



Australian Government

Department of Education, Employment
and Workplace Relations

Annual Report

2011–12



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Department of Education, Employment



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and Workplace Relations**

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In many areas of Australia it is considered offensive to publish photographs of Aboriginal and Torres Strait Islander people who have passed away. This publication may contain such pictures.

The term 'Indigenous peoples' in this report refers to Aboriginal and Torres Strait Islander peoples unless otherwise stated.

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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, Angie McKenzie, Kate Carey and Natasha Walter
Editing: Wilton Hanford Hanover
Printing: BlueStar IQ
ISSN: 1835-9167



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The document must be attributed as the DEEWR Annual Report 2011–12.



Australian Government
Department of Education, Employment and Workplace Relations

Secretary
Lisa Paul AO PSM

The Hon Peter Garrett AM, MP
Minister for School Education, Early Childhood
and Youth
Parliament House
CANBERRA ACT 2600

The Hon Bill Shorten MP
Minister for Employment and Workplace
Relations, Financial Services and
Superannuation
Parliament House
CANBERRA ACT 2600

Dear Ministers

It gives me great pleasure to present to you the Department of Education, Employment and Workplace Relations' Annual Report for 2011–12.

This report has been prepared under section 63 of the *Public Service Act 1999*, which requires me to provide you with a report to present to the Parliament. It reflects the Requirements for Departmental Annual Reports as approved by the Joint Committee of Public Accounts and Audit.

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.

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.

As required by the Commonwealth Fraud Control Guidelines, I also certify that I am satisfied that the department: has prepared fraud risk assessments and fraud control plans; has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the department's specific needs; and has taken all reasonable measures to minimise the incidence of fraud in the department, and to investigate and recover the proceeds of fraud against the department.

Yours sincerely

Lisa Paul

3 October 2012

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Reader's guide

This report is prepared in accordance with parliamentary reporting and legislative requirements and its purpose is to provide detail of departmental activities and performance during the financial year.

Structure

Part 1: Overview

Comprises the Secretary's review of the year and the departmental overview, which details the role of the department, its organisational structure and the portfolio structure.

Part 2: Our outcomes

Reports on the department's performance against the indicators set out in the Portfolio Budget Statements 2011–12, as amended by the Portfolio Additional Estimates Statements 2011–12 and the Portfolio Budget Statements 2012–13.

Part 3: Our operations

Incorporates the department's response to the Department of Finance and Deregulation's sustainability reporting pilot and details the department's economic, environmental and socially sustainable operations.

Part 4: Our accountability

Provides information about the department including governance, risk management, audit processes and external scrutiny.

Part 5: Financial statements

Includes the independent auditor's report and the department's financial statements.

Part 6: Appendixes

Provides additional information about the department's operations, such as the social inclusion measurement framework, workforce statistics and agency resource statements.

Outcome changes

In response to machinery of government changes that came into effect 12 December 2011, the following changes to Outcomes are reflected in this report:

<i>2011–12 Portfolio Budget Statements</i>	<i>2012–13 Portfolio Budget Statements</i>
Outcome 1—Early childhood	Outcome 1—Early childhood
Outcome 2—Schools and youth	Outcome 2—Schools and youth
Outcome 3—Tertiary education and international	Outcome 3—Employment
Outcome 4—Employment	Outcome 4—Workplace relations
Outcome 5—Workplace relations	Outcome 5—Tertiary education and international. Due to the machinery of government change, this report provides Outcome 5 financial information to 12 December 2011 only; performance information is provided by the Department of Industry, Innovation, Science, Research and Tertiary Education.



1 Overview

The overview introduces you to the department with the Secretary's overview and the departmental overview. This details the role of the department, its Executive and portfolio structure



Secretary's overview

It has been another exciting and challenging year for DEEWR.

During the year we advanced important reform agendas across all of the major policy areas for which DEEWR is responsible, and we managed complex internal change.

In this report we provide information about the delivery and implementation of the National Quality Framework for Early Childhood Education and Care, the release of the Gonski review of school funding, the implementation of the Building Australia's Future Workforce package and the review of the *Fair Work Act 2009*. These reform activities continue the department's record of assisting the government to formulate its policy priorities and achievement in implementing government policy.

I am proud of all of the DEEWR people who contributed to these and a multitude of other achievements through the course of the year and I thank them for their efforts.

In December 2011 we farewelled our tertiary education, skills and international education colleagues to the Department of Industry, Innovation, Science, Research and Tertiary Education as part of machinery of government changes. Our work remains interrelated and I am confident that we will continue to work together seamlessly in the future.

Following the machinery of government change, we refreshed our strategic plan, which outlines the direction and work of the department, in particular our commitment to reconciliation and contribution towards the policy agenda for closing the gap for Aboriginal and Torres Strait Islander peoples. I am particularly pleased at how DEEWR people have supported our closing the gap initiatives this year.

At the invitation of the Australian Public Service Commission we participated in a review of the department's capability which confirmed our strong capacity to deliver and provided useful guidance for further improvements.

We also negotiated and settled on a new enterprise agreement, which was endorsed by a majority vote and came into effect on 13 June 2012.

We continued to deliver our portfolio priorities while accommodating budget reductions. We conducted innovative workshops in every branch and state office to ensure that together we improved our efficiency and the way we work. Thousands of local and whole-of-department ideas were captured. We are now implementing many of these ideas.

By the end of 2011–12 we had also appropriately managed 255 voluntary redundancies to enable us to enter into 2012–13 on a sound financial footing.

Our ministers

The Prime Minister announced her second ministry on 12 December 2011 and along with it, machinery of government changes to the Education, Employment and Workplace Relations' portfolio.

We retained the Hon Peter Garrett AM MP as Minister for School Education, Early Childhood and Youth and Senator the Hon Jacinta Collins as Parliamentary Secretary for School Education and Workplace Relations. The Hon Kate Ellis MP became the Minister for Employment Participation and Minister for Early Childhood and Child Care. Senator the Hon Chris Evans left the portfolio.

We welcomed three new ministers—the Hon Bill Shorten MP as Minister for Employment and Workplace Relations, the Hon Julie Collins MP as Minister for Indigenous Employment and Economic Development and the Hon Brendan O'Connor MP as Minister Assisting for School Education, who left the portfolio in March 2012.

Indigenous business is everyone's business

In DEEWR, we believe that Indigenous business is everyone's business. We make a commitment in all our work to close the gap on Indigenous disadvantage, whether through generalist employment services or targeted initiatives such as the *Indigenous Youth Career Pathways Program* that commenced with the new school year in 2012.

In October 2011, we launched our second Reconciliation Action Plan (RAP). Our RAP vision is that Aboriginal and Torres Strait Islander people are an integral part of our business and workforce; together we contribute to a productive and inclusive Australia through our commitment to reconciliation.

Significantly, in National Reconciliation Week, the Australian Government released its Indigenous Economic Development Strategy 2011–2018. The strategy provides a framework to support the benefits that flow to Aboriginal and Torres Strait Islander people and their communities from greater participation in the economy. DEEWR had a significant role in drafting the strategy and will also have substantial responsibilities in meeting its targets in the coming years.

Opportunities for all to learn and grow in a 21st century education system

During 2011–12 DEEWR made further progress towards the provision of quality early childhood education and care, and schooling. This included a focus on providing families with high-quality, accessible and

affordable early childhood services. Several DEEWR programs have been expanded to support children in making successful transitions to school, support families to balance their responsibilities and increase workforce participation and productivity.

Great progress is already being made with the National Quality Framework for Early Childhood Education and Care, which commenced in January 2012. The framework aims to raise quality and drive improvements in early childhood education and care services through the introduction of a national legislative framework, a national quality standard, a national quality rating and assessment process and a new national body called the Australian Children's Education and Care Quality Authority.

The department continued its contribution to major reforms in schooling during the year. The first phase of the Australian Curriculum—covering maths, science, English and history—was rolled out in schools across the country in 2012. The National Secondary School Computer Fund (under the Digital Education Revolution) had delivered more than 957,000 computers to schools.

The Review of Funding for Schooling, led by Mr David Gonski AC, was released in February 2012 following extensive consultation and research. The review panel received more than 7000 submissions, visited 39 schools and consulted 71 key education groups across Australia. The panel produced the most comprehensive report into school funding since 1973. Community and stakeholder consultations began immediately on how funding reform might take shape.

High-quality teaching is recognised as having the single most important impact on student results. DEEWR has implemented a number of workforce initiatives to attract and retain teachers including the Reward for Great Teachers initiative the valuable work of Australia's teachers.

A high-skill economy and productive workplaces

A focus of the 2011–12 Budget was on building an educated and skilled workforce for Australia. DEEWR's work has contributed to some of the most significant reforms to education and training in two decades. The \$3.2 billion Building Australia's Future Workforce package is being implemented over the next six years by DEEWR in conjunction with the Department of Industry, Innovation, Science, Research and Tertiary Education, the Department of Human Services and the Department of Families, Housing, Community Services and Indigenous Affairs. The package aims to increase workforce participation and improve the skills base of Australian workers.

There have also been significant innovations in employment services. The 2012–2015 tender for employment service arrangements for Job Services Australia was well received and resulted in many high-quality stakeholder submissions. As a result, job seekers will receive services from higher-performing providers as of 1 July 2012. More people with disability will be able to access specialised assistance to find and keep a job due to the historic decision to uncap Disability Employment Services.

A landmark jobs compact was agreed between the Australian Government and Woolworths on 1 April 2012. The agreement provides Woolworths with streamlined access to the full range of government jobs, skills and training services to fill 10,000 new retail jobs in 2012–13. In November 2011, the Coles First Step training and employment program was launched with the support of the Indigenous Employment Program. This initiative provides job-ready training and work experience for Aboriginal and Torres Strait Islander job seekers as well as cultural awareness training for supervisors and staff.

These types of partnerships provide a great opportunity for industry to increase diversity and community connections and gain skilled workers, and for individuals to obtain the skills to develop their job into a career.

Fairness and inclusion in education and work

Fostering fair, safe and productive workplaces for employers and employees is central to our work at DEEWR. There are people in the community who experience additional barriers to participating in the benefits of education and work. Since 2008 social inclusion has had a central place in the delivery of mainstream employment services to provide specialised assistance to these groups.

The More Support for Students with Disabilities initiative will deliver services in the 2012 and 2013 school years to help government and non-government education authorities strengthen the capacity of schools and teachers to meet students' individual needs. Funding is being provided to government education authorities under a national partnership agreement, and to non-government education through aligned funding agreements. All jurisdictions have signed on to the national partnership.

In December 2011 terms of reference were announced for the review of the *Fair Work Act 2009*, scheduled for two years after its full commencement. The review panel received more than 250 submissions from government and non-government organisations and individuals. The panel's final report will be released on 2 August 2012 and the Government will respond in due course.

On 1 January 2012 the harmonised work health and safety laws commenced. The new legislation ensures that employers and employees have the same expectations and responsibilities regardless of where they are in Australia.

Opportunities for engagement and innovation

DEEWR has embraced new approaches to connect with stakeholders, through face-to-face community forums and online platforms such as Twitter and Facebook.

I continue in my role as a champion of the National Compact between the Australian Government and the not-for-profit sector. Many not-for-profit organisations help deliver programs on behalf of DEEWR, often to the most disadvantaged people and communities. In 2011–12, DEEWR undertook a number of activities to promote the compact and support the sector.

By June 2012 the total of the Social Enterprise Development and Investment Funds had been brought to \$40 million when Australian Government funds were fully matched by private and non-government contributions. This funding will assist Australia's eligible social enterprises to make a difference in their local communities through job creation and other social and environmental benefits.

Supporting regional Australia

I mentioned above that one of the challenges we face is to make sure that regions are not left behind in times of economic hardship. Throughout the year we worked to ensure that that prosperity and opportunity can be accessed more broadly.

To address the specific needs and circumstances of particular regions or communities, 34 Regional Education, Skills and Jobs Coordinators were appointed to plan and implement strategies to maximise outcomes for regional communities from government programs and major projects.

The Better Futures, Local Solutions initiative introduced place-based approaches in regional (and metropolitan) locations where significant portions of communities experience entrenched disadvantage. The initiative will enable community members to gain skills and training, and access new work opportunities.

Other initiatives to ensure the same opportunities are available to people in regional Australia include basing a significant number of trade training centres in regional areas, providing additional students in regional areas with access to Youth Allowance and increasing grants to regional schools under the National School Chaplaincy and Student Welfare Program.

Outlook for 2012–13

The 2012–13 Budget and our continuing reform program provide DEEWR with an exciting opportunity to continue working towards our vision of a productive and inclusive Australia.

The department will be implementing some ground-breaking reforms in the coming year. Remote employment services have been overhauled to provide a more integrated and flexible approach to participation and employment services for people living in remote areas of Australia. This will ensure more Aboriginal and Torres Strait Islander and other job seekers in remote communities get the skills they need to find and keep a job and participate in community activities. This fits naturally with our strong commitment to making Indigenous business everyone's business and meeting the COAG targets for closing the gap on disadvantage.

We have a big agenda to deliver in supporting the Government's consideration of the review of the Fair Work Act and continuing work in delivering on the Review of Funding for Schooling. We will also continue to implement the Building Australia's Future Workforce package and the National Quality Framework for Early Childhood Education and Care.

We will focus on the importance of education and employment opportunities from the earliest years through the expansion of the Home Interaction Program for Parents and Youngsters, bolstering science and maths in schools, promoting quality outcomes in early childhood and teaching, supporting parents on income support with childcare and training opportunities, and developing opportunities for mature-age employees.

Over the year, we will work together to implement the initiatives detailed in our Shaping DEEWR's Future plan. The plan outlines the areas of focus for DEEWR to ensure we continue to improve our efficiency with a firm focus on best practice and innovative thinking.

I look forward in 2012–13 to continuing our positive work that touches the life of every Australian.



Lisa Paul
Secretary

Departmental overview

The Department of Education, Employment and Workplace Relations (DEEWR) brings together people and services to support the Australian Government's agenda on education, employment and workplace relations. Through the development and implementation of its policies and programs, DEEWR plays a critical role in advancing the Government's productive and inclusive agenda and supporting the Government's efforts to improve and enhance the economic and social wellbeing of all Australians.

The department works towards ensuring all Australians have access to early childhood care and development, quality early childhood and school education, increased employment and participation, safe, fair, productive workplaces and an inclusive society. Across the department there is also a continual focus on meeting the targets for closing the gap on Aboriginal and Torres Strait Islander disadvantage—in DEEWR, Indigenous business is everyone's business.

DEEWR is implementing major reforms across its portfolio priorities. We aim to make a positive difference to the life of every Australian.

DEEWR Executive

The department is structured to deliver its business through the Executive and its groups. The portfolio ministers and DEEWR's Executive and departmental structure are shown in Chart 1. The department's outcomes and programs structure and portfolio agencies are shown in Chart 2.

