10, to ensure that the framework for regulation of overseas education meets world’s best standards before it becomes the responsibility of the new Tertiary Education Quality and Standards Agency
- award of 483 scholarships, through the Endeavour Awards, to candidates across the Asia–Pacific, Middle East, Europe, the Americas, and Australia
- funding of 1070 student exchange subsidies, enabling incoming and outgoing undergraduate students to undertake an international study experience
- AEI’s collaboration with international education stakeholders, both in Australia and in the People’s Republic of China, through the staging of the China–Australia International Students Management and Services workshop in Shanghai, in October 2008, which laid the foundation for further work on student safety and wellbeing
- signing of a memorandum of understanding by the Hon Kevin Rudd MP, Prime Minister, during a visit to South Korea in August 2008.

Performance information for Outcome 6

Effectiveness indicators

The department uses several effectiveness indicators to measure the impact of the government’s international education agenda. The overall impact of the department’s activities should be viewed in the context that AEI’s role is to work in partnership with various external stakeholders to achieve the government’s international education objectives. Performance over the long-term can be influenced by prevailing economic and labour market conditions and, in some cases, by international circumstances.

Table 6.1

Effectiveness indicators for Outcome 6

International education

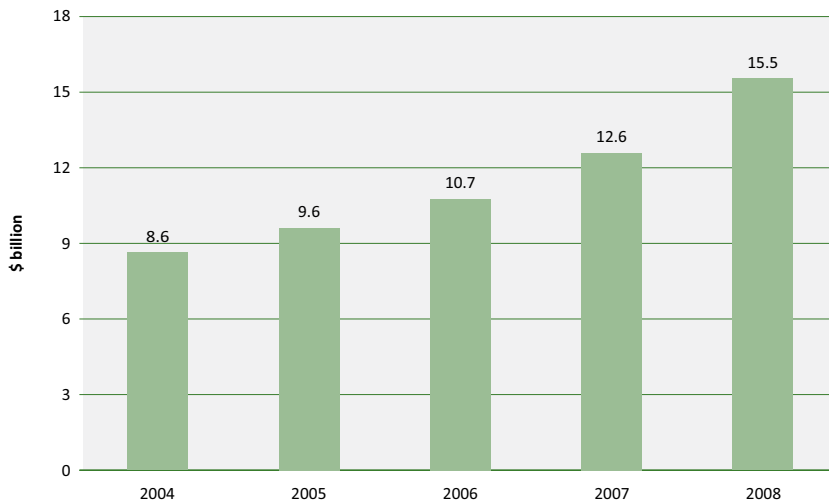
- Trends in the level of national income derived from international education and training
- Trends in the level of employment associated with education exports
- Trends in the number of international student enrolments in Australia
- Diversification within the international education and training market, in terms of countries of origin and fields of study
- Trends in the number of Australian students studying overseas
- Trends in the number of international students studying for higher level qualifications

National economic benefit

The international education and training sector is Australia’s third largest export industry behind coal and iron ore, contributing \$15.5 billion in education exports to the Australian economy in 2008.

Chart 6.2

National income derived from international education and training—education exports 2004 to 2008



Source: Australian Bureau of Statistics, *Trade in Services, Australia* (ABS Cat. No. 5368.0).

Note: The total value of education exports does not include other national income from Australian providers’ operations in foreign economies.

Employment trends associated with education exports

A 2009 report by Access Economics estimated that the international education sector generated over 122 000 full-time employment positions in the Australian economy in 2007–08. This is a significant increase of previous estimates; for example, Curtin University estimated the sector generated more than 46 000 jobs in 2003. *Source: Access Economics (2009). The Australian education sector and the economic contribution of international students (A report commissioned by the Australian Council for Private Education and Training).*

International student enrolments in Australia

Enrolments from international students on student visas in Australia reached 543 898 during the 2008 calendar year—a 20.7 per cent increase on enrolments in 2007.

Table 6.2

Number of international student enrolments in Australia (from top 10 source countries)

Ranking in top 10 and number of enrolments for each year								
	2005 ^a		2006 ^a		2007 ^a		2008	
	Rank	No.	Rank	No.	Rank	No.	Rank	No.
China	1	81 798	1	89 834	1	106 358	1	127 276
India	2	27 447	2	38 675	2	62 937	2	97 035
Republic of Korea	3	26 120	3	30 882	3	34 295	3	35 376
Thailand	7	16 399	6	17 705	4	19 737	4	22 278
Malaysia	5	19 251	5	19 035	5	19 734	5	21 134
Nepal	31	1278	22	2665	13	9075	6	18 063
Hong Kong	4	20 805	4	19 893	6	19 089	7	18 012
Indonesia	8	16 042	8	14 875	8	14 799	8	16 063
Brazil	12	7038	10	10 113	9	12 466	9	16 028
Vietnam	14	5290	14	6710	11	9642	10	15 931
Other countries		122 687		129 625		142 427		156 702
Total		344 155		380 012		450 559		543 898

- a AEI enrolment data is extracted from a live database which is continually updated by education providers and by the Department of Immigration and Citizenship. Consequently, previously published figures may have been updated in this report.

Diversification in the international education and training market

International students enrich our society, and help to provide a diverse and productive education experience for Australians. This diversity enables our education institutions to offer a much wider range of courses and campus facilities.

Students from over 210 countries chose to study with an Australian education institution in 2008. Asia remained Australia's main source of international students, contributing nearly 80 per cent of all enrolments. High growth occurred in enrolments between 2007 and 2008: India 54.2 per cent; China 19.7 per cent; Nepal 99 per cent; and Vietnam 65.2 per cent. The Asian market continued to diversify, with large increases in enrolments from Thailand, Sri Lanka, Malaysia and Pakistan. Growth also occurred in enrolments from the Americas, the Middle East, and Sub-Saharan Africa, particularly from Brazil, Colombia, Saudi Arabia and Mauritius.

The fields of education chosen by international students continued to change. In recent years, there has been considerable growth in fields such as Automotive Engineering and Technology; Human Welfare Studies and Services; and Food, Hospitality and Personal Services. There have been declines in fields such as Teacher Education; Information Systems; and Sport and Recreation.

Table 6.3

Changes within the international education market (%)

		2005	2006	2007	2008
Student country of origin	Asia	78.3	78.0	78.7	79.1
	Other	21.7	22.0	21.3	20.9
Field of education ^a	Management and Commerce	47.9	50.5	51.9	51.5
	Society and Culture	8.6	8.2	8.3	8.8
	Food, Hospitality and Personal Services	2.4	3.9	5.6	8.3
	Information Technology	12.6	9.9	7.9	6.8
	Engineering and Related Technologies	6.6	6.4	6.4	6.7
	Other	21.7	21.0	19.8	17.8
Level of study ^b	Undergraduate	58.6	57.3	56.2	55.7
	Postgraduate	41.4	42.7	43.8	44.3

		2005	2006	2007	2008
Location of supply ^c	Onshore	63.5	64.1	67	68.2
	Offshore	36.5	35.9	33	31.8

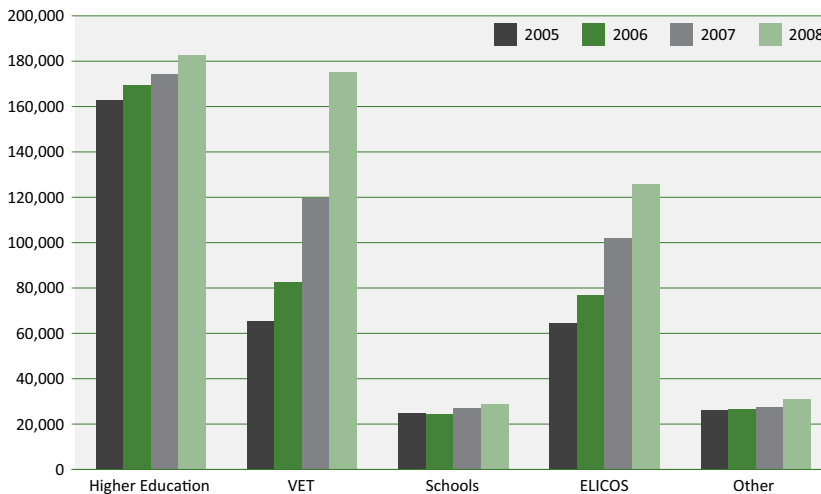
- a Includes higher education and vocational education and training enrolments only.
 b Includes higher education enrolments only.
 c Based on higher education statistics.

Trends in the number of international student enrolments in Australia

The largest numbers of enrolments were in the higher education sector (see Chart 6.3), which experienced growth of 4.7 per cent in 2008. The second largest and fastest growing sector was VET, which increased by 46.4 per cent. The ELICOS sector also experienced significant growth of 23.4 per cent in 2008. Schools sector enrolments grew by 7.1 per cent in 2008, which continues the reversal of a trend of declining enrolments in 2005 and 2006.

Chart 6.3

International student enrolments by sector



Note: 'Other' refers to courses not classified in the Australian Qualifications Framework.

Trends in the number of Australian students studying overseas

Student mobility is the movement of students offshore for educational purposes. According to UNESCO, the number of Australians studying abroad in higher education institutions has remained relatively steady over the past four years. There is currently no data for 2008.

Table 6.4

Australian students studying overseas

	2005	% change	2006	% change	2007	% change	2008	% change
Australians studying abroad ^a	9554	5.6	9596	0.4	9968	3.9	N/A	N/A

- a Higher education students only.
 Source: UNESCO.

Trends in the number of international students studying for higher level qualifications

The number of international students enrolling for higher level qualifications has grown over the past four years. Between 2007 and 2008, in terms of volumetric growth, enrolments in postgraduate coursework courses have seen the greatest increases in enrolments. However, in terms of percentage growth, numbers for postgraduate research courses have increased most quickly.

Table 6.5

International students studying for higher level qualifications

Level of study	Enrolment numbers				% growth on previous year			
	2005	2006	2007	2008	2005	2006	2007	2008
Bachelor degree	95 261	97 156	97 824	100 980	4.8	2.0	0.7	3.2
Postgraduate coursework	59 974	64 477	67 726	71 007	13.1	7.5	5.0	4.8
Postgraduate research	7433	7982	8776	9829	9.1	7.4	9.9	12.0
Total	162 668	169 615	174 326	181 816	7.9	4.3	2.8	4.3

Performance in the delivery of administered outputs

The department administers several programs to support the Australian Government's international education policies.

Table 6.6

Performance information for administered outputs

Performance indicator	Estimate	Actual
<i>International education and training</i>		
Number of funding recipients supported by the Professional Services Development Program	12	12
Number of projects and/or activities funded by Regional Links	20	7
Number of projects and/or activities funded by the 'Increased profile of Australian International Education Sector' program	10	6
Number of international scholarships, fellowships and exchange opportunities supported (Endeavour Awards)	1658	1458
<i>Assessment Subsidy for Overseas Trained Professionals</i>		
Number of eligible clients supported	500	500

International education and training

International scholarships and student exchange programs

The Endeavour Awards build enduring regional links and fosters closer educational, professional and research ties between Australia and participating countries across the Asia-Pacific region, the Middle East, Europe and the Americas. The Endeavour Awards consist of:

- Endeavour Executive Awards
- Endeavour Australia Cheung Kong Research Fellowships
- Endeavour Research Fellowships
- Endeavour Postgraduate Awards
- Endeavour Vocational Education and Training Awards.

These awards aim to provide opportunities for high-achieving individuals to increase their skills and enhance their global awareness. The Endeavour Awards also extend Australia's influence in the international education sector and contribute to Australia's

position as a high-quality education and training provider and a leader in research and innovation. There were 483 award recipients, including 91 Australians, who undertook study, research or professional development internationally in 2008–09.

Developing international networks across the Asia–Pacific and Middle East regions

The Endeavour Awards is the Australian Government’s internationally competitive, merit-based scholarship program providing opportunities for citizens of the Asia–Pacific region, the Middle East, Europe and the Americas to undertake study, research and professional development in Australia. Awards are also available for Australians to do the same abroad.



Undertaking her PhD in Chemistry in the Philippines, Dahlia Apodaca was highly motivated to gain international research experience to enhance the quality of research in the Philippines. Through her Endeavour Research Fellowship, she undertook a six-month research placement in the School of Environmental and Life Sciences at the University of Newcastle, conducting research towards the development of a polymer to recognise saxitoxin, a chemical compound which has been listed by the US Government as a potential biological weapon.

Of her Endeavour Award experience, Dahlia says, ‘I hope that this worthwhile experience of mine further inspires other people, especially the young ones (in the Philippines), to excel in whichever field they are in. I will use the knowledge and skills I gained from my Endeavour experience in leading my countrymen, to dream more, to yearn to learn more, to perform better and hence in the process, allowing them to achieve excellence’.



Working in Australia’s vocational education and training sector, Greg McMillan undertook a two-month Endeavour Executive Award hosted by the Bangalore Chamber of Industry and Commerce in Southern India.

This experience provided Greg with the opportunity to undertake a program that blended professional learning, research that was relevant to his academic studies, and an opportunity to meet with people of a different culture. The trip gave him insight into how India’s business community operates,

particularly in an education, training and skills development context. The trip also provided him with an opportunity to develop his knowledge of India’s emerging technical education system and to explore potential networks and partnership opportunities with Australian institutions.

Of his experience, Greg says, ‘the opportunity to share knowledge, opinions, views and life experiences with others in such an intense way provides an accelerated learning about another country and its people. I expect a number of relationships developed will likewise continue, and the positive impact on my personal and professional development cannot be underestimated’.

In 2008–09, a new program was added to the Endeavour Awards—the Endeavour Vocational Education and Training (VET) Outbound Mobility Program. This program aims to increase the number of Australian VET students who take advantage of international study opportunities. It also aims to facilitate the outbound mobility of VET students by increasing the level of partnership activity between Australian education and training providers and/or industry and their international counterparts. The program’s inaugural round provided \$371 230 to fund 11 projects valued at up to \$35 000 (GST inclusive) per project.

The International Student Exchange Program is made up of three individual programs: the Endeavour Student Exchange Program (ESEP); the Endeavour Cheung Kong Student Exchange Program (ECKSEP); and, the Australian University Mobility in Asia and the Pacific (UMAP) Student Exchange Program. These programs promote diversification in the international education market, in terms of countries of origin and fields of study.

The programs provide funding to Australian higher education institutions to support Australians studying overseas (ESEP, ECKSEP and UMAP) and international students studying in Australia on exchange (ESEP and ECKSEP). These programs support the government's objective of building international linkages between Australia and overseas institutions, and enriches the experience of students. In 2008–09, the department provided funding through the International Student Exchange Programs to enable 1070 students to participate in a student exchange in Australia and overseas. The programs also included funding to support 95 staff visits overseas.

Professional Services Development Program

The Professional Services Development Program continued to support international mobility by funding Australian organisations to work towards the international recognition of Australian professional qualifications and skills, and the recognition of overseas professional qualifications and skills in Australia. In 2008–09, approximately \$380 000 was provided to fund eligible activities.

Regional Links Program

The Regional Links Program develops relationships in the Asia–Pacific region for the benefit of Australian education and training. In 2008–09, approximately \$500 000 was provided to fund engagement in research, education and training initiatives, and to promote Australia's profile in those areas. Seven projects/activities were funded in 2008–09.

Assessment Subsidy for Overseas Trained Professionals

The Assessment Subsidy for Overseas Trained Professionals program (ASDOT) assists financially disadvantaged, overseas-trained professionals by providing financial assistance to cover the cost of assessments and/or examinations that must be passed to qualify for employment in certain professions in Australia. In 2008–09, \$743 000 was provided to cover assessment/examination fees. The program is administered by the department in cooperation with Centrelink.

Performance in the delivery of departmental outputs

Information for international education providers and students

AEI Online

The AEI Online website (available on the DEEWR website) supports the need for up-to-date information on factors affecting the international education industry.

The website provides comprehensive information to international education providers about their responsibilities under the ESOS legislative framework. It also helps overseas students to understand how the ESOS framework protects their rights and the fees that they have paid for their study, as well as their responsibilities under the legislation. Publications about aspects of ESOS and other support resources can also be downloaded from the website.

The Market Information Package (MIP) supports the planning and business development needs of education and training providers. This fee-for-service subscription was purchased by 165 eligible institutions in 2008–09. A further 1165 institutions were given a free three-month trial subscription as part of the Study in Australia 2010 drive.

AEI has boosted its level of support for the international education industry at a time of economic uncertainty by allowing institutions to have free access to its data on student enrolment and course trends, to research reports and to market intelligence garnered by AEI's international network. Over 500 market alerts were provided through the MIP in 2008–09, and short summaries of the reports were released in a weekly newsletter.

In May 2009, the AEI Online newsletter was redesigned to include a 'national news' section. This section informs Australia's international education providers of the activities undertaken by AEI's national office in Canberra to support the industry.

Coinciding with the redesign and renaming of the newsletter was the redevelopment of the subscriber database. While over 15 000 subscribers were registered in the database, an increasing number of emails to subscribers were returned undelivered. Recognising that the integrity of the subscriber database was compromised, AEI replaced it with a newly populated subscriber list updated with data provided by subscribers following a promotional drive. Over 3000 subscribers currently receive the weekly newsletter *AEI Weekly Update* (formerly *AEI Newsletter*).

Study in Australia

'Study in Australia' is the government's primary brand for positioning and promoting Australian education and training opportunities around the world. The brand seeks to increase the recognition and reputation of Australia as a provider of high-quality education, and creates a framework in which other government agencies, state and territory education departments and individual education providers can market their products.

Since the brand was introduced in 2002, it has become the third most recognised education brand in the world (behind the United Kingdom and the United States). On average, the Study in Australia website receives over 400 000 unique visits each month.

Study in Australia's key messages are based on Australia's sustainable competitive advantages in international education—the quality of our education system, the quality of life in Australia, and the long-term value that an Australian qualification and study experience represents to a student. Those attributes are articulated through the brand's tagline, 'Live. Learn. Grow.', and underpin all marketing communication.

Positioning and promoting Australian education internationally

The brand's primary communication channel is the Study in Australia website <www.studyinaustralia.gov.au> which is provided in English and 12 other languages. Depending on the specific market, a range of additional channels are used to engage with target audiences, including online, print, radio, television, outdoor and transit advertising.

Australia's competitive advantages in international education and training are articulated through the brand's tagline, 'Live. Learn. Grow.', and centre on five key attributes:

- positioning Australian education and training options as world class (comparable with the UK, the US and any other country)
- highlighting the individual outcomes that studying in Australia presents (both professionally and personally—including ongoing education and international employment pathways)
- promoting the quality of the Australian education system
- showcasing the unique lifestyle Australia offers international students
- providing the information, support and other resources required by students to help ensure their Australian study experience is positive, enjoyable and worthwhile.

Study in Australia 2010

Key aspects of the Study in Australia 2010 (SIA 2010) strategy commenced rollout from April 2009, following the Hon Julia Gillard MP, Minister for Education's announcement in March 2009. Four key themes underpin the SIA 2010 drive: enhancing the student experience; showcasing Australian education and training excellence; positioning Australia in the global market; and supporting the Australian international education sector.

The SIA 2010 National Briefings were a whole of government engagement across the international education and training sector. These one-day sessions took place around Australia in May and June 2009 and covered policy issues and consultations on key areas of work such as data analysis, market research and access, the regulatory environment, scholarships and student experience.

Professional development workshops for education agents working with Australian institutions were delivered in China (including Hong Kong), India, Indonesia, South Korea, Malaysia and Thailand during May and June 2009. The workshops, which were delivered by PIER Online, included intensive training on the Australian education and training system, ESOS responsibilities, provider and agent roles and responsibilities. The workshops also included sessions on the student visa program by the Department of Immigration and Citizenship. The workshops provided an opportunity for agents to raise issues and give feedback on how Australia is positioned. The workshops have received strong feedback from agents and are a unique offering by Australia.

As part of the SIA 2010 strategy, government, peak bodies, education institutions and other organisations are invited to use the well-known Study in Australia logo and key messages.

The *Guide to studying and living in Australia* has been updated to include safety information and city-specific public transport information. It is available on the Study in Australia website.

ESOS legislative framework

The department administers the ESOS legislative framework, which includes the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (the National Code). This legislative framework provides nationally consistent standards for the conduct of providers of education and training to international students and provides financial and tuition assurance to students for courses for which they have paid.

During 2008–09, the department funded the development of resources aimed at assisting education providers to better support students in preparing for and settling in to study in Australia. It also funded the development of six short animations aimed at engaging students in some key aspects of study and life in Australia. The department provides an ESOS mailbox and helpline to assist providers and students.

In addition, nine National Code Provider Workshops were held in major capital cities around Australia during May and June 2009, attended by over 1100 participants. A major focus of the workshops was the discussion of initiatives and good practice in supporting international students, with the aim of developing shared resources for providers. The workshops also provided valuable networking opportunities for staff from education providers across all sectors. Participants were positive in their evaluations of the workshops.

Protecting international students

A key aim of the ESOS legislative framework is to protect the rights of international students who are in Australia on student visas.

In 2008–09, the department's compliance activity, including in conjunction with state and territory authorities, continued to protect international students by following up on their complaints and undertaking audits of individual education and training providers.

The department effectively coordinated consumer protection for international students to ensure that they were able to complete their studies or be appropriately refunded where necessary. It also worked closely with state and territory governments to minimise the effect of provider closures on international students.

The department expanded its helpline for international students to provide a dedicated telephone hotline for students to register their complaints. Students can anonymously raise concerns, which will be collated and published on the Study in Australia website. The department has also developed resources that assist providers to support overseas students in their everyday life in Australia, as well as in their studies.

International engagement

Free trade agreements

The department continued work on eliminating barriers to trade in education and training through multilateral forums, bilateral agreements and other initiatives. The department has been actively involved in the education service components of the Australian Government's free trade agreement (FTA) negotiating agenda. FTA negotiations with South Korea commenced on 18 May 2009, while FTA negotiations with the Association of Southeast Asian Nations (ASEAN) under the ASEAN–Australia–New Zealand FTA (AANZFTA) were completed on 27 February 2009. The completion of AANZFTA resulted in successful outcomes for Australian education providers wishing to deliver their services in ASEAN countries.

FTA negotiations continued with China, Japan and the Gulf Cooperation Council (GCC) where positive education outcomes are expected. Education officials from GCC countries and from Australia, including representatives from the department, met in Dubai to exchange information on their respective education systems as part of the Australia–GCC FTA negotiations. Issues discussed included quality assurance, recognition of overseas qualifications, fees, transparency and the review of administrative decisions.

The department also supported Australia's engagement with the World Trade Organization's Doha round of multilateral trade negotiations and participated in preparatory work for FTA negotiations with India and Indonesia.

Asia–Pacific Economic Cooperation

The department completed two studies, both focused on the Asia–Pacific region, to assess measures affecting cross-border exchange and investment in higher education (jointly funded with the Asia–Pacific Economic Cooperation (APEC) Secretariat) and to map qualifications frameworks (fully funded by the APEC Secretariat). These projects are further to the Australian Government's aim of promoting education mobility and trade liberalisation in the Asia–Pacific region. The department also completed a self-funded project which examined the use of public–private partnerships in implementing labour market and welfare policies and programs. An important component of the project was a symposium entitled 'Developing Effective Private–Public Partnerships: Meeting the needs of the 21st Century Global Workforce', co-hosted by the department and the United States Department of Labor in Singapore in 2008.

The department represented the Australian Government at the thirty-first meeting of the APEC Human Resources Development Working Group, convened in Chicago, USA, in June 2009, reporting on the department's three completed APEC projects and two new project proposals to improve regional recognition arrangements.

Commonwealth

Dr Michele Bruniges, Deputy Secretary for the Schooling and COAG cluster, led a delegation to the seventeenth Conference of Commonwealth Education Ministers held in Kuala Lumpur in June 2009. The theme for the fiftieth anniversary conference was 'Education in the Commonwealth: Towards and Beyond Global Goals and Targets'. The meeting brought together a diverse range of educational stakeholders, including education ministers, senior officials, and representatives from national and international agencies, academics, teachers, non-government organisations, youth and the private sector to discuss issues of mutual concern and interest, share ideas and challenges, and identify future goals and directions.

European Union

AEI played the lead role in organising the inaugural European Union – Australia Policy Dialogue in Melbourne in March 2009. The purpose of the dialogue was to address strategic issues in higher education, and exchange information on current and new policy directions in Europe and Australia. The EU delegation, led by Ms Odile Quintin, Director General of Education and Culture, also visited several Australian higher education institutions.

Southeast Asian Ministers of Education Organization

The department supported the Southeast Asian Ministers of Education Organization (SEAMEO) initiative to establish a structural framework for regional integration in higher education in Southeast Asia. This regional initiative is being led by SEAMEO's Regional Institute for Higher Education and Development (RIHED) based in Bangkok. The department, through its Thailand-based Education Counsellor, assisted SEAMEO RIHED host a regional conference in Bangkok in November 2008 on regional integration. That conference enabled Australia to share its experience in promoting the recognition of qualifications and student mobility in higher education through the development of a graduate statement, share lessons from the European Bologna process and to engage in policy dialogue with key stakeholders from SEAMEO member countries.

United Nations Educational, Scientific and Cultural Organization

The department co-hosted a workshop entitled 'Recognition of Higher Education Qualifications in the Asia–Pacific Region' in Manila in May 2009 with the Asia–Pacific office of UNESCO and the Government of the Philippines. The workshop enabled Australia to position itself as a leading country in education cooperation in the Asia–Pacific region and share its policy and program experience on recognition issues with key regional stakeholders.

North America

In June 2009, the Hon Julia Gillard MP, Deputy Prime Minister, visited Washington and New York. The Deputy Prime Minister met with key figures in the US Administration, including Mr Joe Biden, US Vice President; the Hon Mr Arne Duncan, Secretary of Education; and Dr John Lawrence, Chief of Staff to House Speaker Nancy Pelosi. The Deputy Prime Minister attended roundtables on school reform, social inclusion and the global recession, and met with senior government representatives in Washington to discuss a range of portfolio-related activities. The outcome of the meeting with Secretary Duncan was an in-principal agreement to explore cooperation in the schools reform agenda.

Minister Gillard's visit has further reinforced the ongoing links between the two countries. It has strengthened the US and Australia's good relationship in the policy areas of education, employment and social engagement. The strong connection that Australia shares with the US is an excellent foundation for a firm bilateral relationship and collaboration in these policy areas in the future.

Thailand

The second meeting of the Australia–Thailand Joint Working Group, hosted by Australia in September 2008, focused on the shared challenges of developing twenty-first century education systems. Thailand is keen to learn from Australia's education reforms. The Thai delegation was jointly led by Dr Chantavit Sujatanond, Deputy Secretary-General of the Commission on Higher Education, and Dr Siripan Choomnoon, Deputy Secretary-General of the Office of Vocational Education Commission. The Working Group meeting was held under the auspices of the education and training memorandum of understanding, which enhances Australia's relationship with key education partners in Thailand.

Vietnam

In March 2009, Mr Craig Robertson, Group Manager of the Tertiary Skills and Productivity Group, participated in the Educational Cooperation for Improving National Competencies of Vietnam seminar. The seminar, held in Hanoi, Vietnam, was a joint initiative of the Organisation for Economic Co-operation and Development (OECD) and the governments of Vietnam and Korea. The seminar provided an excellent opportunity for Australia to showcase the strengths of our VET system in a significant international forum. This is consistent with the department's focus on engaging in Vietnam's reform processes, assessing where we can leverage, adding value, having a competitive advantage, and maximising impact. Outside the seminar, Mr Robertson continued to talk with senior Vietnamese officials on policy issues associated with Australia's experience in developing an industry-responsive vocational education and training system.

Malaysia

In July 2008, the Hon Kevin Rudd MP, Prime Minister, announced the Australia–Malaysia Pilot Sister Schools Project, jointly funded by the department and the Australia–Malaysia Institute. The project is designed to build mutual understanding and people-to-people links between young students in the two countries by linking Malaysian and Australian secondary schools. Six schools in each country were involved in teacher exchanges.

Indonesia

The Indonesian Minister of Education, Dr Bambang Sudibyo visited Australia to attend the Australia–Indonesia Ministerial Forum in November 2008 and to sign the new Memorandum of Understanding (MoU) on Cooperation in Education and Training between the department and the Indonesian Department of National Education.



Indonesian Minister of Education, Dr Bambang Sudibyo, and the Hon Julia Gillard MP, Deputy Prime Minister, sign the MoU on Cooperation in Education and Training.

The Indonesian Minister of Manpower and Transmigration H.E. Dr Erman Suparno, led a six-person delegation to Canberra in June 2009 to sign an Arrangement which establishes areas of cooperation between Indonesian and Australian departments, and focuses on projects relevant to labour-force and social protection for workers.



Indonesian Minister of Manpower and Transmigration, H.E. Dr Erman Suparno, and the Hon Julia Gillard MP, Deputy Prime Minister, sign the Arrangement.

Singapore

In Singapore in July 2008, the Hon Julia Gillard MP, Deputy Prime Minister, met with Dr Ng Eng Hen, Singapore Minister for Education and Second Minister for Defence. They agreed that officials of both ministries would regularly exchange information on shared education interests. Those discussions might include ways in which Australia can learn from Singapore's strength in mathematics and science education and how Singapore can learn from Australia's experience in developing a school curriculum that encourages creative and critical thinking, and cover the ESOS regulatory framework to protect the welfare of international students in Australia.

Brunei

In August 2008, the Minister for Education of the Sultanate of Brunei Darussalam, Yang Berhomat Pehin Orang Kata Seri Lela Dato' Setia Haji Abdul Rahman bin Dato' Setia Haji Mohamed Taib, led a delegation of 14 officials on a visit to Australia to look at various aspects of the VET system to inform the development and introduction of a new education system in Brunei. The Bruneian Minister was interested in exploring opportunities for Australian assistance in curriculum design and assessment; teacher training; and leadership programs for school principals, academics, and senior education officials. In addition to meeting with the Hon Julia Gillard MP, Deputy Prime Minister, the Minister and delegation visited universities, VET institutions and schools in Melbourne, Adelaide and Sydney.

Brazil

AEI played a leadership role in hosting a delegation of school principals from Brazil, which visited Australia in April 2009. The 27 principals from the state of São Paulo visited schools in Queensland and Victoria and met with relevant authorities. The visit was very successful and an Australian representative was invited to present at an education conference in São Paulo in September 2009.

Iraq–Australia MoUs including education, training and research

In March 2009, Iraqi Prime Minister, Nouri Al-Maliki, and the Hon Kevin Rudd MP, Prime Minister, signed a declaration aimed at further strengthening the bilateral relationship between Australia and Iraq. In the declaration the prime ministers agreed to the conclusion of six MoUs, on agriculture; resources and energy; trade cooperation; public health; security and border control; and education. The education, training and research MoU, signed in June 2009 by the Hon Julia Gillard MP, Deputy Prime Minister, and the Iraqi Minister for Education, Abid Thyab Al Ajeeli, in the presence of the Iraqi Prime Minister, focuses on postgraduate research scholarships in a number of areas, including the humanities, agriculture, horticulture, renewable energy, water management and engineering and mining. In 2009, two Iraqi students were awarded Endeavour Awards for postgraduate study at Australian institutions.

Ensuring quality transnational delivery

In August 2008, the Hon Julia Gillard MP, Deputy Prime Minister, launched AusLIST, the list of Australian institutions and the courses they conduct outside Australia. A key eligibility criterion for institutions applying for inclusion in AusLIST is a commitment by the institution to deliver courses offshore to the same standard that they are delivered in Australia.