Lisa Paul

Secretary

Department of Education,
Employment and Workplace
Relations

Michael Manthorpe

Deputy Secretary

Corporate and Network

Tony Cook

Associate Secretary

Schools and Youth

Martin Hehir

Deputy Secretary

Schools and Youth

John Kovacic

Deputy Secretary

Workplace Relations and
Economic Strategy

Jennifer Taylor

Deputy Secretary

Early Childhood, Working Age
and Indigenous Participation

Sandra Parker

Deputy Secretary

Employment



left to right: Tony Cook, Martin Hehir, Lisa Paul, Michael Manthorpe, Jennifer Taylor, Sandra Parker and John Kovacic

Executive and departmental structure

 THE HON PETER GARRETT AM MP Minister for School Education, Early Childhood and Youth	 THE HON BILL SHORTEN MP Minister for Employment and Workplace Relations	 THE HON KATE ELLIS MP Minister for Employment Participation, Early Childhood and Child Care	 THE HON JULIE COLLINS MP Minister for Indigenous Employment and Economic Development	 SENATOR THE HON JACINTA COLLINS Parliamentary Secretary for School Education and Workplace Relations
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INDIGENOUS LEADER Kevin Brahim	 LISA PAUL AO PSM Secretary	CHIEF INTERNAL AUDITOR Robyn Kingston
--	--	---

 JENNIFER TAYLOR Deputy Secretary Early Childhood, Working Age and Indigenous Participation	 TONY COOK Associate Secretary Schools and Youth	 SANDRA PARKER Deputy Secretary Employment	 JOHN KOVACIC PSM Deputy Secretary Workplace Relations and Economic Strategy	 MICHAEL MANTHORPE PSM Deputy Secretary Corporate and Network
<ul style="list-style-type: none"> Early Childhood Quality and Workforce National Quality Framework Policy and Implementation Communications and Sector Support Workforce 	<ul style="list-style-type: none"> National Schools and Youth Partnerships Smarter Schools Partnerships Youth Attainment and Transitions Educational Accountability and Reporting Digital Education 	<ul style="list-style-type: none"> Employment Services Management Procurement Business Partnerships Employment Service Provider Support Procurement 2012 Project Office Team 	<ul style="list-style-type: none"> Strategic Priorities Workplace Relations Implementation and Safety Building Industry and Programs Employee Entitlements Safety and Compensation Policy 	<ul style="list-style-type: none"> Finance and Business Services Business Improvement Budget and Corporate Reporting Finance Work Environment Service Delivery
<ul style="list-style-type: none"> Early Learning and Care Support Early Childhood Access and Infrastructure Indigenous Early Childhood Services Early Childhood and Child Care Programs 	<ul style="list-style-type: none"> Curriculum, Assessment and Teaching School Improvement and Transparency Curriculum and School Reform Quality Teaching 	<ul style="list-style-type: none"> Job Services Australia JSA Program Performance and Analysis Stream Services Work Experience and Programs Job Seeker Participation 	<ul style="list-style-type: none"> Workplace Relations Policy Senior Labour Advisor, Geneva International Labour and Research Workplace Relations Policy and Analysis Balanced Work and International Labour Industry Liaison FWA Review Secretariat 	<ul style="list-style-type: none"> Communication and Parliamentary Communication Strategy and Design Parliamentary, Web and Contact Centre Public Affairs
<ul style="list-style-type: none"> Strategy and Family Payments Policy and Strategic Coordination Payments to Families and Service Support Data and Analysis 	<ul style="list-style-type: none"> Infrastructure and Funding Schools Vocational Pathways Schools Grants and Funding Policy Schools Corporate Support National Trade Cadetship Taskforce Building the Education Revolution 	<ul style="list-style-type: none"> Specialist Employment Services Disability Employment Services Disability Employment Policy Capability Job Seeker Assessment Mature Age Program 	<ul style="list-style-type: none"> Workplace Relations Legal Bargaining and Coverage Safety Net, Organisations and Protections Institutions and Workplace Safety 	<ul style="list-style-type: none"> Legal and Investigations Child Care, Schools and Legislation Legal Employment and Social Security Legal Freedom of Information, Privacy and People Legal Investigations Litigation, Corporate, Ombudsman and Workplace Relations Legal
<ul style="list-style-type: none"> Indigenous Economic Strategy Strategic Indigenous Policy Strategic Partnerships Indigenous Programs 	<ul style="list-style-type: none"> Engagement and Wellbeing Aboriginal and Torres Strait Islander Schooling Inclusive Education and Engagement National School Chaplaincy Program Office for Youth Data Analysis 	<ul style="list-style-type: none"> Employment Systems Application Development Employment Systems Support Employment Business Intelligence and Technical Support IT Business and Support Services Jobseeker Development 	<ul style="list-style-type: none"> Social Policy and Economic Strategy Migration COAG and Evidence Research Economics and Lifecourse Social Policy Minister Counsellor (Education and Employment) to the OECD, EU, UNESCO and France 	<ul style="list-style-type: none"> Technology Solutions Business Solutions Collaboration and Engagement Enterprise Solutions Business Enabling Technology
<ul style="list-style-type: none"> Income Support and Remote Service Implementation Income Support Policy and Information Income Support Programs Remote Services 	<ul style="list-style-type: none"> Schools Funding Taskforce Schools Funding Review of Funding for Schooling Secretariat 	<ul style="list-style-type: none"> Labour Market Strategy Labour Market Research and Analysis Labour Market Policy Regional and Place-Based Strategies Skills and Industry Strategies Employment Monitoring and Evaluation 		<ul style="list-style-type: none"> People and Organisational Development People Policy and Performance People Services People Development Organisational Strategy
				<ul style="list-style-type: none"> State and Regional Services Strategy Office of Regional Education, Skills and Jobs State Network Business Development New South Wales/Australian Capital Territory offices Victorian offices Queensland offices South Australian offices Western Australian offices Northern Territory offices Tasmanian office

Information correct as at 30 June 2012

Portfolio structure for 2011–12

CHART 2

OUTCOME 1		OUTCOME 2		OUTCOME 3		OUTCOME 4	
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.		Improved learning and literacy, numeracy and educational attainment for school students, through funding for quality teaching and learning environments, workplace learning and career advice.		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.		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.	
1.1	Support for the Child Care System	2.1	Government Schools National Support	3.1	Employment Services	4.1	Employee Assistance
1.2	Child Care Fee Assistance	2.2	Non-Government Schools National Support	3.2	Indigenous Employment	4.3	Workplace Assistance
1.3	Early Childhood Education	2.3	Schools Support	3.3	Disability Employment Services	4.3	Workers Compensation Payments
		2.4	Trade Training	3.4	Working Age Payments		
		2.5	Digital Education Revolution				
		2.6	National Action Plan on Literacy and Numeracy				
		2.7	Education Infrastructure				
		2.8	Smarter Schools—Low SES School Communities National Partnership				
		2.9	Smarter Schools—Improving Teacher Quality National Partnership				
		2.10	More Support for Students with Disabilities				
		2.11	Youth Support				
		2.12	Student Assistance				
PORTFOLIO AGENCIES	Australian Curriculum Assessment and Reporting Authority	Australian Institute for Teaching and School Leadership	Fair Work Australia	Fair Work Ombudsman	Safe Work Australia	Comcare	Office of the Fair Work Building Industry Inspectorate



2 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 1

Outcome 1 is focused on providing Australian families with high-quality, accessible and affordable early childhood education and care.

A high-quality, integrated early childhood education and child care sector that produces good outcomes for children is essential. More and more families rely on early childhood education and care services to support their workforce participation and help them to balance their work and family responsibilities. Importantly, children who have a good start in life are more likely to develop the skills that will better equip Australia to be a competitive force in a global society. It is critical that all children have an effective transition to school, which is why the Government has committed \$970 million over five years to ensuring universal access to early childhood education in the year before school.

Achieving the best outcomes for early childhood education and care requires a well-trained workforce.

The Government is supporting early childhood educators to get their qualifications through strategies such as removing TAFE fees for diploma and advanced diploma courses in children's services. The Government has also committed up to \$10 million from the National Workforce Development Fund to support existing and new workers in the early childhood sector to enhance their skill levels through formal training.

In addition, the Government expanded the HECS-HELP benefit for early childhood education teachers by broadening the eligibility criteria. The HECS-HELP benefit is aimed at encouraging early childhood teachers to work in locations of high need, including regional and remote areas, Aboriginal and Torres Strait Islander communities and areas of high disadvantage. The changes will reduce teachers' HELP debt and enable three times as many teachers to get help with the costs of their studies.

A key element of the workforce participation and productivity agenda is the Jobs, Education and Training Child Care Fee Assistance program. The program provides assistance with child care fees for income support recipients, mainly sole parents, to enhance their skills through work, study or training to enter or re-enter the workforce. In the 2012–13 Budget, the Government committed an additional \$225.1 million over four years for the program. This extra investment will assist more than 130,000 parents to get the skills they need to return to the workforce.

Improving the lives of children and families from disadvantaged communities by enhancing life experiences for children, increasing parental and community skills and closing the gap for Aboriginal and Torres Strait Islander children continues to be a priority.

DEEWR programs such as the Home Interaction Program for Parents and Youngsters (HIPPY) are helping achieve that goal. A total of \$55.7 million is committed to 2015–16 to expand the delivery of HIPPY to 100 sites across Australia, bringing the Government's investment in the program to more than \$88 million. Through HIPPY:

- children gain confidence and a level of competence, providing a smoother transition to school
- families learn how to take an active role in their children's education, development and overall wellbeing
- parents and carers have the opportunity to become tutors, offering a supportive pathway to further employment opportunities and encouraging local community leadership.

An evaluation released in 2011 showed that the program has positive impacts in a number of important areas of early childhood development. Findings from the evaluation indicate an estimated return to society of as much as \$4 for every \$1 spent.

DEEWR's role in delivering policies and programs helps shape Australia now and in the future, including through access to quality early childhood education and care. The department's goals are achieved in partnership with governments and the community. DEEWR's vision for early childhood is to provide a positive start in life.

Outcome 1 priorities for 2011–12

Assist parents and carers to access affordable child care and support them in their roles as early childhood educators and carers.

Work in partnership with state and territory governments to implement the National Quality Framework for Early Childhood Education and Care, which aims to lift the standard of child care across Australia.

Work closely with the states and territories, local government councils and in some cases directly with child care providers, to continue the establishment of 38 new Children and Family Centres.

Implement the Australian Early Development Index nationally, to provide a comprehensive picture of how our children are developing across five developmental areas: physical health and wellbeing; social competence; emotional maturity; language and cognitive skills; and communication skills and general knowledge. No other country in the world has access to such rich and robust national data about the early years.

Develop an Early Years Workforce Strategy in partnership with states and territories. The strategy will build on existing Australian, state and territory government measures aimed at delivering a stable and highly qualified early childhood education and child care workforce, particularly in rural and remote areas.

Outcome 1 achievements for 2011–12

On 1 January 2012, the National Quality Framework for Early Childhood Education and Care was established. It applies to most long day care, family day care, preschool (or kindergarten) and outside school hours care services. The framework aims to raise quality and drive continuous improvement and consistency in education and care services. Reforms include improved staff to child ratios, improved qualification requirements for staff, and a new rating system so parents will be able to make informed choices about what is best for their children.

The department delivered record levels of support to families and the child care sector. Over the four years to 2015–16, the Government is providing \$22.3 billion to help more than 900,000 Australian families with the cost of child care, including \$10.3 billion in means-tested Child Care Benefit and \$9.6 billion in Child Care Rebate.

Since July 2011, families have been able to choose to receive their Child Care Rebate payments fortnightly, at the time they incur child care costs.

A total of \$970 million is being invested over five years to June 2013 to provide universal access to early learning for all Australian children in the year before they enter full-time school. There is already considerable evidence that this investment is making a concrete difference for children and families across Australia.

Children and Family Centres are being established in areas of high need as part of the National Partnership on Indigenous Early Childhood Development. Locations for 38 Children and Family Centres have been agreed.

Construction of the new Early Learning and Care Centres is underway; 24 centres are currently operational and providing child care for Australian families.

The second Australian Early Development Index national data collection took place between May and July 2012. The results will be released early in 2013.

Early childhood professionals are being assisted with getting the qualifications they need through an additional 1500 university places; removal of TAFE fees for diploma and advanced diploma child care courses; and expansion of the early childhood education teachers HECS-HELP scheme, which reduces the HELP debt of early childhood teachers who choose to work in rural and remote areas, Aboriginal and Torres Strait Islander communities and areas of high disadvantage.

As part of the Recognition of Prior Learning incentive, experienced educators may be eligible for assistance with assessing their skills and knowledge. This will ensure that current experienced early childhood educators in rural and remote locations, who have extensive industry experience but lack formal qualifications, are able to have their skills recognised. This will reduce the overall cost to educators and services in upgrading staff qualifications to meet the minimum requirements set out in the National Quality Framework for Early Childhood Education and Care. Applications for assessment grants opened in March 2012.

The number of long day care services increased by 21.6 per cent between the June quarter 2006 and the June quarter 2011.

Support for long day care services

In August 2011, \$5 million was committed for one-off grants to long day care services to assist them to transition to the National Quality Framework for Early Childhood Education and Care, which was implemented on 1 January 2012. The grants enabled services in disadvantaged communities to improve their facilities and resources in readiness for the introduction of the national quality standard.

Grants of up to \$5000 were available to all Child Care Benefit–approved long day care services that operate in low socio-economic areas of need as determined by DEEWR. To identify eligible services, DEEWR relied on the Australian Bureau of Statistics Socio-Economic Indexes for Areas, which provide a measure of socio-economic disadvantage.

A total of 975 centres from all states of Australia accepted funding and all received the grant money by 30 June 2012.

The services could use the grant to make improvements to their environment or practices to assist in meeting the requirements under the framework. This includes to:

- provide specific training or professional development
- subsidise relief staff so that permanent staff could upgrade their qualifications
- purchase specific equipment or play-based learning materials
- make modifications to their internal or external facilities
- undertake outreach activities to improve access and outcomes for vulnerable children.

One of these centres is the Jindi Woraback Children's Centre, at St Albans in Victoria. The centre used its grant funding to create an Indigenous garden dedicated to a kindergarten-aged child who was killed in a car accident. To celebrate the opening of the garden, the centre held an open day in June 2012. A welcome to country ceremony was held and activities included a barbeque, face painting and a jumping castle.

Another centre, DMP Childcare, located in Launceston, Tasmania used the grant money to create a new art room.



Program 1.1 Support for the child care system

The objective of this program is to support child care services so that more families can access quality early childhood education and child care services.

The program helps families to participate in the social and economic life of the community by:

- promoting and supporting quality child care
- assisting services to improve access and inclusion for children and families with special and additional needs
- providing professional support to build the capacity of the child care sector
- supporting the sustainability of child care for all Australian children and families including in areas and under circumstances where services may not otherwise be available
- developing, maintaining and disseminating information to assist families to make informed decisions about child care and the related support programs and services provided or funded by the Government.

Child care services support

The community support program provides a range of payments directly to child care service providers to improve access to child care.

Three major types of assistance are provided under the program:

- establishment assistance—to help operators meet the costs associated with establishing a new mainstream child care service
- sustainability assistance—to help operators of mainstream services to continue providing child care in places where it may otherwise not be viable to do so
- Budget Based Funding—to help non-mainstream services with the costs associated with operating a child care service.

In 2011–12, the program helped 289 new operators establish a child care service, an increase of approximately 15 per cent on the estimate. The program also surpassed its estimate for sustainability assistance by approximately 3.4 per cent.

The Budget Based Funding program contributes to the goal of better early childhood outcomes and the best start in life for all children by providing access to early childhood education and care services in areas where the market would not normally allow services to operate. This includes targeted assistance in places where there is a need for additional culturally competent services for Aboriginal and Torres Strait Islander children and families.

The program currently provides operational funding to some 337 services in all Australian states and territories and across urban, regional and remote locations. In 2011–12, about \$60 million was provided to these services, including approximately \$45 million for Indigenous-focused services.

Jobs, Education and Training Child Care Fee Assistance

The Jobs, Education and Training Child Care Fee Assistance (JETCCFA) program helps eligible parents with meeting the cost of approved child care while they are working, studying or job searching so they can enter or re-enter the workforce. The payment is made to an approved child care service on behalf of a family to offset the family's child care fees.

There have been significant increases in JETCCFA funding with more income support families using JETCCFA, including more use of JETCCFA while children are below school age. JETCCFA is a key element of the Government's workforce participation and productivity agenda.

The 2012–13 Budget includes a package of reforms to better align JETCCFA to policy goals, jobs outcomes and skills needs. Study assistance has been better targeted to courses that strengthen job outcomes. The work, training, study test will be strengthened in line with parents' actual work, training and study needs, and parents will also pay an increased co-contribution of \$1 per hour of care per child. However, they will be able to claim 50 cents of it back from the Child Care Rebate.

Performance information

Table 1 Key performance indicators for program 1.1

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Child Care Services Support		
Number of child care services receiving sustainability assistance	2,300	2,378
Number of child care services receiving establishment assistance	250	289
Number of Budget Based Funded Services	344	337
Jobs Education and Training Child Care Fee Assistance		
Number of children in child care	52,000	54,400
Number of parents assisted	35,600	37,200

Table 2 Effectiveness indicators for program 1.1

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Trend in the number of children with additional needs using government-approved child care services—by target group:		
• Children with disability	3%	3%
• Aboriginal, Torres Strait and Australian South Sea Islander children	2%	2%
• Children from non-English-speaking backgrounds	13%	13%

Note: The proportion of children from non-English-speaking backgrounds is measured every three years, and has not changed since 2010–11.

The effectiveness indicators focus on the number of children with additional needs using government-approved child care services. This is seen as a good measure of the overall effectiveness of access to services, as families with children from the target groups identified often find it more difficult to access child care that is appropriate to their special needs.

Program 1.2 Child care fee assistance

The objective of this program is to assist families with the cost of child care. The provision of this assistance enables more families to access quality child care services.

Child Care Benefit

The Child Care Benefit is based on a family's income so that it is targeted to people most in need of assistance. Most families using approved child care receive the 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.

Child Care Rebate

The Child Care Rebate is an additional payment to assist families with up to 50 per cent of out-of-pocket costs and is not income-tested. Working families who use approved child care can receive the Child Care Rebate if they are eligible for Child Care Benefit, even if their Child Care Benefit entitlement is zero because of their income.

Actual expenditure for the Child Care Benefit and Child Care Rebate in 2011–12 was \$4.21 billion.

Performance information

Table 3 Key performance indicators for program 1.2

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Number of children using approved child care places	1,303,000	1,300,400
Number of families using approved child care services	929,000	907,700
Percentage of families using approved child care services and receiving a child care payment	906,000 (98%)	889,500 (98%)
Number of families receiving both Child Care Benefit and Child Care Rebate	651,000	638,100
Number of families receiving only Child Care Benefit	121,000	117,900
Number of families receiving only Child Care Rebate	134,000	133,600
Number of eligible approved services	16,000	16,000

Note: The actual figures are a revised estimate for 2011–12 using the actual data for the first two quarters as no further data was available at the time of preparing the annual report.

Source: DEEWR and Centrelink administrative data collections.

Table 4 Effectiveness indicators for program 1.2

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Percentage of child care out-of-pocket expenses as a proportion of weekly disposable income after child care subsidies	8–12%	7–8%

The effectiveness indicator measures expenses as a proportion of income for one child using full-time long day care after child care subsidies. This is seen as a good measure of overall affordability of access.

Program 1.3 Early childhood education

The objective of this program is to improve access to high-quality early childhood education and child care, to support optimal child development in the early years and to prepare children for formal schooling.

Achievement of these goals is supported through the following national partnership agreements:

- National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care—to establish a national quality framework for early childhood education and care and outside school hours care services. From 1 January 2012, the national quality assessment and rating process, a key element of the framework, provides families with quality information to help them make informed choices about services.
- National Partnership Agreement on Early Childhood Education (Universal Access)—aims to provide every child with access to a preschool program in the year before full-time schooling, by 2013. The preschool program is to be delivered by a four-year university qualified early childhood teacher, in accordance with a national early years learning framework, for 15 hours a week, 40 weeks a year. It will be accessible across a diversity of settings, in a form that meets the needs of parents and in a manner that ensures cost does not present a barrier to access.
- National Partnership Agreement on Indigenous Early Childhood Development—will establish 38 Children and Family Centres across Australia by June 2014. The centres will deliver a range of integrated services, such as early learning, child care and family support programs. Children and Family Centres are targeted at addressing the needs of Aboriginal and Torres Strait Islander families and their young children and will also provide services to all families in the community.
- National Partnership Agreement on TAFE Fee Waivers for Child Care Qualifications—supports individuals, including current child care workers, to gain a vocational education and training

qualification in early childhood care. This funding removes course fees for child care diplomas and advanced diplomas delivered by a TAFE institute or other government training provider.

Universal access to early childhood education

The Australian Government is working in partnership with the states and territories under the Council of Australian Governments and through the Intergovernmental Agreement on Federal Financial Relations to ensure the effective implementation of this program. The delivery of universal access to early childhood education is a state and territory responsibility and depends on Commonwealth and state and territory funding. Data quality and national consistency improved significantly with the release of the National Early Childhood Education and Care Collection for 2011.

In April 2012, the ABS published *Experimental Estimates of Preschool Education, Australia, 2011* (ABS cat. no. 4240.0), the second release from the National Early Childhood Education and Care Collection (see ABS cat. no. 4240.0.55.001), with the latest collection reference period covering 1 to 5 August 2011. The national collection is still regarded as experimental because there are some uncertainties relating to the comparability and comprehensiveness of data sources that feed into the collection. Data from the collection will be used to inform future reporting under this priority area.

The data indicates that nationally in 2011, almost 81 per cent of children aged 4 and 5 years were enrolled in a preschool program. This compares to 75 per cent enrolment for all Aboriginal and Torres Strait Islander children aged 4 and 5 years. To inform the early childhood education Closing the Gap target, the data indicates that in 2011, more than 91 per cent of Aboriginal and Torres Strait Islander children living in remote communities in the year before full-time schooling were enrolled in a preschool program.

The impact of the National Partnership Agreement on Early Childhood Education on preschool participation will not be fully realised until 2013. States and territories are implementing changes to achieve universal access to early childhood

education in 2013, including increasing hours at existing services, reducing the cost where it is a barrier to participation, building and refurbishing infrastructure, and attracting and developing staff.

Performance information

Table 5 *Effectiveness indicators for program 1.3*

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Universal Access to Early Childhood Education (National Partnership)		
Percentage of all children enrolled in preschool ^a	83%	81%
Percentage of Indigenous children enrolled in preschool ^a	78%	75%
Percentage of Indigenous children enrolled in preschool in remote areas ^{a,b}	91%	91%

a Data may include double counting for some children enrolled in more than one service and may include some children aged 5 years who were repeating.

b Classification includes remote and very remote areas, as defined in the Accessibility/Remoteness Index of Australia.

Source: Based on data from the 2011 National Early Childhood Education and Care Collection.

Departmental outputs for Outcome 1

Table 6 *Departmental outputs for Outcome 1*

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Services provided by Australian Government agencies (e.g. Department of Human Services) satisfy performance requirements	DEEWR requirements met	Satisfied



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 2

DEEWR wants to ensure that every young Australian is supported to reach their potential in society, work and the community and that every school is a great school. As part of contributing to a productive and inclusive Australia and improving lives through education, DEEWR's work under Outcome 2 aims to enable all students to acquire the knowledge and skills to participate effectively in society and employment in a globalised economy and make successful transitions to further education, training and work.

The department works in partnership with state and territory government and non-government education authorities to progress reforms aimed at ensuring all schools provide a quality education.

Work under Outcome 2 is supported by national agreements such as the National Education Agreement and the Melbourne Declaration on Educational Goals for Young Australians. The agreement includes a statement of objectives and outcomes for all schools, as well as a clear framework for performance reporting. Similar policy parameters and accountability measures for the non-government school sector are provided through the *Schools Assistance Act 2008*.

Outcome 2 reflects the two national goals for schooling outlined in the Melbourne Declaration:

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

Building on advances that have already been made, the Australian Government is investing in priority areas such as addressing educational disadvantage, supporting quality teaching and school leadership, improving literacy and numeracy, monitoring national standards through improved assessment and reporting, continuing to develop an Australian curriculum and promoting school improvement.

The Government has continued to support the integration of information and communications technology in schools so that students have the skills they need to live and work in the digital world.

Recent investment in school buildings and equipment has provided new facilities and refurbishments that will create a lasting legacy of new learning centres, halls, classrooms, trade training facilities and science and language centres.

Following the wide-ranging recommendations of the Review of Funding for Schooling, which was publicly released in February 2012, the Government is considering a new approach to school funding.

Outcome 2 priorities for 2011–12

Support the Australian Curriculum and Assessment Reporting Authority's development of the Australian Curriculum, including revision of the Foundation to Year 10 achievement standards for the first four learning areas of English, mathematics, science and history; publication of student work samples; and finalisation of the draft senior secondary curriculum.

Progress the following national partnerships:

- Youth Attainment and Transitions
 - Digital Education Revolution
 - Building the Education Revolution
 - Smarter Schools—Literacy and Numeracy
 - Smarter Schools—Low Socio-economic Status School Communities
 - Smarter Schools—Improving Teacher Quality
 - More Support for Students with Disabilities
 - Empowering Local Schools
 - Reward for School Improvement
 - Rewards for Great Teachers.
-

Support the implementation of reforms that lift the quality of the teaching profession and school leadership at all stages of the teaching cycle from attraction into the profession to ongoing development and retention.

Achieve a one-to-one computer-to-student ratio in Australian secondary schools with students in Years 9 to 12 under the National Secondary School Computer Fund.

Support the implementation and monitoring of the Aboriginal and Torres Strait Islander Education Action Plan 2010–2014.

Outcome 2 achievements for 2011–12

The final report of the Review of Funding for Schooling was publicly released in February 2012. This was the first comprehensive review of school funding arrangements in Australia in almost 40 years.

In October 2011, education ministers endorsed the final Foundation to Year 10 achievement standards, which had been through a process of validation. The standards complete the package of materials for the first four learning areas of English, mathematics, science and history of the Australian curriculum.

The online assessment and learning tool for teachers was released nationwide in December 2011.

More than 957,000 computers were installed under the National Secondary School Computer Fund, exceeding the national target of 786,000. All Australian secondary schools with students in Years 9 to 12 now have a one-to-one computer-to-student ratio.

Education ministers endorsed the important work undertaken by the Australian Institute for Teaching and School Leadership. This included release of the national professional standard for principals; a nationally consistent approach to teacher registration; the Australian teacher performance and development framework; and the principles and processes for certifying highly accomplished and lead teachers.

The third cohort of Teach for Australia associates began teaching in January 2012. The cohort includes new teachers in two schools in the Northern Territory, in addition to places in government schools in the Australian Capital Territory and Catholic and government schools in Victoria.

The first intake for Teach Next—a new pathway into teaching to help address teacher shortages in specialised learning areas such as science and mathematics—began intensive study in June 2012 in preparation for placement in schools in the Australian Capital Territory and Western Australia.

At 30 June 2012, 99.6 per cent of all Building the Education Revolution projects had been completed, delivering 23,608 projects across 9485 schools.

A total of 556 schools had access to a completed trade training centre, through 206 projects, as at 30 June 2012.

The department worked to close the gap in educational outcomes of Aboriginal and Torres Strait Islander Australians by:

- implementing 90 new projects through the Parental and Community Engagement program
 - funding 65 projects under the Sporting Chance Program in Western Australia, the Northern Territory, South Australia, Queensland, New South Wales and Victoria, supporting 11,000 Aboriginal and Torres Strait Islander primary and secondary school students
 - launching the Focus School Next Steps Initiative, which provides funding of \$30 million to assist 101 focus schools to accelerate improvement in the school attendance, classroom engagement and academic achievement of more than 9000 Aboriginal and Torres Strait Islander students.
-

In September 2011, the Government announced that the National School Chaplaincy Program would be extended for a further three years, and would be expanded to include up to 1000 additional schools, targeting disadvantaged, regional and remote communities. Aspects of the program were revised, such as its expansion to encompass delivery of secular student welfare services, improved complaint handling mechanisms, and the introduction of minimum qualifications for chaplains and student welfare workers. The new National School Chaplaincy and Student Welfare Program commenced on 1 January 2012.

The report of the Review of Student Income Support Reforms, undertaken by Professor Kwong Lee Dow AM, was presented to the Government in July 2011. Following consideration of the review, the Government announced a \$265 million package to support higher education students from regional and remote areas from 1 January 2012. The reforms give students from inner regional areas access to the same independence criteria for ABSTUDY and Youth Allowance as other regional and remote students and increase the value of relocation scholarships for eligible regional and remote students.

Solar project at Millner Primary School in Darwin

Millner Primary School in Darwin received \$2 million for a solar outdoor learning facility under the Primary Schools for the 21st Century element of the Building the Education Revolution program.

The school council turned an old basketball court into a multi-purpose outdoor sporting facility covered by a structure housing 360 solar panels. The project was designed to be a learning experience for the school's students as well as providing an excursion opportunity for other students. The facility has a viewing platform where the students can see the photovoltaic solar panels and the interactive display which has static and graphic elements that tell the story of the solar array.

The storyboard provides information on the development and operation of the facility as well as the benefits to the school.

The 100.8 kilowatt solar photovoltaic system will supply the school with 150,000 kilowatts per year of renewable energy and reduce the school's greenhouse gas emissions by 100 tonnes of carbon dioxide equivalent annually.



The Millner Primary School solar storyboard.

Program 2.1 Government schools national support

The objective of this program is to boost participation and Australia's productivity by providing supplementary funding to states and territories, through the National Schools Specific Purpose Payments, to support government schools to achieve the following five outcomes:

- All children are engaged in, and benefiting from, schooling.
- Young people are meeting basic literacy and numeracy standards and overall levels of literacy and numeracy achievement are improving.
- Australian students excel by international standards.
- Schooling promotes social inclusion and reduces the educational disadvantage of children, especially Aboriginal and Torres Strait Islander children and students with disability.
- Young people make a successful transition from school to work and further study.

The Government is providing an estimated \$14.1 billion in supplementary Commonwealth funding for government schooling for 2009–2012,

delivered through the funding framework associated with the National Education Agreement. The agreement articulates the commitment of all Australian governments to ensure that all Australian school students acquire the knowledge and skills to participate effectively in society and employment in a globalised economy.

The agreement applies the reporting framework agreed to under the Intergovernmental Agreement on Federal Financial Relations and sets out 10 performance indicators that allow reporting on national progress towards achieving the agreed outcomes. National progress reports include the:

- *National report on schooling in Australia*, published by the Australian Curriculum and Assessment Reporting Authority
- *Education 2010: Comparing performance across Australia*, published by the Council of Australian Governments' Reform Council
- *Report on government services*, published annually by the Productivity Commission.

These reports provide information on all Australian schools, both government and non-government.

Performance information

Table 7 Key performance indicators for program 2.1

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Government Schools Specific Purpose Payments		
Number of full-time equivalent students funded (enrolment projections)	2,289,759	2,289,759 ^a

a This figure is based on state and territory data submissions, which stem from the August 2011 Census. The data was accessible from January 2012. The next census will occur in August 2012 and revised data will be accessible from January 2013.

Program 2.2 Non-government schools national support

Schools Assistance Act

The Government is providing an estimated \$37.0 billion for non-government schooling for 2009–2014 under the *Schools Assistance Act 2008*. Funding appropriated under the Act supports the capital and operating costs of non-government primary and secondary schools and systems. Government funding supplements funding raised by the schools from other sources.

Fulfilling its commitment to non-government schools, the Government extended the current funding arrangements until the end of 2013 for recurrent and targeted funding and until the end of 2014 for capital funding.

Recurrent grants—non-government

The Government provides grants to assist non-government schools with the recurrent costs of school education so they can offer students educational programs directed towards the achievement of the Government's priorities for schooling.

During 2011, \$6.84 billion in recurrent assistance grants was paid, on a per student basis, to non-government schools.

To support the delivery of educational services to Aboriginal and Torres Strait Islander students in 2011, a further \$70.3 million was provided for the Indigenous Supplementary Assistance program, \$0.6 million for the Indigenous Funding Guarantee, and \$1.8 million for increased Indigenous Supplementary Assistance to non-remote, non-government boarding schools.

A remoteness loading was provided under the recurrent grants program to eligible non-government schools to cover the higher cost of delivering education services in regional and remote areas. In 2011 this amounted to \$33.3 million. In addition, \$5.4 million was provided to non-government schools for the provision of distance education.

Capital grants—non-government

The Government provides grants funding for new and upgraded capital infrastructure to non-government schools that would not otherwise have access to sufficient capital resources.

The program for non-government schools is subject to projects being varied, withdrawn or merged in response to changing circumstances of schools. The number of schools assisted through the program therefore varies over time. Program funds returned as a result of withdrawn or varied projects are allocated to existing, and new, eligible projects.

In 2011, \$128.5 million was provided to non-government schools for capital projects.

Short Term Emergency Assistance—non-government

The Government provides targeted funding under the Short Term Emergency Assistance program to assist non-government schools in the event of an unexpected circumstance causing severe, temporary financial difficulty.

In 2011, no funds were provided under the program.

English as a Second Language—New Arrivals—non-government

The Government provides targeted funding under the English as a Second Language—New Arrivals program to state and territory non-government education authorities to assist with the cost of delivering intensive English language tuition to eligible newly arrived migrant primary and secondary school students. The program is demand-driven. In 2011 there was a small decrease in the number of student new arrivals assisted compared to the previous year. The department accepts claims made for any eligible student, but it is the responsibility of education authorities to claim on behalf of these students.

During 2011, \$7.03 million in grants was paid to non-government schools under the program.

It is estimated a total of 838 new arrivals will be supported in non-government schools during 2012.

School Languages Program

The School Languages Program provided \$14.2 million in targeted assistance to non-government schools and after-hours community languages schools in 2011. The funding supported the teaching and learning of Asian, European, Aboriginal and Torres Strait Islander and Auslan languages from Kindergarten to Year 12.

Literacy, Numeracy and Special Learning Needs Program

The Government provides targeted funding under the Literacy, Numeracy and Special Learning Needs Program to assist non-government education authorities to improve the learning outcomes of educationally disadvantaged students. The program has a particular focus on literacy and numeracy and includes students with disability.

Education authorities have the flexibility to make decisions on which schools, including special schools, have the greatest need for additional assistance for educationally disadvantaged students and to determine appropriate funding amounts for those students using the principles of equity, effectiveness and efficiency. Schools also have the flexibility to use funding innovatively to meet the needs of their students.

The program consists of two components: the school grants (recurrent) component and the students with disability per capita component. Funding for the recurrent component is determined using a composite allocative mechanism. Funding for the students with disability per capita component is determined using a rate per eligible student. In 2011 the rate per student was \$947.

During 2011, grants totalling \$36.8 million for students with disability and \$170.9 million for educationally disadvantaged students were paid to non-government schools.

Country Areas Program

The Government provides targeted funding under the Country Areas Program to improve access to quality education for non-government school students in rural and geographically isolated areas. The program provides enhanced learning opportunities and additional educational activities,

assisting students to achieve outcomes and participation rates that match those of students in urban centres and less isolated areas.

Funding is paid directly to non-government education authorities in the states and the Northern Territory. Authorities have the flexibility to allocate funds under program guidelines according to identified priorities based on assessment of local need. Student outcomes are not recorded under this program.

In 2011, \$6.1 million was provided to eligible non-government schools under the program.

Indigenous Education (Targeted Assistance) Act

Funding under the *Indigenous Education (Targeted Assistance) Act 2000* has continued to support the Aboriginal and Torres Strait Islander Education Action Plan developed by education ministers in 2010 and endorsed by the Council of Australian Governments in May 2011.

New commitments announced in support of the plan during 2011–12 included \$30 million to assist 101 focus schools identified under the plan to achieve improved outcomes for students; \$5 million for the Teach Remote initiative to assist with recruitment, preparation and retention of teachers in remote schools; \$7.5 million for the More Aboriginal and Torres Strait Islander Teachers Initiative; and a total of \$2 million for other projects to improve cross-border collaboration on attendance and support for teachers to meet new professional standards relating to the teaching of Aboriginal and Torres Strait Islander students.

The first annual report outlining progress under the Aboriginal and Torres Strait Islander Education Action Plan was released by education ministers in January 2012.

Indigenous Youth Mobility Program

The Indigenous Youth Mobility Program supports Aboriginal and Torres Strait Islander people aged 16 to 24 years, primarily from remote areas, who need to move away from home to gain the qualifications they need to have a greater chance of obtaining sustainable employment.

The program had 521 participants during 2011–12.



Family members engaging with students at Yarrabah State School.

Parental and Community Engagement Program

The Parental and Community Engagement (PaCE) program supports the parents, families and communities of Aboriginal and Torres Strait Islander children to connect with schools and education providers and develop partnerships with them with the aim of enhancing their children's educational outcomes.