At the end of June 2009, AusLIST included 23 Australian higher education and seven VET institutions (four public and three private), offering 414 courses across 25 countries.

Australian providers engaged in transnational education have access to a suite of professional development resources focused on teaching and learning, and business administration and a comprehensive good practice guide to offshore delivery. Those resources are available to Australian providers from AEI.

Promoting qualification recognition and mobility

The department facilitated initiatives to improve international mobility by providing information about the Australian education system in its publications, participating in international events, and funding programs supporting the recognition of qualifications.

Research

AEI provides essential and comprehensive, up-to-date market intelligence to support Australia's international education and training industry.

A detailed report was commissioned by the department to reveal the English language proficiency and workplace readiness of international students in the higher education and VET sectors. This research will enable the Australian international education industry to improve the employment outcomes of international students in Australia by providing opportunities for them to further develop their English language skills while undertaking their tertiary studies.

Table 6.7

Performance information for departmental outputs

Performance indicator	Estimate	Actual
Program management		
<i>Quantity</i>		
Number of registrants for Australian Education International (AEI) Industry Seminars ^a	700	1000
Number of subscribers to the AEI Market Information Package (MIP)	Monthly average: 160 organisation subscribers	165 institutions paid subscriptions. A further 1165 institutions were given a free three-month trial MIP subscription as part of the SIA 2010 drive
Number of market opportunities issued through AEI market alerts	750	545
Number of subscribers to the AEI newsletter	15 000	3780. The subscriber database was replaced in May 2009 to remove details of former subscribers
Number of visits to the Study in Australia website	Monthly average number of visits: 300 000	294 447
<i>Quality</i>		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Administrative targets met
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Administrative targets met
Timeliness of parliamentary reports (including interim responses where appropriate) provided to parliament and its committees	At least 90%	Satisfied
High-quality ministerial replies as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from the ministers and the Parliamentary Secretary to the Secretary	Satisfied ^b
	Analysis of trends over time to monitor percentage delivered within agreed timeframes	
Timely and relevant information provided by AEI websites and publications	Content on AEI Online and Study In Australia websites updated at least once a year, or as required	95% of materials on AEI Online and Study In Australia websites are up-to-date
	Country Education Profiles Online updated as planned	Country Education Profiles Online updated

Performance indicator	Estimate	Actual
<i>Client Satisfaction</i>		
Satisfaction with bilateral, regional, multilateral and industry relationships which augment Australia's international engagement in education and training	80% client satisfaction rating	Targets met
Satisfaction with AEI National Briefings ^a	80+% satisfaction rating by participants	96% of delegates rated the event good to excellent
Satisfaction with AEI information in publications and websites	80+% client satisfaction with AEI information	Targets met
Policy services		
High-quality policy advice as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from the ministers and Parliamentary Secretary to the Secretary	Satisfied ^b

- a The National Briefings replaced the AEI Industry Seminars in 2008–09.
- b During the year, ministers, parliamentary secretaries and their staff provide feedback on the level of satisfaction with departmental advice during regular meetings with the department. Overall feedback from their offices is that they recognise the significant efforts made by departmental staff and are satisfied with the quality of briefings. Analysis of trends in 2008–09 indicates that the percentage of briefs and ministerials delivered within agreed timeframes is increasing steadily. The number of errors and rejections is also largely trending downward due to an emphasis on feedback to assist line areas to improve quality and presentation.

Outlook for 2009–10

Internationalisation of education and training will continue to bring strong benefits to Australia and remains a significant contributor to Australia's export earnings. International students enhance the learning experiences of all students. The interaction with their institution and the wider Australian community leads to lifelong links which benefit Australia in business, diplomacy, trade and scientific engagement. The increasing interest of Australian students in an offshore study experience contributes to their global understanding and employability.

In 2009–10, global education will become increasingly complex and competitive. Traditional student source countries for Australia are building their own domestic and international capabilities. Students are more informed and are becoming more selective in their educational choices. New strategies, technologies and infrastructures are impacting on the flow of students to foreign destinations.

The department sees three major influences continuing to shape the future international education environment:

- the increasing sophistication of students, who more and more are seeking a range of safe, positive, holistic education experiences delivered in a variety of ways
- the greater global connectedness of education and training
- the greater demands made by employers on the education and training industry.

The Australian Government is committed to providing the framework for, and working in partnership with, the sector to meet the challenges to maintaining the world-class and globally connected status of our education and training system.

In addition, two factors are emerging which may have an impact on international education in Australia:

- The global recession has the potential to reduce the economic capacity of aspiring international students to study in Australia. The review of Australia's migration pathways, to adjust to the lower labour market demand resulting from the financial crisis, may also make Australia less attractive for some international students. The Study in Australia 2010 initiatives will enable the department to respond to those challenges.

- As the financial year ended, concern about a number of issues related to students' experiences of studying and living in Australia was growing. The department is responding to ensure that issues associated with the welfare of students, created by the significant growth across all education sectors, are identified early and resolved successfully. On 26 May 2009, the Hon Julia Gillard MP, Deputy Prime Minister, announced that the government will invite international student representatives to participate in a round table to discuss issues affecting their study experiences in Australia and will consider how the government can best hear and respond to their views on these and other issues of vital concern to international students.

Success in addressing these factors will ensure that international students continue to enjoy a quality Australian education and living experience.

Report on performance

Outcome 7

Labour market assistance

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Outcome 7 Labour market assistance

The department plays a key role in delivering the government's productivity, skills and jobs agenda to support Australia's long-term economic growth and a fair and socially inclusive society.

The department delivers this agenda through labour market assistance and income support payments that reduce social exclusion and provide opportunities for people to contribute to economic growth.

Outcome 7 contributes to a more productive economy through:

- effective administration of working age income support payments
- effective labour market program management and delivery.

In 2008–09, the key focus for Outcome 7 was the effective development and implementation of major reforms to Employment Services through Job Services Australia, the reformed Indigenous Employment Program, and changes to the job seeker compliance framework on 1 July 2009. The Outcome also led a review of Disability Employment Services, the Disability Employment Network (DEN) and Vocational Rehabilitation Services (VRS), in the context of the National Mental Health and Disability Employment Strategy.

The Outcome played a key role in government initiatives to combat the effects of the global recession, including the rollout of enhanced services for redundant workers and other economic stimulus initiatives, including connections between Employment Services and opportunities under the government's Energy Efficient Homes Package. At the same time, the Outcome was responsible for the ongoing management of existing programs and services.

The effectiveness of 2008–09 working age income support payments and Employment Services is detailed in the effectiveness indicators. The indicators focus on the monitoring and analysis of payment trends and the average duration of unemployment. Through the management and administration of Employment Services and the efficient delivery of income support payments, Outcome 7 supported unemployed Australians as they looked for work.

The Outcome worked closely with Outcome 8—Workforce participation, and with other outcomes for school education, higher education and vocational education and training, including the government's Productivity Places Program, to ensure the right connections to support the government's productivity and skills agenda and support for job seekers.

Key priorities

The key priorities for Outcome 7 in 2008–09 were:

- providing programs to assist people into work or to prepare them for employment
- effectively managing working age income support payments
- developing and implementing the new Employment Services, Job Services Australia
- managing and reforming the Indigenous Employment Program to support the government's commitments to closing the gap between Indigenous and non-Indigenous Australians
- consulting and preparing for reforms to Disability Employment Services
- implementing government measures to assist Australians during the global recession.

Key achievements

The key achievements for Outcome 7 in 2008–09 were as follows:

- Job Services Australia was successfully implemented on 1 July 2009, after extensive public consultations across Australia in 2008. The new service is a major reform of the way Employment Services are delivered and is designed to provide the right mix of training, work experience and other interventions to help support job seekers, particularly the disadvantaged, obtain suitable employment.
- The reformed Indigenous Employment Program, which was developed following extensive public consultations across Australia in 2008 and early 2009, began on 1 July 2009. The new program builds on the strengths of its predecessor and is designed to be more flexible and responsive. The program will provide a broader range of employment, economic development and business support services.
- The department reviewed its approach to contract management for the introduction of Job Services Australia on 1 July 2009, guided by the Charter of Contract Management. The charter was developed after consultations from October 2008 with providers, industry and peak bodies, and was approved by the Hon Brendan O'Connor MP, former Minister for Employment Participation.
- The department developed a memorandum of understanding between government and the Master Builders Association, the Housing Industry Association, the National Employment Services Association and the Construction, Forestry, Mining and Energy Union. The memorandum links job seekers with the Energy Efficient Homes Package through Job Services Australia.
- The department implemented a number of income support measures announced by the government in response to the global recession, including:
 - as part of the Economic Security Strategy announced in October 2008, the provision of a lump sum payment of \$1400 for single people and \$2100 for couples to eligible recipients of Partner Allowance and Widow Allowance and to Parenting Payment Single recipients of age pension age
 - assistance for students and job seekers with the costs of education and training, announced in February 2009 under the government's Nation Building—Economic Stimulus Plan, including the Training and Learning Bonus and extension of the Education Entry payment to Youth Allowance (other) recipients with a waiting period reduced from 12 months to 1 month
 - a doubling of the thresholds of liquid assets that people can have while remaining eligible for income support for the period from 1 April 2009 to 31 March 2011, to \$5000 for singles and \$10 000 for couples or people with children (this arrangement will be reviewed before April 2011).

Performance information for Outcome 7

The government's employment policies and programs aim to maximise the ability of unemployed Australians to find work, particularly those facing the most severe barriers to employment. This focus is reflected in the effectiveness indicators for Outcome 7.

Effectiveness indicators

Table 7.1 provides an indication of overall trends under Outcome 7—Labour market assistance.

Table 7.1

Effectiveness indicators for Outcome 7

Trend in the average duration (in weeks) of unemployment relative to labour market performance
Comparative labour market experience (measured as average duration in weeks on full rate unemployment allowance) for:

- long-term unemployed
- Indigenous Australians
- mature aged
- people of culturally and linguistically diverse backgrounds
- sole parents
- people with disability
- young people

Operating environment in 2008–09

Economic conditions and employment

Against the backdrop of a deepening international economic downturn, economic growth in Australia was flat between the June quarter 2008 and the March quarter 2009, compared with the robust growth rate of 2.6 per cent recorded over the same period in the previous financial year. The largest contribution to economic growth over the last three quarters was from net exports (3.6 percentage points), while private business investment subtracted from growth. Among the states and territories, South Australia's economy grew significantly over the period, while the New South Wales economy grew only marginally. Queensland, the Northern Territory and the Australian Capital Territory recorded the largest falls in economic activity (proxied by real State Final Demand) over the period.

In line with weaker economic growth, labour market conditions slowed appreciably in 2008–09. Employment fell by 25 700 (or 0.2 per cent) over the year, to stand at 10 762 500 in June 2009, compared with a rise of 251 500 (or 2.4 per cent) during the previous financial year. The fall in employment in 2008–09 was due entirely to a decline in full-time employment (down by 114 700 or 1.5 per cent to 7 611 800). On the other hand, part-time employment increased by 89 000 (or 2.9 per cent) to 3 150 600, reflecting many employers' choices to cut back workers' hours in an attempt to avoid redundancies, at least in the first instance. Significant job losses were recorded in a number of industries over the year to May 2009 (the latest month for which data is available), including manufacturing; agriculture, forestry and fishing; professional, scientific and technical services; rental, hiring and real estate services; mining; and financial and insurance services.

Reflecting the fall in employment, the unemployment rate increased by 1.6 percentage points over 2008–09, to 5.8 per cent in June 2009, while the level of unemployment increased significantly over the period, by 186 500 (or 39.1 per cent) to 662 900. The level of long-term unemployment also increased over 2008–09, by 39 800 (or

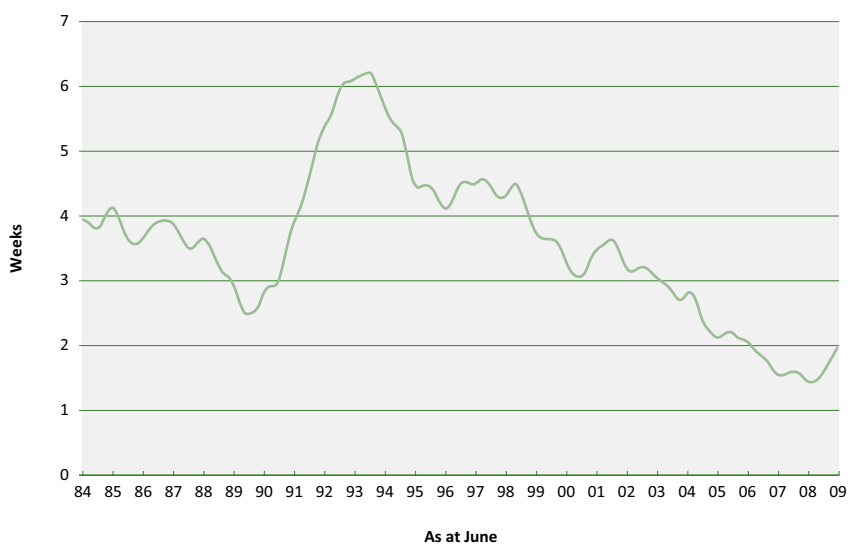
59.1 per cent) to 107 200 in June 2009. Similarly, long-term unemployment incidence (the proportion of unemployed people who were long-term unemployed) rose by 2.0 percentage points to 16.2 per cent.

The global recession resulted in reduced demand for skilled workers from late 2008. The department's skill shortage research showed a marked easing in skill shortages across most trades, professions and management occupations. Although shortages persist for some individual occupations, most employers report less difficulty in recruiting the skills they need compared with recent years.

Changes in the average duration of unemployment per labour force member indicate the ability of unemployed people to find work. Chart 7.1 shows the trend in this measure over the past 25 years. In the 12 months to June 2009, the average duration of unemployment per labour force member rose by 34.4 per cent to about two weeks primarily as a result of a significant increase in unemployment.

Chart 7.1

Average duration of unemployment per labour force member, June 1984 to June 2009



Source: Based on data from ABS (2009), *Labour force, Australia, detailed—electronic delivery*, ABS Cat. no.6291.0.55.001, and ABS SuperTABLE UM1, seasonally adjusted and trended by the department.

An alternative measure of a person's duration of unemployment is the average duration on full rate unemployment allowance (Newstart Allowance and Youth Allowance (other)), as shown in Table 7.2. The increase in the number of people on unemployment allowances at the end of June 2009 over the number in June 2008 was a result of the deterioration in macroeconomic conditions during the year. Those new entrants will have shorter durations on allowances, reducing the aggregate average duration.

Table 7.2

Average duration on full rate unemployment allowance, June 2003 to June 2009 (weeks)

Measure	2003	2004	2005	2006	2007	2008	2009	Trend
Average duration on full rate Newstart Allowance or Youth Allowance (other) at the end of June	48.5	44.8	41.0	39.4	37.0	35.3	33.7	Decrease

Source: DEEWR administrative data.

For the long-term unemployed, mature-aged, people from a culturally and linguistically diverse background and people with disability, the average duration on full rate unemployment allowance fell during 2008–09 (Table 7.3). However, small (less than three weeks) increases were recorded for Indigenous Australians, single parents and young people.

Table 7.3

Average duration on full rate Newstart Allowance or Youth Allowance (other), by disadvantaged group, June 2003 to June 2009 (weeks)

Measure	2003	2004	2005	2006	2007	2008	2009	08–09 % change	Trend
Long-term unemployed	167.4	164.9	164.6	161.7	162.0	163.4	148.9	–8.8	Decrease
Indigenous Australians	58.6	54.8	50.5	47.6	44.4	42.2	44.6	5.7	Increase
Mature age ^a	75.0	64.9	59.3	56.5	51.4	48.5	43.4	–10.6	Decrease
Culturally and linguistically diverse background ^b	54.4	48.4	42.8	40.6	37.7	35.6	33.4	–6.1	Decrease
Single parents	42.9	45.0	49.0	49.1	23.3	18.7	20.2	7.8	Increase
People with disability	79.8	76.2	80.0	67.4	65.1	61.9	57.1	–7.8	Decrease
Young people ^c	17.3	16.7	14.4	14.1	14.0	12.7	15.6	22.6	Increase
All client groups	48.5	44.8	41.0	39.4	37.0	35.3	33.7	–4.6	Decrease

a Aged 45 years or more.

b Other than people from main English-speaking countries.

c 15 to 20 years old.

Source: DEEWR administrative data.

Performance in the delivery of administered outputs

Table 7.4

Performance information for administered outputs

Performance indicator	Estimate	Actual
Working-age Payments^a		
<i>Quality</i>		
Average (mean) duration on income support by current income support payment (weeks):		
→ Newstart Allowance	209	160
→ Youth Allowance (other)	80	69
→ Parenting Payment Single (PPS)	365	354
Percentage of income support recipients who exit income support within 3 months of grant:		
→ Newstart Allowance	36%	30%
→ Youth Allowance (other)	38%	31%
Percentage of income support recipients who exit income support within 12 months of grant:		
→ Newstart Allowance	77%	75%
→ Youth Allowance (other)	79%	76%
Job Network (JNS)		
Total job placements achieved	550 000	445 923
Utilisation of program capacity ^b		
→ Employment Preparation Capped	200	119
→ Employment Service for Age Pensioners	250	32
→ Wage Assist	1500	311
→ Work Experience Placement program ^c	1500	1749
Cost per employment outcome		
3 months following participation in Job Network Employment Services (Job Placement and Intensive Support)	\$3800	\$3933

Performance indicator	Estimate	Actual
<i>Quality</i>		
Proportion of job seekers in employment 3 months following participation in Employment Services:		
→ Job Placement	70%	70.4%
→ Intensive Support	54%	51.1%
Proportion of job seekers in education/training 3 months following participation in Employment Services:		
→ Job Placement	10%	12.1%
→ Intensive Support	10%	13.2%
Proportion of job seekers off benefit 3 and 12 months following participation in Employment Services in Intensive Support:		
→ 3 months	48%	43.3%
→ 12 months	55%	58.5%
Proportion of job seekers off benefit 3 months following participation in Employment Services, by disadvantaged group:		
→ <i>Target</i> —Maintain off benefit outcomes across all disadvantaged groups	Full results are shown in Table 7.2	Full results are shown in Table 7.2
Work for the Dole		
Utilisation of program capacity ^d	45 000	35 418
<i>Quality</i>		
Percentage of Work for the Dole activities that address one or more skills in demand	75%	100%
Level of satisfaction of participants with:		
→ Work for the Dole Program	80%	83.8%
New Enterprise Incentive Scheme		
Utilisation of program capacity	6800	6529
<i>Quality</i>		
Proportion of job seekers in employment 3 months following participation in Employment Services in New Enterprise Incentive Scheme	80%	87.3%
Proportion of job seekers in education/training 3 months following participation in Employment Services in New Enterprise Incentive Scheme	10%	10%
Proportion of job seekers off benefit 3 and 12 months following participation in Employment Services in New Enterprise Incentive Scheme:		
→ 3 months	80%	71.7%
→ 12 months	80%	80.0%
Indigenous Employment		
Utilisation of program capacity	15 000	28,318
<i>Quality</i>		
Proportion of job seekers in employment and/or education/training (positive outcomes) 3 months following participation in Indigenous Employment programs	65%	71.5%
Job Placement, Employment and Training		
Number of actual commencements in the JPET program	14 000	14 770
<i>Quality</i>		
Effective strategies to stabilise circumstances, identify and overcome barriers and achieve outcomes for JPET participants:		
→ Proportion of JPET participants who achieve economic outcomes	25%	37%
Green Corps		
Utilisation of program capacity	1350	1583
<i>Quality</i>		
Level of satisfaction of participants with:		
→ Green Corps program	80%	87.4%
Employment Assistance and Other Services Disability Employment Network (DEN)		
Utilisation of program capacity		
→ Disability Employment Network (Capped)	18 000	23 662
→ Other disability employment including assistance and services—Employer Incentives Strategy of Wage Subsidy Scheme, Supported Wage System, Workplace Modifications Scheme, Auslan for Employment Program (instances)	10 500	12 144
→ National Disability Recruitment Coordinator	1000	613

Performance indicator	Estimate	Actual
<i>Quality</i>		
The proportion of DEN job seekers who received assistance during 2007–08 that achieve a sustainable employment outcome (8 hours of work per week for 26 weeks) in:		
→ the capped stream	35%	38%
→ the uncapped stream	-	25%
Proportion of DEN organisations achieving quality assurance certification within required timeframes	100%	100%
Personal Support Programme (PSP)		
Utilisation of program places	80 000	89 768
Information, referral and support services:		
→ number of referrals	45 000	44 400
→ ratio of commencements to referrals	80%	85%
<i>Quality</i>		
Percentage of PSP participants exiting PSP who are in employment for 13-weeks duration, education/training, referred to DEN and/or referred to JNS (Intensive Support customised assistance) (positive outcomes) or social outcomes, within the last 12 months:		
→ positive outcomes	30%	28%
→ social outcomes	40%	40%
Vocational Rehabilitation Services (VRS)		
Number of actual commencements	35 000	38 144
<i>Quality</i>		
Proportion of job seekers referred to demand driven VRS who commence	85%	83%
Proportion of job seekers referred to fixed place VRS who commence	70%	73%
Proportion of job seekers in VRS, in jobs, who go on to achieve a 13-week employment outcome	70%	64%
Proportion of job seekers in employment 3 months following participation in VRS	37%	32%

- a A revised 2008–09 estimate was made in 2009–10 DEEWR Portfolio Budget Statements, p. 153.
- b The take-up of these initiatives has been less than expected.
- c This program is also accessed by DEN and VRS providers.
- d The decrease reflects declining numbers of referrals and commencements and is consistent with the 2006–07 actual and the 2007–08 estimated actual.

Working age income support payments

Working age income support payments contribute to achieving efficient and effective labour market assistance by providing financial assistance for people who are unemployed, looking for work or participating in employment preparation programs, or have parenting responsibilities. Working age income support payments contributes to Outcome 7 by:

- providing information and advice to ministers and other key stakeholders on program matters
- monitoring and analysing payment trends
- monitoring and analysing payment accuracy and payment compliance
- overseeing effective program delivery by Centrelink.

Administered items

The administered items associated with working age income support payments are:

- Ex Gratia Payment
- Mature Age Allowance
- Mobility Allowance
- Newstart Allowance
- Parenting Payment (Partnered and Single)

- Partner Allowance (Benefit and Pension)
- Pensioner Education Supplement
- Sickness Allowance
- Utilities Allowance
- DVA Training and Learning Bonus
- Widow Allowance
- Youth Allowance (other).

Working age payments

Data in this section of the report refers to recipients of all ages.

Ex Gratia Payment (Widow Allowance)

Ex Gratia payments mirroring Widow Allowance provide income support for a number of older working-age women who were incorrectly granted Widow Allowance as a result of a Centrelink system configuration error.

The recipients in the identified group will most likely remain on the Ex Gratia Payment until they become eligible for another income support payment, such as the Age Pension. If a recipient loses qualification for the Ex Gratia Payment, they cannot be regranted this payment.

In June 2009, there were three recipients of an Ex Gratia Payment (Widow Allowance). This payment is due to be phased out by February 2010.

Mature Age Allowance

Mature Age Allowance provided income support for unemployed people aged 60 years to age pension age who had received another income support payment for more than nine months and had no recent workforce experience. The payment was closed to new claimants from 20 September 2003. People who would have previously been eligible for Mature Age Allowance can apply for another income support payment, such as Newstart Allowance.

As of 19 September 2008, there were no recipients of Mature Age Allowance.

Mobility Allowance

Mobility Allowance is a fortnightly payment designed to assist people with disability who are undertaking approved activities and are unable to use public transport without substantial assistance. Mobility Allowance is not subject to the income and assets tests.

Mobility Allowance is payable at a standard rate of \$79.30 and a higher rate of \$111.00. In June 2009, 91.8 per cent of recipients received the standard rate and 8.2 per cent the higher rate.

Standard rate

To qualify for the standard rate of Mobility Allowance, recipients must be undertaking approved activities such as job seeking or any combination of paid employment, voluntary work, vocational training, independent living, life skills training or Vocational Rehabilitation Services for at least 32 hours every four weeks.

Higher rate

The higher rate of Mobility Allowance may be payable to eligible Parenting Payment, Disability Support Pension, Newstart Allowance and Youth Allowance (other) recipients who are working 15 hours or more a week in the open labour market for wages at

or above the relevant minimum wage or set in accordance with the Supported Wage System, or who are looking for such work under an agreement with an Employment Service Provider.

The number of Mobility Allowance recipients increased by 1.4 per cent, from 55 299 in June 2008 to 56 080 in June 2009.

Newstart Allowance

Newstart Allowance provides income support for eligible job seekers aged 21 years or over and under age pension age. Recipients must satisfy the activity test by seeking and accepting suitable work and participating in activities designed to improve their employment prospects.

In June 2009 there were 520 194 Newstart Allowance recipients, a 30.2 per cent increase from June 2008, when there were 399 401 recipients.

Parenting Payment (Partnered and Single)

Parenting Payment is the main income support payment for the principal carer parent with sole or primary responsibility for the care of a young child. Single parents may be eligible for Parenting Payment (Single) until their youngest child turns eight. Partnered parents may be eligible for Parenting Payment (Partnered) until their youngest child turns six.

Principal carer parent recipients granted payment on or after 1 July 2006 are required to look for part-time work of at least 15 hours per week when their youngest child turns six. For recipients of Parenting Payment who were receiving the payment immediately prior to 1 July 2006, compulsory participation requirements commenced on 1 July 2007 or when the youngest child turns seven, whichever is the later.

In 2008–09, the number of Parenting Payment (Single) recipients declined by 4.6 per cent to 344 096 recipients in June 2009, from 360 633 in June 2008. The number of Parenting Payment (Partnered) recipients increased by 2.7 per cent to 129 365 in June 2009, from 125 922 in June 2008.

Partner Allowance

Partner Allowance provides assistance to mature age people who are partners of income support recipients and who face difficulty gaining employment due to a lack of recent workforce experience. Partner Allowance was closed to new claimants on 20 September 2003. People who would previously have been eligible for Partner Allowance can now apply for Newstart Allowance.

Partner Allowance numbers have declined in recent years as a result of the closure of the allowance to new claimants. In June 2009, there were 29 369 recipients of the allowance, a decline of 23.6 per cent compared with June 2008, when there were 38 456 recipients.

Sickness Allowance

Sickness Allowance is a means-tested income support payment for people who are temporarily incapacitated for work, or study (and on Austudy or ABSTUDY payment), as a result of an illness or injury, are unable to work or study, and have a job or course of study to return to.

In June 2009, there were 6968 recipients of Sickness Allowance, a 6.3 per cent decrease from the 7437 recipients in June 2008.

Widow Allowance

Widow Allowance provides income support for older working-age women who become single after turning 40 years of age, and have no recent workforce experience.

Widow Allowance is being phased out. From 1 July 2005, new grants have been made only to women who were born on or before 1 July 1955.

Youth Allowance (other)

Youth Allowance (other) is a means-tested income support payment available to eligible young people aged 16 to 20 years who are seeking or preparing for paid employment or are temporarily unable to work. Certain 15-year-olds, including those who are homeless, may also receive assistance.

In June 2009 there were 82 907 recipients of Youth Allowance (other), an increase of 27.7 per cent since June 2008, when there were 64 907 recipients. YA(o) recipients make up 22.9 per cent of the total Youth Allowance population (students are the main group).

Supplementary labour market assistance payments

Training and Learning Bonus

The Training and Learning Bonus is a one-off payment for eligible income support recipients to assist with the costs of studying in 2009. The payment is \$950 for recipients of Sickness Allowance payments delivered under the Veterans' Children Education Scheme and payments delivered under the *Military Rehabilitation and Compensation Act 2004* Education and Training Scheme. To receive this bonus, people must have been eligible for payment on 3 February 2009. By 30 June 2009, 10 079 working age payment recipients and Department of Veteran Affairs portfolio payment recipients (who were paid via DEEWR) received the Training and Learning Bonus.

The bonus is also payable as a supplement of \$950 to all Education Entry Payment recipients who qualified for an Education Entry Payment from 1 January 2009 until 30 June 2010. Eligibility for the Education Entry Payment has been extended to Youth Allowance (other) recipients, and the length of time a recipient must have been receiving income support payments has been reduced from 12 months to one month. The Training and Learning Bonus changes are effective from 1 January 2009 until 30 June 2010.

Education Entry Payment

The Education Entry Payment is a lump-sum payment of \$208, payable once annually, to assist with the costs associated with beginning approved study. It is available to people who qualify for the Pensioner Education Supplement; prior to 1 January 2009, people who had received income support for at least 12 months could also be eligible. As part of the Nation Building—Economic Stimulus Plan, from 1 January 2009 until 30 June 2010 the qualification period for eligible recipients has been reduced from 12 months continuous receipt of an income support payment to four weeks, and eligibility has been extended to Youth Allowance (other) recipients. During 2008–09, 106 803 income support recipients received an Education Entry Payment, an increase of 46.6 per cent from 2007–08.

Employment Entry Payment

Eligibility for Employment Entry Payment ceased on 1 July 2008 as part of the 2008–09 Budget. Where employment started on or after 1 July 2008, it is no longer paid unless a claim for an advance payment of Employment Entry Payment was made before 1 July 2008. In 2008–09, 1960 income support recipients received an Employment Entry Payment.

Language, Literacy and Numeracy Supplement

The Language, Literacy and Numeracy Supplement is a fortnightly supplement of \$20.80 to assist people on eligible income support payments with the costs associated with participating in the Language, Literacy and Numeracy program. During 2008–09, 23 422 income support recipients received the supplement.

Pensioner Education Supplement

The Pensioner Education Supplement is a fortnightly income supplement of up to \$62.40 payable to certain income support recipients, such as single parents or people with disability, who are undertaking approved full- or part-time study. In June 2009, 48 386 income support recipients received Pensioner Education Supplement, of whom 25 544 were recipients of working age income support payments.

Utilities Allowance

The Utilities Allowance is a supplement paid to older Australians in receipt of income support to assist with their household bills, such as energy, rates and water. Eligible households can receive the Utilities Allowance payment of up to \$518.80 per year, paid in quarterly instalments. In 2008–09, 80 972 working-age and student income support recipients received the allowance.

Work for the Dole Supplement

The Work for the Dole Supplement is a fortnightly supplement of \$20.80 to assist with the cost of participating in Work for the Dole. In 2008–09, 68 190 income support recipients received the supplement.

Community Development Employment Projects Participant Supplement

The Community Development Employment Projects Participant Supplement is a fortnightly payment of \$20.80 to assist with the cost of participating in a Community Development Employment Project. During 2008–09, 26 413 income support recipients received the supplement.

Program performance

The impact of the global recession, which was not anticipated at the start of 2008–09, resulted in an increase in new recipients of income support. The short duration of income support to these new recipients has reduced the average duration on income support. As a consequence, the average duration on income support for Newstart Allowance recipients was below the estimate by 49 weeks; for Youth Allowance (other) and Parenting Payment (Single), duration was below the estimate by 11 weeks.

Less buoyant economic conditions also reduced the ability of recipients to exit income support within a short period. Exits within three months of grant were below the estimate for Newstart Allowance and Youth Allowance (other) by 6 per cent and 7 per cent, respectively. Exits within 12 months of grant were lower than estimated by 2 per cent and 3 per cent, respectively. As the proportion of exits within 12 months is a longer term measure, the impact of the global recession will take longer to flow through to this measure.

Reviews of recipients' compliance

The department has a review program to assist in maintaining the integrity of administered savings. Information obtained from Centrelink's Integrated Review System mainframe data shows that approximately 1.8 million working age payment reviews were completed in 2008–09. As a result of these reviews, 247 913 recipients had their

payments reduced or cancelled, 59 466 had their payments increased, and 274 695 debts were raised, with an estimated value of \$300 million.

Data matching

Centrelink data is interrogated to identify inconsistent recipient circumstances, including incorrect earnings, multiple identities, incorrect rental information and incorrect information about dependants in care. Data is matched with government agencies—including the Australian Taxation Office, the Department of Immigration and Citizenship, Defence Housing Australia, ComSuper, AUSTRAC and state or territory registers of births, deaths and marriages. From 1 July 2008, the number of assessments to verify income and assets increased. There were approximately 462 600 data matching reviews in 2008–09.

Working age income support payments debts raised and recovered

In 2008–09, approximately 780 100 new working-age payment debts, with a value of almost \$575 million, were raised; \$448.1 million of debt was recovered by Centrelink and its contracted mercantile agents; and \$15.6 million was waived under provisions of the *Social Security Act 1991*.

The Youth Allowance components of these figures are estimates because Youth Allowance debt data includes both student (the responsibility of the department's outcomes 2, 3 and 4) and other Youth Allowance debts.

Labour market programs management and delivery

Labour market program management and delivery contributes to achieving efficient and effective labour market assistance by providing an integrated suite of programs to assist people into work or to provide assistance to prepare them for employment.

During 2008–09, in addition to the key work undertaken to prepare for the implementation of Job Services Australia and the economic stimulus measures announced by the government, Outcome 7 also oversaw labour market program management and delivery through the following outputs:

- management of employment, mutual obligation and employment preparation services (including the Job Network, Job Placement, the Work for the Dole, New Enterprise Incentive Scheme, Harvest Labour Services, the Personal Support Program and the Job Placement, Employment and Training Program) leading up to the introduction of Job Services Australia.
- management and reform of Indigenous employment programs in preparation for the new program to commence on 1 July 2009.
- management of Disability Employment Services, including the Disability Employment Network, Vocational Rehabilitation Services and the Employer Incentive Strategy, while those programs were reviewed within the context of the broader National Mental Health and Disability Employment Strategy.
- information, referral and support services, including the Centrelink Gateway, online employment information systems and the development of legislation, policy and information technology for a fairer and more effective job seeker compliance framework, designed to support all employment programs.

Job Services Australia

The introduction of Job Services Australia represents a significant shift in policy for the delivery of Employment Services. The change was the largest since the introduction of the Active Participation Model for the Job Network in 2003.

Job Services Australia is a flexible, integrated model which folds seven separate Employment Services programs into one. It delivers the right assistance, training

and skills development to job seekers from day one, with a focus on the most highly disadvantaged. Job Services Australia is a 'one-stop shop' that will provide job seekers with a flexible, more personalised service. Under Job Services Australia, stronger ties will be promoted between Employment Services providers and employers to ensure that job seekers have the skills needed to fill vacancies.

The new service consists of Stream Services, including Work Experience; Harvest Labour Services and the National Harvest Labour information Service; the New Enterprise Incentive Scheme; the Innovation Fund; and Employment Brokers.

Stream Services will be delivered to job seekers under four service streams. The streams reflect the level of disadvantage faced by individual job seekers, with the least disadvantaged job seekers receiving services under Stream 1. Job seekers with relatively moderate barriers to employment will be serviced under Stream 2, while those with relatively more significant barriers will be serviced under Stream 3. Job seekers with severe, including non-vocational, barriers who are most vulnerable will be serviced under Stream 4. Each stream will have a Work Experience Phase, although job seekers will be able to participate in work experience at any time.

Job Services Australia providers will negotiate an individualised Employment Pathway Plan with each job seeker. This plan will outline the best combination of skills development, work experience and personal support to help the job seeker overcome their barriers to finding employment. The activities and interventions identified in the plan will be supported by a pool of funds called an Employment Pathway Fund.

Supporting retrenched workers

Job Services Australia is designed to operate in conjunction with other measures to improve access to assistance for workers who lose their job as a result of the global recession. On 24 February 2009, the Australian Government committed \$298.5 million as an additional investment in Employment Services to support Australian workers during the global recession. This assistance will ensure that any Australian workers who lose their jobs due to the economic downturn receive immediate and personalised assistance to help them rejoin the workforce.

Retrenched workers receive immediate access to Stream 2 services. This servicing may include a skills assessment; referral to education or training, including using the Productivity Placement Program; minimum monthly appointments with their Job Services Australia provider; and advice on local employment opportunities. Job seekers will also benefit from their Job Services Australia provider having access to a \$550 Employment Pathway Fund credit that can be utilised to provide vocational and non-vocational assistance to address individual barriers to employment.

Linking disadvantaged job seekers with the Energy Efficient Homes Package

The Australian Government's Energy Efficient Homes Package will invest some \$4 billion in household insulation and solar hot water, helping Australians to save on their energy bills and reduce their impact on the environment at the same time. These practical steps are designed to create jobs, help millions of households reduce their energy use, cut their power bills, and increase the comfort and value of their homes. A key element of the package is the creation of new training opportunities and jobs for unemployed job seekers across Australia. In late 2008–09, the department worked closely with stakeholders to ensure that disadvantaged job seekers are well placed to take advantage of the job opportunities which the Energy Efficient Homes package presents. It is expected that in July 2009 the government will sign a memorandum of understanding with the Master Builders Association, the Housing Industry Association, the National Employment Services Association and the Construction, Forestry, Mining and Energy Union. The memorandum will link job seekers with the Energy Efficient Homes Package through Job Services Australia.

A new model for Disability Employment Services

Outcome 7 maintained disability services while responding to the government's May 2008 announcement that Disability Employment Services would remain separate from general Employment Services, and that a review of the existing disability services—the Disability Employment Network (DEN) and Vocational Rehabilitation Services (VRS)—would be conducted in the context of the broader National Mental Health and Disability Employment Strategy. To allow time for the completion of the review, existing DEN and VRS contracts were extended for eight months to 28 February 2010.

The review was conducted in two stages. The first discussion paper in September 2008 outlined a set of principles for conducting the review that would draw out the strengths of VRS and DEN programs and identify areas for improvement. The second discussion paper in December 2008 outlined the proposed new model for Disability Employment Services.

Feedback on both discussion papers formed the basis of the department's proposal to government on the new model. On 7 April 2009, the government announced the new model for Disability Employment Services for the contract period from 1 March 2010 to 30 June 2012.

Job Services Australia

2008–09 was a year of significant change for employment, mutual obligation and employment preparation programs. Outcome 7 made considerable efforts in contributing to the implementation of Job Services Australia, which included the conduct of the Employment Services Tender; the smooth transition to the new arrangements for job seekers, employers and Employment Service Providers; the development of a new Employment Services System; and the introduction of a partnership approach which sets out the way department will work with providers during the life of the Job Services Australia Employment Services Deed 2009–12.

Job Services Australia is designed to meet the employment and recruitment requirements of job seekers and employers. It replaces previous Employment Services, such as the Job Network, and will provide new opportunities for Australians to receive one-on-one assistance and tailored Employment Services.

Job Services Australia will give job seekers the level of support needed to help them find and keep a job. Providers will work with job seekers to determine their goals, current skills and any additional training or support they may need.

The Employment Services Tender 2009–12

The department conducted one of the largest tender processes for human services in Australia. The tender process was successfully conducted within the designated timeframe and to a high standard, and received unqualified sign-off from an independent external probity adviser. The tender received a high level of support: in all, 438 organisations submitted a tender across all 116 Employment Service Areas, producing almost 3000 individual bids. Around 140 entities will deliver Stream Services either in their own right or together with another organisation. A significant number of subcontractors will be engaged in the delivery of services from more than 2100 locations across Australia.

Job Services Australia will be delivered by a strong mix of small and large, profit and not-for-profit organisations, including many existing and some new service providers. The providers will deliver generalist and specialist services, and include a significantly increased number of Indigenous organisations delivering Employment Services to Job Services Australia.

Transition

The department developed a comprehensive transition implementation plan, which aimed to minimise disruption to providers assisting job seekers into employment (and training) and to minimise disruption to services for job seekers. The department managed the transition based on three overarching principles outlined in the Request for Tender for Employment Services 2009–12:

- transition activities supported the commencement of Job Services Australia on time for 1 July 2009
- transition activities were consistent with the design of Job Services Australia while honouring existing contractual obligations
- all eligible job seekers were referred to new providers contracted under Job Services Australia as efficiently and sensitively as possible.

Transition began in April 2009 after the tender results were announced. From early May 2009, job seekers were sent letters and a fact sheet with details of the new service arrangements, details of their Job Services Australia provider and information about their ability to change their provider if they wished. As outlined in the Transition Guidelines, job seekers and providers are expected to be fully settled into the new arrangements by the end of September 2009.

Ongoing engagement with stakeholders throughout the transition was undertaken to ensure that operational and logistical arrangements were well tested. This engagement included a range of key consultative forums:

- The Information Technology Advisory Group was the main forum for provider engagement in the design of the IT business tools. The new Employment Services System was delivered on time and on budget on 1 July 2009. The new system, which underpins the program management and delivery of Job Services Australia, has been widely praised by Job Services Australia providers for delivering flexible and sophisticated high-quality support to their business operations.
- The Expert Reference Group on Performance Management advised on the replacement of the ESC 3 performance framework ('star ratings').
- The Charter of Contract Management Working Group provided advice on oversight of quality job seeker servicing and jointly shaped the service guarantee, the code of practice and the new Charter of Contract Management.
- The Transition Reference Group provided advice on transition arrangements, communication materials and guidelines.

Performance management framework

The new performance management framework for Job Services Australia was developed following extensive consultations with the Employment Services industry and an expert reference group appointed by the Hon Brendan O'Connor MP, former Minister for Employment Participation. The group comprised Professor Stephen Sedgwick (Director, Melbourne Institute), Professor Mark Considine (Dean of Arts, University of Melbourne), Ms Sally Sinclair (NESA), Mr David Thompson (ACOSS), Ms Megan Lilly (Australian Industry Group), and Ms Lurline Comerford (ACTU). The group met extensively in July and August 2008 to provide recommendations to the Minister on the key elements of the framework. This work was further supported by the Technical Reference Group on Performance Management, consisting of industry representatives, and supported by Access Economics. This work has contributed to the development of stronger performance management approaches for job seekers and employment service providers.

The new Job Services Australia performance management approach supports the government's aim of providing opportunities for disadvantaged people and communities to more actively take part in society and removing barriers to becoming job ready. This is so all Australians have the opportunity to become financially independent and participate in public life and the community.

The new framework will deliver:

- improved choice and flexibility for job seekers in finding a provider that suits their situation
- accountability of providers to achieve outcomes for job seekers
- a clearer focus on job seeker satisfaction and feedback
- transparency as to how providers are rated and assessed.



Getting ready for Job Services Australia to start at Boystown

On 29 June 2009, Senator the Hon Mark Arbib, Minister for Employment Participation, officially launched Job Services Australia at BoysTown, Queensland.

Pictured left to right: Mark Arbib, Minister for Employment Participation, and Mr John Perry, General Manager, Boystown.

Employment Services Program performance

In 2008–09, Employment, Mutual Obligation and Employment Preparation Services included the Job Network, Job Placement, the New Enterprise Incentive Scheme, Harvest Labour Services, Work for the Dole, the Personal Support Programme, the Job Placement, Employment and Training Program, the Disability Employment Network and Vocational Rehabilitation Services.

The administered items associated with labour market program management and delivery in 2008–09 were:

- Job Network
- Job Placement
- Indigenous Employment
- Work for the Dole
- Green corps
- Job Placement, Employment and Training
- Personal Support Programme
- Vocational Rehabilitation Services
- Disability Employment Network
- Compliance Framework.

Job Network

The Job Network ceased to operate on 30 June 2009. Job Network services included Job Search Support and Intensive Support, and assistance through the Job Seeker Account and/or Training Account. In 2008–09, 97 contracted organisations provided Job Network services around Australia.

Approximately 373 500 job seekers commenced in Job Network's Intensive Support Services, and around 164 900 job seekers began job search training. Around 131 600 highly disadvantaged and long-term unemployed job seekers commenced customised assistance.

On 24 February 2009, Prime Minister the Hon Kevin Rudd MP announced that any Australian worker who had lost their job as a result of the global recession would receive immediate and personalised assistance to help them get back into the workforce. Assistance commenced on 1 April 2009. At 30 June 2009, 16 165 job seekers had gained early access to Employment Services through this initiative.

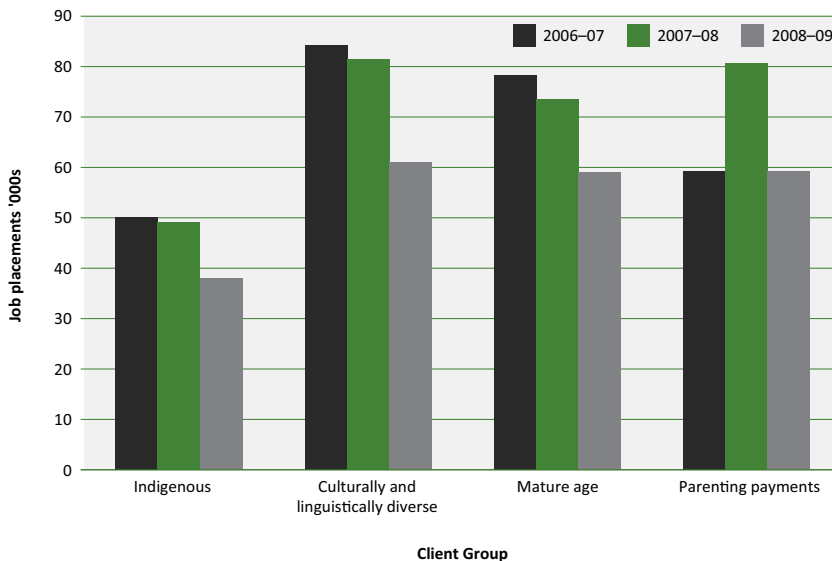
In 2008–09, \$234 million from the Job Seeker Account was spent on providing goods and services to assist around 312 000 job seekers. Assistance included wage subsidies, training, professional services, and employment-related clothing and equipment. Training Account Expenditure of \$8.8 million assisted around 11 300 job seekers.

From 24 February 2009, in the lead-up to the introduction of Job Services Australia, some features of the new Employment Pathway Fund were brought forward for use in the Job Seeker Account.

Job placements and 13-week jobs achieved in 2008–09 were lower than those achieved in 2007–08 (this is likely to have resulted from the global recession). The performance (including the share of assistance for disadvantaged groups) of each labour market program is noted below. Approximately 445 900 job placements were made in 2008–09 by Job Network members and other Job Placement organisations, against an annual estimate of 550 000.

Chart 7.2

Total job placements, by client group, 2006–07 to 2008–09



13-week jobs

Changes in labour market conditions also affected the number of 13-week jobs achieved in 2008–09. There was a reduction in 13-week jobs achieved by Job Network members for disadvantaged job seekers and those unemployed for more than three months in 2008–09, when approximately 145 500 13-week jobs were achieved. This compares with approximately 183 700 in 2007–08, a decrease of about 21 per cent. Two client groups achieved increases in the number of 13-week jobs obtained in 2008–09:

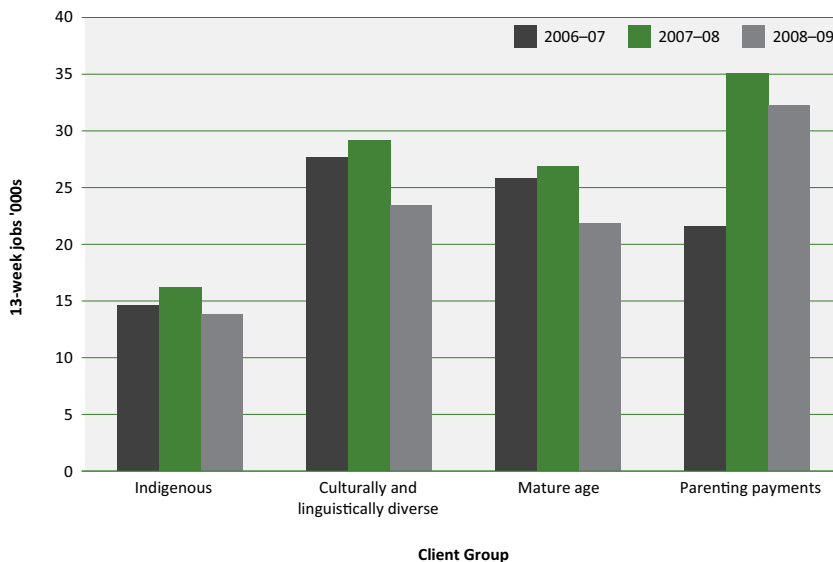
- job seekers with disability gained about 13 600 13-week jobs, an increase of 14 per cent from 11 900 in 2007–08
- job seekers who are principal carer parents in receipt of Newstart Allowance gained about 6800 13-week jobs, up 16 per cent from 5850 in 2007–08.

The client groups that experienced the largest decreases in 13-week jobs included:

- very long term unemployed job seekers gained about 33 400 13-week jobs, down 25 per cent from 44 550 in 2007–08
- young job seekers (aged under 21) gained about 21 600 13-week jobs, down 23 per cent from 28 000 in 2007–08
- job seekers from culturally and linguistically diverse backgrounds gained around 23 400 13-week jobs, down 20 per cent from 29 150 in 2007–08.

Chart 7.3

13-week jobs, by client group, 2006–07 to 2008–09



Remote Services Deed

During 2008–09, under the Remote Services Deed, employment service providers continued to provide job seekers with Employment Services across communities in 16 remote Employment Service Areas, mostly in the Northern Territory but including the northern parts of Queensland, Western Australia and South Australia.

The deed enabled providers to offer a suite of ‘bundled’ Employment Services under a single contract, and was intended to help facilitate linkages across the various services types (Job Network; Disability Employment Network, Community Work Coordinators; Job Placement, Education and Training; Personal Support Programme and New Enterprise Incentive Scheme).

With the introduction of Job Services Australia on 1 July 2009, the Remote Services Deed ceased to operate as a bundled service. The deed will continue to operate for Disability Employment Services in line with broader disability reforms.

Remote servicing under Job Services Australia

The Australian Government's May 2008 discussion paper, *The Future of Employment Services in Australia*, noted that Employment Services in remote areas were inadequate and needed to be improved. The government was concerned that the delivery of 'bundled' services under the Remote Services Deed alongside mainstream contracts was bureaucratic and cumbersome, and that the additional costs of providing services in remote locations had not been recognised. Consultations confirmed the government's view and found that proposed new arrangements would make a key contribution to the goal of halving the gap in Indigenous employment outcomes within a decade.

Key features of the new model for remote Employment Services, which was introduced as part of Job Services Australia on 1 July 2009, include:

- applying a 1.7 multiplier to service fees and Employment Pathway Fund credits for job seekers in Remote Employment Service Areas
- providing for a broader range of outcome payments over and above the non-remote contracts where fees are paid to help job seekers access the education and training they need to be work ready
- temporary mobility options supporting job seekers undertaking work experience or training activities away from home
- cooperative working arrangements between Job Services Australia and Community Development Employment Projects underpinned by service level agreements to help ensure a better connection between the supply of Indigenous job seekers and demand for labour
- complementary reforms to the Indigenous Employment Program to provide for increased training and employment opportunities and economic development for Indigenous Australians.

The Employment Services 2009–12 tender resulted in full coverage across Australia. An unprecedented number of Indigenous organisations won business in their own right as Job Services Australia specialist Indigenous service providers.

Harvest Labour Services

Harvest Labour Services help to match workers, including job seekers, backpackers and mature age Australians, with seasonal harvest work. Harvest work can include picking, packing, weeding, pruning and thinning of a range of crops. Nine providers are contracted to deliver the service across 19 areas of regional Australia.

The National Harvest Labour Information Service coordinates and distributes harvest labour information across Australia, including by producing the National Harvest Guide and posting harvest labour vacancies on the Harvest Trail website <www.harvesttrail.gov.au>. Since the service began in July 2003, approximately 116 000 job seekers have been placed in harvest work.

Job Services Australia integrates Harvest Labour Services into Employment Services more broadly. For job seekers, this provides the opportunity to use harvest work as a stepping stone to sustainable employment; for growers, it broadens the potential pool of harvest workers beyond the current largely backpacker workforce.

New Enterprise Incentive Scheme

The New Enterprise Incentive Scheme (NEIS) helps eligible unemployed people establish new small businesses by providing training in small business skills (including developing a business plan); an NEIS allowance for up to 52 weeks for eligible participants; and advice, support and mentoring during the first year of business operation. NEIS commencements for 2008–09 were 6529, filling 96 per cent of the available places.

A review of NEIS, in the context of broader Employment Services reforms, led to a number of improvements that came into effect with the new Employment Services on 1 July 2009. Job Services Australia providers identifies potential job seekers who may wish to participate in the NEIS as part of their Employment Pathway Plan and refers them to a NEIS panel member to have their eligibility assessed.

Other improvements to NEIS, to be implemented from 1 July include access to NEIS training places under the Productivity Places Program, through which job seekers can participate in training for the Certificate III in Micro Business Operations or the Certificate IV in Small Business Management. NEIS providers can negotiate additional mentoring support for Stream 3 or 4 and Indigenous Australian job seekers from the Employment Pathway Fund. The providers will also have discretion to determine whether a Stream 1 or Stream 2 job seeker's business idea meets the skill shortage definition, which is in line with the government's Productivity Agenda.

Verve Portraits

Holly McErvale returned from a period overseas and noticed that the Australian portrait industry needed a fresh approach. She had a vision of creating contemporary portraits and wanted to transform the industry, but had no idea where to start until she discovered NEIS. Holly enrolled at RMIT NEIS and found her instructor, Tony Phillips, to be a source of inspiration.

'Although I had a very clear vision of what I wanted to achieve, I had no understanding of business principles, cash flows, forecasts and the importance of pre-planning my venture,' says Holly. 'NEIS provided me with all the information in these areas to ensure the viability of my business in the future.'

Holly believes the small business management training and mentoring and support she received through NEIS allowed her to rise to the challenge of running her own small business.

In 18 months, Holly expanded from being a sole operator to having two studios in Melbourne with over 30 employees, including creative photographers, designers and graphic artists 'who create iconic pieces of art that fill your living space with your own unique energy' says Holly.

'We create an unforgettable experience culminating in spontaneous vibrant and emotional images that will change your concept of portrait photography forever,' she adds.

Testament to Holly's focus and drive, Verve Portraits was the winner of the Best New Business award at the 2008 National NEIS Association Business Awards.

Disadvantaged groups

Aggregate off-benefit outcomes for disadvantaged groups in 2008–09 were lower than in 2007–08. This result is not surprising, given the global recession, and is generally consistent with other measures of post-assistance outcomes.

Table 7.5

Disadvantaged groups: off-benefit outcomes (%)

Performance indicator ^a	Job Placement ^b	Intensive Support job search training	Intensive Support customised assistance	Intensive Support ^c	New Enterprise Incentive Scheme	Total ^d
<i>Long-term unemployed</i>						
Result in 2008–09	37.9	36.3	33.4	34.3	63.9	32.3
Result in 2007–08	43.5	44.0	37.7	36.5	71.8	36.1
<i>Indigenous Australians</i>						
Result in 2008–09	46.4	41.3	36.8	36.0	69.4	36.7
Result in 2007–08	51.0	50.2	38.7	39.7	72.8	40.1
<i>Mature age people (50+)</i>						
Result in 2008–09	45.8	34.3	35.0	36.9	71.3	35.8
Result in 2007–08	51.8	42.9	37.4	36.7	77.2	38.4
<i>People from culturally and linguistically diverse backgrounds</i>						
Result in 2008–09	51.1	41.2	37.7	41.4	77.8	40.1
Result in 2007–08	56.1	51.9	42.2	44.0	81.8	44.7
<i>Single parents</i>						
Result in 2008–09	45.7	36.4	34.9	39.7	66.5	36.7
Result in 2007–08	48.7	42.3	39.1	42.2	74.4	40.4
<i>People with disability</i>						
Result in 2008–09	37.3	36.0	33.7	34.0	66.7	33.2
Result in 2007–08	40.7	44.7	37.4	37.6	75.3	37.1
<i>Young people (<21)</i>						
Result in 2008–09	57.6	48.6	45.4	51.6	77.9	48.5
Result in 2007–08	63.4	54.7	50.7	56.2	77.7	53.7

- a The results relate to job seekers who came in scope to have their outcomes measured in the 12 months ending 30 June 2009.
- b For Job Placement, off-benefit outcomes are measured three months after job seekers are placed in an eligible Job Network placement. For other programs, off-benefit outcomes are measured three months after job seekers cease assistance.
- c For Intensive Support, off-benefit outcomes are measured three months after job seekers cease assistance or reach 12, 24 or 36 months participation in Intensive Support.
- d Total is a weighted average of Job Placement, Intensive Support job search training, Intensive Support customised assistance, Intensive Support, New Enterprise Incentive Scheme, Indigenous Employment Policy (structured training and employment projects and wage assistance) and Work for the Dole off-benefit outcomes.

Source: Administrative data held within the department's employment systems.

Very Long Term Unemployed

During 2008–09, the Job Network recorded approximately 91 000 job placements for Very Long Term Unemployed (registered for 24 months plus) job seekers, a decrease of 31 per cent from 2007–08. Around 33 400 13-week job outcomes were achieved, a decrease of 25 per cent. The number of Very Long Term Unemployed job seekers on the active caseload at 30 June 2009 was approximately 213 300, a decrease of 2 per cent from the previous year. During 2008–09, the Job Network recorded approximately 23 800 job placements for job seekers registered for five years plus, a decrease of 35 per cent from 2007–08; about 13 700 13-week job outcomes were achieved, a decrease of 25 per cent. There were 347 500 long-term unemployed job seekers (registered more than 12 months) in June 2009, of whom 71 800 had been registered for five years or more.

Mature age job seekers

During 2008–09, the Job Network recorded approximately 59 000 job placements for job seekers aged 50 years or more, a decrease of 20 per cent from 2007–08; around 21 800 13-week job outcomes were achieved. The number of mature age job seekers on the active caseload at 30 June 2009 was approximately 147 200, an increase of 22 per cent from 2007–08.

People from culturally and linguistically diverse backgrounds

During 2008–09, the Job Network recorded approximately 61 000 job placements and 23 400 13-week job outcomes for people from culturally and linguistically diverse backgrounds, decreases of 25 per cent and 20 per cent, respectively, from 2007–08. These figures include approximately 8500 job placements and 3900 13-week job outcomes for humanitarian entrants. The number of job seekers from culturally and linguistically diverse backgrounds on the active caseload at 30 June 2009 was about 137 700, an increase of 17 per cent from the previous year.

Parents

At the end of June 2009, there were approximately 122 500 principal carer parents with participation requirements registered with the Job Network, comprising around 96 200 Parenting Payment recipients—including about 62 600 grandfathered recipients—and around 26 300 parents in receipt of Newstart Allowance or Youth Allowance (other). In 2008–09, some 59 200 job placements and 32 200 13-week job outcomes were recorded for all principal carer parents.

Job seekers with disability

In 2008–09, approximately 44 100 job placements were recorded by Job Network members and other Job Placement Organisations for job seekers who self-identified as having disability, including job seekers receiving a Disability Support Pension (approximately 5700 placements), a decrease of 3 per cent from 2007–08. The number of job seekers receiving the Disability Support Pension on the active caseload at 30 June 2009 was about 24 300, a decrease of 7 per cent from the previous year.

Young people

In 2008–09, the Job Network recorded approximately 141 700 job placements and 38 900 13-week job outcomes for youth job seekers aged 24 years or less, decreases of 25 per cent and 26 per cent, respectively, from 2007–08. The number of youth job seekers on the active caseload at 30 June 2009 was about 240 300, an increase of 16 per cent from the previous year. The Job Network has 10 sites specialising in the provision of Employment Services to job seekers aged 24 years or less.

Indigenous Australians

The Job Network was the largest employment assistance program for Indigenous Australians. During 2008–09, approximately 37 900 job placements for Indigenous job seekers and 13 800 13-week job outcomes were recorded for disadvantaged Indigenous job seekers. These results represented a decrease of 23 per cent for job placements and a decrease of 15 per cent for 13-week job outcomes on 2007–08 results. The number of Indigenous job seekers on the active caseload at 30 June 2009 was about 87 300.

Indigenous Employment Program

As an important part of the government's commitment to halving the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade, the reformed Indigenous Employment Program was developed following extensive public consultations across Australia in 2008 and early 2009 for introduction on 1 July 2009. The reformed program builds on the strengths of the previous program while reducing the program's red tape, being more flexible and responsive to the needs of Indigenous job seekers, businesses and communities, and supporting a broader range of activities. The reformed program is underpinned by two panels of providers—one to provide Employment Services and another to provide economic development and business support services.

During 2008–09, as well as developing the reformed Indigenous Employment Program, the department continued to deliver support for the employment of Indigenous Australians and support for Indigenous business development. Significant increases were achieved in commencements under the Indigenous Employment Program during 2008–09: around 21 500 commencements were achieved, against a target of 7780.

Services offered by the department included the following:

- Wage subsidies were provided to employers who offered ongoing full- or part-time work to eligible Indigenous Australians for 26 weeks. During 2008–09, 1300 wage subsidies were recorded.
- Assistance was provided to support the movement of CDEP participants into ongoing, unsubsidised employment with an employer in the private, public or community sector under a normal employer–employee relationship. A total of 3869 initial claims were paid through the program in 2008–09.
- 187 Indigenous cadets were assisted to improve their professional employment prospects. Cadets generally moved into ongoing employment with their cadetship employer upon successful completion of their studies.
- Funding of the Aboriginal Employment Strategy assisted students with the transition from school to work through school-based traineeships. In 2008–09, the strategy assisted 1440 Indigenous job seekers.
- Funding was provided to Indigenous community-based organisations to assist Indigenous people to learn about business, develop business skills and expand their businesses. In 2008–09, 226 Indigenous small business projects were approved.
- For larger Indigenous businesses, the department, in conjunction with Westpac Banking Corporation, provided access to commercial finance and professional and mentoring support services, as well as an interest rate subsidy, reimbursement of bank application and establishment fees, and a professional services subsidy. Financial support for loans ranged from \$50 000 to \$500 000. In 2008–09, 13 new loans totalling \$2 124 000 were approved by Westpac.
- Funding was also available through the Emerging Indigenous Entrepreneur Initiative to support projects which could improve the economic development prospects of Aboriginal and Torres Strait Islander peoples. In 2008–09, 27 new projects were funded, including three tourism hubs, three business centres and 27 economic development officers specialising in tourism, mining, arts and business development. Other projects included studies to identify skill levels and business opportunities, and drug and alcohol rehabilitation training. Funding was also provided for training and workshops to support emerging entrepreneurs.
- Indigenous youth were specifically assisted by 30 Indigenous consultants working with young Indigenous people aged from 15 to 19 years and providing links to work opportunities or further education and training. The consultants were based with selected providers throughout Australia and worked with families, communities, local schools, vocational education and training providers, and local businesses.

STEP participant turns his life around



A little over a year ago, Jeffrey Hopkins was living in the Mission in Cherbourg. Jeffrey's sister offered to help him move to Townsville with her. As job opportunities were hard to come by in Cherbourg, Jeffrey seized the opportunity and moved to Townsville. There, he took up a work-readiness course offered by his Indigenous Employment Program (IEP) provider. The course taught Jeffrey job skills and the importance of a good relationship with his employer. He was also assisted with personal mentoring, taking him through the steps towards employment and addressing any other problems as they arose.