The Yarrabah PaCE project in Far North Queensland encourages parents to visit the school, talk to their child's teachers and get involved in school activities. The project is engaging with parents and caregivers in a number of ways and supporting not just the project goals and objectives but those of other local community organisations and service providers as well. The main focus is reinforcing the importance of school attendance and engagement of kids while at school and supporting parents to engage more in their child's education and its processes.

Activities have included:

- monthly meetings of school and community representatives as part of the PaCE Advisory Committee
- a community sausage sizzle, encouraging male attendees to discuss issues affecting their child's education
- an elders and carers lunch, which invited school staff, parents, grandparents and community members to share information about PaCE and other relevant programs and tour the school
- community surveys to gather information about what can be done to further improve parental engagement in Yarrabah.

Links have been established and strengthened with the school breakfast and healthy lifestyle programs, Yarrabah domestic violence services and the Every Day Counts initiative. Strategic links have been made with the Queensland Government Department of Education, Training and Employment, the Cairns Indigenous education unit, James Cook University and Mission Australia.

Indigenous Youth Leadership Program

The Indigenous Youth Leadership Program provides secondary and tertiary scholarships to support Aboriginal and Torres Strait Islander students to complete Year 12 or an undergraduate degree while developing leadership skills. Students assisted under the program are mainly from very remote and remote areas.

In 2011–12, the program assisted 894 students, which was 2.6 per cent above the estimate. The increased assistance was achieved within budget, however, because the amount of assistance can vary across individuals which provides the opportunity for additional scholarships.

Sporting Chance Program

The Sporting Chance Program aims to encourage engagement and positive educational outcomes by Aboriginal and Torres Strait Islander students. The program's two elements provide for school-based sports academies for secondary students and education engagement strategies for primary and secondary school students.

In 2011–12, 5906 students attended Sporting Chance academies, exceeding the estimate by 5.5 per cent, due in part to the expansion of the academies in 2011.

Performance information

Table 8 Key performance indicators for program 2.2

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Recurrent grants—non-government		
Number of full-time equivalent students funded (enrolment projections)	1,214,000	1,212,921
Capital grants—non-government		
Number of schools assisted with capital support	245	246
English as a Second Language—New Arrivals—non-government		
Number of new arrivals assisted	838	838
Indigenous Youth Mobility Program		
Number of participants in the Indigenous Youth Mobility Program ^a	460	521
Indigenous Youth Leadership Program		
Number of participants in the Indigenous Youth Leadership Program (secondary and tertiary)	871	894
Sporting Chance Academies		
Number of students attending Sporting Chance Academies	5,600	5,906

a The variance between estimated and actual figures relates to a significant increase in demand for places and the fact that not all participants engage for a full year because many undertake shorter courses. The program can support additional participants as long as the maximum number of places available on a full-time equivalent basis is not exceeded in any six-month period.

Note: Figures are based on calendar year data.

Table 9 Effectiveness indicators for program 2.2

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Enrolment trends—non-government		
Trend in full-time student enrolments in Australian schools:		
• Primary	633,725	633,725
• Secondary	590,849	590,849
Trend in the number of Indigenous students at school	24,864	24,864
Apparent retention rate of full-time students from Year 7/8 to Year 12	79%	79% ^a
Enrolment trends—government		
Trend in full-time student enrolments in Australian schools:		
• Primary	2,037,154	2,037,154
• Secondary	1,482,405	1,482,405
Trend in the number of Indigenous students at schools	167,547	167,547
Indigenous trends		
Percentage of young people who commence on the Indigenous Youth Mobility Program who exit the program after achieving a vocational education and training or higher education qualification or to take up full-time employment	60%	31% ^b
Percentage of eligible Indigenous students in receipt of Indigenous Youth Leadership Program scholarships who complete Year 12	90%	98%

a As published in Australian Bureau of Statistics 2012, *Schools Australia 2011*, ABS cat. no. 4221.0.

b A total of 521 young people were engaged in the Indigenous Youth Mobility Program in 2011–12. Thirty-one per cent of participants obtained a vocational education and training or higher education qualification or secured an Australian Apprenticeship. A further 51 per cent of participants were still actively studying. Completion rates are improving.

Program 2.3 Schools support

In its national leadership role, the Government funds initiatives that aim to provide quality teaching and learning environments and improve the quality of outcomes for all Australian students. In 2011–12, the department delivered a range of programs designed to achieve these goals.

Helping Children with Autism Package

The Helping Children with Autism Package recognises the importance of diagnosis and early intervention treatments and services for children with an autism spectrum disorder. It involves implementing two initiatives: professional development for teachers and school staff, and workshops and information sessions for parents of school-aged children with an autism spectrum disorder. The package is being delivered by DEEWR, the Department of Families, Community Service and Indigenous Affairs and the Department of Health and Ageing.

The Positive Partnerships initiative under the package aims to build partnerships between schools and families to improve the educational outcomes of children with an autism spectrum disorder. DEEWR funds the Partnerships between Education and the Autism Community (PEAC) consortium to provide professional development for teachers, school leaders and other school staff to build their understanding, skills and expertise in working with children with an autism spectrum disorder. PEAC also delivers workshops and information sessions for parents and carers of school-age children with autism to help them work more effectively with their children's schools.

The original estimated number of participants was set for the 2008–2012 contract period, and yearly estimates were averaged from these initial figures. The program exceeded budgeted expectations ahead of schedule. The initiative is ongoing and workshops will continue to be delivered between 2012–2015.

Parliament and Civics Education Rebate

The Parliament and Civics Education Rebate is designed to reduce the cost to families of school excursions to Canberra that include visits to national democratic and historical institutions as part of school civics and citizenship education programs. These excursions provide valuable learning experiences to students at places of national political and cultural significance.

In order to receive the rebate, students are required to participate in relevant classwork at school and visit Parliament House, Old Parliament House (the Museum of Australian Democracy at Old Parliament House and/or the National Electoral Education Centre) and the Australian War Memorial. School groups are also encouraged to visit other national civic institutions where possible.

The rebate subsidises school groups travelling more than 150 kilometres to Canberra as part of an approved school excursion for students in years 4 to 12. The rebates are paid on a per student basis, starting at \$20 per student for school groups travelling 150–499 kilometres and increasing to \$260 per student for school groups travelling more than 4000 kilometres to Canberra.

In 2011–12, \$4.80 million was paid or committed to 1921 schools for 99,723 students.

National Trade Cadetships

The Government established an advisory panel, chaired by Professor Denise Bradley AC, to provide advice and guide development of the National Trade Cadetships and Indigenous Ranger Cadetships initiatives. The panel conducted targeted consultations with industry, employer groups and the education sector to inform the scope and shape of the National Trade Cadetships.

The National Trade Cadetships will be a school-based program that provides opportunities for students to undertake vocational learning and develop work-readiness skills in preparation for a skilled occupation after leaving school. There will be two elements: the Year 9–10 curriculum,

which will focus on work-readiness skills and laying the foundation for further training, and the Year 11–12 cadetship, which will focus on a specific industry area.

The Australian Curriculum, Assessment and Reporting Authority (ACARA) was tasked by the former Ministerial Council for Education, Early Childhood Development and Youth Affairs to develop the Year 9–10 curriculum. The Year 11–12 cadetship curriculum is also expected to be developed by ACARA.

Indigenous Ranger Cadetships

The initial selection process for the first cohort of Indigenous Ranger Cadetship pilot schools identified more than six suitable schools, exceeding the target. The availability of more than six suitable pilot schools afforded the opportunity to bring forward the start of up to a further four pilot schools, selected in June 2012, to commence activity from July 2012. The pilots will test approaches to the development and implementation of Indigenous Ranger Cadetships projects in regional and remote communities as part of the Australian Government's Building Australia's Future Workforce package.

The pilot aims to assist Aboriginal and Torres Strait Islander young people to complete school and build their capacity for further study, training, jobs and careers in land, sea and natural resource management.

Teach Next

Applications for the first intake of Teach Next opened in March 2012 to recruit experienced professionals in maths and science-related fields into teaching. The employment-based pathway will play an important role in addressing areas of teacher shortage in regional and hard-to-staff schools, and in reducing the number of teachers currently teaching outside their subject areas.

Teach Next is a demand-driven program, which means that the number of placements in each intake will vary in response to the number of available vacancies identified by employers. The mid-year timing of the first intake limited the available vacancies, as schools were generally staffed for the

year. Western Australia and the Australian Capital Territory were the only jurisdictions able to offer a combined total of 14 potential vacancies for the first intake. Eight participants were successfully matched against the vacancies, and six are undertaking the intensive training program. The second intake will provide participants into schools in Term 1, 2013.

National School Chaplaincy and Student Welfare Program

The new National School Chaplaincy and Student Welfare Program was announced in September 2011. The program builds on the success of the National School Chaplaincy Program and supports school communities to establish school chaplaincy and student welfare services or to enhance existing services. Schools funded under the program can choose the services of a school chaplain to provide pastoral care or select the services of a non-faith-based student welfare worker.

In May 2012, the Minister for School Education, Early Childhood and Youth, the Hon Peter Garret AM MP, announced that 1000 schools had been successful in their applications for funding under the National School Chaplaincy and Student Welfare Program expansion round. Minister Garrett also announced the 2555 schools, which were previously funded under the National School Chaplaincy Program, that were successful in having their funding continued under the new program.

Empowering Local Schools

Under the Empowering Local Schools initiative, a total of \$60.2 million was committed in 2011–12 through a national partnership agreement and funding agreements with non-government education authorities. The initiative aims to provide schools with greater decision-making capacity at the local level so they can better respond to local school community needs and provide services designed to assist their students to achieve the best educational outcomes.

A total of 927 government, Catholic and independent schools from across the country were selected to participate in the first phase of the

initiative over the 2012 and 2013 school years. Approximately half of the participating schools are in regional areas.

Improving School Enrolment and Attendance Measure

The Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM), reported under Outcome 4 in the 2011–12 Portfolio Budget Statements, is an Australian Government initiative to increase the enrolment and attendance of children who are of compulsory school age. The SEAM trial began in 2009, covering 30 schools in Queensland and 14 schools in the Northern Territory, and concluded on 30 June 2012.

SEAM helps identify enrolment and attendance problems and puts in place assistance, such as the offer of social work support, to help parents remedy these problems. As a last resort, and if no special circumstances exist, SEAM uses the possible suspension of income support payments to encourage responsible parental or carer action.

The primary goal is to re-engage parents with schools, understand their circumstances and identify actions to help overcome the barriers preventing their child attending school.

An interim evaluation report has found improvements in some children's school enrolment and attendance in SEAM sites. The receipt by a parent of an attendance notice from DHS, warning that they must take reasonable steps to improve their child's attendance at school or risk having their income support payments suspended, has had an initial positive impact on the attendance of the child associated with that notice.

SEAM recognises that state and territory governments have primary responsibility for school enrolment and attendance issues. It provides an additional tool that states and territories can use to improve enrolment and attendance.

Indigenous Remote Service Delivery Traineeships

The Indigenous Remote Service Delivery Traineeships aim to provide sustainable work and training opportunities for young Aboriginal and Torres Strait Islander people in remote areas. The Australian Government has engaged group training organisations to deliver the traineeships for trainees, aged 15 to 24 years, employed in schools in all states and the Northern Territory.

Performance information

Table 10 Key performance indicators for program 2.3

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Helping Children with Autism Package		
Number of teachers and other school staff attending professional development courses	225	412
Number of parents and carers attending workshops and information sessions	725	670 ^a
Parliament and Civics Education Rebate		
Number of schools visiting Canberra under the program	2,130	1,921 ^b
Indigenous Ranger Cadetships		
Number of participant schools in the Indigenous Ranger Cadetships program	Up to 6 pilot schools	10 pilot schools selected in June 2012
Teach Next		
Number of Teach Next participants commencing	100	6 ^c
National School Chaplaincy and Student Welfare Program		
Number of schools receiving support for chaplaincy or student welfare services	3,650	3,555

- a Performance target for the full contract period (2008–12) had already been met prior to the commencement of the 2011–12 reporting year. As a result, actual numbers reported for 2011–12 are in addition to the target levels for both parents and carer participants and professional development participants. Future performance estimates under the new contract (2012–15) will be recalculated to more accurately reflect program performance.
- b This figure will decrease if any approved schools fail to acquit their application for the rebate.
- c Participation in Teach Next is dependent on the involvement of state and territory employers in providing placements for participants. Due to the mid-year commencement of the first intake a number of jurisdictions were unable to identify suitable teaching positions in their schools.

Program 2.4 Trade training

The Trade Training Centres in Schools Program is an important element of the Government's workforce development agenda. It provides facilities for students to access high-quality, relevant education and training opportunities that continue to engage and encourage them to complete their studies while opening pathways for future employment.

Through the program, the Government aims to help:

- support the achievement of a national Year 12 or equivalent attainment rate of 90 per cent by 2015
- address skills shortages in traditional trades and other eligible occupations by:
 - improving student access to trade training facilities that meet industry standards
 - improving the quality of schooling offered to secondary students undertaking trade-related pathways
 - assisting young people to make a successful transition from school to work or further education or training
 - supporting the Closing the Gap initiative to halve the gap between Aboriginal and Torres Strait Islander and other students in Year 12 or equivalent attainment rates by 2020.

Program changes from Round 4 in 2011 mean that schools no longer compete for funding. Funding is prioritised to schools according to socioeconomic disadvantage to ensure remaining funds are

appropriately targeted. Education authorities now strategically manage the participation of schools in their sector. Key parameters such as eligibility requirements and maximum funding per school remain unchanged.

Slightly more projects and schools were funded in 2011–12 than estimated. Budget estimates are derived from average data from previous rounds. The actual number of projects and schools to be funded cannot be predicted until the funding round opens and proposals are submitted by education authorities. In total, more than 370 projects have been announced for funding, benefiting around 1070 schools. More than 670 of the schools are in regional (non-metropolitan) Australia, benefiting 18 of the 29 eligible schools in the remote service delivery locations that have been approved for funding.

Trade training centres report annually on student data from the preceding calendar year. The annual activity reports, published on the department's website, include a range of data on student enrolments, qualifications undertaken and student outcomes. As at 30 June 2012, more than 550 schools were benefiting from 206 completed trade training centres. These reports will provide a sound statistical base for analysis of student outcomes and operational performance measures into the future.

Performance information

Table 11 Key performance indicators for program 2.4

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Trade Training Centres in Schools Program		
Number of projects funded	87	89
Number of schools funded	169	176

Program 2.5 Digital Education Revolution

The Digital Education Revolution aims to contribute sustainable and meaningful change to teaching and learning in Australian schools to prepare students for further education, training, jobs of the future, and living and working in a digital world.

For more than a decade, governments and school communities around Australia have been working to harness the power of technology to improve educational opportunities, boost outcomes and further enhance the learning experience. Through the Digital Education Revolution, the Government works with government and non-government school authorities to support the deployment of technology-enriched learning environments. All state and territory governments have agreed to a national, coordinated and collaborative partnership approach to developing and implementing the initiative.

The National Secondary School Computer Fund is the major funding element of the Digital Education Revolution. Through the fund, the Government is helping schools to provide access to new computer equipment for all secondary students in Years 9 to 12. Using computers provided under the fund, students can learn to create, innovate, think critically and work in teams to solve problems.

Performance information

The National Secondary School Computer Fund successfully delivered a one-to-one computer-to-student ratio to all Australian secondary schools with students in Years 9 to 12.

Under the fund, over 957,000 computers have been provided for students in secondary schools across Australia, exceeding the national target of 786,000.

Program 2.6 National Action Plan on Literacy and Numeracy

Literacy and numeracy are the essential foundation skills that allow young people to achieve at school, go on to further learning, and participate fully in society and work. This program focuses on the areas of teaching, leadership and the effective use of student performance information to deliver sustained improvement in literacy and numeracy outcomes for all students, especially those who are falling behind. The key elements of the program are:

- the National Partnership Agreement on Literacy and Numeracy, including strategic research initiatives
- literacy and numeracy pilots in low socioeconomic status communities.

The evaluation of these pilots is to be published in 2012.

National Partnership Agreement on Literacy and Numeracy

The \$540 million Literacy and Numeracy National Partnership is the centrepiece of the National Education Action Plan for Literacy and Numeracy. The four-year national partnership began in 2009 and comprises:

- \$500 million to states and territories (\$150 million in 2009–10 to facilitate reform; up to \$350 million in 2011–12 to reward reform)
- \$40 million to strategic initiatives, including \$13 million for the Australian Curriculum, Assessment and Reporting Authority to support research and data collection. The strategic initiatives will improve the collective understanding of which literacy and numeracy strategies lead to the best outcomes for students.

Reforms in each state and territory have been implemented since 2009 in more than 1000 schools, both government and non-government. This includes approximately 400,000 students, or 12 per cent of Australia's student population and 18 per cent, or approximately 28,000, of Australia's Aboriginal and Torres Strait Islander student population.

In June 2012, states and territories received reward funding based on achievement of agreed 2011–12 literacy and numeracy targets and local measures.

The national partnership has been implemented in different ways in each state and territory, and performance measures and targets are negotiated bilaterally with each jurisdiction. The COAG Reform Council is responsible for assessing the extent to which targets negotiated between each jurisdiction and the Commonwealth have been met. The council's second performance report, released on 30 May 2012, indicates that states and territories either made good progress towards or fully achieved over 80 per cent of NAPLAN targets. The report is available at www.coagreformcouncil.gov.au.