When Jeffrey had completed his work-readiness training, his IEP provider placed him in a job with the Townsville City Council, in its Parks and Gardens Department. Six months later, Jeffrey is part of an eight-member maintenance team that looks after the Strand, a beach strip in Townsville. The Strand recently won a national 'Keep Australia Beautiful' award.

Employment preparation services

Personal Support Programme

The Personal Support Programme (PSP) ceased operation on 30 June 2009. The program assisted job seekers who, due to their serious or multiple non-vocational barriers (for example, drug use, homelessness, mental health issues), were unable to benefit from Job Network or other Employment Services programs. The program was capped with a limited number of funded places and large waiting lists. During 2008–09, a total of 89 768 people participated in PSP, while throughout the year an average of more than 28 000 highly disadvantaged job seekers were waitlisted for a PSP place. All available PSP places were utilised in 2008–09.

At the end of June 2009, more than 30 800 job seekers were on the PSP waiting list. More than 5000 disadvantaged people had been waiting for a program place for 12 months or longer. All of these job seekers will be offered a Stream 4 place in Job Services Australia during 2009–10, as there is no limit on the number of places available. Vulnerable and disadvantaged job seekers who are assisted in Stream 4 of Job Services Australia get day one help with vocational and non-vocational, a personalised Employment Pathway Program, immediate access to placement and outcome fee (if assisted into employment or eligible education) and the highest level of fee and Employment Pathway funding.

Job Placement, Employment and Training

The Job Placement, Employment and Training (JPET) program ceased to operate on 30 June 2009. JPET assisted young people between 15 and 21 years old who were homeless or at risk of homelessness or who faced other significant non-vocational barriers. JPET providers delivered a range of assistance to address the needs of these disadvantaged young people, including assessment and case management, advocacy services and referral to community-based or other support. A total of 14 770 young people participated in JPET in 2008–09.

From 1 July 2009, disadvantaged young people will receive the help they need through Job Services Australia. Current JPET participants and vulnerable young people who would be eligible for JPET have immediate access to Stream 4, the highest level of service. In contrast to JPET, which was a capped program with a limited number of funded places, there is no limit on the availability of Stream 4 places. Vulnerable young people are guaranteed access to appropriate assistance.

Mutual Obligation services

Work for the Dole

Work for the Dole was delivered by Community Work Coordinators. The aim was to equip participants with the skills that are required in the local labour market, and to give them the opportunity to engage with others and contribute in a team environment. There were approximately 3176 approved activities in 2008–09. Around 17 600 Very Long Term Unemployed job seekers began full-time Work for the Dole during the year.

From 1 July 2009, Work for the Dole will be retained and improved as one of the primary Work Experience Activities available for job seekers participating in the new Employment Services system. Under the new model, job seekers will have greater access to a variety of training opportunities as part of their participation in Work Experience Activities.

Green Corps

Green Corps was an environmental training program that gave young people the opportunity to volunteer to help preserve, conserve and restore Australia's environment and cultural heritage. The program ceased to operate as a separate service on 30 June 2009. During 2008–09, 182 Green Corps projects commenced around the nation, and approximately 1800 young Australians aged 17 to 20 participated in Green Corps activities.

From 1 July 2009, Green Corps will be integrated into the suite of Work Experience Activities available for job seekers participating in Job Services Australia. Enhancements include the option for job seekers of all ages to participate in Green Corps. Providers will also be able to vary the length of activities and have flexible start and end dates, allowing activities to be better targeted to community and job seeker needs.

Community work

Community Work was voluntary work done by job seekers and income support recipients who were registered with and monitored by a Community Work Coordinator. It was one of the ways job seekers could meet their mutual obligation requirements. People on income support could work in an approved volunteer organisation and improve their work skills, gain experience, and contribute to their community through worthwhile activities. Participants worked in organisations that provide services such as conservation, community radio, aged care, libraries and museums. There were approximately 249 Community Work commencements in 2008–09.

The program ceased to operate as a separate service on 30 June 2009. However, from 1 July 2009, Voluntary Work has continued under Job Services Australia as one of the primary Work Experience Activities available for job seekers.

Drought Force

Drought Force helped farmers and farming communities maintain drought-affected farms and properties and helped to keep a pool of farm labour in a drought-declared region. People who were eligible for income support or who lived in a drought-affected area could volunteer to work on drought-affected farms, including farms where they were previously employed. There were approximately 2056 Drought Force commencements in 2008–09.

The program ceased to operate as a separate service on 30 June 2009. However, Drought Force has been retained under Job Services Australia as a Work Experience option from 1 July 2009.

Work Experience Placement program

The Work Experience Placement (WEP) program aimed to help job seekers find employment, including those who had been unemployed for more than 12 months, Indigenous Australians, job seekers with disability, and some parenting payment recipients. A number of factors, including the Work Experience Placement program's voluntary nature, contributed to a lower than expected utilisation of the program in 2008–09.

The program ceased to operate as a separate service on 30 June 2009. From 1 July 2009, Unpaid Work Experience Placements will remain a Work Experience option available to job seekers under Job Services Australia.

Disability Employment Network

The Disability Employment Network (DEN) provides specialist assistance to job seekers with disability who require ongoing support to find and maintain employment. These services are purchased under the *Disability Services Act 1986*. Services provided include individual employment planning, training, job search activities, work experience, and post-placement or ongoing support.

The DEN capped stream has a fixed capacity of approximately 39 270 places. It assists eligible job seekers who are unable to work at full award wages or are able to work a minimum of eight hours a week in the open labour market who are likely to require ongoing support to retain employment once they have found a job. In 2008–09, 196 organisations delivered the capped stream from 387 sites, assisting 60 493 clients.

The demand-driven DEN uncapped stream guarantees assistance to job seekers receiving income support, who are required to look for work to meet part-time participation requirements. Introduced in July 2006, it provides up to two years of employment assistance to job seekers assessed as able to work 15 or more hours a week independently at full award wages. In 2008–09, 106 organisations delivered uncapped services from 475 sites, assisting 29 187 job seekers.

Vocational Rehabilitation Services

Vocational Rehabilitation Services (VRS) is covered by the *Disability Services Act 1986*. VRS combines specialist employment assistance with vocational rehabilitation, to assist people with an injury, disability or health condition to find and retain safe and sustainable employment in the open labour market. VRS assists job seekers to understand, compensate for and manage their injury or disability by building work capacity and/or developing new work strategies to avoid re-injury. The services are tailored to individual needs and can include vocational assessment and counselling; job preparation, placement and training; injury management; and workplace modifications.

VRS assisted approximately 79 000 clients in 2007–08, including around 38 000 new commencements. After three months participation in VRS, 32.1 per cent were in employment.

Other disability employment assistance

Employer Incentives Scheme

The Employer Incentives Scheme has five main elements:

- The Workplace Modifications Scheme reimburses employers for the cost of workplace modifications and equipment for workers with disability. It can be used to purchase, lease or hire services, products or equipment. Access to the scheme has been made easier by broadening eligibility requirements and simplifying the application processes. The number of applications submitted in 2008–09 increased by 15 per cent from the previous year.
- The Auslan for Employment Program maximises the capacity and workplace independence of deaf workers who are Auslan users. Assistance is available for Auslan interpreting services for work-related activities and for deafness awareness training and Auslan courses for co-workers. The program was introduced on 1 January 2007 and assisted approximately 576 deaf workers in 2008–09.
- The Supported Wage System recognises that some people cannot maintain employment at full wage rates because of their disability, allowing eligible workers to access an independent, reliable process of productivity-based wage assessment to determine fair pay for fair work. An upgrade of the department's IT platform that supports the scheme has reduced the administrative burden of the program and provided easier access. In 2008–09, approximately 4460 Supported Wage System productivity-based wage assessments were completed.
- The Wage Subsidy Scheme provides a financial incentive to employers to increase the competitiveness of job seekers with disability seeking employment in the open labour market. In 2008–09, the scheme assisted approximately 5150 employment placements.
- The National Disability Recruitment Coordinator offers a single point of contact for large private sector employers seeking to recruit employees with disability. In 2008–09, this scheme provided support to seven new employers and achieved approximately 613 eligible employment placements for people with disability.

Information referral and support services

Delivering innovative information technology systems

The department's information, referral and support services contribute to the achievement of broader government economic performance, employment and social goals. Innovative information technology systems underpin labour market program management and delivery. In 2008–09, this work focused on the provision of critical enabling information and support services for the transition to, and commencement of, Job Services Australia, in particular:

- the development and implementation of the major new Employment Services System, which was delivered on time and on budget and was widely praised by employment service providers as delivering flexible and sophisticated high-quality support for their operational requirements
- the deployment of high-grade ICT infrastructure that is delivering consistent performance for peak loads of more than 10 800 concurrent users processing more than 7.2 million transactions per day
- the development of a powerful new business intelligence capability that delivers comprehensive coverage of Employment Services operational and management data
- the establishment of a comprehensive process for provider consultation based on extensive use of a nation-wide web conferencing facility supplemented by regular face-to-face workshops to ensure that employment systems best meet user needs.

Support for job seeker participation

The department works with Centrelink on a range of services related to job seeker participation, including referrals of job seekers to Employment Services, and to ensuring job seekers' compliance with activity test and participant requirements.

In 2008–09, this work included developing and implementing Centrelink business processes for the introduction of Job Services Australia. Like the department's IT systems, Centrelink systems were redeveloped to work alongside the new Employment Services System to ensure a seamless service to job seekers.

Job seeker compliance

Throughout 2008–09, the department worked on the legislation, policy and information technology for a fairer and more effective job seeker compliance framework, designed to support the new Employment Services from 1 July 2009. The new compliance framework was developed in consultation with the welfare sector, the Employment Services industry and Centrelink. The framework is designed to ensure that no job seeker who is prepared to re-engage with the system needs to go without income support. This and other features provide additional protection for vulnerable job seekers.

The department also continued to work with Centrelink throughout the year to ensure that the pre-1 July compliance system was applied fairly and in a way that would maximise job seeker participation.

Customer service and quality

The Employment Services Code of Practice and relevant service guarantees cover all Providers of Australian Government Employment Services holding contracts with the department. The code of practice describes how providers must deliver services to clients, and the service guarantees specify the types of service that clients can expect to receive.

Complaints handling and client feedback

The department's approach to handling complaints is, in the first instance, to resolve concerns with the organisation involved. The benefits of this approach have been highlighted to all providers currently holding a contract with the department.

A customer service line is also available for clients to make inquiries and complaints, raise concerns, and provide suggestions for improvement. Clients of DEN and VRS are able to contact the free independent complaint handling body, the Complaints Resolution and Referral Service, directly or through the department's customer service line. In addition, clients can access translating and interpreting services and telephone typewriter facilities through the National Relay Service. Feedback is also collected from departmental websites, letters, feedback forms and quality assurance questionnaires.

Report on performance

The department received approximately 25 219 calls from job seekers to the Customer Service Line, of which around 14 851 were complaints. The average turnaround time for resolving complaints through the Customer Service Line was six days, which is well below the department's benchmark. The remainder of the calls included requests for information and suggestions about, and compliments on, services received. In addition, more than 301 650 calls were received by the Employment Services Information Line from job seekers asking for information about employment and related services.

Contract management

The department has further developed its contract management processes to ensure that it obtains value for money in the delivery of Employment Services programs, including by enhancing its risk management system. The department's Employment Services information portals have also been the subject of ongoing review and redevelopment work aimed at improving the usability of this resource for providers.

The department has reviewed its approach to contract management in the course of designing Job Services Australia. The department's approach to contract management will be guided by the Charter of Contract Management, which was developed after consultations with providers, industry and relevant peak bodies that began in October 2008, and which was subsequently approved by the Minister for Employment Participation. The Charter of Contract Management has been made available to all providers who will commence or continue providing Employment Services from 1 July 2009.

Centrelink services

The key performance indicator (KPI) framework is specified in the 2008–09 Interim Business Partnership Agreement between the Department of Education, Employment and Workplace Relations and Centrelink. Overall, Centrelink's performance against the agreed key KPI standards was satisfactory during 2008–09.

Standards for timeliness in the processing of new and continuation claims for income support were met for Youth Allowance, Widow Allowance, Sickness Allowance and Parenting Payment Partnered. Similarly, for Newstart Allowance where the target was for 80 per cent of new claims to be assessed within 16 days, 84 per cent of claims were processed on time. The target for Newstart Allowance continuation claims was for 95 per cent of claims to be processed within two days; 100 per cent were processed within that timeframe.

Centrelink achieved the minimum standards for timeliness in the referral of job seekers to Employment Services (94 per cent of initial referral appointments to service providers and 90 per cent of reconnection appointments were made within two working days). Centrelink achieved the minimum standards for timeliness in the assessment of job seekers. All (100 per cent) Job Seeker Classification Instrument assessments resulted in referrals within two working days (against a target of 90 per cent).

Minimum standards for timeliness of processing job seeker participation reports were met. Centrelink actioned 96 per cent (to May 2009) of participation reports within 16 working days (compared to the minimum standard of 80 per cent).

For performance against those employment KPIs related to debt, Centrelink met the debt raising measure and the debt management measure. Centrelink did not meet the debt recovery measure for working-age payments.

Centrelink also did not meet the minimum timeliness standard of 90 per cent of claims processed within 21 days (87 per cent of claims were processed within that period) for Parenting Payment Single new claims. The department has continued to work with Centrelink in analysing the causes of the shortfall and its impact on recipients. The majority of new Parenting Payment Single claimants who did not have their claim processed in 21 days were in receipt of another form of income support at the time of their claim. Centrelink has initiated measures over the past 12 months aimed at meeting the 90 per cent performance indicator, which the department continues to monitor.

In 2008–09, the Australian National Audit Office reported on the 2006–09 Business Partnership Agreement between Centrelink and the former Department of Employment and Workplace Relations. The audit recommended that governance arrangements be strengthened, that the department's and Centrelink's financial management

accountability arrangements be improved, that business assurance and risk management practices be more transparent and cohesive, and that the performance framework and performance reporting be strengthened. All those recommendations have now been implemented.

New 2009–12 partnership arrangements are being developed to replace the Interim Business Partnership Agreement 2008–09 in the context of direct appropriation to Centrelink of departmental funding from 1 July 2009.

Random Sample Survey Program

The Random Sample Survey Program provides assurance about the accuracy of working age income support payments.

Recipients are randomly selected for a review from the population for each payment type. The program is a point-in-time assessment of recipient circumstances and is designed to establish the value of total outlays accurately paid and to provide reasons for any debt, error or change in payment rate. The program provides benchmark data on the level of inaccurate payments.

The 2008–09 Random Sample Survey Program conducted approximately 13 300 reviews over the 12-month period.

Table 7.6

Level of payment accuracy determined from random sample surveys for the major working age income support payments, 1 July 2008 to 30 June 2009

Payment type	Rate of accuracy ^a (%)
Newstart Allowance	92.0
Parenting Payment (Partnered)	92.0
Parenting Payment (Single)	95.9
Youth Allowance (other)	90.0
Total	93.4

- a Figures are based on a statistical estimation of the level of accuracy of payments. In 2008–09, the department changed from a residual to a raw methodology to calculate payment accuracy. The residual methodology assumed that certain payment inaccuracies would be identified in other reviews. The raw methodology calculates results without those assumptions. Working age income support payments are surveyed over three periods throughout the financial year; 1 July to 31 October, 1 November to 28 February, and 1 March to 30 June. The reported results are based on preliminary data from all three survey periods.

Note: All results are based on preliminary data and subject to revision.

Source: 2008–09 DEEWR Random Sample Survey.

Performance in the delivery of departmental outputs

Table 7.7

Performance information for departmental outputs

Performance indicator	Estimate	Actual
Program management		
<i>Quality</i>		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	All payments were made in accordance with administrative targets set by quality assurance processes
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Payments made by all programs were accurate and met relevant administrative targets
Employment IT applications: defect density for important defect types measured by the mean defect from the International Software Benchmarking Standards Group repository of major defects	Benchmark: Mean defect density (major severity) = 15 defects/1000 function points (to be measured four weeks after software release)	6 defects/1000
High-quality ministerial replies as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from the ministers and Parliamentary Secretary to the Secretary	Satisfied ^a
	Analysis of trends over time to monitor percentage delivered within agreed timeframes	
<i>Quantity</i>		
Employment IT applications services cost	Benchmark is \$1250 per function point ^b	\$1378 per function point ^b
	Target is \$1250	
Employment IT applications services availability	Target is 99.5%	94%
Client satisfaction		
Level of satisfaction of service providers with contracted information and support services	80% satisfied	93.6%
Policy services		
<i>Quality</i>		
High-quality policy advice as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from the ministers and Parliamentary Secretary to the Secretary	Satisfied ^a
Service delivery		
Satisfactory services as reported by Centrelink through the timely processing of working age payments and information, referral and support services	Services provided in accordance with DEEWR–Centrelink Business Partnership Agreement	Centrelink met most agreed standards in the Interim Business Partnership Agreement 2008–09

- a During the year, ministers, parliamentary secretaries and their staff provide feedback on the level of satisfaction with departmental advice during regular meetings with the department. Overall feedback from their offices is that they recognise the significant efforts made by departmental staff and are satisfied with the quality of briefings. Analysis of trends in 2008–09 indicates that the percentage of briefs and ministerials delivered within agreed timeframes is increasing steadily. The number of errors and rejections is also largely trending downward due to an emphasis on feedback to assist line areas to improve quality and presentation.
- b This benchmark is based on an external, median measure of cost performance for the software industry. A function point is an internationally recognised measure of software size.

Outlook for 2009–10

Key tasks for 2009–10 will include:

- implementing and managing Job Services Australia and the reformed Indigenous Employment Program
- providing assistance for job seekers affected by the global recession, including through ensuring strong linkages between Job Services Australia and the economic stimulus packages—Jobs Fund, Energy Efficient Homes and other initiatives
- contributing to closing the employment gap for Indigenous Australians
- implementing the new Disability Employment Services and Employer Incentive Scheme services, including administrative arrangements and the IT system, on 1 March 2010 and facilitating a smooth transition of DEN and VRS job seekers to Disability Employment Services
- administering working age income support payments in accordance with the legislation and policy guidelines, including implementing new policy initiatives
- implementing the Participation Requirements for Young Australians Measure for Youth Allowance (other) recipients.

Report on performance

Outcome 8

Workforce participation

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Outcome 8

Workforce participation

Outcome 8 contributes to increasing the workforce participation of people who are not working but who have the capacity to work, and developing the participation of those who are already in work. This is achieved through high-quality labour market research and evaluation, high-quality policy advice and formation, and the development and implementation of strategies to reform and support the delivery of employment services.

The department strives to achieve the government's goal to increase workforce participation. In addition, the Council of Australian Governments (COAG) has identified closing the gap in employment outcomes between Indigenous and non-Indigenous people as one of its six key targets.

The department's strategy includes investment in training and skills development both for job seekers and for those already working, and ensuring that employment services are more responsive to individual needs. Key objectives of the strategy are:

- halving the gap in Indigenous employment over the next decade
- reviewing and improving employment services to increase workforce participation
- increasing the skill levels of disadvantaged Australians
- maintaining a significant skilled migration program.

The COAG National Partnership Agreement on Indigenous Economic Participation commits the Australian Government and state and territory governments to complementary investment and effort to significantly improve opportunities for Indigenous people to obtain private and public sector jobs.

The government has also targeted broader participation through the development of its social inclusion agenda and related policies to increase participation. Key objectives are:

- giving every Australian the opportunity to secure a job, access services, connect with family, friends, work and local community, deal with crisis and have their voice heard
- following a place-based approach that takes into account such factors as rural, remote and metropolitan disparities characterised by differences in access to resources, services, information and employment opportunities.

Key priorities

The key priorities for Outcome 8 in 2008–09 were:

- developing policy and strategies to engage and improve the workforce participation and social inclusion of specific disadvantaged groups, including people with disability or mental health issues, parents on income support, mature age job seekers, disengaged youth, ex-offenders, homeless people, very long term unemployed people and people from culturally and linguistically diverse backgrounds
- supporting the government's social inclusion agenda and managing whole of portfolio policy and whole of government responsibilities on social inclusion
- contributing to and developing policy on income support measures so the working age and student income support system supports the government's aim to reduce social exclusion and provide incentives for workforce participation and skill formation
- supporting labour market information and advice to assist career advice and education, training and labour market planning through:
 - industry and occupational employment projections
 - publishing the *DEEWR Vacancy Report*, including the new Internet Vacancy Index
 - producing the annual *Australian Jobs* publication

- responding to the global recession, including by:
 - analysing experience with employment assistance over the economic cycle as a basis for advice relevant to periods of economic downturn and recovery
 - monitoring and analysing trends in income support recipients
 - analysing industry and occupational employment developments
- strengthening the department's evidence base through:
 - further developing the department's administrative data on income support recipients
 - managing the department's Social Policy Research Services Agreement with the Melbourne Institute of Applied Economic and Social Research, which provides high-quality commissioned research on a range of workforce participation and related subjects
 - continuing to engage with the Organisation for Economic Co-operation and Development (OECD) to develop and publish internationally comparable education and training statistics and to inform domestic policy development and analysis with comparative analysis of international policies and experience
 - conducting attitudinal surveys to contribute to the department's consideration of policy and program matters, and providing advice and assistance to line areas in conducting surveys
- enhancing and updating labour market information available on key websites, including the Labour Market Information Portal <www.workplace.gov.au/lmip>, Job Outlook <joboutlook.gov.au>, and SkillsInfo <www.skillsinfo.gov.au>
- identifying possible future opportunities and longer term policy agendas to support the Australian Government's objectives and work with business groups to develop high-quality strategic advice
- developing and implementing strategies to halve the gap in Indigenous employment over the next decade in conjunction with key stakeholders across the department, the Australian Government and state and territory governments, Indigenous Australians and the private sector
- supporting Indigenous economic participation through business development
- responding to new challenges for Indigenous Australians created by the global recession and identifying opportunities to build foundations for the future
- implementing arrangements in Australia and participating countries for recruiting workers under the Pacific Seasonal Worker Pilot Scheme, including labour-sending mechanisms in the participating countries, and arrangements for evaluating the scheme
- providing input into the management of the permanent migration and humanitarian programs and related temporary skilled migration arrangements, including through the implementation of the findings of reviews of the temporary business (subclass 457) arrangement
- developing the new employment services model, Job Services Australia, by:
 - releasing the Exposure Draft and Request for Tender for Employment Services 2009–12
 - assisting peak bodies to develop an exemplary template agreement that providers could use to formalise collaborative working relationships across the employment services and accommodation sectors
 - developing guidelines and reference material to support and assist Job Services Australia providers to deliver employment services through streamlined administrative practices and procedures and reduced red tape

- developing responses to the global recession, including:
 - assisting workers who lose their jobs during the global recession to access intensive employment services and training, including through the Productivity Places Program
 - developing and implementing the Jobs Fund
 - identifying the first nine priority areas, and appointing of Local Employment Coordinators to seven of them and interim Local Employment Coordinators to the other two.

Key achievements

The key achievements for Outcome 8 in 2008–09 were as follows:

- To implement Job Services Australia, the department wrote the Exposure Draft of the New Employment Services 2009–12, consulted nationally on the draft, and drafted the Request for Tender for Employment Services 2009–12. The department also established the Agency Adjustment Fund to assist organisations significantly affected by the outcomes of the tender. The government provided \$3.5 million for the fund for 2008–09 and 2009–10.
- The department developed the Jobs and Training Compact, which aims to support young Australians, retrenched workers and local communities get back to work, to increase their skills base, or to learn the new skills needed to obtain jobs as the labour market recovers. The Jobs and Training Compact comprises separate compacts with the three target groups.
- The government's \$438 million Compact with Retrenched Workers provides immediate support to Australians who lose their jobs because of the global recession. The compact includes an additional \$298.5 million investment in employment services. From 24 February 2009, workers who lose their jobs due to redundancy, retrenchment, operational downsizing or other reasons attributed to a downturn in business have been eligible for immediate access to intensive employment services. Additional measures include more Productivity Places Program training places for retrenched workers and changes to liquid assets waiting periods.
- The Compact with Local Communities established the \$650 million Jobs Fund and Local Employment Coordinators. The department placed Local Employment Coordinators in seven regions that were in most need of support; a further two regions were announced on 28 May 2009, and interim Local Employment Coordinators were appointed.
- The department began a project to develop a service level agreement template that will underpin the delivery of employment services to homeless job seekers.
- The department developed the Employer Broker program (\$6 million over three years), which includes the appointment of an employer broker panel to work with employers, training organisations and Job Services Australia providers to meet critical skills and labour shortages. The department also assessed the first round of activity proposals.
- The department provided policy advice and analysis on labour market aspects of migration and population. This work included input to reviews of the temporary business (subclass 457) arrangements and the implementation of the reviews' findings.
- The department negotiated and managed labour agreements (formal arrangements to recruit overseas skilled workers).
- The Pacific Seasonal Worker Pilot Scheme was established. This targeted three-year pilot will examine whether a seasonal worker scheme could contribute to Australia's development objectives in the Pacific while helping to meet Australian farmers' demand for seasonal labour. The first Pacific seasonal workers arrived in February and April 2009. The department has established a strategy for evaluating the pilot scheme.

- The large-scale, long-term monitoring, evaluation and research into the department's major employment assistance programs helped to identify areas for improvement and for the development of future employment assistance options in changing economic and labour market conditions. These activities included the Post-Program Monitoring survey, which measures clients' employment outcomes three months after they participate in labour market programs. The department also developed Star Ratings for Job Network, the provider performance assessment model.
- The department improved its collection and management of data by completing the first three waves of the Employment Assistance Survey, facilitating evidence-based policy development.
- The department managed a suite of surveys of job seekers and service providers to support policy development and analysis and program management. This included implementing a new longitudinal survey of job seekers and other income support recipients to support the evaluation of the new employment services arrangements to be introduced from 1 July 2009.
- A review of the Job Seeker Classification Instrument to improve its effectiveness, appropriateness and efficiency was completed in 2008–09. The review, announced in the Australian Social Inclusion Agenda, began with a formal invitation for written submissions from Job Network members and peak employment service bodies. A total of 24 submissions were received and examined in detail.
- Additional Census 2006 employment data and Small Area Labour Markets data, including tables, charts and maps, was added to the department's Labour Market Information Portal website. The portal offers a range of labour market data at the national, state, labour force region, employment service area and Small Area Labour Market levels.
- The new and enhanced Job Outlook website launched in December 2008 included a shift to ANZSCO (Australian and New Zealand Standard Classification of Occupations) categories. Job Outlook provides information on characteristics, trends and prospects for around 350 occupations and data for 48 occupational clusters, as well as in-depth information on occupational skills, links to education and training courses, and vacancies for the occupations.
- The department released its new Internet Vacancy Index, which is based on four internet recruitment websites <www.seek.com.au, mycareer.com.au, www.careerone.com.au and jobsearch.gov.au> and reflects the shift of job advertising to the internet. Vacancies are coded to around 350 occupations, across all skill levels. The index includes data for states, eight broad occupational groups and clusters of occupations.
- The department assisted in the development of the OECD's new adult literacy survey, the Program for the International Assessment of Adult Competencies. The program aims to measure adult skills and competencies, including literacy, numeracy and problem solving skills, and will be implemented in participating OECD countries in 2011.
- The department identified skill shortages and developed methods to target training through the Productivity Places Program.
- The completion of a survey of former engineering students, giving insights into the workplace experiences of recent engineering graduates.
- Reforms to the Indigenous Employment Program will commence from 1 July 2009.
- The removal of Remote Area Exemptions in 352 remote communities and 917 outstations, involving around 22 000 job seekers, was completed.
- More than 2000 jobs in Australian Government service delivery in the Northern Territory were funded to provide employment for Indigenous Australians and to continue the delivery of essential services to communities.

- The department helped to develop the COAG National Partnership Agreement on Indigenous Economic Participation, which commits the Australian Government and state and territory governments to complementary investment and effort to significantly improve opportunities for Indigenous people to take up private and public sector jobs. The department also developed the Memorandum of Understanding on Indigenous Employment and Enterprise Development between the Australian Government and the Minerals Council of Australia.
- The National Mental Health and Disability Employment Strategy was developed and is expected to be released in September 2009. The strategy addresses barriers to employment faced by people with disability, including mental illness.
- The Graduate Lifeskills Program began operating. The program is for interns and graduates in white-collar industries in the public and private sectors.
- The department began to develop the national Golden Gurus program, which was presented at the Australia 2020 Summit. The program aims to harness the skills and experience of mature age people to support small businesses and the community.
- The department reviewed the participation requirements for parents on income support, providing secretariat support to the Participation Review Taskforce and managing the subsequent policy development process.
- The Family-Centred Employment Project was developed, which is designed to address the disadvantage experienced by jobless families in three selected locations.
- The Training Supplement was implemented to encourage and support people to undertake education and training.
- The Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM)—which attaches conditions to parents' income support payments to ensure that their children attend school—was introduced in six trial sites from the start of the 2009 school year. The trial is being monitored and evaluated to provide an evidence base for further action in this area.
- The department contributed to policy development and delivery in many areas, including:
 - working-age income support policy, in the context of the Review of Australia's Future Tax System and the Pension Review
 - policy to support the government's Household Stimulus Package through payment of a Training and Learning Bonus to assist eligible students with the costs of study
 - policy to support COAG's Compact with Young Australians through the 'learn or earn' changes that strengthen participation requirements for Youth Allowance
 - policy to support the government's Compact with Retrenched Workers through changes to the liquid assets waiting period applying to some income support payments
 - policy advice for the Hon Julia Gillard, Minister for Social Inclusion, and Senator the Hon Ursula Stephens, Parliamentary Secretary for Social Inclusion, on the voluntary sector.
- The department also contributed to a range of cross-portfolio working groups and forums on policy development and activity. This included work on jobless families, place-based disadvantage, strategies to address homelessness, regulatory reform of the third sector, the development of a compact with the not-for-profit sector, performance measurement, and indicators on social inclusion.
- The department contributed to the government response to the findings of the Bradley Review of Australian Higher Education by redesigning student income support payments to increase access to payments by young people of low socioeconomic status.
- A new website <www.socialinclusion.gov.au> was established to communicate the aims and progress of the Australian Government's social inclusion agenda, and the

department commissioned six research papers on the impact and effects of social exclusion to contribute to a better understanding and public knowledge of the impact of social exclusion.

- The completion of the government's election commitment to remove anti-advocacy clauses from all Australian Government contracts with third sector organisations.
- The development of an internal web-based tool to enhance the portfolio's spatial data capacity.
- The department implemented and managed the Innovation Fund, which provides for projects fostering innovative solutions for disadvantaged job seekers at a local level.

Performance information for Outcome 8

Programs and initiatives delivered by the department which contribute to Outcome 8 are part of a wider set of factors that affect the Outcome.

Effectiveness indicators

Table 8.1

Effectiveness indicators for Outcome 8

- Labour force participation rate for civilians aged 15–64 years
 - Employment to population ratio for civilians aged 15–64 years
 - Proportion of population of workforce age on working age income support payment:
 - a. full rate
 - b. part rate
-

Labour force participation rate and employment-to-population ratio for people aged 15–64 years

The labour force participation rate is the proportion of the working-age population that is either employed or looking for work. It varies over time and is a good indicator of the total supply of labour. However, it does not include those who are marginally attached to the labour force.

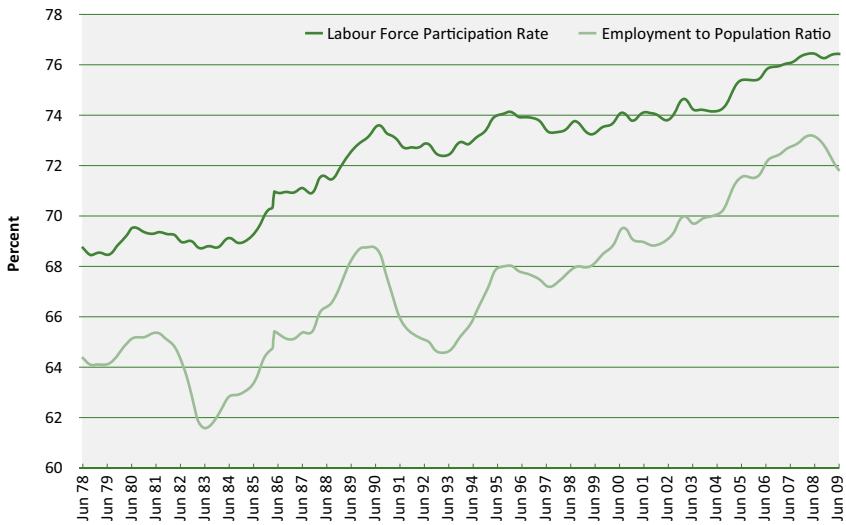
Reflecting the impact of the global recession on the Australian economy and consequent softening of the labour market since late 2008, Australia's labour force participation rate decreased by 0.3 percentage points over year to June 2009, to 76.4 per cent.

The employment-to-population ratio is the proportion of the working-age population that is employed. It is influenced by both labour demand and effective labour supply factors, and is a good summary indicator of labour market performance relative to that of comparable countries, particularly those in the OECD.

The employment-to-population ratio for people aged 15–64 years decreased by 1.6 percentage points over the year to June 2009, to 71.8 per cent.

Chart 8.1

Labour force participation rate and employment-to-population ratio, people aged 15–64 years, June 1978 to June 2009



Source: ABS 2002, *Labour Force, Australia, Preliminary, June 2009* (ABS Cat. no. 6202.0), Table 18.

Proportion of the civilian population aged 15–64 years on working age income support payments

Working age income support payment types, both full and part rates, include:

- Newstart Allowance
- Youth Allowance
- Parenting Payment
 - Single
 - Partnered
- Disability Support Pension
- Sickness Allowance
- Widow Allowance
- Mature Age Allowance
- Partner Allowance
- other payments—the Age Pension (women aged 63 and a half and 64 years are eligible for the Age Pension although they are still of workforce age); Carer Payment; Special Benefit; Austudy; ABSTUDY living allowance; Widow B Pension; Wife Pension (Age and Disability Support Pension); and Bereavement Allowance.

Table 8.2**Proportion of the workforce-age population on income-support payments, full and part rates, 2008 and 2009**

Payment type by rate	June 2008	June 2009	Percentage point change
Part rate ^a	4.4	4.2	-0.2
Full rate	11.5	12.6	1.1
Total	15.9	16.8	0.9

a This includes part rate payment, manual-rate payment, Disability Support Pension suspended, undetermined and zero rate payments.

Source: DEEWR extract of Centrelink administrative data.

Overall, the proportion of civilians aged 15–64 years on workforce-age income-support payments rose 0.9 percentage points during 2008–09. The increase can generally be attributed to an increase in the number of newly registering unemployment benefit recipients, particularly Newstart Allowance recipients, as a consequence of the weakening of the Australian labour market.

The increase in the number of newly registering unemployment benefit recipients also contributed to a small decrease in the proportion of the workforce-age population on part rate payments.

Performance in the delivery of administered outputs

There are no administered items under Outcome 8. Working age policy and labour market strategies are important for addressing workforce participation and social inclusion via the implementation of programs and services delivered by other Outcomes.

Working age policy

Information-based working age policy outputs (policy advice, research and evaluation) contribute to sustaining an efficient and equitable labour market.

Policy advice and support for the government’s social inclusion agenda

In 2008–09, the department worked with various external agencies and non-government stakeholders to support the government’s commitments and future policy reforms by:

- providing strategic, proactive policy advice on employment and participation initiatives for disadvantaged Australians
- undertaking research and policy development to increase employment and participation of disadvantaged Australians
- providing support and advice to the ministers and the parliamentary secretary.

Social inclusion agenda

The Australian Government believes that all Australians should have the opportunity and capacity to play a full role in all aspects of Australian life. Through its social inclusion agenda, the government is working to find new ways to address disadvantage, remove barriers to participation, increase opportunities, build capacity and ensure that services are accessible and provide effective support for all. Because education, training and workforce participation are fundamental to the government’s goal of building a productive and fairer Australia, its social inclusion agenda is central to the design and implementation of policy across the breadth of the portfolio. It encompasses major reform agendas such as early childhood, the Education Revolution, Closing the Gap, new employment services and workplace relations, which are being progressed by the relevant line areas of the department. The department contributes to whole of portfolio and whole of government policy development and cross-agency activity.

Innovation Fund

The Innovation Fund, which complements Job Services Australia, supports projects that offer innovative place-based solutions to address the barriers to employment faced by groups of the most disadvantaged job seekers in Australia. The government has provided \$41 million over three years for the fund. In the first round of the fund, 190 applications were assessed; 33 projects were approved in 2008–09 to begin from 1 July 2009.

People with disability

Our policy analysis was supported by research on the links between employment and mental illness as part of the \$5 million allocated over four years under the COAG National Action Plan on Mental Health.

During 2008–09, Evaluation of Best Practice Employment Assistance for People with Mental Illness project included site visits to 24 Job Network, Disability Employment Network and Vocational Rehabilitation Services providers and the production of an interim evaluation report. This project adds to the body of evidence about effective employment assistance for people with mental illness, allowing for more effective policy development and advice. The project is due for completion in 2009–10.

Research under the COAG National Action Plan on Mental Health found that awareness among employers, employment service providers and general practitioners about resources to support people with mental illness in employment was limited.

The department responded to these findings by investigating promotional opportunities for stakeholders and reviewing the JobAccess website to make it more useable and to increase its mental health focus.

OECD review of sickness and disability policies

The OECD and the Swedish Government hosted the High-Level Policy Forum on Sickness and Disability in Stockholm on 14–15 May 2009 to discuss disability policy issues. A representative from the department attended the forum on behalf of the government.

The key outcomes of the forum will contribute to a synthesis report that will bring together the findings of the OECD Thematic Review: Reforming Sickness and Disability Policies to Improve Work Incentives. The synthesis report is expected to be released early in 2010. Its recommendations will assist in future policy development on the employment of people with disability and mental illness.

National Mental Health and Disability Employment Strategy

On 22 December 2008, the government released *National Mental Health and Disability Employment Strategy—Setting the Direction*. The paper synthesised the findings of the consultations and outlined the approach the Australian Government will take to increase employment for people with disability and mental illness.

Recommendations of the paper included:

- new demand-driven Disability Employment Services
- a Disability Support Pension Employment Incentive Pilot (\$6.8 million over two years)
- better and fairer assessment processes for the Disability Support Pension
- new training and best practice advice for Australian Public Service agencies and managers, and the establishment of new support disability forums for APS employees
- improved assessment and support for people with disability
- the creation of a new Employment Assistance Fund
- an enhanced JobAccess website.

The paper is available on the department's website <www.deewr.gov.au>.

Mature age job seekers

In 2008–09, the department analysed the impact on job seekers of the changes to the Age Pension qualifying age. We are now developing strategies to ensure that mature age people have access to adequate assistance to find and maintain employment.

The department is responsible for developing and implementing the Golden Gurus program, which arose from the Australia 2020 Summit. The program brings together non-profit organisations that match skilled mature age people to mentoring opportunities in non-profit organisations or small businesses (including New Enterprise Incentive Scheme businesses) to form a national Golden Gurus community.

The department also develops participation policy for mature age people on income support. The department is working to improve employer attitudes to employing mature age people. This work includes providing input into Job Services Australia that places a renewed emphasis on working with employers, as well as reviewing the Jobwise website and the *Mature Age Employment Practical Guide*. The website and guide support the employment of mature age people by providing information, resources and links to other avenues of assistance. The guide will be re-released in January 2010.

Participation Review Taskforce

During 2008, the department reviewed participation requirements for parents on income support, provided secretariat support for the Participation Review Taskforce and managed subsequent policy development. The taskforce met with 22 key stakeholders, including groups representing parents and mature age job seekers, in Sydney, Melbourne and Adelaide for focused discussions. The final report presented to government in August 2008 included 20 recommendations for change to current participation requirements.

The government committed \$26.8 million over four years to a new initiative to implement changes to participation requirements for parents on income support as part of the 2009–10 Budget. The changes will, from 1 July 2010, give parents more flexibility in the type of activities that can meet participation requirements and greater scope to focus on their family's needs when caring responsibilities prevent them from working or studying.

The report is available on the department's website <www.deewr.gov.au>.

Jobless families

Following discussion with other portfolio agencies, the department has begun a program of work to address the disadvantage experienced by jobless families.

A key objective of the demonstration Family-Centred Employment Project is to move at least one family member into education or employment. The main component is the development and testing of one or more new service delivery models in three disadvantaged locations in response to the needs of local families. The project, which uses a staged approach based on social inclusion principles, will cost \$7.3 million over three years.

Culturally and linguistically diverse job seekers

The department continued to support the COAG National Action Plan to Build Social Cohesion, Harmony and Security through the Community Employment Coordinator Pilot in the Lakemba and Macquarie Fields regions of western Sydney. The pilot, which aimed to increase job opportunities for young Muslim job seekers and disadvantaged young job seekers, concluded at the end of June 2009.

Ex-offenders

In 2008–09, the department completed a comprehensive review of education and employment-related payments, programs and services available to ex-offenders and prisoners. The department engaged Dr Robyn Penman to develop a profile of ex-offenders and prisoners in Australia and to review and analyse international literature to identify best practice principles for increasing their social inclusion. This work will contribute to the evidence base for ‘what works’ in social inclusion for ex-offenders and prisoners, and form the basis for future policy development.

Building skills for the future

A key government policy is to encourage and support long-term unemployed people to undertake training. In 2008–09, Outcome 8 implemented the Training and Learning Bonus and the Training Supplement.

- Students receiving a student income support payment at 3 February 2009 received a one-off Training and Learning Bonus of \$950 in addition to their normal income support payment from Centrelink in the fortnight commencing 24 March 2009.
- A bonus payment of \$950 was also made available to recipients of the Education Entry Payment (EdEP), in addition to the current EdEP of \$208. The bonus is available to eligible recipients who begin a course of approved study between 1 January 2009 and 30 June 2010. The initiative includes a temporary extension of EdEP to Youth Allowance (other) recipients and the relaxation of eligibility requirements to reduce the current qualifying period for all eligible recipients from 12 months to four weeks for that period. Bonus payments have also been made under administrative arrangements to students who enrolled in full-time study for Semester 1 2009, but who were not receiving income support at 3 February 2009. The government has committed \$511.2 million to this measure.
- A new Training Supplement of \$41.60 per fortnight will be available from 1 July 2009 to provide support for low-skilled unemployed people receiving Newstart Allowance and Parenting Payment (for example, people without Year 12 or an equivalent qualification) undertaking approved education and training. The Training Supplement will be paid to eligible job seekers who fully meet their participation requirements by starting an approved Certificate II to Certificate IV course between 1 July 2009 and 30 June 2011. Through the 2009–10 Budget, the government made \$83.1 million available over three years for the Training Supplement.

Compact with Retrenched Workers

The department implemented changes to the liquid assets waiting period after the government committed \$29.2 million over three years for the changes in 2008–09. The changes give retrenched employees claiming income support faster access to income support payments and enable claimants to retain more of their savings. The threshold for liquid assets increased to \$5000 for singles without dependents and \$10 000 for members of couples or people with children for a two-year period from 1 April 2009 to 31 March 2011.

Initiatives to improve outcomes for Indigenous Australians

In 2008–09, the department continued work on strategies to close the gap between Indigenous and non-Indigenous Australians in employment and employment opportunities within the next decade.

The department reformed the Indigenous Employment Program following feedback on *Increasing Indigenous Employment Opportunity—Proposed reforms to the CDEP and Indigenous Employment Programs*, a discussion paper released in October 2008, through written submissions, emails and face-to-face sessions held in 56 locations around the country. The sessions were attended by around 1600 people, and the department

received 86 written submissions. The reformed program will complement Job Services Australia; both were introduced nationally from 1 July 2009.

The removal of Remote Area Exemptions (RAEs) was completed across Australia in 2008–09. RAEs were removed in 352 communities and 917 associated outstations, involving around 22 000 job seekers. These job seekers are now required to participate in employment activities developed as part of Job Services Australia. The Australian Government will continue to monitor participation rates and employment and training outcomes in communities where RAEs have been removed. The removal of RAEs and the introduction of Job Services Australia will further enhance employment participation and outcomes for people living in remote communities.

The department continued to coordinate Australian Government initiatives that have helped to deliver positive employment outcomes for Indigenous Australians in the Northern Territory. Funding was provided for more than 2000 jobs in Australian Government and local government service delivery. Indigenous Australians have gained jobs through mainstream employment arrangements in education support, childcare, community health, Indigenous community policing, art centre support, broadcasting, language and culture, ranger services and pastoral management.

The department also worked closely with the Department of Defence to increase the number of Indigenous job seekers taking up Defence careers. This work included the development of the Indigenous Pre-Recruitment Course, which has been trialled successfully in Townsville and Newcastle. The course was jointly funded by the department, Defence, and the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

The COAG National Partnership Agreement for Indigenous Economic Participation was signed in February 2009. Through the agreement, the Australian Government and state and territory governments have committed to complementary investment and effort to improve opportunities for Indigenous Australians to take up public and private sector jobs. A number of strategies are included, such as sustainable employment in government service delivery that previously relied on the Community Development Employment Projects (CDEP), strengthening government procurement policies, and incorporating Indigenous workforce strategies into all new major COAG reforms. In addition, governments are reviewing public sector employment and career development strategies to increase Indigenous employment in the public sector to achieve a new national target of 2.6 per cent by 2015.

The department contributed to the Memorandum of Understanding on Indigenous Employment and Enterprise Development between the Australian Government and the Minerals Council of Australia. This partnership between the Australian Government, corporate Australia and Indigenous communities will improve the socioeconomic wellbeing of Indigenous Australians and help lay the foundation for lasting change. The Australian minerals industry is a significant economic catalyst in rural and remote Australia, both directly through employment and enterprise development, and indirectly through supporting broader economic opportunities. The memorandum of understanding will be an effective platform to further provide opportunities to enhance the livelihoods of Indigenous peoples in regional and remote Australia.

During the year, the department also continued to support the Australian Employment Covenant, an initiative led by the private sector that aims to secure 50 000 sustainable jobs for Indigenous Australians.

The global recession has created new challenges for Indigenous Australians. The department has initiated the development of strategies to build the work readiness of the future Indigenous workforce and to be better positioned to meet the longer term Closing the Gap agenda and ensure job retention during the downturn.

Australian Defence Force Indigenous Pre-Recruitment Course

The Indigenous Pre-Recruitment Course is a great example of how the Australian Government is working with Indigenous Australians to close the gap in employment outcomes. The department has been working in partnership with the Department of Defence to implement the Australian Defence Force (ADF) Indigenous Employment Strategy 2007–2017, which aims to increase the proportion of Indigenous members of the ADF to at least 2.5 per cent and to sustain it at that level. Together the two departments have developed the Indigenous Pre-Recruitment Course, which is designed to give Indigenous job seekers an insight into life in the ADF and prepare them for the first stage of the ADF recruitment process. So far, two successful pilot courses have been held in Townsville (commencing August 2008), and Newcastle (commencing March 2009). A third pilot is planned for western Sydney before a national rollout of the course.

Over eight weeks, participants gained a first-hand insight into careers with the three arms of the ADF—Army, Air Force and Navy—as well as undertaking specialised training to help them meet the ADF's recruitment requirements. The average day started with an hour of physical training and course sessions about Aboriginal culture and language, team building, fitness, healthy eating, financial management, presentation and grooming, and language, literacy and numeracy training. The participants also completed a five-day leadership course in Canberra, which included visits to the Royal Military College, Duntroon; the Australian War Memorial; and the RAAF Wagga Wagga and Army Kapooka training bases. While in Canberra, participants met the Hon Julia Gillard MP, Deputy Prime Minister and the Hon Brendan O'Connor MP, former Minister for Employment Participation. They also visited the Army base at Singleton, the RAAF base at Williamstown and the Navy base at Garden Island in Sydney.

Of the 15 participants who completed the course in Townsville, two have already joined the Army, while a further two have begun basic training at Kapooka. Twenty-one participants completed the course in Newcastle, and the ADF is continuing to work closely with participants from both courses to help them achieve Defence careers.

The Australian Government provided more than \$300 000 towards each course. The department contributed by providing pre-employment training and mentoring support and support to Defence to develop its recruitment capabilities. Defence provided transport, accommodation, uniforms, equipment and staffing costs, while FaHCSIA brought the participants to Canberra to undertake a week-long Indigenous Leadership course.

Case study—Galiwin'ku Economic Development Officer

The department has recently concluded a two-year project with Indigenous Business Australia (IBA), funding an Economic Development Officer (EDO) in Galiwin'ku, which is in Arnhem Land in the Northern Territory.

The EDO supported and facilitated the creation and development of a number of Indigenous businesses in Galiwin'ku, Milingimbi and Gapuwiyak communities. Twenty-four micro-enterprises have been established, employing around 50 people in full- and part-time positions. Most of the businesses are set up as sole trader entities, tailored to providing products and services that are often not available in remote communities. Some of the businesses involve the sale of eggs and vegetables; garden and housing maintenance; clothing sales and mending; and laundromat, accommodation, take-away food and bus hire services. A Women's Enterprise Centre was established to support the development of more local businesses in the region, and local Gapuwiyak community markets were set up to facilitate the sale of local produce.

Successful strategies employed by the EDO included an initial focus on identifying local business aspirations and then consistently and progressively mentoring individuals through the steps of business development. A clear and realistic timeframe was important to ensure that individuals were able to achieve their goals, and most of the business training was informal and experiential (training by doing). The EDO also worked closely with other local Aboriginal organisations to support the Indigenous businesses.

Aside from the number of micro-enterprises established, the project has helped build confidence among local people to manage their own economic development. It has also provided positive role modelling for small business development in the community.

Research and evaluation

In 2008–09, continual evaluation and research provided the evidence base to support policy development and program delivery across the full range of the productivity policy agenda, from early childhood education through to schools, higher education, vocational education and training, and to employment and workforce participation and the working-age income support system. Activities included formal evaluation of major policy reforms and programs and measurement of post-assistance outcomes and service quality. Those activities were supported by an extensive survey program and administrative databases.

The department's major evaluation activities in 2008–09 included the following:

- An evaluation of the performance of the Job Network, from the implementation of the Active Participation Model in 2003 until June 2006, was released in December 2008.
- An evaluation of the Welfare to Work Contact Model, which sought to increase the engagement of job seekers in face-to-face contact with Centrelink, was released in December 2008.
- Work on a comprehensive evaluation strategy for Job Services Australia began. The strategy will be flexible to allow for the consideration of new issues emerging over time. It will include projects to measure the extent to which services:
 - help individuals to obtain the skills they need and to secure sustainable employment
 - focus on the most disadvantaged job seekers
 - achieve greater social inclusion
 - boost employment participation

- boost the productive capacity of the workforce
 - address skills shortage areas
 - better meet the needs of employers
 - contribute to closing the gap between Indigenous and non-Indigenous Australians.
- The department published two studies of the sustainability of employment outcomes. Together, they covered a range of programs including Job Placement, Intensive Support job search training, Intensive Support customised assistance, Work for the Dole, and the New Enterprise Incentive Scheme.
- The provision of advice within the department and to contracted consultants on appropriate evaluation frameworks and activities (for example, for the Pacific Seasonal Workers Pilot Scheme).

2005–09 Social Policy Research Services Agreement

Through the 2005–09 Social Policy Research Services Agreement, the department has contracted the Melbourne Institute of Applied Economic and Social Research to undertake approximately eight research projects each year. The agreement enhances the department's ability to analyse aspects of current policy relating to the workforce participation agenda and, more recently, education and training, and maximises the value of major investments in longitudinal data. During 2008–09, 14 reports were publicly released:

- Project 7/2005—*The Dynamics of Income Support Receipt among New Income Support Recipients*
- Project 1/2006—*Use of Informal Childcare and Decisions on Work by Income Support Recipients*
- Project 2/2006—*Low Pay Dynamics—Do Low Paid Jobs Lead to Increased Employment over Time?*
- Project 3/2006—*Disability and Employment in the Australian Labour Market*
- Project 4/2006—*Mature Age Employment and Workplace Strategy*
- Project 5/2006—*Location Economics of Income Support Recipients*
- Project 6/2006—*Skills Shortages and the Absence of Wage Pressures*
- Project 7/2006—*Working Credits—A Low Cost Alternative to Universal Income Tax Credits*
- Project 1/2007—*Incidence of Work Related Injury and Illness and Outcomes for Specific Groups of Workers*
- Project 2/2007—*Intergenerational Correlation of Labour Market Outcomes*
- Project 7/2007—*Teenage Parents, Income Support, Education and Paid Work*
- Project 5/2007—*What Determines How Long Women Spend out of the Workforce after the Birth of Their Child?*
- Project 6/2007—*Full-time Work and Sole Parents*
- Project 9/2007—*Pathways to Higher Pay.*

Findings from these research projects informed discussion at a two-day workshop on labour market dynamics hosted by the department on 28 and 29 October 2008. The workshop focused on 'building roads to employment' and was attended by departmental employees, staff from other Australian Government agencies and invited academics.

New research projects agreed during 2008–09 under the Social Policy Research Services Agreement for the 2009 calendar year included research on education and training of income support recipients, re-engagement in education of early school leavers, transitions of income support recipients with incapacity exemptions, and successful and unsuccessful pathways to employment.

In-house research

The department's in-house research capability contributes to an evidence base for future policy development, particularly in the areas of early childhood, education and training, social inclusion, increased workforce participation, and more effective employment assistance. Research projects assess and draw on linkages across the portfolio to ensure a coordinated and consistent policy approach.

A key focus of research in 2008–09 was to assess the ongoing impact of the global recession on income support recipients. Research in this area focused on trends related to individual payment types and analysis by labour force region, including projections of the numbers of income support beneficiaries in each labour force region. Detailed analysis of subgroups of interest, including the long-term unemployed, was also undertaken.

Developing social inclusion indicators

In 2008–09, the department continued to examine options for developing indicators of social inclusion, including the availability of supporting evidence and data for constructing the indicators. This work built on earlier research into developing social inclusion indicators for jobless families, early childhood education, literacy and numeracy, school retention and workforce participation. The research supports the work of the Social Inclusion Unit and Social Inclusion Board, and will further inform the social inclusion agenda.

Job Seeker Omnibus Survey

The department's annual Job Seeker Omnibus Survey gathers information about job seekers' experiences and satisfaction with employment services provided by Centrelink and Providers of Australian Government Employment Services. In addition to job seekers accessing the Job Network, the survey was expanded in 2008–09 to include Personal Support Program and Job Placement, Employment and Training program participants. Job seekers who had not attended Job Network after their initial referral from Centrelink were also included in the survey. The survey also collected information on choice of provider and on complaints and compliance processes. The 2008–09 survey collected information from around 6000 job seekers.

Longitudinal Pathways Survey

The Longitudinal Pathways Survey tracked the participation in and barriers to employment and education among current and former income support recipients. The survey collected five waves of data at six-month intervals between May 2006 and July 2008. The five waves involved around 66 000 interviews. Information collected from the survey supplemented administrative data, and the survey results have been used in ongoing research and analysis by the department.

Survey of employment service providers

Information about the quality of the department's services to organisations contracted to deliver employment services (Job Network, Disability Employment Network, Community Work Coordinators, Personal Support Program and New Enterprise Incentive Scheme) was collected in the final quarter of 2008–09 from 1022 sites that operate on a full-time basis.

Post-Program Monitoring survey

The department's Post-Program Monitoring survey is a key instrument for measuring the effectiveness of employment assistance programs. The survey, which is ongoing, collects a range of detailed information on the employment and education outcomes of clients

three months after a period of employment assistance. The results of the survey are discussed in the sections of this annual report covering the performance of individual programs and in the quarterly *Labour Market Assistance Outcomes Report*, which is available at the Workplace website <www.workplace.gov.au>. From 2009–10, the survey will allow for the collection of outcomes information relating to Job Services Australia.

Employment Assistance Survey

The department began the Employment Assistance Survey at the beginning of 2008. Three waves of the survey have been completed, and data collection will extend into 2010. This longitudinal survey provides detailed information about the quality and longer term impacts of employment assistance. It examines job seekers' experiences over time with the employment assistance provided by the Job Network and with paid work, voluntary work, and education and training. The survey examines whether Job Network assistance led to or involved any of these activities. It also collects data on outcomes and job seekers' experiences after leaving the Job Network. The survey is an important data source for the evaluation of Job Services Australia and the Jobs and Training Compact, and its findings will be used to help improve the services available to people who are seeking work or receiving income support payments.

Research and Evaluation Dataset

The department's Research and Evaluation Dataset was originally developed to provide information for monitoring and evaluation of Welfare to Work. It contains episodic longitudinal data on all working-age income support recipients.

During 2008–09, the dataset was further developed to support research and analysis on government policy and program priorities, including social inclusion and the impact of the global recession.

School Enrolment and Attendance Measure evaluation

During 2008–09, the department began its evaluation of the School Enrolment and Attendance Measure (SEAM). The SEAM initiative aims to improve school enrolment and the attendance of compulsory school-age children by linking income support payments to parents' educational responsibilities. Fieldwork providing qualitative information on the enrolment component has begun; monitoring of administrative data is ongoing.

Dynamics of Australian Income and Employment Services

Dynamics of Australian Income and Employment Services—referred to as the 'Stepping Stones Survey' to respondents—is a longitudinal survey that will provide information about the participation patterns of people receiving government assistance, including employment services, income support, or both. The survey will collect eight waves of data at six-month intervals. Fieldwork for the first wave was completed in June 2009. The purpose of the survey is to provide information for the evaluation of Job Services Australia and for research activities related to income support and the participation agenda. The survey will also supplement administrative data by providing information about what happens to people once they leave government assistance.

Youth in Focus survey

During 2008–09, the department contributed to the collection of data for the ongoing Youth in Focus survey, with the aim of investigating the experiences of young people and their pathways to economic and social independence. Research questions focused on the intergenerational aspects of welfare and the effects that income support payments have on financial and social outcomes for young people, including education and health. Collection of survey data for the third wave of this study is ongoing.

Internationally comparable education and training statistics

During 2008–09, the department continued its work with multinational organisations, such as the OECD, UNESCO and EUROSTAT, on the development of internationally comparable education and training statistics and other analytical matters, and provided data and written submissions for their international publications. Data and analytical support for the use of international data was also provided to both internal and external stakeholders. The international education and training indicators produced by the OECD and other multinational organisations enable education policy makers, including in Australia, to see their education systems in the light of other countries' performance and help to support governments' policy reforms.

OECD engagement and international research

During the year, the department continued to be actively involved with the work of the OECD on employment and education issues. This allows policy development in Australia to be informed by the OECD's comparative analysis of international policies and experience. The department's involvement with the OECD is mainly through two committees that report to the OECD Council: the Employment, Labour and Social Affairs Committee and the Education Policy Committee. To facilitate this work, the department is represented by a Minister-Counsellor (Education and Employment) on Australia's permanent delegation to the OECD, based in Paris.

Program for the International Assessment of Adult Competencies

The department has helped to develop the OECD's new adult literacy survey, the Program for the International Assessment of Adult Competencies (PIAAC). PIAAC aims to measure adult skills and competencies, including literacy, numeracy and problem-solving skills. PIAAC will go into the field in participating OECD countries in 2011. Australia has made a significant contribution to the development of the program's Job Requirements Approach module by piloting the questionnaire in the field. The module aims to complement assessments of adult skills by providing information on how much different skills, including generic or 'soft' skills, are used in the workplace. The pilot questions performed strongly in an Australian context, suggesting that they are suitable for inclusion in PIAAC.

The department also participated in an international seminar in Greece in February 2009, at which the results of the Australian pilot survey were presented.

Labour market research and analysis

The department monitors and analyses the labour market to promote greater labour market effectiveness. DEEWR identifies emerging issues and changing trends in the labour market, identifies labour supply and skills shortages, informs policy development and implementation, and develops interventions to meet specific labour market challenges.

Economics Research Unit

The Economics Research Unit researched questions that cut across the department's portfolio and involve longer term policy directions. In 2008–09, the unit investigated the employment transitions of prime-aged women using the Household, Income and Labour Dynamics of Australia survey. This research used the longitudinal survey data to extend the current understanding of female labour supply. For this piece of research, staff from the unit produced a research paper and a summary research note for policy makers. The results of the research were disseminated in an internal seminar and an academic paper.

Monitoring labour market trends

In 2008–09, the department researched the labour market for more than 170 skilled occupations. The research included information provided by employers, who were contacted to discuss their recruitment experiences. That information, combined with the department's analysis of supply and demand data for each occupation, was the basis for updates to the Migration Occupations in Demand List and the National Skills Needs List and fed into the Priority Occupations for the Productivity Places Program.

The department also conducts a range of surveys to collect information about the recruitment experiences of employers at the regional level. Since March 2006, mail or phone surveys have been conducted in 151 regions or industries throughout Australia, and information collected from 37 200 employers. In 2008–09, information was collected from around 7000 employers across 32 regions and industries. Industries surveyed included child care, mining and maritime.

The department continues to monitor industry and occupational trends closely, especially in response to the global recession. The *DEEWR Vacancy Report* provides timely data on trends in the demand for skills.

Labour market research and publications

The department produces the quarterly *Australian Labour Market Update*. The publication provides information on the labour market for people seeking jobs in Australia.

The Labour Market Information Portal <www.workplace.gov.au/lmip> offers a range of labour market data at the national, state, labour force region and employment service area levels. Over 2008–09, additional Census 2006 employment data and Small Area Labour Markets data, with tables, charts and maps, were released. Information on the portal has also been modified to reflect changes to the boundaries of Labour Force Region and Employment Service Area boundaries. All data on the website is updated monthly or quarterly.

Job Outlook is a forward-looking occupational website <www.joboutlook.gov.au> with information on characteristics, trends and prospects for around 350 occupations. It is a vital resource for employment services, career advisers, job seekers, job changers, education leavers and those exploring careers. The website has recently undergone major redevelopment, including the introduction of additional statistical information at the level of occupational clusters, in-depth skills information, links to education, training and vacancies, and an industry search capability. The website is updated six-monthly.

SkillsInfo

SkillsInfo <www.skillsinfo.gov.au> provides information on skill shortages, industry and regional skill needs, future employment growth, and education and training. The website has around 80 web pages, built around five themes: education and training; industries; regions; skills issues; and skills links. There are around 500 links to industry and regional information.

Features of the website include *Industry Outlook* reports, industry employment projections, the *New Jobs* publication, and regional profiles based on the most recent census. The website is updated six-monthly.

DEEWR Vacancy Report

The *DEEWR Vacancy Report* is an online report monitoring changing employment demand through analysis of vacancy data obtained from newspapers and online job boards. The report includes the new Internet Vacancy Index—a major enhancement in monitoring the demand for occupations across all skill levels. The report is released each month.