The 2011 state and territory annual reports provided many examples of reform activity at the state and local level, including widespread adoption of in-classroom support for teachers by specialist coaches; increased teacher skill and confidence in using data to better address individual student learning needs; and innovative approaches to supporting the holistic needs of students and families to improve attendance and participation.

Performance information

Table 12 Key performance indicators for program 2.6

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Number of schools and students assisted	Over 400,000 students in approximately 1,045 schools (2009–10 to 2011–12)	Over 400,000 students in approximately 1,045 schools (2009–10 to 2011–12)

Table 13 Effectiveness indicators for program 2.6

<i>Performance indicator</i>	<i>Year 3</i>		<i>Year 5</i>		<i>Year 7</i>		<i>Year 9</i>	
	R	N	R	N	R	N	R	N
Percentage of students at or above the national minimum standard in reading and numeracy	93.8	95.6	91.5	94.4	94.7	94.5	92.4	93.0
Percentage of Indigenous students at or above the national minimum standards in reading and numeracy	76.3	83.6	66.4	75.2	77.1	76.5	71.9	72.0

R = reading; N = numeracy.

Note: This table contains 2011 data.

Source: Australian Curriculum, Assessment and Reporting Authority 2011, NAPLAN achievement in reading, persuasive writing, language conventions and numeracy: National report for 2011, ACARA, Sydney.

Table 14 Comparison of gaps between Indigenous and non-Indigenous student reading and numeracy outcomes, 2008 and 2011

2011 NAPLAN	Indigenous reading %	Gap %	Change on 2008 gap %	Indigenous numeracy %	Gap %	Change on 2008 gap %
Year 3	76.3	18.6	-6.6	83.6	12.8	-4.6
Year 5	66.4	26.5	-2.7	75.2	20.3	-4.5
Year 7	77.1	18.6	-4.9	76.5	19.0	+1.2
Year 9	71.9	21.6	-1.9	72.0	22.1	-0.2

Source: 2008 and 2011 NAPLAN—proportion of Indigenous students at or above the national minimum standard.

Nationally in 2011 across reading and numeracy, the percentage of Indigenous students who were at or above national minimum standards ranged from 66.4 per cent for Year 5 reading to 83.6 per cent for Year 3 numeracy.

The greatest improvements in 2011 over the 2010 results in the percentage of Aboriginal and Torres Strait Islander students at or above the national minimum standards were in Year 3 numeracy (up by 7.0 percentage points) and Year 9 reading (up by 7.7 percentage points). Both outcomes were statistically significant improvements and resulted

in large reductions in those gaps of 5.9 and 6.4 percentage points respectively. The gap narrowed in all other year levels for reading and numeracy from 2010 to 2011, with the exception of Year 5 reading where there was no change in the gap.

Since 2008 the gap has decreased in seven out of the eight assessment areas; the only exception is Year 7 numeracy. Some closures of the gap include Year 3 reading (6.6 percentage points), Year 3 numeracy (4.6 percentage points), Year 5 numeracy (4.5 percentage points) and Year 7 reading (4.9 percentage points).

Program 2.7 Education infrastructure (referred to as Building the Education Revolution)

As part of the Government's Nation Building and Jobs Plan, \$16.2 billion was invested over four years (2008–2012) under the Building the Education Revolution (BER) program. The strong partnership between the Australian, state and territory governments and non-government education authorities enabled the BER to provide economic stimulus through the rapid construction and refurbishment of school infrastructure. Initiatives under the BER were designed to assist children, families and communities to participate in activities supporting achievement, develop learning potential and bring communities together. The program was made up of three elements: Primary Schools for the 21st Century, Science and Language Centres for 21st Century Secondary Schools and National School Pride.

The BER program is delivering 23,608 projects in 9485 schools across Australia. At 30 June 2012, 99.6 per cent of all BER projects were complete. The Commonwealth remains in close contact with education authorities to ensure timely project completion.

The BER Implementation Taskforce concluded its formal activities on 15 July 2011 following the release of its final report on 8 July 2011. Since the taskforce ceased operations, the department has continued to oversee the implementation of agreed action plans on complaints and defect resolution at schools identified by the taskforce in its final report. The department engaged a specialist in the construction industry to assist in resolving complaints.

Performance information

Table 15 Key performance indicators for program 2.7

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Government		
Percentage of eligible schools receiving funding through Primary Schools for the 21st Century	70.07%	70.07%
Non-government		
Percentage of eligible schools receiving funding through Primary Schools for the 21st Century	28.4%	28.4%

Note: Figures are as at 29 September 2009 and reflect the percentage of eligible schools that received funding in the three rounds of the Primary Schools for the 21st Century element. No further funding rounds occurred after that date.

In its final report, the taskforce made a final five recommendations, all of which have been supported by the Government. The department has made substantial progress in implementing all 22 recommendations made by the taskforce in its interim, first and final reports and continues to act on lessons learned from the BER program. The department undertook a tender process and selected a consortium led by the University of New South Wales to house the BER Cost Analysis Model database until 31 January 2016.

Program assurance

The department developed a program assurance framework to monitor the implementation of the BER to effectively achieve the BER objectives.

The range of activities includes:

- monthly reporting by education authorities of project progress across the three BER elements
- onsite education authority monitoring visits, including site visits to a sample of schools, to monitor project progress within each education authority
- desktop monitoring and audits to ensure compliance with program guidelines and funding agreements
- financial acquittal of projects to ensure accuracy, compliance and financial accountability of education authorities' financial reporting mechanisms
- investigation of complaints.

Program 2.8 Smarter Schools—Low SES School Communities National Partnership

The Smarter Schools—Low Socio-economic Status School Communities National Partnership is providing \$1.5 billion over seven years (2008–2015) to facilitate a range of in-school and out-of-school reforms to address the learning needs and wellbeing of students in low socioeconomic status school communities.

These reforms are focusing on teacher quality, principal leadership, school accountability and innovative learning opportunities to better equip students for further education, workforce participation and civic responsibilities. They contribute to COAG’s social inclusion and Indigenous disadvantage agendas.

Approximately 1734 schools will participate in the national partnership over the seven year period. These schools enrol around 464,000 students (13.4 per cent of all students), of whom around

65,000 identify as Aboriginal and/or Torres Strait Islander. This represents 42 per cent of all Aboriginal and Torres Strait Islander students enrolled in schools around the country. Implementation of the reforms is well underway: around 90 per cent of participating schools have commenced activities to date.

States and territories report that the national partnership is starting to create cultural shifts in teaching and learning and improved attendance and engagement. Schools are implementing innovative approaches to support the holistic needs of students and their families. Some of the reforms include the extended school model linking students and families to other community services, individual student learning plans, student case management and extra support to help students to transition from school to work or further study.

Performance information

Table 16 Key performance indicators for program 2.8

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Number of schools assisted	1,734 (over 2009–2015)	1,749 ^a

a Figure based on DEEWR data (current as at 1 May 2012).



Students in the classroom at Wilmot Road Primary School.

Smarter Schools National Partnership at work at Wilmot Road Primary School

Wilmot Road Primary School in Shepparton, Victoria, is participating in the Smarter Schools Low Socio-economic Status School Communities National Partnership. The school has a vibrant, culturally diverse student population including students from Arabic, Afghan, Sudanese, Turkish and Aboriginal and Torres Strait Islander backgrounds.

Through the national partnership, the school is working on a range of projects, including developing a strategy for a whole-school approach to literacy and numeracy. The funding also helped the school to employ interpreters, family liaison officers, an education psychologist, a student-centred intervention teacher and class aides to develop strong student and family connections with the school and the wider community.

The school also now has a dedicated literacy and numeracy leader who coordinates a whole-of-school approach to developing common, sequential and targeted programs. There have also been professional learning opportunities for teachers and teacher assistants to provide shoulder-to-shoulder teaching and learning among staff.

The school's principal, Jenny Manuel, says the funding has made a real difference. 'Programs that we can attribute to the Smarter Schools National Partnership funding include our professional learning focus, which enabled us to build capacity of both staff and leadership. Some of our strengths, I think, are due to the amount of professional learning and the in-depth intervention and support that we've given students over this period of time', she says.

Program 2.9 Smarter Schools—Improving Teacher Quality National Partnership

The Smarter Schools—Improving Teacher Quality National Partnership supports ambitious, nationally significant and sustainable reforms to attract, train, place, develop and retain quality teachers and school leaders in classrooms and schools. Bilateral agreements and implementation plans agreed to by the Commonwealth and states and territories set out strategies in each jurisdiction to implement reforms and the payments and co-investments to be made in support of the national partnership.

The national partnership provides facilitation funding for states and territories to implement national reforms such as new professional standards for teachers, improving pathways into teaching, improving the mobility of teachers, national consistency in initial teacher education programs, providing professional development for school leaders and improving the quality and availability of teaching workforce data.

The effectiveness of the national partnership is measured by the achievement of reform milestones, which are included in the bilateral agreements and implementation plans. States and territories report to the Commonwealth biannually on progress against the agreed reform milestones.

States and territories have been rewarded for their progress in improving teacher remuneration structures, increasing school-based decision making, improving in-school support, rewarding teachers in hard-to-staff and disadvantaged schools and increasing Aboriginal and Torres Strait Islander teachers' and schools leaders' engagement with community members. In 2011–12, reward payments of more than \$170 million were made under the national partnership.

Teach for Australia

The Teach for Australia initiative was introduced in 2010 to provide a new pathway into teaching for high-achieving university graduates. To date associates have successfully been placed in government schools in Victoria, the Australian Capital Territory and the Northern Territory and Catholic schools in Victoria.

During 2011–12, recruitment for the third cohort of associates was targeted at candidates with a background in science, technology, engineering and maths. In January 2012, 40 new associates started in placement schools.

Performance information

Table 17 Key performance indicators for program 2.9

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Number of Teach for Australia associates commenced	41	40 ^a

a This figure reflects the withdrawal of one associate.

Program 2.10 More support for students with disabilities

Program objective

The More Support for Students with Disabilities initiative provides funding to state and territory government and non-government education authorities to build the capacity of Australian schools and teachers to provide additional support for students with disability.

Education authorities are undertaking a range of tailored activities, in accordance with the needs of their jurisdictions, during the 2012 and 2013 school years. Details of the activities occurring in each jurisdiction are set out in implementation plans.

An evaluator has been contracted to develop examples of effective practices and activities

occurring under the initiative. These examples will form an important evidence base that will be made available publicly and to all education authorities for use beyond the life of the initiative.

During 2011–12, the primary goal of the department in delivering this initiative was to finalise all 24 government, Catholic and independent school sector implementation plans. All implementation plans have been finalised and are publicly available. Government sector implementation plans are available on the Federal Financial Relations' website. Non-government sector implementation plans are available on the DEEWR website.

Performance information

Table 18 *Key performance indicators for program 2.10*

Performance indicator

Key performance indicators for this initiative have been developed at the jurisdictional level and vary according to activities being undertaken. Indicators are detailed in jurisdiction implementation plans that are approved by the Australian Government.

Program 2.11 Youth support

The Government is committed to ensuring that all young people make a successful transition from school to further education, training or work and participate effectively in society. The National Partnership on Youth Attainment and Transitions aims to increase the educational engagement and attainment of young people and to improve these transitions. Youth Connections and School Business Community Partnership Brokers are two programs under the national partnership that have been implemented to assist in achieving these goals.

There is a clear link between Year 12 or equivalent attainment and improved social and economic outcomes for young people. Some young people experience barriers to engagement with education and do not make smooth transitions through school and on to further education, training or employment. For this group, transition support can reduce 'churn' through education or training courses, and lead to more sustainable employment. Government support has a particular focus on young people who are not fully engaged with education or work.

The national partnership clarifies roles and responsibilities between the Commonwealth and the states and territories and will drive longer-term reform to ensure that young people stay engaged in education and training, and increase their skills and qualifications.

Office for Youth

The department's responsibilities include the Australian Government Office for Youth. The Office for Youth aims to ensure that young people reach their full potential; make effective transitions to adulthood as they continue to learn; start work; and make decisions that support a healthy lifestyle. To that end, the Office for Youth delivers a range of initiatives to help young Australians and engage with their families and the community that complement the goals of the national partnership.

The Office for Youth manages the Australian Youth Forum, which is a mechanism for young people to engage directly with the Government and have

the opportunity to shape and influence policies on issues that matter to them.

The National Strategy for Young Australians, released in April 2010, sets out the Australian Government's vision and goals for young people and provides a framework to guide government investment. The strategy identifies eight priority areas for action: health and wellbeing, education, families, communities, online, work, early intervention and safety.

The Office for Youth also has a research focus and works across government at all levels, and with the youth sector through the Australian Youth Affairs Coalition, to identify gaps, emerging issues and areas of focus for the future.

The Office for Youth organised the Commonwealth Youth Forum held on 23–28 October 2011 in Fremantle, Western Australia. The forum was a parallel event to the 2011 Commonwealth Heads of Government Meeting. The forum was attended by 119 young people from across the Commonwealth nations. The main outcome was a communiqué that was presented to heads of government.

Transition to Independent Living Allowance

The Transition to Independent Living Allowance supports young people aged 15 to 25 years with the costs involved in moving from a state-based or informal care situation into an independent living arrangement. Southern Youth and Family Services, located in Wollongong, New South Wales, is the administrator of the allowance.

The allowance is a one-off payment up to the value of \$1500 that can be used flexibly to support a young person's transition to independence.

The number of young people accessing the Transition to Independent Living Allowance has remained steady over the past two years.

In 2011–12, 2295 young people accessed the payment.

Youth Development and Support Program

The Youth Development and Support Program provides financial support to non-government, not-for-profit organisations to deliver community-based projects. The program provides \$500,000 annually to fund initiatives that inspire and encourage young people to engage with the Government and their communities, and help them develop skills and connections within their communities.

The Office for Youth funded 21 projects under the theme of 'Youth arts and creative enterprises' in the 2011–12 funding round.

Positive Body Image Awards

Body image is a major issue of concern to young people. Research indicates that negative body image can affect self-esteem and general wellbeing, inhibit participation in social activities and lead to serious health issues such as depression and social isolation. In response to these concerns, the Australian Government is taking action to promote positive body image and to build young people's resilience to negative body image pressures.

Activities in 2011–12 included the launch of the Positive Body Image Awards, which recognise the positive steps taken by the media, fashion and advertising industries to adopt the principles outlined in the voluntary industry code of conduct. Helen McCabe, editor of the *Australian Women's Weekly*, chaired the assessment and advisory panel, which included industry, youth and mental health experts. The recipients of the inaugural Positive Body Image Awards were announced by the Hon Peter Garrett AM MP on 29 June 2012.

2012 Australian Youth Forum Steering Committee

The Australian Youth Forum is a key communication channel between the Australian Government, young people aged 15 to 24 and the youth sector.

The forum provides young people with the opportunity to have their ideas heard, and encourages all young people to get involved in public discussions so that their ideas can be considered in the development of Australian public policy, programs or projects.

The forum's steering committee is composed of 10 young people who represent the voice of young people to Government. They were selected based on their commitment to and experience in improving the lives of young people.

Since their appointment the committee has represented the Australian Youth Forum at youth events and engaged young people to participate in the work of the forum and contribute to government inquiries. They meet regularly with government and youth sector organisations to advocate for the voice of young people.

'The Australian Youth Forum is a unique avenue for young Australians. It is our direct link to government and a vital step towards ensuring that we young people are seen as genuine partners voicing our opinions on issues, big and small, that matter to us. It is our contribution to the future directions of this country and I am proud to be part of such an inspiring committee of individuals who care enough not only about their communities but young people everywhere', says steering committee chair Sara Salah.

Performance information

Table 19 Key performance indicators for program 2.11

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
National Partnership on Youth Attainment and Transitions		
Progress towards 2015 COAG target of 90 per cent Year 12 or equivalent attainment	86.73%	na ^a
Number of young people for whom outcomes are achieved through support provided by the Youth Connections program	15,000	20,280
Number of regions that School Business Community Partnership Brokers support	107	107
Transition to Independent Living Allowance		
Number of young people accessing the Transition to Independent Living Allowance	2,260	2,295

na = not available.

a No targets were set for the 2011 calendar year. The estimate of 86.73% is for the 2012 calendar year. Data for 2012 will be available in December 2012.

Recent improvement in the national Year 12 or equivalent attainment rate is not statistically significant. While the trend is improving, the 2015 COAG target will not be met unless the rate of improvement increases. The 2012 target identified in the table above is a progress measure for the COAG target of 90 per cent Year 12 or equivalent attainment by 2015.

Rates of participation in full-time education for the target cohort (16–20 year olds in 2011) have increased substantially above trend suggesting that there is some likelihood that the rate of improvement in Year 12 or equivalent attainment will accelerate in the lead up to 2015.

The increase in the number of young people supported under the Youth Connections program reflects the outcomes achieved for young people receiving individual support services. Youth Connections also delivered group activities for the benefit of young people in their communities, and improved the coordination and capacity of services for young people at risk.

School Business Community Partnership Brokers continue to build partnerships between schools, businesses and the broader community to meet the needs of young people in their region. In the 2011 calendar year, there were approximately 1350 active and self-sustaining partnerships associated with partnership brokers nationally (excluding Victoria) involving over 8200 partner organisations. In Victoria, the program is delivered through the Victorian Government's Local Learning and Employment Network and is managed by the Victorian Department of Education and Early Childhood Development.