Labour market research

Research has contributed to understanding skills shortages in the trades and in science and technology occupations.

Occupational and skills analysis

The department's skills shortage research is used by the Department of Immigration and Citizenship to target the General Skilled Migration Program to occupations that are in national shortage and have good longer term growth prospects, through updates to the Migration Occupations in Demand List. The department's research is the basis for advice to the Minister for Immigration and Citizenship about occupations to be included on the list.

The skills shortage research was also used to focus a range of government incentives and initiatives on training pathways into occupations in persistent national shortage, through updates to the National Skills Needs List. The department uses the list to determine the eligibility of employers and their Australian apprentices for a range of government training incentives and initiatives. Peak bodies consulted to verify the results of the skill shortage program included the Australian Industry Group, the Australian Council of Trade Unions, the Australian Chamber of Commerce and Industry, and industry skills councils.

Research into skilled labour markets and regional and industry employer surveys contributed to the allocation of training places for the Productivity Places Program by identifying priority occupations. The program's priority occupations and qualifications list was updated in March 2009.

The ongoing analysis of industry and occupational employment trends has contributed to understanding skills issues and assisted in developing responses, including to the global recession. The department provide an indicative view of industry and occupational employment prospects to help guide employment, education and training strategies.

Job Seeker Classification Instrument review

In June 2009, the department completed a review of the Job Seeker Classification Instrument (JSCI) to improve its effectiveness, appropriateness and efficiency. The review, announced in the Australian Social Inclusion Agenda, was formally launched by inviting written submissions from Job Network members and peak employment service bodies. A total of 24 submissions were received and examined in detail.

Centrelink staff, Job Capacity Assessors and employment services staff were interviewed to obtain further views about ways to improve the JSCI. TNS Research (Canberra) carried out cognitive testing of potential refinements to existing JSCI questions and testing of potential new questions. Expert econometric advice from Professor Paul Miller and Dr Anh Tram Le of the University of Western Australia was obtained to ensure that the JSCI is an effective and a reliable predictor of a job seeker's level of labour market disadvantage.

The review resulted in a significantly enhanced JSCI that supports and complements the effective operation of Job Services Australia. A copy of the report and questions and answers on the new JSCI are available on the department's Workplace website <www.workplace.gov.au>.

Strategic management of information and research

The department established the Strategic Information Management and Research Committee in May 2008 as part of the new departmental governance structure. The committee's main objective is to ensure a strategic approach to the department's analytical, evaluation and information management activities.

Employment services reform

Outcome 8 undertook major projects throughout 2008–09 to reform the employment services industry and ensure that all services are aligned policy development across the portfolio.

Job Services Australia

The government is investing \$4.9 billion over three years in Australia's new national employment service, Job Services Australia, which begins on 1 July 2009.

After extensive consultation early in 2008, the department released the exposure draft of the purchasing arrangements for the new employment services on 1 August 2008. Consultation sessions were held across Australia, and the department received 76 submissions commenting on the exposure draft.

The Request for Tender for Employment Services 2009–12 was released on 27 September 2008, and information sessions were conducted during October. The request for tender closed on 24 November 2008, and the outcomes of the tender were announced on 1 April 2009. Services will be delivered in more than 2100 sites across the nation.

Job Services Australia is a significant reform in the delivery of employment services and will enable job seekers to access the right mix of training, work experience and other support to help them find and keep a job.

A key feature of Job Services Australia is the provision of services in line with a job seeker's assessed level of disadvantage. The services are provided in four streams, from Stream 1 for more job-ready job seekers up to Stream 4 for the most highly disadvantaged job seekers with multiple vocational and non-vocational barriers. Each stream also offers access to work experience activities.

The department is committed to ensuring a smooth transition with limited disruption to Job Services Australia providers and job seekers. A Transition Reference Group has been established to assist and advise on detailed arrangements for transition to Job Services Australia.

Jobs Fund

The Jobs Fund is an Australian Government initiative to support and create jobs and promote skill development through projects that build community infrastructure and social capital in local communities.

The Jobs Fund, which is a discretionary grants program, beginning on 1 July 2009 and will be complete on 30 June 2011. Funding is in the form of one-off grants to support the delivery of innovative social or infrastructure projects that create jobs and employment opportunities in communities affected by the economic downturn, while also delivering positive environmental, heritage and social outcomes. Projects will focus on directly generating jobs for people in communities with high unemployment, a rise in unemployment or vulnerability.

The Jobs Fund includes three streams:

- *Local Jobs*. \$300 million of funding is available over two years for community infrastructure projects with a focus on the promotion of environmentally friendly technology and heritage. Of this stream, \$60 million has been specifically set aside for heritage-related projects and \$40 million for the construction of bike paths.
- *Get Communities Working*. \$200 million of funding is available over two years to invest in seed capital for self-sustaining projects that create jobs and provide activities and services to improve community amenity. This funding is also available to provide temporary financial assistance to non-profit organisations whose donor base is currently under pressure due to the economic downturn.

→ *Infrastructure Employment Projects.* \$150 million of funding is available over two years to provide for investment in infrastructure projects that generate jobs in regions affected by the economic downturn. Projects under this stream will be initiated by the Australian Government.

The first call for proposals under the Local Jobs and Get Communities Working streams closed on 22 May 2009, but an extension to 29 May 2009 was granted for projects in flood-affected areas. More than 2500 applications for funding were received. Successful projects will commence from July 2009.

Priority area strategy

The government announced an initial nine priority areas that will receive additional assistance through the appointment of a Local Employment Coordinator (LEC) to support communities hardest hit by the global recession and help drive local responses to unemployment. These areas are Canterbury–Bankstown and south-western Sydney (NSW); Illawarra (NSW); south-eastern Melbourne (Vic.); Ipswich–Logan (Qld); northern and western Adelaide (SA); south-west Perth (WA); north-west/northern Tasmania; Richmond–Tweed and Clarence Valley (NSW); and the mid-north coast of New South Wales.

Local Employment Coordinators play a vital role in identifying employment opportunities and providing support to workers who have lost their jobs in these tough economic times. They work closely with local councils, businesses, chambers of commerce, unions and community organisations to maximise employment and training opportunities resulting from the government’s stimulus package. The coordinators work towards developing apprenticeship opportunities and promoting the skills these communities will need in the future to place them in the best possible position to take up opportunities once the economy recovers.

Coordinators were appointed to seven of the priority areas in June 2009. Departmental staff performed the role on an interim basis until ongoing coordinators were appointed.

After the announcement of the priority areas, the Prime Minister, the Hon Kevin Rudd MP, conducted a Jobs Forum in each of the seven regions. The forums were an opportunity to bring together key stakeholders in an effort to generate ideas and opportunities for job creation.

Industry adjustment

The department participated in the government’s response to the Automotive Industry Review conducted by Mr Steve Bracks for Senator the Hon Kim Carr, Minister for Innovation, Industry, Science and Research. As a result of the review, the automotive assistance package was established to provide structural adjustment support and includes the Automotive Industry Structural Adjustment Package (AISAP). The labour market adjustment element of AISAP commenced on 1 November 2008 and provides intensive employment assistance to support redundant workers in the automotive manufacturing industry.

The department also participated in the government’s response to the Review of Australian Textile, Clothing and Footwear Industries conducted by Professor Roy Green for Senator Carr. The department delivered employment assistance to workers made redundant from textile, clothing and footwear (TCF) firms engaged in manufacturing-related activities through the Textile, Clothing and Footwear Structural Adjustment Program. The labour market element of the program provides intensive employment assistance to eligible workers who are made redundant from TCF companies. Following the recommendations of the review, delivery of the labour adjustment element of the program was enhanced to assist groups of TCF manufacturing workers affected by industry restructuring to access employment services, value-added training, mentoring and one-on-one support.

Agency Adjustment Fund

The government allocated \$3.5 million to the Agency Adjustment Fund over 2008–09 and 2009–10 to support organisations that previously provided employment services under the Job Network but who were unsuccessful in the Request for Tender for Employment Services 2009–12.

Thirty-eight organisations were approved for funding under the Adjustment Grant component (Adjustment Grant plus specialist business adviser); 10 organisations obtained support only through the specialist business advisers element of the fund.

Employer brokers

The government allocated \$6 million over three years (\$2 million in 2009–10, 2010–11 and 2011–12) for this discretionary grant program. The initial selection of Employer Broker Panel members was conducted through the Request for Tender for Employment Services 2009–12. The 56 successful panel members were announced in March 2009. The call for proposals for the first round of Employer Broker activities closed on 24 April 2009, and initial activities will commence after 1 July 2009.

Migration policy

Outcome 8 has played a key role in informing the Australian Government on labour market and workplace relations matters involving the size, composition and core criteria for a range of temporary and permanent migration arrangements. This role, which is recognised in migration administrative practice, also requires the monitoring of labour agreements for labour market sensitive occupations, industries and major infrastructure projects.

Temporary migration program

During 2008–09, the department participated in industry-based working parties and external reference groups reporting to the Minister for Immigration and Citizenship and the government. Those forums aimed to develop options to improve the targeting, integrity and transparency of temporary migration arrangements to meet the skilled labour needs of the Australian economy.

Pacific Seasonal Worker Pilot Scheme

During 2008–09, the department consulted stakeholders on the development, management and evaluation of the Pacific Seasonal Worker Pilot Scheme, including by:

- conducting a participants' briefing session—a forum for the exchange of information between partner countries to discuss the operation of the pilot
- establishing memorandums of understanding with three of the four participating countries
- convening an interdepartmental committee to oversee the pilot (comprising AusAID, DAFF, ATO, DFAT, DIAC, Finance, Department of Infrastructure, Transport, Regional Development and Local government, PM&C, Treasury and the Workplace Ombudsman)
- establishing a national stakeholder consultative panel comprising union, grower, employer and government representatives.

The department also began work to engage a consultant to evaluate the pilot.

Pacific Seasonal Worker Pilot Scheme

The Pacific Seasonal Worker Pilot Scheme is a targeted three-year pilot examining whether a seasonal worker scheme could contribute to Australia's development objectives in the Pacific while helping to meet Australian farmers' demand for seasonal labour.

The pilot testifies to the Australian Government's willingness to explore innovative solutions to help Pacific island countries tackle some of the economic and social challenges they face.

Up to 2500 visas will be granted over three years, giving workers from Tonga, Vanuatu, Kiribati and Papua New Guinea the opportunity to work for 6–7 months in every 12-month period in areas of regional Australia where there is demonstrated unmet demand for seasonal labour.

The first 50 Pacific workers arrived in Australia from Tonga on 16 February 2009 and have been working in Robinvale on the almond harvest. Forty-nine have begun work on table grapes in Mildura (Victoria) and citrus in Mundubbera (Queensland).

Six Pacific seasonal workers from Vanuatu (two women and four men) arrived in Australia on 15 April 2009. The two women commenced work in Griffith on 20 April 2009, while the four men began work pruning in Swan Hill on 28 April 2009.

Arrangements for including Papua New Guinea in the pilot are expected to progress during 2009.

Pacific seasonal workers are only placed with growers who can demonstrate they have taken reasonable steps to recruit Australians first, particularly income support recipients and Indigenous Australians. If there is no demand for Pacific seasonal workers because of local labour market conditions, then visas will not be issued.

Further information on the Pacific Seasonal Worker Pilot Scheme can be found at <www.workplace.gov.au/pswps>.

Performance in the delivery of departmental outputs

Table 8.3

Performance information for departmental outputs

Performance indicator	Estimate	Actual
Program management		
<i>Quality</i>		
Provision of employment outcome results through the Post-Program Monitoring survey	Results available within a satisfactory timeframe	Results from the Post-Program Monitoring survey were made available within a satisfactory timeframe
Provider performance assessment	Results available twice annually in January and July	Provision of Star Ratings and related performance information met agreed timeframes
Research activities undertaken as part of COAG National Action Plan on Mental Health	High quality reports are delivered according to timelines and standards described in the individual contract schedules	Projects undertaken during 2008–09 were completed on time and to budget, and met the standards described in contract schedules
	Procurements for all research activities are compliant with <i>Financial Management and Accountability Act 1997</i> and <i>Commonwealth Procurement Guidelines</i>	Procurements for all research activities during 2008–09 were compliant with the Act and the guidelines
Policy services		
<i>Quality</i>		
High quality policy advice to ministers, senior officers of the department and other key stakeholders	Qualitative evaluation of satisfaction and timeliness using feedback from the ministers and Parliamentary Secretary to the Secretary	Satisfied ^a
High quality ministerial replies as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from the ministers and Parliamentary Secretary to the Secretary	Satisfied ^a
	Analysis of trends over time to monitor percentage delivered within agreed timeframes	
Level of satisfaction of ministers with the provision of research and evaluation	Satisfactory or above	Satisfied

- a During the year, ministers, parliamentary secretaries and their staff provide feedback on the level of satisfaction with departmental advice during regular meetings with the department. Overall feedback from their offices is that they recognise the significant efforts made by departmental staff and are satisfied with the quality of briefings. Analysis of trends in 2008–09 indicates that the percentage of briefs and ministerials delivered within agreed timeframes is increasing steadily. The number of errors and rejections is also largely trending downward due to an emphasis on feedback to assist line areas to improve quality and presentation.

Outlook for 2009–10

In 2009–10, the department will continue to provide policy advice and develop strategies to assist disadvantaged Australians to access opportunities to develop the skills and capabilities they need to find sustainable work and participate in society. This work will include:

- policy development to improve the participation of young people, particularly disengaged and highly disadvantaged youth
- developing and progressing strategies to increase the participation of homeless people in education, training and employment
- the implementation of the Family-Centred Employment Project and further development of strategies for improving the participation of jobless families and parents on income support
- further development of place-based strategies and local solutions for tackling disadvantage
- developing policies to increase the participation opportunities for people with disability, including the Disability Support Pension Employment Incentive Pilot
- the progression of the Golden Gurus program to harness the skills and experience of mature age people and the development of a consultative forum on mature age employment issues
- developing policy on income support measures and managing the portfolio's social security legislation interests, including contributing to the Australia's Future Tax System Review
- contributing to a cross-agency agenda to increase gender impact analysis in policy development, and developing a National Plan to reduce violence against women
- overseeing the Improving School Enrolment and Attendance through Welfare Reform Measure to encourage income support recipients in selected locations to ensure their children's attendance at school.

The department will continue to develop policy and strategies to support the government's social inclusion agenda by:

- administering and monitoring the Innovation Fund to support innovative and place-based solutions and pathways for disadvantaged job seekers
- supporting the Minister for Social Inclusion and Parliamentary Secretary for Social Inclusion in advancing the Australian Government's social inclusion agenda
- working with the Department of the Prime Minister and Cabinet, other portfolios and areas in the department to advance social inclusion across the portfolio
- continuing to enhance the department's spatial data capacity and related cross-portfolio work.

The department will continue to provide policy advice and develop strategies to increase workforce participation for Australians through:

- reviewing and developing responses to the global recession
- delivering the government's Compact with Communities by rolling out the priority area strategy in the 20 identified priority areas, engaging Local Employment Coordinators, and working with Local Jobs Champions Lindsay Fox and Bill Kelty to run workshops in each of the priority areas
- supporting and creating jobs and skill development through projects that build community infrastructure and social capital in local communities through the Jobs Fund
- implementing the recommendations of the *Keep Australia Working Report*
- providing support for workers who have lost their jobs as a result of the global recession
- supporting employers experiencing skills and labour shortages through the Employer Broker program

- addressing the impact of industry restructuring by delivering assistance through labour and structural adjustment packages for workers who have been made redundant from industries experiencing structural change
- reviewing migration policies as they relate to skills in demand (including a review of the Migration Occupations in Demand List methodology and related migration criteria)
- managing and evaluating the design and implementation of the Pacific Seasonal Worker Pilot Scheme.

The department's planned research, evaluation and reporting activities will include:

- using results of the Employment Assistance Survey to examine the quality and longer term effectiveness of various types of employment assistance and the extent to which participation in employment services enhances economic participation and social inclusion
- developing and evaluating the Jobs and Training Compact
- beginning an evaluation of Job Services Australia, which will assess how Job Services Australia performs in assisting individuals, particularly those most disadvantaged in the labour market, to obtain skills and secure sustainable employment, and will investigate the contribution of the new services to closing the gap in employment outcomes and opportunities for Indigenous Australians
- developing strategies for and beginning evaluations of the new Disability Employment Services Model and the Disability Support Pension Employment Incentive Trial
- continuing research to support policy development for the government's reform agenda, including the social inclusion agenda
- managing the evaluation of Best Practice for Employment Assistance for People with Mental Illness, which is due for completion in June 2010
- analysing the employment assistance pathways of people with mental illness
- developing a new Star Ratings system to measure the performance of providers in Job Services Australia, including new bandwidths and a less complex set of factors to account for local labour market conditions and job seeker caseloads
- redeveloping the Post-Program Monitoring survey so that it can collect data on employment and education/training outcomes of job seekers in the four Job Services Australia streams; job seeker satisfaction data relating to Job Services Australia; and post-assistance outcomes for key target groups, including Indigenous job seekers
- conducting special surveys on topical issues, such as the language, literacy and numeracy program
- ongoing analysis of the impact of the global recession on income support trends
- continuing research to support policy development and the government's reform agenda on workforce participation and education and training
- managing Australia's engagement with the OECD on employment and education issues, including Australia's contribution to the OECD review of activation policies
- managing a suite of surveys of service providers and job seekers and other income support recipients, including a new longitudinal survey, to evaluate client satisfaction and support policy development and analysis and program evaluation
- evaluating the School Enrolment and Attendance Measure
- refocusing the department's Social Policy Research Services Agreement on the government's broader policy agenda for education and training and workforce participation, and disseminating the findings to ministers, the department and the public
- continuing to develop the department's administrative data on income support recipients.

The department will conduct 30 employer surveys in 2009–10, focusing on the regional level. In particular, the survey program will focus on regions where the labour markets are expected to be most at risk from the effects of the global recession. Employer surveys will also help us to understand the skill implications of climate change initiatives.

The role, methodology and structure of the Migration Occupations in Demand List will be reviewed in conjunction with the Department of Immigration and Citizenship and other government agencies.

The Labour Market Information Portal will continue to expand. More data and charts are due to be released in the later months of 2009 and early 2010. The additional items include charts for Centrelink and employment services customer populations by allowance type and age group, and employment changes in occupations over time.

The department's Strategic Policy Group will work with line areas to develop high-quality, evidence-based policy advice for government on next steps to address the domestic impacts of the global recession, progress towards achieving the COAG targets and the key future policy agendas for the portfolio.

The department will continue to provide policy advice and develop strategies to close the gap between Indigenous and non-Indigenous Australians in employment outcomes and opportunities. This work will include:

- developing and implementing strategies to address the additional challenges faced by Indigenous Australians in gaining and retaining employment during the global recession
- maximising employment outcomes for Indigenous Australians through stimulus package measures
- supporting the establishment of the Australian Indigenous Minority Supply Council to link corporations seeking goods or services with Indigenous businesses registered with the council
- in partnership with FaHCSIA, further developing the Indigenous Economic Development Strategy, which will provide a framework to guide government investments in Indigenous economic development
- developing a memorandum of understanding with the Department of Defence to help develop further joint initiatives to increase the number of Indigenous Australians taking up Defence careers
- implementing a long-term Indigenous workforce planning and economic development strategy in association with the project developers of the proposed Browse Basin liquefied natural gas development, major contractors, training organisations and the local Indigenous community to take advantage of increased development opportunities driven by the industry in the Kimberley region of Western Australia
- supporting the Australian Employment Covenant to convert employer commitments into job outcomes for Indigenous Australians.

Report on performance

Outcome 9

More productive and safer workplaces

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Outcome 9 More productive and safer workplaces

Improving Australia's productive capacity is at the core of the government's economic policies.

Outcome 9 activities improve productivity through the development of safer, fairer and more flexible workplaces, leading to greater employment for Australians and strong and sustainable economic growth.

Australia's productive capacity will be enhanced by the government's national approach to reform in workplace relations, occupational health and safety (OHS), and workers compensation.

Critical to improving this capacity is a simpler and more flexible workplace relations system.

During 2008–09 the government developed a new workplace relations system for Australia based on the *Fair Work Act 2009*, which came into effect on 1 July 2009. Consistent with election policy commitments, the safety net that underpins the new system (the 10 National Employment Standards and modern awards) will apply from 1 January 2010.

The new workplace relations framework encourages employers to maximise their workplace productivity through fair and more flexible workplace arrangements. Greater employment opportunities and strong and sustainable economic growth will be promoted through enterprise-level collective bargaining underpinned by a guaranteed safety net, simple good faith bargaining obligations and clear rules governing industrial action.

The Australian Government is continuing to work closely with state and territory governments to create a national workplace relations system for the private sector.

This will reduce red tape and duplication for employers and ensure equity for employees, while boosting productivity. Implementing national approaches to OHS and workers compensation will similarly contribute to productivity improvement in Australia. Harmonising laws in OHS and workers compensation will contribute to productivity improvement in Australia, by cutting red tape, boosting business efficiency and providing greater certainty and protections for all.

Achieving this outcome involves providing evidence-based policy advice and legislation development services to government; and supporting employers and employees in adopting and following safe, fair and flexible workplace relations practices, particularly as they transition to the new workplace relations system.

On 18 August 2008, the Safety and Entitlements Group was created within Outcome 9. The group performs a number of the functions previously performed in the Workplace Relations Policy Group, the Workplace Relations Implementation Group and the Office of the Australian Safety and Compensation Council.

On 1 April 2009, Safe Work Australia replaced the Office of the Australian Safety and Compensation Council in Outcome 9.

Key priorities

The key priorities for Outcome 9 in 2008–09 were:

- supporting the government's workplace relations reform program, which included developing policy advice to support the development and passage of new workplace relations legislation
- consulting key stakeholders on the new workplace relations framework

- supporting the award modernisation process, including providing advice and developing submissions to the Australian Industrial Relations Commission on behalf of the government
- supporting the transition to the new workplace relations system by leading the establishment of Fair Work Australia and the Fair Work Ombudsman and supporting the legacy workplace relations agencies
- negotiating with state and territory governments to ensure the establishment of, and smooth transition to, a uniform national workplace relations system for the private sector
- commencing work on the harmonisation of OHS laws under the terms of the Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety, including the completion of the National Review into Model OHS Laws and the development of model OHS legislation in accordance with the decisions of the Workplace Relations Ministers Council (WRMC) decisions, for implementation in all jurisdictions by 2011
- establishing the Safe Work Australia Council to replace the Australian Safety and Compensation Council, and creating an independent agency to support the work of the new council
- developing a policy framework to ensure that subclass 457 visa workers have the same pay and conditions as equivalent Australian workers, in consultation with the Department of Immigration and Citizenship
- analysing and providing policy advice regarding the Productivity Commission's draft and final reports on paid parental leave
- enhancing engagement with the International Labour Organization (ILO) through close collaboration with worker and employer stakeholders, state and territory governments, and other federal agencies, particularly the Australian Agency for International Development (AusAID)
- promoting best practice in Commonwealth workers compensation and OHS arrangements by reviewing and developing Commonwealth workers compensation and OHS policy and legislation in consultation with Comcare and key stakeholders, including self-insured corporations under the scheme and relevant unions
- administering the General Employee Entitlements and Redundancy Scheme (GEERS) for the protection of employee entitlements in cases of business insolvency
- implementing the Fair Work Education and Information program, the Fresh Ideas for Work and Family grants program and the Homeworkers Code of Practice program, in addition to continuing to deliver general workplace relations programs
- providing workplace relations policy advice to all Commonwealth public sector agencies to assist their enterprise bargaining, consistent with the Australian Government Employment Bargaining Framework and machinery of government changes
- providing support to the Wilcox building and construction industry consultation process, and providing advice on the government's response to the report by the Hon Murray Wilcox QC, *Transition to Fair Work Australia for the Building and Construction Industry*, and the development of related legislation which was introduced into the Parliament in June 2009
- continuously improving the onshore trade skills assessment system
- continuing to monitor and improve the general skilled migration offshore skills assessment program
- implementing the offshore skills assessment program for people seeking a temporary sponsored working visa (subclass 457) in nominated countries for nominated occupations to ensure that the visa arrangement continues to provide Australian industry with the skills it needs and to improve the program for overseas workers

- fostering improved OHS outcomes in the building and construction industry through the Office of the Federal Safety Commissioner by continuing to drive cultural and behavioural change.

Key achievements

The key achievements for Outcome 9 in 2008–09 were as follows:

- Providing policy advice to support the development and implementation of the government's new workplace relations system. The *Fair Work Act 2009* was introduced into Parliament on 25 November 2008 and passed on 20 March 2009. *The Fair Work (Transitional Provisions and Consequential Amendments) Act 2009* was introduced into Parliament on 19 March 2009 and passed on 17 June 2009. *The Fair Work (State Referral and Consequential and Other Amendments) Act 2009* was introduced into Parliament on 27 May 2009 and passed on 17 June 2009. These Acts and the Fair Work Regulations 2009 commenced operation on 1 July 2009.
- Providing regulatory analysis of the Fair Work Bill 2008. The analysis underpinned the department's submission to the Senate Inquiry into the Fair Work Bill 2008 and was included in the Bill's explanatory memorandum.
- The department coordinated extensive consultative arrangements with employer and employee representatives and with state and territory governments to ensure that the new legislative framework reflected the government's commitment to cooperative workplace relations.
- The department supported the establishment of Fair Work Australia and the Fair Work Ombudsman, which begins operation on 1 July 2009.
- The Interim Bilateral Intergovernmental Agreement for a National Workplace Relations System, between the Commonwealth and Victoria, was negotiated and signed. Bilateral negotiations continued with New South Wales, Queensland, South Australia and Tasmania on a range of issues to gain commitment to sign up to the national workplace relations system.
- The Council of Australian Governments (COAG) signed the Intergovernmental Agreement for Regulatory and Operational Reform in OHS. The agreement provides for the development of a national OHS legislative framework as well as the establishment of a new national tripartite body with primary responsibility for driving national policy development in respect of OHS and workers compensation, including the development of harmonised OHS laws. Signatories to the agreement have committed to adopt uniform OHS laws by 2011.
- The National Review into Model OHS Laws was completed in January 2009. In May 2009, the WRMC decided on the optimal structure and content of a model OHS Act to be adopted by the Australian Government and state and territory governments. The WRMC also agreed to the Safe Work Australia Council developing the model OHS laws in accordance with its decisions.
- The Safe Work Australia Council was established on 31 March 2009. The council comprises an independent chair and representatives nominated by the Commonwealth, each state and territory, and employer and union peak bodies. The council met for the first time on 10 June 2009 in Sydney.
- On 1 April 2009, Safe Work Australia was established as an independent, separately branded entity within the department to support the work of the Safe Work Australia Council. Safe Work Australia is co-funded by the Commonwealth, state and territory governments and replaces the Office of the Australian Safety and Compensation Council. Safe Work Australia was created as an executive agency, prescribed under the *Financial Management and Accountability Act 1997*, to be effective from 1 July 2009.

- The department engaged comprehensively with the ILO in close collaboration with stakeholders, particularly on agreement to sign a five-year partnership agreement between Australia and the ILO, which will disburse \$15 million in technical assistance to countries in the Asia-Pacific region in the first two years.
- The department provided policy advice to government on the paid parental leave scheme announced in the 2009–10 Budget.
- The Fair Work Information and Education grants program, announced on 29 June 2009, began. The program provides a total of \$12.9 million to 19 community, employee, employer and small business organisations to provide information and education services on the *Fair Work Act 2009* to the community.
- The department introduced the first round of the Fresh Ideas for Work and Family grants program, assisting small businesses to implement work and family arrangements in their workplaces. The first round of the program received more than 1200 applications. Assessments are expected to be completed in July 2009.
- Under GEERS, over \$99 million was advanced to 11 027 Australian workers who lost their jobs as a result of their employers' insolvency.
- The department provided secretariat support to the Hon Murray Wilcox QC in the preparation of his report, *Transition to Fair Work Australia for the Building and Construction Industry*.
- The department developed the government's legislative response to the Wilcox Report, leading to the introduction of the Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2009 into the Parliament on 17 June 2009.
- The department completed 8380 assessments of industrial instruments under the Guidelines to the National Code of Practice for the Building and Construction Industry with an average turnaround time of 2.77 days.
- The department facilitated the Office of the Federal Safety Commissioner Chief Executive Officer Forum and leadership charter.
- The department conducted the Office of the Federal Safety Commissioner Alcohol and Other Drugs Forum to engender industry discussion about the effects of alcohol and other drugs in the industry.
- The government substantially increased the amount of death benefits available under the Comcare and the Seafarers Safety, Rehabilitation and Compensation schemes, through the passage of amendments to the *Safety, Rehabilitation and Compensation Act 1988* and the *Seafarers Rehabilitation and Compensation Act 1992* through the Parliament in May 2009. This brought the benefits available under the two schemes into line with most state and territory schemes, retrospective to 15 May 2008.
- The department provided the final report of the Review of Self-Insurance Arrangements under the Comcare Scheme (the Comcare Review) to the Minister for her consideration.
- The department completed 54 assessments of Australian Government agency collective agreements against the Australian Government Employment Bargaining Framework, and ran tailored information sessions on the *Fair Work Act 2009* for more than 200 representatives from 62 Australian Government agencies.
- Trades Recognition Australia finalised 37 466 applications for skills assessment (including international and domestic applications), meeting key performance indicators despite continued increases in application rates.
- Trades Recognition Australia established an offshore skill assessment program for people seeking temporary sponsored working visas (subclass 457), to commence from 1 July 2009, in response to recommendations from the Subclass 457 Integrity Review in 2008.

Performance information for Outcome 9

Effectiveness indicators

Table 9.1

Effectiveness indicators for Outcome 9

Performance indicator	Performance summary
The federal workplace relations system supports choice of agreement with higher pay, higher productivity outcomes	<p>The Australian Bureau of Statistics (ABS) Wage Price Index increased by 3.9 per cent (trend) over the year to the June quarter 2009, down from 4.1 per cent over the year to the June quarter 2008.</p> <p>The most common measure of productivity—GDP per hour worked in the market sector—increased by 0.8 per cent over the year to the June quarter 2009, down from 1.2 per cent over the year to the June quarter 2008. The lower productivity growth recorded over 2008–09 was due to a larger decline in market sector GDP (down from 3.6 per cent in 2007–08 to -2.0 per cent in 2008–09—a 5.6 percentage point turnaround) compared with the decline in market sector hours (down from 2.3 per cent in 2007–08 to -2.8 per cent in 2008–09—a 5.1 percentage point turnaround). These declines were in response to the impact of the global recession. Short term measures of productivity, such as quarterly and annual measures, are prone to volatile and cyclical effects. They are often revised in subsequent data releases and should therefore be interpreted with caution.</p>
Low incidence of industrial action	<p>Australia recorded a strike rate of 13.3 working days lost per thousand employees (WDL/1000E) in the 2008–09 financial year. Australia's strike rate was 17.4 WDL/1000E in the 2007–08 financial year.</p> <p>The number of working days lost in federal bargaining disputes decreased from 75 900 WDL in 2007–08 to 38 000 in 2008–09. This fall may partly reflect the reduction in the number of agreements expiring over this period. The number of days lost in non-bargaining disputes decreased from 74 400 in 2007–08 to 37 200 in 2008–09.</p>
The federal workplace relations framework is used by employers and employees	<p>The ABS Employee Earnings and Hours publication found that around 2.3 million employees had their pay determined by a federally registered collective agreement in August 2008 (the latest month for which data is available). This is 9.5 per cent higher than in the last survey in August 2006.</p> <p>Since the commencement of the <i>Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008</i> on 28 March 2008, Australian Workplace Agreements (AWAs) are not able to be made under the federal workplace relations system. Prior to their abolition, 273 847 AWAs had been lodged with the Workplace Authority in the 2007–08 financial year.</p> <p>The Act allows employers using AWAs at 1 December 2007 to offer Individual Transitional Employment Agreements (ITEAs) to new employees and employees already on AWAs, during the transition to the new workplace relations system on 1 January 2010. 100 364 ITEAs were lodged with the Workplace Authority in 2008–09. ITEAs have a nominal expiry date of no later than 31 December 2009.</p>

The operating environment in 2008–09

Wages and earnings

Wages growth remained resilient in 2008–09 despite the impact of the global recession. The Australian Bureau of Statistics (ABS) Wage Price Index (WPI) increased by 3.9 per cent (trend) over the year to the June quarter 2009, down from 4.1 per cent over the year to the June quarter 2008. Among industries (original data), the highest rate of increase in the WPI over the year to the June quarter 2009 was in electricity, gas and water supply (4.6 per cent) while the lowest annual increase was in manufacturing (2.7 per cent). Mining recorded an annual increase in the WPI of 4.1 per cent—a significant drop of 1.6 percentage points since the March quarter 2009 result. This is the first time the annual increase in the mining sector has been below 5.0 per cent since the March quarter 2006 and is consistent with the change in economic conditions.

Real wages, as measured by the ABS *National Accounts* publication, decreased by 1.6 per cent (seasonally adjusted) over the year to the June quarter 2009, down from an increase of 0.5 per cent over the year to the June quarter 2008. The 2008–09 decrease in real wages was due to an increase of 3.4 per cent in prices (the derived implicit deflator

for household final consumption expenditure) compared with a smaller increase of 1.7 per cent in earnings (average non-farm compensation per employee).

On 7 July 2009, the Australian Fair Pay Commission (AFPC) released its decision to maintain the federal minimum wage and Australian pay and classification scales at their current levels. Minimum wages for junior employees, apprentices/trainees and employees with disability also remain unchanged. The federal minimum wage will remain at these levels until 1 July 2010—the date of effect of Fair Work Australia's first annual wage review.

Trends in working hours

In line with the impacts of the global recession, the average hours worked over the 12 months to May 2009 by full-time employees in all jobs and including overtime was 40.4 hours, down from the average of 40.8 hours over the 12 months to May 2008.

Industrial disputation

Australia recorded a strike rate of 13.3 working days lost per thousand employees (WDL/1000E) in 2008–09, compared with a strike rate of 17.4 WDL/1000E in 2007–08.

Changes in the level of industrial disputation may be linked to changes in the number of expiring enterprise agreements. The number of expiring federal collective agreements was 7136 in 2008–09, compared with 7935 in 2007–08. The decrease in the number of expiring enterprise agreements in 2008–09 is reflected in the number of working days lost in federal bargaining disputes, which decreased from 75 900 WDL in 2007–08 to 38 000 WDL in 2008–09. The number of days lost in non-bargaining disputes decreased from 74 400 in 2007–08 to 37 200 in 2008–09.

The Education and training and Health care and social assistance industries (note that the Australian Bureau of Statistics does not report industrial disputes separately for these industries) accounted for 55.0 per cent of the total number of working days lost due to industrial disputes in 2008–09. The high number of working days lost in these industries was due to large-scale strikes by teachers in various states in the second half of 2008 and the June quarter 2009.

Table 9.2

Industrial disputation, 1985–86 to 2008–09

Year	Working days lost per 1000 employees
Average 1985–86 to 1990–91	223.5
1991–92	182.7
1992–93	159.3
1993–94	82.3
1994–95	85.0
1995–96	114.1
1996–97	90.0
1997–98	82.1
1998–99	55.8
1999–2000	105.3
2000–01	45.1
2001–02	41.9
2002–03	30.2
2003–04	66.9
2004–05	28.8
2005–06	21.6
2006–07	9.9
2007–08	17.4
2008–09	13.3

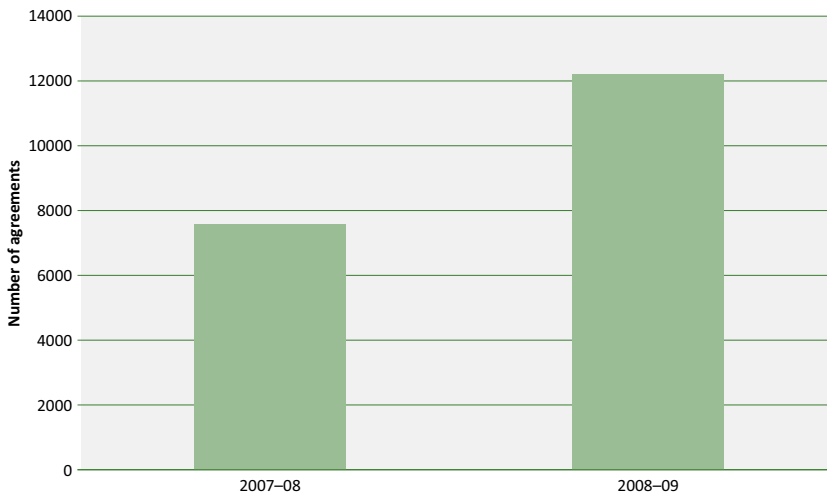
Agreement making

A total of 12 212 collective agreements were approved by the Workplace Authority or varied by the Australian Industrial Relations Commission (AIRC) in 2008–09 (note that all data about collective agreements in this section is derived from the department's Workplace Agreements Database, unless otherwise noted). This was 61 per cent higher than the total of 7564 for 2007–08. A total of 953 411 employees were covered by collective agreements approved or varied in 2008–09. This was up from 646 681 in 2007–08, an increase of 47 per cent in the total number of employees covered.

The Transition to Forward with Fairness amendments to the *Workplace Relations Act 1996*, which came into effect in March 2008, enabled the AIRC to extend or vary pre-reform certified agreements. Under these provisions, the AIRC varied 865 collective agreements in 2008–09, compared to 25 in 2007–08.

Chart 9.1

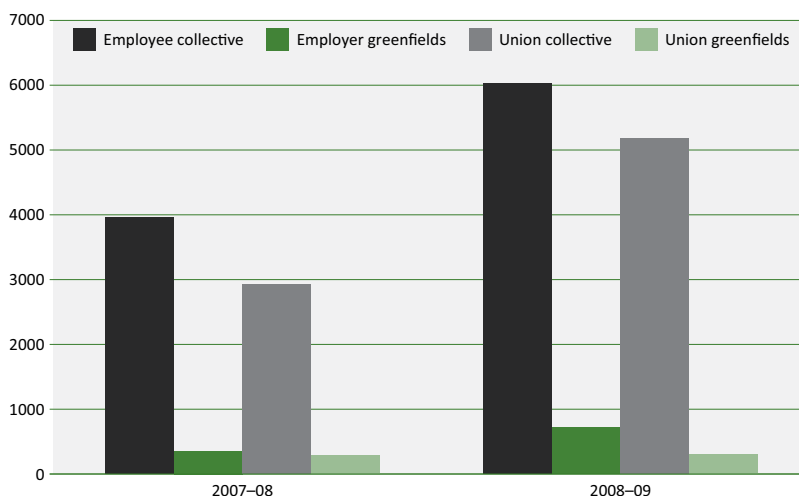
Federal collective agreements lodged and approved, 2007–08 and 2008–09



The ABS Employee Earnings and Hours Survey found that around 2.3 million employees had had their pay determined by a federally registered collective agreement in August 2008 (latest available data). This is 9.5 per cent higher than the last survey in May 2006 (around 2.1 million employees).

Chart 9.2

Number of collective agreements lodged and approved, 2007–08 and 2008–09, by agreement type



The number of union collective agreements lodged rose from 2930 in 2007–08 to 5174 in 2008–09; as a proportion of all collective agreements, union agreements rose from 39 per cent to 42 per cent. The number of employee collective agreements also rose from 3953 in 2007–08 to 6020 in 2008–09, but fell as a percentage of all agreements approved in the financial year, from 53 per cent in 2007–08 to 49 per cent in 2008–09.

Union greenfields agreements accounted for 2 per cent and employer greenfields made up 6 per cent of all collective agreements approved or varied in 2008–09. This was an increase in the proportion of employer greenfields agreements, up from 5 per cent in 2007–08, and a decrease in the proportion of union greenfields agreements, down from 4 per cent in 2007–08.

Annualised average wage increases in all types of collective agreements lodged during 2008–09 rose to 4.2 per cent, up from 3.8 per cent in 2007–08. The average duration of agreements lodged in 2008–09 remained steady at three years, the same result as in 2007–08.

Workplace relations policy and analysis

Workplace relations policy and analysis covers a number of important activities that promote greater productivity, more employment for Australians and strong and sustainable economic growth through the development of fairer and more flexible workplaces. It involves providing timely advice and analysis on policies and legislation to advance the government’s national approach to the reform of workplace relations.

Development and implementation of a simpler, fairer and more flexible framework for workplace relations are intended to enhance Australia’s productive capacity and complement the government’s significant investment in human capital, through education, skills and training reforms.

The workplace relations policy and analysis contributes to Outcome 9 through:

- the provision of timely advice and analysis on policy options and legislation to progress the government’s workplace relations reforms and implement its policies in areas such as OHS and workers compensation
- the provision of support for the Minister’s consultative processes in the development of the government’s workplace relations and related reforms, including the WRMC,

the National Workplace Relations Consultative Council, the Committee on Industrial Legislation, the Business Advisory Group, the Workers' Advisory Group and the High Level Officials Group

- development of the government's submissions to the AFPC's annual Minimum Wage Review
- analysis of stakeholder issues, preparation of government submissions, and provision of advice to government on the award modernisation process being undertaken by the AIRC
- production of the *Trends in Federal Enterprise Bargaining* quarterly report on wage trends in federally registered collective agreements
- support for related portfolio agencies, tribunals and advisory bodies, including in relation to the appointment of office holders
- support for Commonwealth involvement in court and tribunal proceedings in relation to workplace relations, OHS and workers compensation, and involvement on behalf of the government in relevant matters before state and territory courts and industrial tribunals
- analysis and advocacy of Australia's position on issues of international policy significance raised through the ILO, such as employment responses to the global financial and economic crisis, gender equality at the heart of decent work, and HIV/AIDS in the world of work.

Administered activities

There is one administered item associated with the workplace relations policy and analysis output—International Labour Organization membership subscription. These subscriptions are paid at the start of each calendar year.

Workplace relations policy advice

Award modernisation

The *Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008*, which came into effect on 28 March 2008, included provisions to commence the award modernisation process. On the same day, the Minister signed a formal award modernisation request to the AIRC, providing guidance to it on the nature and function of modern awards and on the award modernisation process. The request was amended in June 2008 to reflect the final version of the National Employment Standards. The request was also varied on 18 December 2008, 2 May 2009 and 29 May 2009. These variations ensure consistency of the process with provisions of the *Fair Work Act 2009* and the government's workplace relations policies.

The AIRC is undertaking award modernisation in four groups of industries and occupations, these are the priority industries and occupations, Stage 2, Stage 3 and Stage 4. The government has made a number of detailed submissions on the award modernisation process. On 13 October 2008, the government lodged a submission with the AIRC on the exposure drafts of priority modern awards. A further government submission on exposure drafts of Stage 2 modern awards was provided to the AIRC on 13 February 2009.

The government has made two submissions to the AIRC on transitional provisions in modern awards. The first government submission was provided to the AIRC on 29 May 2009.

The final National Employment Standards were included in the *Fair Work Act 2009* and, along with modern awards, will commence on 1 January 2010.

Submissions to inquiries

The department provided submissions to the following inquiries.

Senate Education, Employment and Workplace Relations Committee inquiries

The department prepared a submission and appeared before the Senate Inquiry into the Fair Work Bill 2008. The submission and appearance informed the committee of the key features of the Bill and the government's new workplace relations system, with a particular focus on:

- the economic environment in which the Bill was introduced and the likely economic impact of the reforms on key economic indicators
- the extent to which the reforms will support increased agreement making, underpinned by a guaranteed safety net
- fairness and representation at work and the prevention of discrimination
- the flexibilities the Bill offers, along with a simpler workplace relations system for employers and employees
- how the Bill helps to introduce a simpler workplace relations system
- progress towards a national workplace relations system for the private sector.

The Bill was passed by the Senate on 20 March 2009, and came into force on 1 July 2009.

The department also prepared a submission to and appeared before the Senate Inquiry on the provisions of the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009. The Bill was intended to operate together with the *Fair Work Act 2009* for a smooth transition to the new workplace relations system. The submission informed the Senate on the key features of this Bill, including:

- the continued operation of existing Workplace Relations Act industrial instruments and how they interact with the new system, including the National Employment Standards and modern awards
- arrangements to allow bargaining under the new system to commence in an orderly way
- arrangements for the transfer of assets, functions and proceedings from the institutions under the Workplace Relations Act to Fair Work Australia and the Office of the Fair Work Ombudsman
- consequential amendments to other Commonwealth legislation considered essential to the operation of the Fair Work Act (such as the creation of the Fair Work Divisions of the Federal Court of Australia and the Federal Magistrates Court of Australia).

The Bill was passed by the Senate on 17 June, and came into force on 1 July 2009.

Australian Fair Pay Commission's 2009 Minimum Wage Review

The AFPC invited interested groups and individuals to provide written submissions to its fourth and final Minimum Wage Review by 20 March 2009.

In its initial submission, the government asked the AFPC to consider the considerable challenges that the Australian economy is facing. In particular, the submission asked the AFPC to consider:

- that during a period of relatively weak labour demand, an excessively large minimum wage increase could reduce the capacity of low-skilled workers to maintain and obtain employment
- that the macroeconomic stimulus measures had been designed to strengthen the national economy, create jobs and provide targeted support to low- and middle-income earners and households

- that low-paid workers will benefit from changes to marginal tax rate thresholds and an increase in the effective tax-free thresholds for those eligible for the full low-income tax offset
- that indexation of transfer payments will increase incomes in line with the Consumer Price Index for many low-income households.

Departmental officials and representatives from Treasury met with the AFPC in Melbourne on 15 May 2009 as part of the Commission's consultation with stakeholders to ensure that it had the most up-to-date economic information following the release of the 2009–10 Budget on 12 May. The government subsequently made a post-budget submission to the AFPC on 21 May, advising the AFPC of the latest budget economic forecasts as well as relevant budget measures and other data released since the initial submission was finalised. The post-budget submission stated that the government did not support a reduction in the real minimum wage.

House of Representatives Inquiry into Pay Equity

In June 2008, the government asked the House of Representatives Standing Committee on Employment and Workplace Relations to inquire into and report on pay equity and associated issues related to increasing female participation in the workforce. The inquiry was asked to assess, among other things, the need among employers and employees for education and information about pay equity, and the need for further legislative reform to address pay equity in Australia.

The department's submission to the inquiry provided information, data and statistics on the wide range of issues pertinent to the inquiry's terms of reference. The department also provided a supplementary submission to update the committee on the provisions of the government's new workplace relations system contained in the Fair Work Act.

A uniform national workplace relations system

The department worked closely with state governments on the establishment of a uniform national workplace relations system for the private sector. A key element of this work was negotiations on the development of a proposed multilateral intergovernmental agreement for a national workplace relations system. The agreement builds on principles proposed for underpinning a national workplace relations system, as endorsed by WRMC on 23 May 2008.

The *Fair Work (State Referral and Consequential and Other Amendments) Act 2009*, which was passed by the Parliament on 18 June 2009 and received Royal Assent on 25 June 2009, provides a framework for state referrals of workplace relations powers to the Commonwealth to underpin the establishment of a national workplace relations system for the private sector.

The Victorian Government enacted the *Fair Work (Commonwealth Powers) Act 2009* (Vic) to refer its workplace relations powers to the Commonwealth from 1 July 2009 and signed an interim bilateral intergovernmental agreement on 11 June 2009 to govern the referral until the multilateral intergovernmental agreement is confirmed by the WRMC.

The governments of South Australia, Tasmania and Queensland have also indicated their intent to refer workplace relations powers to the Commonwealth, subject to the resolution of a number of outstanding issues.

The International Labour Organization

The department represented the Australian Government at ILO governing body meetings and at the 98th session of the International Labour Conference. The department was also responsible for advice on a wide range of individual matters, including options for funding agreements with the ILO, progress in relation to the ratification of key

conventions, advice to the WRMC, advice on labour standards in free trade agreements, and advice on engaging effectively with visiting overseas delegations.

The Australian Government holds a number of key posts in the context of engagement with the ILO, including the posts of governing body representative for the Far East Asia and Pacific subregion, government representative on the Committee on Freedom of Association, and government coordinator for the Asian and South Pacific Government Group. These are in addition to representation on the standard committees, which are tasks of all governing body members.

The Australian Government will also undertake a new partnership agreement with the ILO, signalling a closer relationship and engagement. Funding of \$15 million over the first two years of the five-year agreement has been secured. The department is playing a central role in the development and implementation of the partnership agreement.

Workplace relations legislation development

Legal and legal policy advice

During 2008–09, the department provided legal and policy advice to the Minister for Employment and Workplace Relations, portfolio agencies and other stakeholders about:

- the operation of the workplace relations system, including on the development of and transition to the new workplace relations system
- developments arising out of court and tribunal decisions in federal, state and territory jurisdictions
- OHS, workers compensation and public sector employment matters.

In particular, significant resources were committed to the provision of legal policy advice to the Minister on the development of legislation to implement the government's workplace relations policy, *Forward With Fairness*.

Legislation development

Primary legislation

The following Acts were enacted in 2008–09:

- *Fair Work Act 2009*. This Act was assented to on 7 April 2009. The Act and its related legislation replace the *Workplace Relations Act 1996* and implement the government's election policies set out in *Forward With Fairness*. The Fair Work Act introduces a new workplace relations system that is built on a safety net of minimum employment conditions and is based on bargaining in good faith at the enterprise level with an emphasis on improvements in productivity, protections for the low-paid, wider protections from unfair dismissal, a balance between work and family, and the right to be represented in the workplace. The Act commenced operation on 1 July 2009 and the safety net of minimum employment conditions—the National Employment Standards and modern awards—will commence operation on 1 January 2010.
- *Fair Work (State Referral and Consequential and Other Amendments) Act 2009*. This Act was assented to on 25 June 2009. The Act:
 - enables states to refer matters to the Commonwealth for the purpose of establishing a national workplace relations system under the Fair Work Act
 - relies on a reference of legislative power from the Victorian Parliament to establish transitional arrangements for Victorian employees and employers who were covered by the Workplace Relations Act as a result of a 1996 reference of power
 - makes transitional and consequential amendments to other Commonwealth legislation required as a result of the Fair Work Act and the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009*.

- *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009*. This Act was assented to on 25 June 2009. The Act:
 - repeals the Workplace Relations Act (other than Schedules 1 and 10) and renames it the *Fair Work (Registered Organisations) Act 2009* to reflect its remaining content
 - makes transitional arrangements for the movement from the old Workplace Relations Act to the new federal workplace relations system as set out in the Fair Work Act
 - makes consequential amendments to other legislation for the operation of the Fair Work Act.
- *Employment and Workplace Relations Amendment Act 2009*. This Act was assented to on 3 June 2009. Among other things, it amended the *Safety, Rehabilitation and Compensation Act 1988* to increase lump sum compensation to \$400 000 and to \$110 a week (to be increased annually) for benefits paid to each prescribed child in the event of a work-related death.

In addition, the following Bills were introduced into the House of Representatives in 2008–09:

- The Safe Work Australia Bill 2008 was introduced into the House of Representatives on 13 May 2009 for the second time after previous Senate amendments were rejected by the House and the Bill was laid aside on 4 December 2008. The Bill would establish Safe Work Australia as a statutory body, with power to make recommendations directly to the WRMC about OHS outcomes and workers compensation arrangements. Safe Work Australia was created as an executive agency, prescribed under the *Financial Management and Accountability Act 1997* effective from 1 July 2009.
- The Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2009 was introduced into the House of Representatives on 17 June 2009. The Bill would abolish the Office of the Australian Building and Construction Commissioner and create a new agency, the Office of the Fair Work Building Industry Inspectorate, to regulate the building and construction industry. It would also apply the provisions of the Fair Work Act unchanged to the building industry and introduce a range of safeguards over the use of the power to compulsorily obtain information or documents. The Bill has been referred to the Senate Education, Employment and Workplace Relations Legislation Committee, which is due to report on 10 September 2009.

Delegated legislation

During 2008–09, the department developed a number of regulations and other legislative instruments covering workplace relations, the building and construction industry, OHS, and workers compensation. The instruments dealt with a diverse range of issues, including:

- the Fair Work Regulations 2009, which provide for matters authorised by the *Fair Work Act 2009*, including providing a formula for calculating the ‘high income threshold’, setting out the requirements for the keeping of records, detailing a schedule of costs for lawyers and other representatives, providing the model term for dealing with disputes for enterprise agreements, providing the model flexibility term and the model consultation term for enterprise agreements, and providing the power for Fair Work Inspectors to issue infringement notices as an alternative to court proceedings for certain types of noncompliance
- Regulations which deal with transitional arrangements to enable the smooth transition to the Fair Work framework
- amendments to the *Builders Labourers’ Federation (Cancellation of Registration—Consequential Provisions) Act 1986*, as a consequence of the Fair Work legislation, to ensure its consistency with the Fair Work Act and the *Fair Work (Registered Organisations) Act 2009*

- ensuring that relevant Commonwealth maternity leave legislation applies to the members of Fair Work Australia
- amending the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 to deal with a number of transitional and consequential matters relating to the commencement of the new Fair Work system and the creation of the *Fair Work (Registered Organisations) Act 2009* as stand-alone legislation to deal with organisations registered under that Act
- ensuring that the Australian Building and Construction Commissioner, who has powers to enforce workplace laws in the building and construction industry, is notified of court applications made with respect to building matters under the Fair Work Act and *Fair Work (Transitional Provisions & Consequential Amendments) Act 2009*
- amending the Workplace Relations Regulations 2006 to provide that the AIRC may grant a transitionally registered association full registration even if it has amended its rules while transitionally registered
- amendments to the Occupational Health and Safety (Safety Standards) Regulations 1994 to implement the relevant National Standard, which requires persons performing high-risk work, such as the operation of cranes and forklifts, to hold a licence, and to clarify the operation of certain state and territory OHS laws relating to licensing high-risk work
- amendments to the Occupational Health and Safety (Safety Standards) Regulations 1994 to update the administrative framework under which the Australian Defence Organisation, comprising the Department of Defence and the Australian Defence Force, could continue to self-manage its plant management system, consistent with the general requirements of design registration and plant licences
- exempting the Commonwealth and Commonwealth authorities, under the relevant regulations, from the requirement under the *Building and Construction Industry Improvement Act 2005* to engage certain specially accredited builders when funding building work under the Nation Building and Jobs Plan
- increasing the fees paid to the president and members of the Remuneration Tribunal.

Commonwealth involvement in proceedings before courts and tribunals

The department advised the Minister for Employment and Workplace Relations on intervention into legal proceedings under the workplace relations legislation. Appendix 5 provides details of the proceedings in which the department was involved.

Appointment of office holders to workplace relations agencies, tribunals and advisory bodies

The department assisted in the appointment of statutory office holders to agencies, tribunals and advisory bodies involved in workplace relations. The department also monitored new and expected vacancies and supported the Minister in seeking and making nominations.

Workplace relations implementation

Workplace relations implementation involves a large number of activities contributing to more productive workplaces. In 2008–09, workplace relations implementation contributed to Outcome 9 through:

- developing initiatives and administering programs that promote flexible work practices and ensure access and equity for all employees in the workplace
- providing information and assistance regarding the rights and obligations of employers and employees under the applicable workplace relations legislation

- administering initiatives to assist business to implement and promote work and family arrangements, including through the Fresh Ideas for Work and Family program and the National Work Life Balance Awards
- providing policy advice about building and construction industry workplace relations matters, overseeing the implementation of the National Code of Practice and Australian Government Implementation Guidelines for the Construction Industry, and assessing building and construction businesses' industrial instruments for compliance with them
- administering the Australian Government Employment Bargaining Framework
- representing the Minister for Employment and Workplace Relations, as the Australian Defence Force employer, in all matters before the Defence Force Remuneration Tribunal
- administering the Commonwealth's employee entitlements safety net arrangements (GEERS)
- providing advice on remuneration and related matters for a range of Australian Government departments
- coordinating national efforts to improve OHS and workers compensation arrangements, including developing national OHS standards and codes, and coordinating the department's international role in OHS and workers compensation
- providing secretariat support to the National Review into Model OHS Laws, which was conducted by an expert advisory panel
- assessing trade qualifications obtained either domestically outside Australian apprenticeship arrangements or overseas as part of the government's broader skilled migration policies
- monitoring the offshore trades skills assessment processes established under the auspices of COAG
- implementing and continuing to monitor the quality of the offshore skill assessment program for people seeking temporary sponsored working visas (subclass 457) in nominated countries for nominated occupations to ensure that the 457 visa system continues to provide Australian industry with the skills it needs, and to improve the program for overseas workers.

Performance information for administered activities

The administered items associated with the workplace relations implementation output were:

- *Coal Mining Industry (Long Service Leave Funding) Act 1992* financing arrangements—under this Act the cost of portable long service leave entitlements is managed through a central fund administered by the Coal Mining Industry (Long Service Leave Funding) Corporation; monthly levy collection transfers are made from the consolidated revenue fund to the central fund
- Workplace Reform—Secret Ballots (Protected Action Ballots Scheme)—pays the Commonwealth's liability for 80 per cent of the 'genuine and reasonable' costs of conducting protected action ballots
- Alternative Dispute Resolution Assistance Scheme—provides parties to eligible disputes with access to up to \$1500 of government assistance for private alternative dispute resolution services
- Unlawful Termination Assistance Scheme—provides eligible employees who believe they have been unlawfully terminated with up to \$4000 (GST inclusive) worth of independent legal advice on the merits of their claim
- Fresh Ideas for Work and Family Program—provides \$12 million over three years to assist small businesses to implement work and family initiatives

- Homeworkers Code of Practice Program—provides \$4 million over four years to support the development and promotion of the Homeworkers Code of Practice and the ‘No Sweat Shop’ label.
- General Employee Entitlements and Redundancy Scheme (GEERS)—a safety net scheme established to assist employees who have lost their employment due to the liquidation or bankruptcy of their employer and who are owed certain employee entitlements
- Special Employee Entitlements Scheme for Ansett Group Employees—provides assistance for Ansett Group employees whose employment was terminated on or after 12 September 2001 (all eligible former Ansett Group employees have now received 100 per cent of the SEESA payments that they are entitled to).

Workplace relations advice and services

Trades Recognition Australia

Trades Recognition Australia is a designated assessing authority responsible for:

- recognising the trade skills of potential migrants as part of the General Skilled Migration program in accordance with the *Migration Act 1958* for 170 trade and associate professional occupations
- recognising the trade skills of Australian residents with skills acquired outside the Australian apprenticeship framework in 49 metal and electrical trades, as prescribed in the *Tradesmen’s Rights Regulation Act 1946*
- monitoring offshore skills assessment programs for general skilled migration visas and the temporary sponsored visa (subclass 457) program in nominated countries and trade occupations.

In 2008–09, Trades Recognition Australia received 38 370 applications. The offshore skills assessment program for general skilled migration, finalised 1671 skill assessments for applicants in five countries and 21 occupations.

COAG offshore skills assessment applications

Since 1 September 2007, the COAG Offshore Skills Assessment Program, managed by the VETASSESS Consortium, has received more than 2900 applications for skills assessments from applicants in five countries and 21 occupations. The overall success rate for practical assessments completed during 2008–09 was 84 per cent. The largest proportion (79 per cent) of applications come from the United Kingdom, and the most common trade occupations assessed were general electricians, carpenters, motor mechanics and bricklayers.

Coal Mining Industry (Long Service Leave Funding) Act 1992

Under *Coal Mining Industry (Long Service Leave Funding) Act 1992* financing arrangements, the cost of portable long service leave entitlements is managed through a central fund administered by the Coal Mining Industry (Long Service Leave Funding) Corporation. Monthly levy collection transfers are made from the consolidated revenue fund to the central fund.

In August 2008, the Minister approved the corporation’s request to decrease the amount of payroll levy paid by employers to the fund from 2.8 per cent to 2.7 per cent of eligible wages.

Protected Action Ballots Scheme

The *Workplace Relations Act 1996* provided that, before authorised protected industrial action may occur, employees or a union must obtain an order from the AIRC for a secret ballot to be held. Under the Act, the Commonwealth was required to meet 80 per cent of the 'reasonable and genuine' costs of secret ballots on proposed protected action. The department administers the Protected Action Ballots Scheme to discharge the Commonwealth's liability.

From 1 July 2009, under the Fair Work Act, the Commonwealth contribution will increase to meet 100 per cent of the costs of protected action ballots conducted by the Australian Electoral Commission. Under section 465 of the Act, protected action ballots undertaken by ballot agents other than the commission will not be eligible to be funded by the Commonwealth; applicants are required to pay the full cost of conducting the ballot.

During 2008–09, the department processed 107 invoices relating to 278 ballots and paid just over \$438 000 under the scheme.

Alternative Dispute Resolution Assistance Scheme

The Alternative Dispute Resolution Assistance Scheme was established to provide choice in dispute resolution and financial assistance to access private alternative dispute resolution. Eligible parties can access up to \$1500 (GST inclusive) per eligible dispute for alternative dispute resolution services. Up to \$500 additional assistance was available to meet the travel expenses of alternative dispute resolution service providers in regional or remote areas. Costs above those amounts are to be paid by the parties.

The scheme received no applications for funding during 2008–09.

The Alternative Dispute Resolution Assistance Scheme was discontinued from 1 July 2009. It did not receive a single application since it began in March 2006. Therefore, there is no need for transitional arrangements after July 2009.

Unlawful Termination Assistance Scheme

The Unlawful Termination Assistance Scheme was established to provide financial assistance to people who believe they may have been unlawfully terminated under section 659 of the *Workplace Relations Act 1996*. Eligible employees could access up to \$4000 (GST inclusive) worth of independent legal advice to assist them in making an informed decision about whether to begin legal proceedings in relation to their claim.

During 2008–09, the department processed 89 applications for assistance. Seventy-four applicants were assessed as eligible and were given vouchers under the scheme. Of the 74, 52 eligible applicants accessed financial assistance under the scheme; 22 eligible applicants did not proceed with their claims, for reasons unknown to the department.

The Unlawful Termination Assistance Scheme will be discontinued from 1 July 2009, with appropriate transitional provisions, including arrangements for employees who believe they had been unlawfully terminated before 1 July 2009 and financial provisions to meet outstanding commitments. The changes to unfair dismissal laws under the new workplace relations system and the focus of Fair Work Australia on less legalistic and simpler processes rendered the scheme unnecessary.

Applications will continue to be accepted from employees who believe they were unlawfully terminated before 1 July 2009 and who are required to seek a remedy under the provisions of the *Workplace Relations Act*. These transitional provisions do not extend beyond the 2009–10 financial year.

Fresh Ideas for Work and Family program

The Fresh Ideas for Work and Family grants program was announced in the 2008–09 Budget and launched by the Minister for Employment and Workplace Relations on 2 March 2009. This national initiative provides grants of between \$5000 and \$15 000 to approved small businesses to implement practices that help employees balance their work and family obligations and improve employee retention and productivity.