Effectiveness indicators

Under the National Partnership on Youth Attainment and Transitions, there was a target for states and territories to increase the number of young people participating in education and training. The target attracted reward funding, and \$47.3 million of the \$50 million available was paid out to states and territories, indicating a significant improvement in participation levels.

Program 2.12 Student assistance (previously School student assistance)

The Government is committed to raising the Year 12 or equivalent attainment rate to 90 per cent by 2015 and to reducing the gap in Aboriginal and Torres Strait Islander peoples' education under its policy of giving all Australians an opportunity to gain a first-class education.

Measures such as student support encourage and assist young people to remain in education and training. Government support is provided through programs such as ABSTUDY and funding through the Assistance for Isolated Children scheme.

ABSTUDY

The ABSTUDY scheme addresses the particular educational disadvantages faced by Aboriginal and Torres Strait Islander peoples by providing support to Aboriginal and Torres Strait Islander students and Australian Apprentices to access and participate in education and training.

Since 2010, the Government has been progressively implementing a package of reforms to student income support in response to the recommendations of the Bradley Review of Australian Higher Education. The final stage of the phased reduction in the age of independence of ABSTUDY from 25 to 22 years was implemented on 1 January 2012. The age of independence is now 22 years. From 1 July 2012, the ABSTUDY personal income test limits will increase from \$236 to \$400 per fortnight and the student income bank from \$6000 to \$10,000 a year.

The report of the Review of Student Income Support Reforms, which was undertaken by Professor Kwong Lee Dow AO, was presented to the Government in July 2011. Following consideration of the report, the Government announced a package of further reforms to support higher education students, including recipients of ABSTUDY Living Allowance. From 1 January 2012, the workforce participation independence arrangement, previously applying only to students from outer regional, remote and very remote locations, was extended

to include students from inner regional Australia. New payment arrangements were also introduced for Student Start-up Scholarship and Relocation Scholarship.

The qualification age for the higher rate ABSTUDY Living Allowance will increase from 21 to 22 years of age on 1 July 2012, in line with changes to Youth Allowance as part of the Building Australia's Future Workforce package. This change means that the same basic payment rate will apply whether a 21-year-old is looking for work or wishes to become an apprentice or a full-time student.

Assistance for Isolated Children Scheme

The Assistance for Isolated Children Scheme helps the 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. An appropriate government school is one that offers the student's level of study or, if the student has special health-related or educational needs, one that provides access to the facilities, programs, and environment required for those needs.

Funds are available to assist with boarding expenses, distance education costs, the cost of maintaining a second home and for families with students receiving a Disability Support Pension or Parenting Payment (Single) and studying at a primary (or equivalent) level. In 2011, 10,674 students received allowances at a cost of \$58.6 million.

Performance information

Table 20 Key performance indicators for program 2.12

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual^a</i>
ABSTUDY—Secondary		
Average number of school students receiving ABSTUDY during the year	22,000	25,636
ABSTUDY—Tertiary and VET		
Average number of tertiary students receiving ABSTUDY during the year	3,900	4,335
Average number of Australian Apprentices and students attending a TAFE college or private training institution in receipt of ABSTUDY during the year	5,500	5,058
Average number of tertiary and VET students in receipt of ABSTUDY during the year (total)	9,400	9,393
Assistance for Isolated Children Scheme		
Students in receipt of Assistance for Isolated Children funding	12,156	10,674 ^b

- a Note that the method used to determine average student numbers was further refined during 2011–12 so comparisons between estimate and actual may not be reliable.
- b The Assistance for Isolated Children Scheme is a demand-driven program based on the numbers of eligible students who lodge a claim. To receive assistance, eligible students must indicate their intent to claim prior to the 31 December deadline for the year they were studying. As a result, accurate student numbers can only be ascertained following the end of each calendar year. The scheme is a calendar program and tends to under-report in the first half of the year.

The average number of ABSTUDY secondary school student recipients decreased from 26,192 in 2010–11 to 25,636 in 2011–12. The decrease reflects a reduction in the number of families accessing ABSTUDY Living Allowance as expected with the changes from 1 January 2012 that made Family Tax Benefit the primary support payment for families with teenagers in full-time secondary study.

Overall, the average number of higher education recipients of ABSTUDY was as expected for the year. ABSTUDY tertiary students increased 12 per cent, from 3872 in 2010–11 to 4334 in 2011–12. ABSTUDY VET students and Australian Apprentices increased by 4.5 per cent, from 4839 in 2010–11 to 5058 in 2011–12. The increase in higher education can be attributed in part to the uncapping of higher education places and increased ABSTUDY support as a result of student income support reforms since 2010.

Departmental outputs for Outcome 2

Service delivery performance

DEEWR's bilateral management arrangement with the Department of Human Services (DHS) provides a framework for both agencies to deliver outcomes, including payments, in relation to employment, education and child care. The arrangement contains a confidence framework to monitor the strength and success of the relationship between agencies and assure the parties that policy and program outcomes are being achieved.

DHS's performance against the confidence framework during 2011–12 was satisfactory. New claims for ABSTUDY and Assistance for Isolated Children were processed within agreed timeframes. Although payment accuracy for ABSTUDY improved by 2.7 percentage points over the 2010–11 result, it remains below the benchmark of a 95 per cent rate of payment accuracy reflecting the particular characteristics of the payment.

Random Sample Survey Program

The Random Sample Survey Program provides assurance about the accuracy of ABSTUDY payments. Recipients are randomly selected for a review from the population, and the conduct of the reviews by DHS is independently validated

by DEEWR. The program provides 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 rates. The program provides benchmark data on the level of inaccurate payments.

The 2011–12 Random Sample Survey Program conducted 750 reviews of ABSTUDY payments.

Debt management

DHS is responsible for the management of debt identification and recovery on behalf of DEEWR. DEEWR performs a monitoring and oversight role.

Under the bilateral management arrangement, there is a target of 1 per cent for the reduction of growth in the overall debt base for current and former payment recipients. Data reflecting performance for 2011–12 indicates that the growth rate of the debt base decreased for current and non-current recipients.

Table 22 shows that the reductions in the growth rate of debt for ABSTUDY and Assistance for Isolated Children was achieved mainly through a reduction in debt raisings for current recipients.

Table 21 Level of payment accuracy for ABSTUDY payments, 1 July 2011 to 30 June 2012

Payment type	Rate of accuracy ^a (%)
ABSTUDY	85.2 (± 2.3%)

a Figures are based on a statistical estimation of the level of accuracy of payments. ABSTUDY is surveyed over two periods during the financial year: 1 July to 31 October and 1 March to 30 June. The reported results are based on preliminary data from the two survey periods and are subject to revision.

Source: DEEWR Random Sample Survey Program.

Table 22 Percentage change in ABSTUDY and Assistance for Isolated Children debt levels from 1 July 2010 to 30 June 2012 and change in growth rate

	Change in \$ 1 July 2010 to 30 June 2011 ^a	Change in \$ 1 July 2011 to 30 June 2012	Change in rate of growth
Current recipients	-1.7%	-6.8%	Decrease
Non-current recipients	2.1%	4.4%	Increase

a The 2010–11 figures are not comparable to those published in the 2010–11 annual report as the Youth Allowance and Austudy components of the debt base previously reported have been transferred to the Department of Industry, Innovation, Science, Research and Tertiary Education.

Student income support payments debts raised and recovered

In 2011–12, 15,484 ABSTUDY and Assistance for Isolated Children debts, with a value of approximately \$12.6 million, were raised; \$12.7 million of debt was recovered, waived or written off by DHS and its contracted mercantile agents.

Reviews of recipients' compliance

Information obtained from the DHS Integrated Review System shows that 6055 ABSTUDY and Assistance for Isolated Children payment reviews were completed in 2011–12. As a result of those reviews, 1123 payments were reduced or cancelled, 227 payments were increased, and 1375 debts were raised, with an estimated value of \$3.9 million.

Data matching

DHS data is compared with data from other agencies to identify inconsistent recipient information, including incorrect earnings, multiple identities, incorrect rental information and incorrect information about dependants in care. The comparison uses data from the Australian Taxation Office, the Department of Immigration and Citizenship, Defence Housing Australia, ComSuper, the Australian Transaction Reports and Analysis Centre, and state and territory registers of births, deaths and marriages. In 2011–12, 2082 data matching reviews of ABSTUDY payments were conducted.

Table 23 Departmental outputs for Outcome 2

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Effective reporting of student performance in nationally agreed key areas	Results agreed and published	Results were agreed and published for: <ul style="list-style-type: none"> • 2011 NAPLAN for students in years 3,5,7 and 9 • national sample assessment in civics and citizenship (2010)
Effective use of online Schools Service Point	99% of all returns will be collected online	100% of returns were collected online
Effective use of online School Entry Point	99% of all applications for funding through the Trade Training Centres in Schools Program will be collected online	100% of applications for funding through the program were collected online



Outcome 3

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 3

Increasing productivity and workforce participation is essential for maintaining Australia's economic growth and lifting our long-term prosperity. Outcome 3's objective is to ensure that people from all backgrounds have access to a range of services and financial support that help them overcome barriers, develop new skills and knowledge, gain employment and participate in society.

The long-term challenges of an ageing population, combined with the need for a more highly skilled workforce and ongoing structural changes across many industries, mean it is important to make certain people are equipped to participate effectively in the labour market and develop their skills and abilities. At the same time it is important to ensure access to financial support, modern employment services and other assistance to help overcome barriers, reduce joblessness and enable participation in employment, education and training. Supporting these strategies is a rich evidence base upheld by collaborative relationships with international research organisations including the OECD, as well as the department's own research, evaluation and statistics.

The department's employment services and programs for achieving the Outcome 3 objective are Job Services Australia; Disability Employment Services; the Indigenous Employment Program; and financial assistance through the income support system for job seekers, parents and young people. Employment services and programs for job seekers are underpinned by a compliance framework. Participation requirements and compliance arrangements play an important role in ensuring that job seekers engage with education, vocational training and work experience opportunities and in helping job seekers to move off income support and into paid employment.

Support for Aboriginal and Torres Strait Islander people is provided under the Indigenous Employment Program, which complements the assistance available under Job Services Australia and Disability Employment Services. The department works closely with states and territories through the Council of Australian Governments and national agreements to close the gap in employment outcomes between Aboriginal and Torres Strait Islander people and other Australians.

The Building Australia's Future Workforce package was announced in the 2011–12 Budget as a whole-of-government response to address the challenges of Australia's transitioning labour market. The package includes 39 measures that will be implemented progressively by 1 January 2013. The measures are designed to build an educated and skilled workforce and maximise opportunities for everyone to experience the benefits of work. The 23 measures scheduled for implementation during 2011–12 were delivered successfully. Highlights include:

- the commencement of the Helping Young Parents program (Teenage Parents Trial), which will support around 4000 young parents over 3.5 years across 10 identified locations of disadvantage
- the extension of the Priority Employment Area strategy, including Local Employment Coordinators and Jobs and Skills Expos, through to June 2013
- the roll-out of initiatives to increase the workforce participation of disadvantaged people, including 20 Job Services Australia demonstration pilots to test enhancements to current service delivery arrangements and Wage Connect, a new wage subsidy to encourage employers to take on very long-term unemployed people.

Outcome 3 priorities for 2011–12

Provide program management and support of employment services to ensure the efficient and effective delivery of employment assistance and skills development for job seekers.

Effectively administer working age payments for unemployed Australians and parents.

Develop and implement place-based and cohort-based strategies to maximise workforce participation, especially for young people, mature-aged people, very long-term unemployed people, people with disability, young families, Aboriginal and Torres Strait Islander people and homeless job seekers.

Provide policy advice, data and analysis to the Government on the labour market, income support and employment services.

Build on our evidence base for employment services design and delivery.

Manage the national Disability Employment Services—Employment Support Services tender.

Review employment services arrangements in remote areas of Australia.

Review the Indigenous Employment Program panels.

Respond to the employment impact of natural disasters on communities and individuals.

Outcome 3 achievements for 2011–12

Job Services Australia reached 1.2 million job placements since its inception on 1 July 2009. More than 500,000 13-week outcomes have been achieved.

Employment outcome rates continued to improve. The overall employment outcome rate for Job Services Australia increased from 47.7 per cent for 2010–11 to 48.8 per cent for 2011–12. Encouragingly, the rate for the most disadvantaged job seekers also increased.

Disability Employment Services continued to deliver sustainable employment outcomes for people with disability. More than 61,000 people were placed into employment during the period 1 July 2011 to 30 June 2012, an increase of 22 per cent on the previous year.

The Indigenous Employment Program recorded a total of 35,591 commencements into employment, training and other assistance (a 25.5 per cent increase on the target of 28,350).

A comprehensive review of remote participation and employment servicing arrangements culminated in the announcement in April 2012 of the new Remote Jobs and Communities Program. It represents an investment of \$1.5 billion over five years and will start on 1 July 2013. The new program will provide more integrated and flexible services for people in remote Australia currently being assisted by Job Services Australia, Disability Employment Services, Indigenous Employment Program and Community Development Employment Projects.

In October 2011, after extensive public consultation, the Australian Government launched the *Indigenous Economic Development Strategy 2011–2018*. The strategy aims to increase the personal and economic wellbeing of Aboriginal and Torres Strait Islander Australians through greater participation in the economy. It will be implemented through 145 actions identified to 2013 that support Aboriginal and Torres Strait Islander economic development activities. The actions contained in the strategy will be updated every three years, as the strategy drives the development of new policies and initiatives to support Aboriginal and Torres Strait Islander economic development.

On 1 April 2012 the Prime Minister signed a memorandum of understanding with Woolworths, one of Australia's largest employers. The memorandum provides Woolworths with improved access to jobs, skills and training services to assist in filling 10,000 new positions with a diverse range of jobseekers, including those from disadvantaged backgrounds.

Wage Connect, a new wage subsidy designed to help long-term unemployed people access sustainable, ongoing employment, commenced on 1 January 2012. By the end of June 2012 more than 8000 job seekers had taken part in the initiative.

Legislation was passed and implementation arrangements made to extend Youth Allowance and earn or learn provisions to 21-year-old job seekers from 1 July 2012.

From 1 October 2011, the Approved Program of Work Supplement of \$20.80 per fortnight was extended to eligible income support recipients participating in Community Development Employment Projects.

Mature-age workers have been given a boost as part of the Government's response to the report and recommendations of the Advisory Panel on the Economic Potential of Senior Australians and the work of the consultative forum. The new initiatives include a \$1000 mature-age Jobs Bonus and intensive job preparation and support delivered through the Mature Age Participation—Job Seeker Assistance program.

More than 5000 one-on-one career advice sessions, including résumé appraisals, were provided to mature-age people through the Experience+ Career Advice service. The service seeks to assist mature-age workers to change careers or become more confident about their job prospects.

Redundant workers from eligible companies in the forestry industry in Tasmania, the live cattle export industry, the automotive manufacturing industry and the textile, clothing and footwear manufacturing industry, and from companies affected by restructuring at BlueScope Steel in Port Kembla and Hastings, were provided with immediate access to intensive employment support through Job Services Australia. The employment support for workers made redundant from the automotive manufacturing industry was extended for four years until 30 June 2017.

The \$83 million Queensland Natural Disasters Jobs and Skills Package was successfully implemented. Thousands of job seekers participated in work experience and training projects and apprentice employment initiatives, and many communities benefited from rebuilding and regeneration activities.

The Resources Sector Jobs Board was launched on 10 June 2012 to help Australians find work in the mining and resources industry.

The department managed the OECD's review of activation policies in Australia, due for release in late 2012. The review's findings will help support policy development and program delivery in the areas of labour market policies, income support and welfare reform.

Pacific island countries and East Timor took part in the Pacific Seasonal Worker Pilot Scheme.

A business allocation and tender process was held for the Job Services Australia contracts for 2012–2015. Providers across Australia will continue to deliver the right mix of training, work experience and other interventions to help support job seekers, particularly the disadvantaged, to obtain suitable employment.

An open tender of non-remote Disability Employment Services—Employment Support Service deeds for 2013–2018 began on 31 May 2012. This is the first time that tendering has been opened to new providers or existing providers seeking additional business.

The Indigenous Youth Careers Pathways Program commenced in February 2012 under transitional arrangements. The program assists in increasing the number of Aboriginal and Torres Strait Islander young people transitioning effectively from secondary school into employment or further education following successful completion of Year 12.

Fifteen Jobs and Skills Expos were held across Australia, attracting around 1100 exhibitors and connecting more than 5500 job seekers with job and training opportunities.

Program 3.1 Employment services

The employment services objectives are:

- investing in the skills unemployed Australians need for the future to help them find and retain employment
- ensuring that government assistance supports workforce participation and economic and social inclusion.

Job Services Australia

Job Services Australia provides job seekers with tailored services to equip them with the skills and attributes to meet employers' needs and emerging skills or labour shortages.

During 2011–12, the Department developed a number of strategies to build on the Job Services Australia service model and procurement arrangements and lift performance as current contracts cease on 30 June 2012. These measures were subsequently included in the 2012–13 Budget.