The program will also develop industry-specific information supporting work-based, family-friendly practices, and distribute that information widely. From January 2010, experts will be employed in all state and territory offices of the Fair Work Ombudsman to provide support for small businesses seeking to implement family friendly arrangements.

The program had \$2 313 000 available for grants in 2008–09, and one funding round was conducted in 2008–09. The round opened on 1 March 2009 and closed on 24 April 2009. More than 1200 applications were received from small business. Assessments are expected to be completed in July 2009.

Homeworkers Code of Practice program

The Homeworkers Code of Practice Program provides \$4 million over four years to the Homeworkers Code Committee Incorporated to support the promotion of the Homeworkers Code of Practice and the 'No Sweat Shop' label.

The code is voluntary and encourages manufacturers, suppliers and retailers to make their production and supply chains transparent, to better understand their supply chains to minimise the potential for exploitation of outworkers, and to adopt ethical procurement policies. The code provides for accreditation of parties along the textile, clothing and footwear supply chain to help ensure that homeworkers are employed according to relevant award conditions.

During 2008–09, \$1.5 million was provided to the Homeworkers Code Committee, enabling it to progress a large number of pending applications for accreditation and resulting in new businesses seeking accreditation. The committee also expanded its education and compliance activities with businesses and workers, which resulted in increased compliance with award and code obligations.

Fair Work Education and Information program

The Fair Work Education and Information program is a targeted education program providing grants to community, employee, employer and small business associations to deliver education and information services to the Australian community to assist them in understanding the new workplace relations system which will commence from 1 July 2009 under the Fair Work Act. Grants totalling \$12.9 million over two years were awarded to 19 organisations following a competitive selection exercise finalised on 29 June 2009.

The building and construction industry

During 2008–09, the department continued to support and provide advice on the government's workplace relations policies related to the building and construction industry.

The department continued to assist government agencies in applying the National Code of Practice for the Construction Industry and the related Australian Government implementation guidelines. A total of 23 presentations and seminars were delivered to government agencies and industry bodies.

The department also continued to provide advice and assessment services on the compliance of building and construction employers' industrial instruments with the code and guidelines. During 2008–09, the department completed 8380 assessments, with an

average turnaround time of 2.77 days. This was a significant improvement on performance in 2007–08 (4588 assessments with an average turnaround time of 3.32 days).

During 2008–09, the department responded to more than 3114 inquiries from industry participants via the National Code Hotline (1300 731 293).

Wilcox consultation process

On 22 May 2008, the Australian Government announced an extensive consultation process to be undertaken by the Hon Murray Wilcox QC, a retired Federal Court judge, on the transition to Fair Work Australia for the building and construction industry.

Mr Wilcox conducted extensive consultations from June 2008 to March 2009, and provided his report, *Transition to Fair Work Australia for the Building and Construction Industry* (the Wilcox Report), to the Hon Julia Gillard MP, Minister for Employment and Workplace Relations, on 31 March 2009.

Following the delivery of the Wilcox Report, the government considered Mr Wilcox's recommendations and undertook stakeholder consultations on the recommendations. The government subsequently introduced the Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2009 into the House of Representatives on 17 June 2009.

Submissions to inquiries

The department provided submissions to the Senate Education, Employment and Workplace Relations Committee inquiry into the Building and Construction Industry (Restoring Workplace Rights) Bill 2008.

The Bill, introduced by Australian Greens Senator Rachel Siewert, would repeal both the *Building and Construction Industry Improvement Act 2005* and the *Building and Construction Industry Improvement (Consequential and Transitional) Act 2005* in their entirety. A consequence of the repeal of the former Act would be the abolition of the Office of the Australian Building and Construction Commissioner. The department's submission referred to the ongoing Wilcox consultation process.

Safety and entitlements

The department provided policy advice to the Hon Julia Gillard MP, Minister for Employment and Workplace Relations and worked cooperatively with state and territory officials to provide policy advice to the WRMC in relation to the recommendations of the National Review into Model OHS Laws. This culminated in WRMC making decisions on the review recommendations in May 2009.

The department undertook policy work culminating in the payment of increased death benefits to members of the Comcare scheme and the Seafarers Safety, Rehabilitation and Compensation Scheme through amendments contained in the *Employment and Workplace Relations Amendment Act 2009*, assented to on 3 June 2009.

In January 2009, the department provided its final report of the Review of Self-Insurance Arrangements under the Comcare Scheme to the Minister, along with recommendations. The report will assist in the determination of the government's position in relation to workers compensation and OHS coverage under the Comcare scheme. The Minister is considering the department's report and recommendations.

Submissions to inquiries

The department provided a submission to the National Review into Model OHS Laws. As part of the review, the review panel invited written submissions on the issues covered by the review's terms of reference and discussed in an issues paper. The department's

submission reaffirmed the department's commitment to promoting safe and healthy workplaces across Australia and provided specific input on the Australian Government's preferred legislative approach.

Employee entitlements safety net schemes

The General Employee Entitlements and Redundancy Scheme (GEERS) is a safety net scheme which protects the entitlements of employees who have lost their jobs as a result of the bankruptcy or liquidation of their employers. Eligible entitlements under GEERS consist of up to three months unpaid or underpaid wages for the period prior to the appointment of the insolvency practitioner (including amounts deducted from wages, such as for superannuation, but not passed on to the superannuation fund), all unpaid annual leave, all unpaid long service leave, up to a maximum of five weeks unpaid payment in lieu of notice and up to a maximum of 16 weeks unpaid redundancy entitlement. Payments made under GEERS are subject to an annually indexed income cap, which was \$106 400 for 2008–09.

The Special Employee Entitlements Scheme for Ansett Group Employees (SEESA) was implemented following the passage of the *Air Passenger Ticket Levy (Collection) Act 2001* to provide assistance to the former employees of the Ansett Group, which collapsed on 12 September 2001. SEESA was a safety net scheme under which former Ansett Group employees were entitled to receive all unpaid wages, annual leave, long service leave, payment in lieu of notice and up to eight weeks unpaid redundancy entitlement. The remaining employees of the Ansett Group were terminated by the administrators in January 2008. All eligible former Ansett Group employees have now received 100 per cent of the SEESA payments they are entitled to.

The following achievements are of note in connection with employee entitlements safety net schemes for 2008–09:

- A total of \$99 756 911 was advanced under GEERS to 11 027 eligible claimants.
- Of claimants who received assistance under GEERS, 92.5 per cent were paid 100 per cent of their verified employee entitlements by GEERS.
- More than 37 813 enquiries were received by the GEERS Hotline.
- The number of appeals received was 148, compared to 203 in 2007–08.
- Thirteen matters were referred by the Commonwealth Ombudsman in relation to GEERS, and no findings of defective administration were issued by the Ombudsman.
- Over \$9 million advanced under GEERS was recovered during 2008–09.

Stakeholder feedback

As part of its administration of GEERS, the department works closely with insolvency practitioners to determine employees' entitlements and to process GEERS claims quickly and accurately.

Insolvency practitioners are a key stakeholder of GEERS. To guide the continuous improvement of GEERS, the department regularly seeks their feedback through a number of avenues, including an annual stakeholder satisfaction survey. In 2008–09, 146 insolvency practitioners were surveyed. Ninety-two per cent of respondents rated the department's management of GEERS as 'satisfied or above'. This was an improvement from the 89 per cent achieved in 2007–08. The proportion of 'extremely satisfied' stakeholders also increased, from 29 per cent in 2007–08 to 30 per cent in 2008–09.

The information obtained through the survey will continue to assist the department to identify improvements to systems and processes to ensure better outcomes for GEERS claimants.



The Hon Julia Gillard MP, Minister for Employment and Workplace Relations, addressing building and construction industry leaders at the Federal Safety Commissioner's CEO Forum in Melbourne.

Office of the Federal Safety Commissioner

In 2008–09 the Federal Safety Commissioner and her office continued to focus on the development and implementation of the Australian Government Building and Construction OHS Accreditation Scheme. The office worked closely with Australian Government agencies to ensure that OHS is a key factor in their building and construction procurement and project management.

The office also:

- presented and participated in a range of conferences, seminars and award ceremonies
- implemented a system to allow online lodgement of accreditation applications
- developed improvements to injury and incident reporting to allow the Federal Safety Commissioner to target initiatives to better improve OHS outcomes for industry participants
- evaluated and refined the auditing process
- developed and implemented a reaccreditation policy
- pursued recognition of the scheme by other jurisdictions
- facilitated a Chief Executive Officer Forum and leadership charter
- facilitated an industry forum to discuss the issue of alcohol and other drugs in the industry
- sponsored a number of activities that promote safety excellence in the building and construction industry
- conducted a survey of accredited companies on health and fitness issues affecting employees in the workplace
- presented the Federal Safety Commissioner's Award
- published a number of fact sheets and guidance material for industry and government.

Remuneration Tribunal

The Secretariat to the Remuneration Tribunal advises and supports the tribunal, an independent statutory body established under the *Remuneration Tribunal Act 1973* to inquire into and determine, or provide advice on, remuneration and related matters for a range of Commonwealth offices. The secretariat is staffed by departmental employees and supports the tribunal's work by researching, analysing and providing briefings on matters to be considered by the tribunal and by providing associated administrative support.

The Remuneration Tribunal is required by the Remuneration Tribunal Act to report annually to the Minister. Details of the work of the tribunal are provided in that report. The tribunal usually determines a general adjustment to the remuneration of offices in its jurisdiction, with effect from 1 July each year. The tribunal announced on 19 May 2009 that it had deferred any decision on an annual adjustment until after 30 September 2009. That decision applies to all offices in the tribunal's jurisdiction.

Defence Force Remuneration Tribunal

The Defence Force Remuneration Tribunal (DFRT) was established in 1984 to enable the pay and allowances of members of the Australian Defence Force (ADF) to be determined, having regard to the special nature of ADF service. The DFRT, which is supported by a secretariat staffed by departmental employees, has two functions:

- to inquire into and determine the salaries and relevant allowances to be paid to members of the ADF
- to inquire into and make determinations on prescribed matters that have been referred to the DFRT.

The DFRT's work is predominantly determined by the matters brought before it by the parties, in particular by the ADF. To deal with those matters, the DFRT sits as required. The tribunal presided over 14 matters in 2008–09 and made 14 determinations to be applied ADF-wide or to specific branches and employment categories. In addition, the tribunal issued a salaries and benefits determination affecting 206 senior officers and issued a further 42 senior officer individual determinations that applied to Star Rank Officers.

A national occupational health and safety framework

Intergovernmental Agreement

On 3 July 2008, COAG signed the Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety. This historic agreement commits all jurisdictions to the implementation of uniform OHS laws by 2011, complemented by consistent approaches to compliance and enforcement. The agreement also reflects the commitment to establish a new national independent tripartite body with the key priority of developing model OHS laws.

National OHS Review

The expert advisory panel appointed in April 2008 to conduct the National Review into Model OHS Laws completed its first report covering agreed priority areas on 31 October 2008 and its second and final report covering all other matters relevant to a model OHS Act on 30 January 2009. In combination, the two reports provide all of the panel's recommendations on the optimal structure and content of a model OHS Act that can be adopted, uniformly, by all Australian jurisdictions. The panel received secretariat support from the department in the course of conducting the review.

In May 2009, the WRMC made decisions on the recommendations of the panel conducting the national OHS review. Safe Work Australia is developing the model OHS laws in accordance with the WRMC's decisions.

Establishment of Safe Work Australia

The Safe Work Australia Bill 2008 was introduced into the Australian Parliament on 4 September 2008. Following two attempts to have the legislation passed in the Senate, the Bill was laid aside on 4 December 2008.

On 12 February 2009, the WRMC agreed that Safe Work Australia would be established as an executive agency prescribed under the *Financial Management and Accountability Act 1997*. Executive agencies are created by the Governor-General on the advice of the Prime Minister. The establishment of Safe Work Australia administratively was considered necessary to ensure that the timetable for OHS harmonisation determined by COAG was not jeopardised.

On 31 March 2009, the Australian Safety and Compensation Council (ASCC) was abolished and the Safe Work Australia Council was created. The Safe Work Australia Council is a tripartite body comprising 15 members, including an independent chair, nine members representing the Commonwealth and each state and territory, two representing the interests of workers, two representing the interests of employers, and the Chief Executive Officer of Safe Work Australia. The new council met for the first time on 10 June 2009 in Sydney.

The members of the Safe Work Australia Council are:

- Mr Tom Phillips AM (Chair)
- Mr Rex Hoy (CEO Safe Work Australia)
- Ms Michelle Baxter (Commonwealth)
- Mr Jon Blackwell (NSW)
- Mr Greg Tweedly (Vic.)
- Mr Barry Leahy (Qld)
- Ms Nina Lyhne (WA)
- Ms Michele Patterson (SA)
- Mr Roy Ormerod (Tas.)
- Ms Laurene Hull (NT)
- Mr Robert Gotts (ACT)
- Mr Peter Tighe (ACTU)
- Mr Geoff Fary (ACTU)
- Ms Anne Bellamy (ACCI)
- Mr Mark Goodsell (Ai Group).

On 1 April 2009, Safe Work Australia replaced the Office of the ASCC.

The Safe Work Australia Bill 2008 [2] was introduced for a second time on 13 May 2009. It is identical to the Bill laid aside in December 2008.

Safe Work Australia was created as an Executive Agency to take effect from 1 July 2009.

Development of model OHS legislation

At the first meeting of the Safe Work Australia Council, members agreed to the establishment of the Strategic Issues Group on OHS matters. The council agreed to the issues group overseeing work on model legislation, including considering and resolving policy issues. The council also agreed to releasing the model OHS legislation and a

consultation Regulation Impact Statement for a public comment period of six weeks following the WRMC's consideration of the exposure draft in September 2009.

National OHS Strategy 2002–2012

During the year, a second triennial review of the National OHS Strategy was undertaken. The review found that the National OHS Strategy's five priorities are still relevant and that it has helped to direct resources and contributed to reductions in injury rates. The council agreed that work to develop a new National Strategy should begin in 2010–11.

Communication activities

Safe Work Australia Week

A key event in the output's activities is Safe Work Australia Week, a national event which was held from 19 to 25 October 2008. Safe Work Australia Week has been running since 2005 and focuses attention on workplace safety around Australia. The week encourages all Australians to get involved in and concentrate on safety in their workplaces. In 2008, more than 3000 industry participants requested information and materials to help promote Safe Work Australia Week in their workplaces. More than 55 000 people visited the Safe Work Australia Week website during October.

Manufacturer promotes workplace OHS

Vinidex Pty Ltd, a manufacturer of thermoplastic pipe systems, took up the challenge of making Safe Work Australia Week come alive in its workplace. The company celebrated the week at its Townsville facilities with a range of activities, including training sessions for staff on health and safety topics, a 'role reversal' day, and re-induction training for all staff on the site. The company also held a 30-minute toolbox meeting for each shift, outlining the outcomes of the week and what they did to improve safety.

Vinidex focused its efforts during Safe Work Australia week on its Townsville operations, as that site is far from the rest of the company and had slipped in its compliance with the company's safety systems. Safe Work Australia Week was an opportunity to help the site increase its safety awareness.

During Safe Work Australia Week 2008, the Safety Ambassadors and Partners programs were introduced to attract high-profile people from government, business, unions and employer associations to work together with the ASCC to raise the profile of workplace safety inside and outside their organisations. Safety Ambassadors in 2008 included:

- Bill Scales AO, Chair, ASCC
- Lisa Paul PSM, Secretary, Department of Education, Employment and Workplace Relations
- Mark McCabe, ACT OHS Commissioner
- Helen Marshall, Federal Safety Commissioner
- Brian Bradley, Director General, WA Department of Commerce
- Liesl Centenera, Director, ACT Office of Industrial Relations, Chief Minister's Department
- Anne Bellamy, Director, Health, Safety and Workers Compensation, Chamber of Commerce and Industry of Western Australia
- Michael, Richard and Hayden Sharpe, Sharpe Bros (Aust) Pty Ltd
- Peter Anderson, Chief Executive, Australian Chamber of Commerce and Industry
- Roy Ormerod, General Manager, Workplace Standards Tasmania

- Sharryn Batt, 2007 Safe Work Australia Award winner for Best Individual Contribution to Workplace Health and Safety
- Geradine Kearney, Assistant Federal Secretary, Australian Nurses Federation
- Ian Carter, Managing Director, PBS Property Group.

Safety Ambassadors were not only the face of safety within their own organisations, but also helped to spread the safety message more widely by speaking with a range of industry and community groups on the importance of maintaining a healthy and safe workplace.

Safety Partners in 2008 were:

- York Civil
- PBS Property Group
- Gusher Pty Ltd
- Caltex.

Safety Partners are committed to promoting safety both inside their own organisations and externally to the wider community.

Caltex was active in promoting Safe Work Australia Week by providing information to the public through its service stations across Australia. The company promoted the event internally through promotions, activities and giveaways in its offices, terminals and refineries.

National Safe Work Australia Awards

Mr Rex Hoy, CEO, Safe Work Australia, announced the winners of the 2008 National Safe Work Australia awards on 28 April 2009 on behalf of the Hon Julia Gillard MP, Deputy Prime Minister. The awards recognise excellence in OHS and are the premier national safety awards in Australia.



Safe Work Australia CEO, Rex Hoy, and winner of the award for Best Individual Contribution to Workplace Health and Safety, Viki Coad, at the 2008 National Safe Work Australia awards on 28 April 2009.

National Safe Work Australia Awards

The national Safe Work Australia Awards were established by the ASCC in 2004 and are the premier national OHS awards in Australia. They acknowledge excellence in OHS at government, organisational and individual levels.

The 2008 awards were the first to be hosted by Safe Work Australia, and were held on 28 April 2009 in the Great Hall of Parliament House, Canberra.

More than 280 people attended the awards, including finalists, key OHS stakeholders and Safe Work Australia staff. The Hon Julia Gillard MP, Minister for Employment and Workplace Relations, delivered the keynote address.

Thirty-seven finalists from a broad range of industries and organisations competed in five categories, ranging from the best workplace health and safety management system to the best individual contribution to workplace health and safety.

Finalists in each of the five awards categories were winners of OHS awards in their state or territory. An independent judging panel considered each finalist's award submission before deciding on the final winners.

The 2008 Safe Work Australia Award winners were as follows.

Category 1

Best Workplace Health and Safety Management System
ETSA Utilities, South Australia

Category 2

Best Solution to an Identified Workplace Health and Safety Issue
The Dorsal Boutique Hotel, New South Wales

Category 3

Best Workplace Health and Safety Practices in Small Business
WP Projects, New South Wales

Category 4

Public Sector Leadership Award for Injury Prevention and Management
Eraring Energy, New South Wales

Category 5

Best Individual Contribution to Workplace Health and Safety
Viki Coad, South Australia

Data analysis and research activities

The WRMC endorsed the publication of the tenth *Comparative Performance Monitoring Report*. The report, which was released in April 2009, provides trend analysis of OHS and workers compensation scheme performance in Australian jurisdictions and New Zealand. The document can be accessed via the Workplace website <www.workplace.gov.au>.

In order to improve the collection of data on mesothelioma and to improve the Australian Mesothelioma Register, a comprehensive program of work has been undertaken, including literature reviews, research and a stakeholder forum. A study on asbestos exposure and compliance in two potentially at-risk trade occupations was conducted. The study examined levels of awareness and knowledge of risk assessment requirements.

The Australian Mesothelioma Register stakeholder forum was held in February 2009 to bring together experts and interested parties to discuss how to improve the collection of information on mesothelioma. In response to the outcomes of the forum, at its first meeting the Safe Work Australia Council agreed to Safe Work Australia seeking quotes from cancer registries and research organisations for the management and maintenance of the register. It is expected that this tender process will be completed in early 2009–10.

National Hazard Exposure Worker Surveillance Survey

In collaboration with WorkSafe Victoria, Safe Work Australia continued to develop the National Hazard Exposure Worker Surveillance Survey. The survey instrument covered hazards associated with the eight priority occupational diseases associated with noise, chemicals, infectious substances, psychosocial hazards, dust, fumes, physical demands and ultraviolet exposure. Phases one and two of the survey were completed with the support of jurisdictions.

Effective prevention of hazardous occupational noise

In association with the Department of Health and Ageing, a project was undertaken to investigate the key behavioural and economic factors in the effective control of exposure to hazardous occupational noise. The project involved a review of literature on the factors influencing effective occupational noise control, and data collection on the factors identified by that review through a self-report survey and onsite noise level measurement. The second stream of the project involves modelling the costs and benefits of effective occupational noise control and will include a review of the literature and collection of economic data. Outcomes from this project will assist the Office of Hearing Services (within the Department of Health and Ageing) and other key OHS stakeholders with the design, implementation and evaluation of initiatives for controlling hazardous occupational noise and preventing occupational noise-induced hearing loss. The project is funded by the Department of Health and Ageing under the Hearing Loss Prevention Program. Data collection will be completed in September 2009, and the project is scheduled for completion in May 2010.

Nanotechnology

Safe Work Australia received funding from the Department of Innovation, Industry and Scientific Research under a memorandum of understanding to implement a nanotechnology OHS program in support of that department's National Nanotechnology Strategy. As part of its contribution, Safe Work Australia commissioned research projects to examine nanomaterial labelling and material safety data sheets nanotechnology toxicology, the effectiveness of control measures, and nanotechnology measurement.

A representative from Safe Work Australia also participated in the Organisation for Economic Co-operation and Development (OECD) Working Party for Manufactured Nanomaterials: Exposure Measurement, Assessment and Exposure Mitigation Workshop, in October 2008 in Frankfurt, Germany. The workshop brought together leading researchers and stakeholders to present the most up-to-date research findings in the

area of nanomaterials exposure measurement and assessment. Safe Work Australia was also represented at the working party's Steering Group 8 Project Meeting, titled 'Nanomaterials Exposure Measurement and Exposure Mitigation', in Frankfurt. Safe Work Australia produced two draft reports for discussion at the meeting—one relating to methodology for nanomaterials emissions measurement, and the other providing guidance on personal protective equipment for use with engineered nanomaterials.

Publications

During 2008–09, a wide range of publications were released. These publications are now available at Safe Work Australia's website <www.safeworkaustralia.gov.au>.

International collaboration

Safe Work Australia continued to contribute to international activities, with a view to improving national and international policy outcomes in OHS and workers compensation.

Safe Work Australia represented Australia at the United Nations Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals, which met in Geneva in July and December 2008.

Representatives of Safe Work Australia also:

- delivered a presentation on safe design at the inaugural Occupational Health and Safety Industry Group Conference in New Zealand in September 2008
- attended the Massey University Symposium for Occupational Health: Challenges and Opportunities, in New Zealand in November 2008 to present the Australian approach to hazard exposure surveillance
- provided briefing input for the Asia–Pacific Economic Cooperation steering committee meeting in Singapore in February 2009
- attended the OECD Workshop on Nanomaterials Exposure Measurement and Exposure Assessment in October 2008
- visited the British Health and Safety Laboratories in Buxton, England, in October 2008 to exchange information relating to nanotechnology OHS and other OHS issues, examine the laboratory's facilities and consider collaboration
- met with representatives of the Federal Institute for OHS in Dortmund, Germany.

Safe Work Australia hosted visits from the Hon Hector Goudreau, Minister of Employment and Immigration for Alberta, Canada, in October 2008, and a delegation from the Chinese State Workplace Safety Authority in March 2009.

Work of the Australian Safety and Compensation Council and working groups

Support was provided for two ASCC meetings held in 2008–09: the first in Melbourne on 24 July 2008 and the second in Canberra on 20 November 2008. At the Canberra meeting, which was the final meeting of the ASCC, the council agreed to recommend to the WRMC the publication of the third edition of the *Australian Code for the Transport of Explosives by Road and Rail* and that nationally consistent explosives legislation would be considered by the Safe Work Australia Council. In February 2009, the WRMC endorsed these recommendations.

The ASCC was supported by two working groups, which assisted in the identification and refinement of matters for its consideration. The OHS Working Group met once during 2008–09, on 24 September 2008 in Canberra. The Workers Compensation Working Group met once via teleconference on 30 September 2008.

During 2008–09, work progressed on the National Standard and Code of Practice for the Control of Major Hazard Facilities. The ASCC established a technical and reference group to examine key technical issues, including international approaches and world's best practice in controlling major accident hazards.

Public comment was also sought on a discussion paper on the validity of the 'Essential Safety Outcomes approach to plant design', released in February 2009.

The draft Criteria for Classifying Hazardous Substances based on the United Nations' Globally Harmonised System of Classification and Labelling of Chemicals was released for comment in April 2009.

At the final OHS Working Group meeting on 24 September 2008, members supported the proposed method for adopting a nationally consistent approach to the safe design of buildings and structures. The proposal is to adopt Western Australia's code on safe design as the basis for national material.

In 2008–09, work continued towards a nationally consistent approach to stevedoring. The ASCC recognised the importance of continuing to work towards publishing appropriate national guidance material for the stevedoring industry and agreed to the publication of two booklets (*Working safely with general cargo—steel products* and *Working safely with containers*) which nationalise existing Victorian guidance material. It is expected that this guidance material will be published by Safe Work Australia in 2009–10.

Performance in the delivery of departmental outputs

Table 9.3

Performance information for departmental outputs

Performance indicator	Estimate	Actual
Program management		
<i>Quality</i>		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Timeliness of payments was 98%, which exceeded the administrative targets set by DEEWR
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Payments were all based on accurate calculations and in accordance with guidelines, and met the administrative targets set by DEEWR
Trade Skills assessment applications	95% of applications in the international stream from the Migration Occupations in Demand List finalised within 10 working days	92.6%
	95% of all other applications in the international and domestic streams finalised within 20 working days	98.2%
Timeliness of processing claims for the General Employee Entitlements and Redundancy Scheme	90% of claims processed within 16 weeks of receipt	93.6%
	98% processed within four weeks of receipt of verified entitlement data	99.4%
Accuracy of processing claims under the General Employee Entitlements and Redundancy Scheme	Over 98% of payments not varied after appeal	99.3%
Timeliness of processing applications for Alternative Dispute Resolution and Unlawful Termination Assistance schemes	95% processed within five working days	100% of UTAS applications processed within five working days No applications were received under the Alternative Dispute Resolution Scheme during 2008–09
Assessments of industrial instruments against the Guidelines to the National Code of Practice for the Building and Construction Industry	95% actioned within 10 working days	98.8 per cent of requests for assessment were actioned within 10 working days Average turnaround time in 2008–09 was 2.77 days

Performance indicator	Estimate	Actual
High quality ministerial replies as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from the ministers and Parliamentary Secretary to the Secretary	Satisfied ^a
	Analysis of trends over time to monitor percentage delivered within agreed timeframes	
Policy services		
<i>Quality</i>		
High quality policy advice as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from the ministers and Parliamentary Secretary to the Secretary	Satisfied ^a
Level of satisfaction of the Minister with legislation development services	Very good or above	Satisfied ^a
Service delivery		
<i>Quality</i>		
Level of satisfaction of the President of the Defence Force Remuneration Tribunal with the quality and timeliness of the services provided by the Tribunal Secretariat	Very good or above	The Tribunal's President, the Hon Patricia L Leary, reported a high level of satisfaction with the secretariat's performance
Level of satisfaction of the President of the Remuneration Tribunal with the quality and timeliness of the services provided by the Tribunal Secretariat	Very good or above	The President of the tribunal reported a high level of satisfaction with the secretariat's performance
Level of satisfaction of the Chairman of the Australian Safety and Compensation Council with the quality and timeliness of support to the Council	Very good or above	The Chairman reported a very good level of satisfaction with the quality and timeliness of support to the council, based on a survey of members
Level of satisfaction of stakeholders (insolvency practitioners) with the management of the General Employee Entitlements and Redundancy Scheme	Very good or above	92% of stakeholders (insolvency practitioners) rated their satisfaction with the department's management of GEERS as 'satisfied or above'
Client satisfaction with Alternative Dispute Resolution, Unlawful Termination Assistance schemes and Fresh Ideas for Work and Family grants program	80% of clients surveyed satisfied	A client satisfaction survey was not undertaken for the Unlawful Termination Assistance Scheme, as the scheme was terminated on 30 June 2009 A client satisfaction survey was not undertaken for the Alternative Dispute Resolution Scheme, as no applications have been received under the scheme A client satisfaction survey for the Fresh Ideas for Work and Family grants program will be undertaken in 2009–10, following completion of the first funding round of the program
Level of satisfaction of clients with the provision of advice, information, education and promotion of safer workplaces on Australian Government construction sites by the Office of the Federal Safety Commissioner	Effective or above	Feedback was sought on the provision of advice, information and education by the Office of the Federal Safety Commissioner at seminars in Perth, Adelaide, Melbourne, Canberra, Sydney and Brisbane. 75% of participants rated their overall level of satisfaction as 'extremely satisfied'

- a During the year, ministers, parliamentary secretaries and their staff provide feedback on the level of satisfaction with departmental advice during regular meetings with the department. Overall feedback from their offices is that they recognise the significant efforts made by departmental staff and are satisfied with the quality of briefings. Analysis of trends in 2008–09 indicates that the percentage of briefs and ministerials delivered within agreed timeframes is increasing steadily. The number of errors and rejections is also largely trending downward due to an emphasis on feedback to assist line areas to improve quality and presentation.

Outlook for 2009–10

In 2009–10, the major priorities are:

- to provide policy and legal advice on the practical implementation by employers and employees of the *Fair Work Act 2009*, leading to the development of simpler, fairer and more flexible workplace relations arrangements
- to continue productive consultation with key stakeholders as major reforms across the Outcome are developed and implemented
- to provide support for new and legacy workplace relations agencies
- to continue to engage with state and territory governments and respond to emerging issues to ensure the establishment of, and smooth transition to, a uniform national workplace relations system for the private sector
- to support the government's objectives in the award modernisation process being undertaken by the AIRC
- to provide policy and legal advice on the implementation of the government's paid parental leave scheme, to commence on 1 January 2011
- to continue enhancing engagement with the ILO through close collaboration with stakeholders across countries, industry associations, levels of government and Australian Government agencies, including through highlighting the importance of and progressing towards ratification of key ILO conventions, such as the Maritime Labour Convention, and the development and implementation of the new Australia–ILO Partnership Agreement
- to finalise the policy framework and the system for market rates of pay for subclass 457 visa workers to commence from 14 September 2009, and to monitor its implementation
- to identify ways that business, unions and the government can work together to build Australian workplaces that are among the most productive, sustainable and innovative in the world
- to successfully deliver programs to support implementation of the new workplace relations system, including the Fair Work Education and Information Program and the Fresh Ideas for Work and Family grants program
- to develop a Young Workers' Toolkit to provide information to young people about employment issues and the new workplace relations laws and the voluntary National Code of Practice for Young Workers, which will deal with matters such as rostering arrangements for children during school hours, safety for young people at work, and training and mentoring in the workplace
- to support the government in securing passage of the Building and Construction Industry Amendment (Transition to Fair Work) Bill 2009 and implementation of the new Fair Work Building Industry Inspectorate
- to continue working with the Safe Work Australia Council on the development of model OHS laws
- to prepare the Commonwealth jurisdiction for implementation of model OHS legislation
- to continue working with the building and construction industry to promote and improve OHS outcomes
- to administer safety net schemes for the protection of employee entitlements in cases of business insolvency

- to continue to review and develop policy and legislation for the government's OHS and workers compensation arrangements for the Comcare and Seacare Schemes, in consultation with relevant stakeholders, including in relation to the outcomes of the Comcare Review
- to undertake consultation in preparation for the transfer of OHS coverage of Comcare self-insured corporations to the states and territories following the adoption of the model OHS legislation.