Specific measures to support young people, very long-term unemployed people and highly disadvantaged job seekers include:

- a subsidy for six months (around \$5700 in the first year indexed to around \$6000 in later years) for employers to take on and retain eligible people who have been unemployed for more than two years without recent work experience (this subsidy will also be available to participants in Disability Employment Services)
- a requirement, from 1 July 2012, for Stream 1 job seekers to participate in Department of Human Services—Centrelink workshops to help improve their service experience and increase the speed at which they find employment. These group workshops are designed to provide targeted services for job-ready job seekers and assist in activating and motivating them
- increased obligations for very long-term unemployed job seekers, which requires them to participate in work experience activities for 11 months each year to build their skills and experience. Job Services Australia providers will

receive a one-off \$1000 Employment Pathway Fund credit for each job seeker to assist with providing tailored activities

- transition support for early school leavers (aged 15 to 22 years), which provides an additional \$500 credit to the Employment Pathway Fund so that providers can help young people successfully transition to further study, training and ultimately employment through tailored placements that address participants' skills deficits
- assistance to Parenting Payment recipients by supporting eligible unemployed parents to access professional career counselling to build their motivation and confidence.

In 2011–12 almost \$1.5 billion was invested in Australian job seekers. Job Services Australia performed strongly during the year: 61.9 per cent of job seekers were working or studying following receipt of assistance.

Job Services Australia is focused on a range of priority groups and currently assists nearly 91,000 Aboriginal and Torres Strait Islander people, who make up more than 12 per cent of the 749,000 job seekers in the program. Employment outcome rates for Aboriginal and Torres Strait Islander people continue to be in line with the previous year, with 34.3 per cent of job seekers in employment following a period of assistance.

Employment outcomes for other priority groups increased on the previous year. Culturally and linguistically diverse job seekers maintained strong outcomes, increasing from 40.8 per cent to 43.6 per cent, and outcomes for people with disability increased from 33.4 per cent to 37.4 per cent.

Innovation Fund

The Innovation Fund, a component of Job Services Australia, was a competitive grants program designed to address the needs of the most disadvantaged job seekers. The program commenced on 1 July 2009 and concluded on

30 June 2012. The program provided funding for projects that fostered innovative solutions to overcome barriers to employment.

Several projects were approved for funding during 2011–12:

- three disability-specific projects for approximately \$0.4 million
- two projects that specifically targeted Aboriginal and Torres Strait Islander job seekers, for approximately \$0.4 million
- two projects that provided assistance to disadvantaged youth, for approximately \$0.3 million.

These projects assisted more than 200 disadvantaged job seekers to access jobs, work experience placements, training placements and mentoring opportunities.

Over its three years of operation, the Innovation Fund supported 83 projects across Australia and assisted more than 12,000 participants by creating over 3400 jobs, 6200 training opportunities, 1800 work experience placements and 5600 mentoring opportunities.

Employer Broker Program

The Employer Broker Program was a component of Job Services Australia. The objective of the program was to ensure that employment services focused on matching the needs of job seekers with the labour requirements of employers.

Through two open calls for proposals, direct approaches to panel members and proposals received out of round, 30 projects with a total value of approximately \$4.5 million were approved for funding. These projects ended on 30 June 2012. Collectively, they assisted approximately 2300 participants and created more than 1940 jobs.

New Enterprise Incentive Scheme

The New Enterprise Incentive Scheme helps eligible job seekers who are interested in starting and running small businesses. The scheme provides accredited small business training, business advice and mentoring for eligible job

Simon's story

Simon was an alcoholic whose local Job Services Australia provider trainer noticed he was very drowsy during his induction and had a private word with him during a break. Simon admitted he was an alcoholic and had been drinking as he was extremely nervous about being involved in a 13-week work placement program.

The trainer introduced him to his employment consultants and encouraged him to return the next day for resumé and job search training.

Simon said he decided to come back because he thought the staff were kind and friendly but he never thought that he would ever get back into work. 'I went to the class and the trainer said "Why can't it be you that gets a job?" Those words struck me and I began to wish it would be me.'

'During the break I told the trainer I wanted to be a butcher more than anything and I wanted my life back.'

'She made me a new CV and showed me how to job search. I was too shy to call butchers so she called them for me and got me an interview at a local butcher.'

'The interview went well but I had to complete the application form where my criminal record had to be disclosed. I put into use the tips I'd learnt the day before about overcoming difficult situations and they worked. I got the job. I am still sober, still working and finally off income support payments. I did not believe I would get a job out of my provider's course. I also did not believe I would get sober.'

seekers, as well as ongoing income support, for up to 52 weeks. Training is either a Certificate III in Micro-business Operations or a Certificate IV in Small Business Management. The scheme will help up to 18,900 job seekers over the three years of the deed, through a network of 46 providers. There were 6436 business start-ups in 2011–12, and 18,264 for the three-year deed period.

Harvest Labour Services

DEEWR administers two seasonal worker programs. The Harvest Labour Service has 11 providers operating from 33 sites, sourcing out-of-area workers for harvest districts where the local labour pool is insufficient to meet growers' needs. During 2011–12, the service filled more than 26,225 harvest labour positions in 19 harvest areas Australia-wide.

The National Harvest Labour Information Service coordinates harvest-related information nationally. The service publishes the *Harvest guide*, coordinates the Harvest Trail website (www.harvesttrail.gov.au) and provides a free telephone information service.

Job Services Australia Demonstration Pilots

The Job Services Australia Demonstration Pilots Program is a \$4.7 million investment to improve service delivery for the most disadvantaged job seekers. It is a grant-based program that forms part of the Building Australia's Future Workforce package. The aim of the program is to increase the employment, education and social participation of highly disadvantaged job seekers. Funding of up to \$200,000 (GST exclusive) is being provided to eligible providers to demonstrate potential enhancements to Stream 4 service delivery, including wrap-around servicing and joint case management with complementary service providers (health care, drug and alcohol counselling, and mental health services). The lessons learned from the pilots will provide valuable evidence for policy development, particularly for employment services contracts from 2015.

Wage Connect

Wage Connect is a new wage subsidy targeted at supporting the very long-term unemployed gain secure, full-time sustainable employment and make the move to greater financial independence. It was announced as part of the Building Australia's Future Workforce package and commenced on 1 January 2012. The subsidy assists employers to support job seekers in the early stages of their employment and encourage employers to offer positions to very long-term unemployed job seekers. Wage Connect has a budget of \$94.6 million over four years with 35,000 places available (5000 places from 1 January to 30 June 2012, and then 10,000 places per year until 30 June 2015).

Jobs Fund

The Jobs Fund initiative supported skills development and created jobs by funding projects that built and supported community and social infrastructure. The fund was part of the Government's Jobs and Training Compact and was established to support families and communities most affected by the global financial crisis.

Under the Get Communities Working and Local Jobs streams of the Jobs Fund, the Government allocated \$171 million for 225 projects throughout Australia. The funding was provided as one-off discretionary grants of up to \$2 million.

Jobs Fund projects included support for social enterprises to provide training and employment opportunities to people from disadvantaged backgrounds, initiatives that focused on repairing and improving community facilities, and projects with environmental benefits that also provided for green skills in the future.

The program exceeded its original targets. More than 10,500 jobs (7801 expected), more than 2890 traineeships and apprenticeships (2272 expected) and approximately 5600 work experience opportunities (4817 expected) were created or retained. Many of the projects were in regions experiencing high levels of disadvantage and job losses. The program ended on 30 June 2012.

Productive Ageing Package

The Productive Ageing Package (\$43 million over four years from 2010–11) aims to help mature-age Australians stay in the workforce and share their wealth of skills and experience with younger generations. The package, promoted as Experience+, began on 1 July 2010. It included free professional career planning sessions and a résumé appraisal service for Australians aged 45 years and over; Experience+ training grants of \$4950 to support, mentor and skill workers aged 50 years and over; tailored job transition support for workers aged 50 years and over to move to less physically demanding roles; and on-the-job support to help workers with a health condition keep their job.

In the 2012–13 Budget the Government, responding to the findings of the Advisory Panel on the Economic Potential of Senior Australians, announced changes to some measures under the Productive Ageing Package. From 1 July 2012, Experience+ training, on-the-job support and job transition support will be closed to new applicants. Training previously provided through these programs will instead be available through the Investing in Experience (Skills Recognition and Training) Program, which will provide \$4400 for a skills assessment and training for any mature-age (50+) worker. Closing these programs reduces duplication and allows funding to be retargeted towards measures to support mature-age job seekers. The Experience+ Career Advice service was extended for an additional two years until 30 June 2016.

In 2011–12 the Government piloted an initiative to promote age-friendly work practices under the Experience+ banner, which included the Corporate Champions project. Corporate Champions are employers who make a public commitment to move towards better practice in employing mature-age people. The 2012–13 Budget expanded and extended the Corporate Champions program.

Pacific Seasonal Worker Pilot Scheme

Pacific island countries and East Timor participated in the Pacific Seasonal Worker Pilot Scheme in 2011–12. Under the pilot, Australian employers who demonstrate that they have unmet demand for seasonal labour can recruit seasonal workers from participating countries to work in horticulture. The pilot included strict conditions to ensure compliance with wages and conditions and that there was no exploitation of participating workers. In September 2011, the pilot was expanded to give accommodation providers in Broome, Western Australia, the opportunity to trial seasonal labour mobility arrangements with seasonal workers from East Timor.

Evaluations of the pilot show that, after working in Australia, participating workers returned home with \$5000 on average, to the benefit of their families and communities. Seasonal workers were also shown to be highly productive and reliable workers who helped to alleviate seasonal labour shortages in the horticulture industry.

The pilot concluded on 30 June 2012. From 1 July 2012 it will be replaced by the Seasonal Worker Program, which will continue to focus on the horticulture industry. The Government will also conduct a small-scale, three-year trial of seasonal labour mobility arrangements in the accommodation, aquaculture, cane and cotton sectors.

Program performance

Job Services Australia has achieved more than 1.2 million job placements since its commencement in 2009–10. For 2011–12, targets for all key performance and effectiveness indicators were met or exceeded, with the exception of the total number of job placements and the off benefit indicators for Stream 3 job seekers.

Employment outcomes for Stream 4 job seekers were considerably higher than the targets, and costs per employment outcome were significantly lower than the targets.

Key performance indicator

Table 24 Key performance indicators for program 3.1

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Job Services Australia		
Total job placements achieved	450,000	421,859

Effectiveness indicators

The effectiveness of employment services is measured by monitoring the proportion of job seekers in employment, education and training and off benefit following assistance by the service and, conversely, the proportion of job seekers found to be failing to comply with their participation obligations without good reason.

A further measure of effectiveness is provided through broader indicators as follows:

- 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
 - very long-term unemployed
 - Aboriginal and Torres Strait Islander Australians
 - mature-age people
 - people from culturally and linguistically diverse backgrounds
 - sole parents
 - people with disability
 - young people.
- proportion of population of workforce age on working-age income support payments:
 - with earnings from paid work
 - without earnings from paid work.

Table 25 Effectiveness indicators for program 3.1

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Job Services Australia^a		
Cost per employment outcome for Employment Services delivered by Job Services Australia		
Streams 1–3	\$4,000	\$2,136
Stream 4	\$12,000	\$7,029
Proportion of job seekers in employment three months following participation in employment services		
Stream 1	55%	61.3%
Stream 2	45%	53.0%
Stream 3	30%	38.1%
Stream 4	18%	30.7%
Proportion of job seekers in education or training three months following participation in employment services		
Stream 1	15%	20.5%
Stream 2	15%	21.7%
Stream 3	15%	21.5%
Stream 4	15%	18.4%
Proportion of job seekers off benefit three months following participation in employment services		
Stream 1	55%	58.8%
Stream 2	45%	48.0%
Stream 3	35%	30.3%
Stream 4	25%	32.7%
Proportion of job seekers off benefit 12 months following participation in employment services		
Stream 1	65%	69.0%
Stream 2	55%	59.6%
Stream 3	40%	39.4%
Stream 4	30%	41.8%

a Cost per employment outcome for employment services delivered by Job Services Australia is calculated as the cost of job seekers assisted divided by the number of job seekers employed (as measured through the department’s Post-Program Monitoring Survey) in the reporting period.

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 workforce-age population that is either employed or looking for work. It is used to determine whether an increasing proportion of the population is working or looking for work 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, such as discouraged job seekers. The employment-to-population ratio is the proportion of the workforce-age population that is employed. This ratio is influenced by both labour demand and effective labour supply factors. It is also a good summary indicator for measuring labour market performance relative to comparative countries, particularly those in the OECD.

Although economic growth has recently been strong in Australia, labour market conditions weakened slightly in 2011–12. Contributing factors included the ongoing global uncertainty, a high Australian dollar, continued consumer caution and shifting patterns of demand. The trend employment-to-population ratio for people aged 15 to 64 years decreased by 0.3 percentage points over the year to June 2012

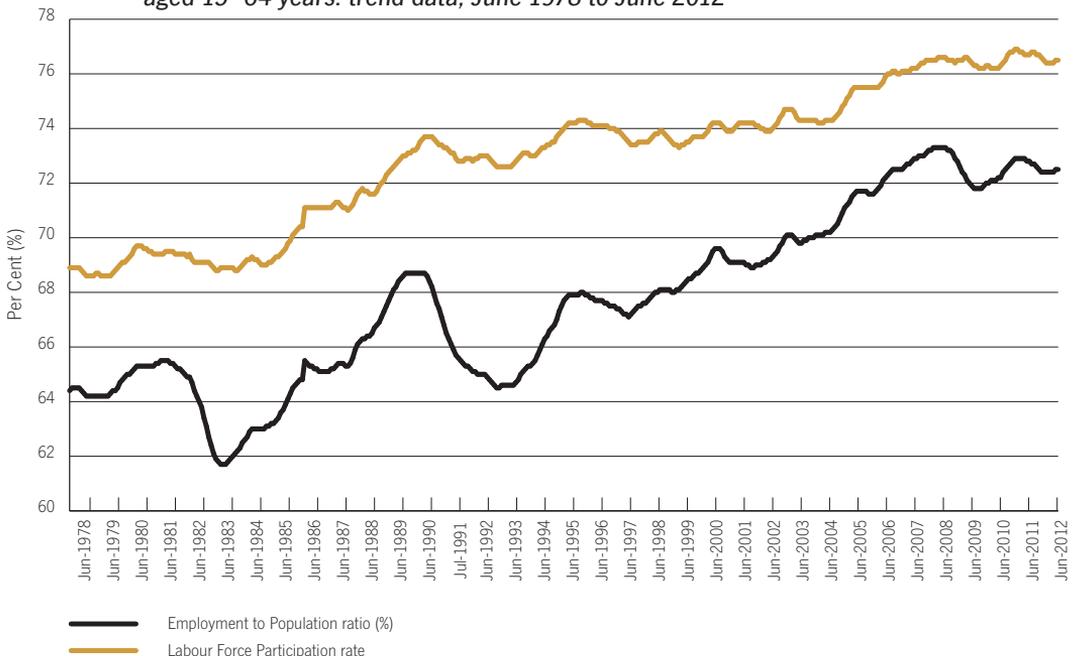
to 72.5 per cent. Australia's trend workforce-age participation rate decreased by 0.2 percentage points over the same period, and was 76.5 per cent in June 2012.

Proportion of the civilian population aged 15–64 years on workforce-age income support payments

Workforce-age income support payment types, both full- and part-rate include:

- Newstart Allowance
- Youth Allowance
- Parenting Payment
 - Single
 - Partnered
- Disability Support Pension
- Sickness Allowance
- Widow Allowance
- Partner Allowance
- other payments—the Age Pension, Carer Payment, Special Benefit, Austudy, ABSTUDY living allowance, Widow B Pension, Wife Pension (Age and Disability Support Pension), Bereavement Allowance and Sickness Allowance.

Chart 3 Labour force participation rate and employment-to-population ratio: people aged 15–64 years: trend data, June 1978 to June 2012



Source: Australian Bureau of Statistics 2012, *Labour force, Australia, June 2012*, ABS cat. no. 6202.0, Table 18.

Table 26 *Percentage of the workforce-age population on income support payments, with earnings and without earnings (from paid work)*

<i>Performance indicator</i>	<i>June 2011</i>	<i>June 2012</i>	<i>Percentage point change</i>
With earnings	3.0	2.8	-0.2
Without earnings	13.6	13.2	-0.4
Total	16.6	16.1	-0.5

Note: Numbers do not always add to totals because of rounding.

Source: DEEWR extract of Department of Human Services administrative data.

The proportion of civilians aged 15 to 64 years on workforce-age income support payments reduced by half a percentage point between June 2011 and June 2012. The rate dropped for both those with earnings and those without earnings from paid work. The main contributor to this result was a decrease of more than 50,000 in the number receiving Youth Allowance (student). This was influenced by measures under the Building Australia's Future Workforce package to improve the adequacy of Family Tax Benefit Part A for dependent 16- to 19-year-olds in full-time secondary school and to cease new entries to Youth Allowance for this group after 1 January 2012.

Economic conditions

While global economic growth is uneven, Australia's economic growth is robust and the unemployment rate is lower than in every country in the Group of Seven major economies except Japan. In seasonally adjusted terms, economic growth in Australia was 3.7 per cent between the June quarter 2011 and the June quarter 2012 (latest available data), compared with the lower growth rate of 2.0 per cent recorded over the same period in the previous year. Resource-rich states took the lead (as measured by real state final demand and net international exports), with the Northern Territory and Western Australia recording growth rates of 32.0 per cent and 13.3 per cent respectively. In contrast, real state final demand and net international exports decreased by 2.4 per cent in Tasmania over the same period.

Labour market conditions

Against the backdrop of ongoing global uncertainty, a high Australian dollar, continued consumer caution and shifting patterns of demand, labour market conditions weakened in Australia in the first half of 2011–12, compared to the strong growth experienced in the previous financial year. Between June 2011 and December 2011, employment fell by 38,800, an annualised rate of decline of 0.7 per cent. Since then, however, the Australian labour market has displayed remarkable resilience, despite continued global financial market volatility and ongoing concerns about European sovereign debt. Employment increased by 86,300, or an annualised rate of 1.5 per cent, between December 2011 and June 2012.

While the recent strengthening in economic activity in Australia was sufficient to drive an overall improvement in labour market conditions in 2011–12 (employment increased by 47,500 or 0.4 per cent to stand at 11,500,500), the pace of employment growth was much stronger in the previous financial year (2.0 per cent). Moreover, the increase in employment in 2011–12 was due entirely to a rise in part-time employment (up by 61,200 or 1.8 per cent to 3,435,000), while full-time employment declined by 13,700 (or 0.2 per cent).

It is worth noting, however, that movements in aggregate labour market conditions can often mask significant sectoral differences. Indeed, some Australian industries have been performing strongly, while others have continued to struggle, reflecting the multi-speed nature of the economy and labour market. For instance, significant jobs growth

was recorded over the year to May 2012 (latest available industry data) in health care and social assistance (up by 54,100), mining (up by 53,400), professional, scientific and technical services (up by 47,300), education and training (up by 31,100) and agriculture, forestry and fishing (up by 23,400). On the other hand, some sectors recorded large declines in employment, including construction (down by 46,800), transport, postal and warehousing (down by 41,000), accommodation and food services (down by 36,400), retail trade (down by 32,300) and manufacturing (down by 9600).

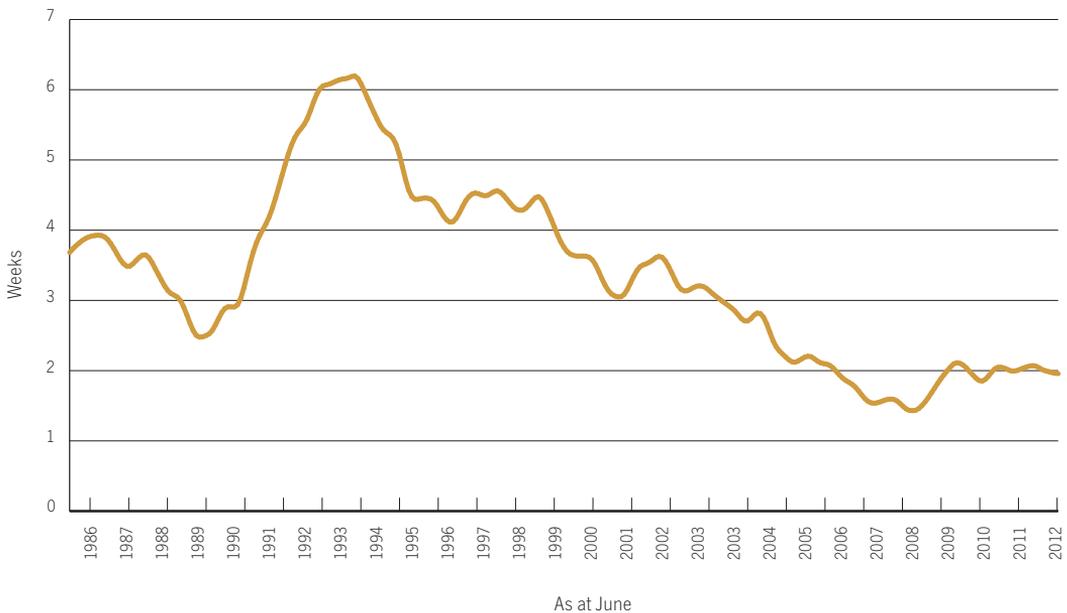
The unemployment rate rose by 0.3 percentage points in 2011–12, to stand at 5.2 per cent in June 2012. This compares favourably with the much higher rates of unemployment recorded in other advanced economies, such as the United States (8.2 per cent) and the euro zone (11.1 per cent). The level of unemployment in Australia also increased over the period, by 35,000 (or 5.9 per cent) to stand at 631,300 in June 2012.

Long-term unemployment rose slightly in 2011–12, by 600 (or 0.5 per cent) to 116,000 in June 2012. It is worth noting, however, that long-term unemployment is a lagging indicator, so it can generally take some time after a recovery period, following on from a downturn, for significant and sustainable inroads to be made into the level of long-term unemployment.

The Australian labour market is likely to remain reasonably soft in the near-term, and will continue to reflect the patchwork nature of the Australian economy, with strong investment in the resources sector being partially offset by slower growth in parts of the non-mining economy.

Changes in the average duration of unemployment per labour force member indicate the ability of unemployed people to find work. Chart 4 provides a time series for this measure in trend terms for the last 26 years. In the 12 months to June 2012 the average duration of unemployment per labour force member dropped by 3.0 per cent to just under two weeks.

Chart 4 *Average duration of unemployment per labour force member, June 1986 to June 2012*



Source: Based on data from SuperTABLE Data Cube UM1 and Spreadsheet Table 01 in Australian Bureau of Statistics 2012, Labour force, Australia, detailed—electronic delivery, June 2012, ABS cat. no. 6291.0.55.001. These statistics were seasonally adjusted and trended in DEEWR.

In comparison, the average duration on full-rate unemployment allowance decreased by 4.7 per cent over the year to June 2012 (see Table 27). The average duration on full-rate unemployment allowance fell for all disadvantaged

groups shown in the table, except for sole parents, for whom it increased by 3.1 per cent. The largest percentage fall was for Aboriginal and Torres Strait Islander Australians.

Table 27 Average duration on full-rate unemployment allowance, by disadvantaged group, June 2006 to June 2012 (weeks)

<i>Performance indicator</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2011–12 % change</i>	<i>Trend</i>
Long-term unemployed ^a	161.7	162.0	163.4	148.9	133.0	132.3	127.9	–3.3	Decrease
Very long-term unemployed ^b	237.1	233.9	234.5	226.1	216.3	205.8	204.1	–0.8	Decrease
Aboriginal and Torres Strait Islander Australians ^c	47.6	44.4	42.2	44.6	46.0	40.1	34.5	–13.9	Decrease
Mature-age people	56.5	51.4	48.5	43.4	41.5	36.0	35.7	–1.0	Decrease
People from culturally and linguistically diverse backgrounds ^d	40.6	37.7	35.6	33.4	32.8	30.4	30.3	–0.6	Decrease
Sole parents	49.1	23.3	18.7	20.2	19.0	19.2	19.8	+3.1	Increase
People with disability	67.4	65.1	61.9	57.1	51.2	44.1	41.3	–6.3	Decrease
Young people ^e	14.1	14.0	12.7	15.6	18.7	19.6	19.1	–2.3	Decrease
Total	39.4	37.0	35.3	33.7	34.3	31.0	29.5	–4.7	Decrease

a Those who have been on full-rate unemployment allowance for two years or longer.

b Those who have been on full-rate unemployment allowance for one year or longer.

c Aged 45 years or older.

d Other than people from main English-speaking countries.

e Aged 15 to 20 years.

Note: The table shows the average duration on full-rate Newstart Allowance or Youth Allowance (other) at the end of June each year.

Source: DEEWR administrative data.

The Coles First Step program

National retailer Coles Supermarkets has delivered a range of successful employment opportunities for more than 180 Aboriginal and Torres Strait Islander Australians nationally.

The Coles First Step training and employment program was developed specifically for Coles and is delivered through the Indigenous Employment Program across Australia in locations such as Darwin, Mandurah, Sydney, Batemans Bay, Surfers Paradise, Canberra and Gosford.

The training prepares participants for work in the retail industry. The three-week training program includes an introduction to the Coles brand, classroom sessions with Coles store managers and team leaders, and store visits and work experience where participants hone their newly acquired skills. Once the pre-employment training is completed, participants are offered permanent part-time employment with Coles.

Each new employee works with a mentor during their initial training and throughout the first six months of their employment. The mentoring component is designed to maximise participants' chances of remaining in long-term employment. The average retention rate is 88.8 per cent at the 13-week milestone.

As at 30 June 2012 Coles, through its national Indigenous Employment Program contract, has recruited more than 100 Aboriginal and Torres Strait Islander employees across New South Wales, Western Australia, South Australia, Northern Territory and Queensland. Coles has also appointed Indigenous employment coordinators in Western Australia, South Australia, Northern Territory and Queensland to support the recruitment strategy. The New South Wales coordinator was appointed during the pilot Coles program delivered in 2011.

Coles provides cross-cultural awareness training to its executive, store managers, team leaders and section heads to ensure the workplace is understanding of the culture of their expanding workforce. This program is a good example of a collaborative partnership that builds the internal capacity of corporate organisations to establish a sustainable recruitment model for the future.

Support for individuals and communities affected by natural disasters

The Queensland Natural Disasters Jobs and Skills Package comprised a range of initiatives to mitigate skills and job losses, support the retention of workers in affected communities, and address emerging skills shortages stemming from the Queensland floods and Cyclone Yasi. The package was announced on 6 March 2011, and the majority of measures ended on 30 June 2012.

The Government allocated \$38.53 million to the package and as at the end of May 2012 more than \$35 million had been committed.

The Flexible Funding Pool for Natural Disaster Recovery Projects provided practical training, work experience and innovative employment projects for job seekers in disaster-affected communities across Queensland. Communities across Queensland benefited from the rebuilding and restoration of valuable community infrastructure, including sporting clubs, community halls and parks, damaged during the floods and Cyclone Yasi. Seventy-two projects worth over \$10 million were contracted, providing over 970 places on Community Rebuilding Projects and Local Jobs Expos for a total of 10,000 people.

The Cyclone Yasi Wage Assistance measure was announced and commenced on 16 February 2011. It provided up to 26 weeks of wage assistance to eligible employers, including businesses, farmers and not-for-profit organisations, affected by Cyclone Yasi. The measure was demand driven and ceased on 26 January 2012. Payments totalled \$24.6 million and assisted 615 employers and approximately 4700 employees.

Program 3.2 Indigenous employment

The objective of the Indigenous Employment Program is to increase Aboriginal and Torres Strait Islander people's employment outcomes and participation in economic activities. It is a key government program focused on closing the employment gap between Aboriginal and Torres Strait Islander people and other Australians. It offers tailored solutions to assist employers to recruit, train and provide sustainable employment for Aboriginal and Torres Strait Islander people. It also supports Aboriginal and Torres Strait Islander people to pursue self-employment and business development opportunities.

The program continues to deliver strong employment outcomes across the public and private sectors in a range of industries, including retail, mining, transport and financial services.

During 2011–12, the department extended the standing deeds of offer of current panel members and admitted 272 new organisations to the program's two panels through a request for tender. As a result of this process, around 660 organisations are available to provide services to eligible Aboriginal and Torres Strait Islander job seekers, employers and communities from 1 July 2012 through to 30 June 2015.

The Employment Panel equips employers with the skills, knowledge and expertise they need to provide sustainable employment opportunities for Aboriginal and Torres Strait Islander Australians. The panel also prepares Aboriginal and Torres Strait Islander Australians to take up employment opportunities, stay in jobs and enhance their future employment prospects.

The Economic Development and Business Support Panel helps enterprises along the entire business pathway by providing services and strategies that build economic and business development opportunities for Aboriginal and Torres Strait Islander Australians.

The Indigenous Youth Careers Pathways Program commenced in February 2012 under transitional arrangements. The program provides \$50.7 million over four years to 2014–15 to assist in

increasing the number of Aboriginal and Torres Strait Islander young people transitioning from secondary school into employment or further education following successful completion of Year 12. A Request for Tender for the delivery of Indigenous Youth Career Pathway services from 2013 was released in June 2012. The RFT was developed following consideration of submissions received in response to a discussion paper which was released in March 2012.

The program focuses primarily on supporting school-based traineeships for Aboriginal and Torres Strait Islander students in Years 11 and 12, aspiration-building activities for other Aboriginal and Torres Strait Islander secondary students and support for employers who employ the trainees. As at 30 June 2012, 818 Aboriginal and Torres Strait Islander students had commenced a school-based traineeship supported by a network of 31 providers.

The Australian Indigenous Minority Supplier Council links Aboriginal and Torres Strait Islander businesses into the supply chains of corporate organisations and government agencies. At 30 June 2012 the council had certified 133 Aboriginal and Torres Strait Islander suppliers and attracted 164 corporate and government members. During 2011–12 it generated almost \$7 million in contracts and more than \$21.7 million in transactions between its members and suppliers. Due to the initiative's success the Government is entering into a new three-year agreement to support the ongoing work of the council.

Program performance

In 2011–12, the Indigenous Employment Program delivered a total of 35,591 commencements into employment, training and other assistance (a 25.5 per cent increase on the target of 28,350). Of this total, 16,879 were commencements into employment (an 8.2 per cent increase on the target of 15,600). Total commencements increased by 4138 (11.6 per cent) and employment commencements increased by 2471 (14.6 per cent) compared to 2010–11.

Post-assistance outcomes for program participants were strong; outcomes for retention in employment, education and training after three months exceeded the target.

Table 28 Key performance indicators for program 3.2

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Number of total commencements in Indigenous employment programs (includes commencements in employment, training and other assistance)	28,350	35,591
Number of employment commencements in Indigenous employment programs	15,600	16,879

Table 29 Effectiveness indicators for program 3.2

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Proportion of job seekers in employment and/or education/training (positive outcomes) three months following participation in Indigenous employment programs	65%	75.9%



DEEWR People

DEEWR graduates from across the country gathered in National Office for their orientation, February 2012.

Program 3.3 Disability employment services

The objective of Disability Employment Services is to help individuals with injury, disability or health condition to secure and maintain sustainable employment. The program operates under the terms of the *Disability Services Act 1986*.

Individualised services are delivered through two distinct programs—the Employment Support Service and the Disability Management Service. The Employment Support Service is designed to assist job seekers with permanent disability who require regular and ongoing support to keep a job. The Disability Management Service is a specialised service for job seekers with disability, injury or health condition who are not expected to need long-term support in the workplace but might need periodic, flexible support to keep a job.

The services focus on the needs of job seekers, with an emphasis on employment, skills development, education and training. Service providers assess the impact that a participant's injury, disability or health condition has on their ability to find and retain a job, and provide individually tailored assistance so that they can gain and sustain employment. Where required, Disability Employment Services offer ongoing support in the workplace to help participants retain their employment.

The department recognises the importance of engaging with employers to better align their requirements and expectations with the services of Disability Employment Services providers. The Australian Chamber of Commerce and Industry and the Minister for Employment and Workplace Relations, the Hon Bill Shorten MP, launched *Employ outside the box—The business case for employing people with disability* on 22 June 2012. The publication is aimed at marketing the business benefits of recruiting people with disability to the organisation's membership of 350,000 businesses.

Employer incentives

The Disability Employment Services model is supported by the Employer Incentives Scheme, which is a suite of programs that aim

to create employment opportunities for people with disability by supporting employers.

The scheme consists of the following programs and services:

- Supported Wage System—provides productivity wage assessments for people whose work productivity is reduced as a result of disability.
- Wage Subsidy Scheme—provides a financial incentive to employers to encourage them to employ people with disability who are registered with a Disability Employment Services provider.
- Employment Assistance Fund—provides financial assistance to help employers cover the costs of accommodating employees with disability at work. It provides funding for workplace modifications, assistive technology, disability awareness training and Auslan interpreting for job interviews and work-related activities. The fund also provides free workplace assessments to identify ways to increase access and productivity.
- National Disability Recruitment Coordinator—provides services to large employers to help them implement disability employment strategies, improve their knowledge and use of relevant programs, and raise their awareness of working with people with disability.
- JobAccess—provides a comprehensive, easy-to-use website and a telephone service where people can get expert advice on disability-related employment matters. The website has step-by-step guides on recruitment, job searching, adjusting a workplace, understanding rights and responsibilities at work, and other topics.
- Jobs in Jeopardy—provides Disability Employment Services provider assistance to people likely to lose their employment in the immediate future as a result of their injury, disability or health condition.

Bryan's story

For Rob and Karen, the owners of Stihl Shop Kingston, a thriving small-machine shop in Tasmania, employing disability support pensioner Bryan had nothing to do with compassion and everything to do with good business sense. The 59-year-old Tasmanian was clearly an exceptional mechanic; the fact that he hadn't worked for two years, and had a heart condition and a weak back, did not change that overriding reality. 'The day we employed Bryan was the luckiest day of our lives,' says Karen.

As a mature-age job seeker with disability, Bryan was finding it difficult to get a job despite his high-level skills and experience in mechanics. After commencing in Disability Employment Services with Advanced Personnel Management in Tasmania, Bryan was able to secure the job with Stihl.

Advanced Personnel Management worked closely with both Bryan and his employer to ensure a successful job placement and smooth transition into the role. Through the Government's Wage Subsidy Scheme and Employment Assistance Fund, Rob and Karen received financial assistance to help pay for Bryan's wages and purchase a lifting machine for the workshop to assist him in his work. With the support and assistance provided through Disability Employment Services, Bryan has been able to secure and maintain employment and is a highly valued member of the Stihl team.

Karen puts much of the success of the business down to Bryan, who joined the company for three days a week in November, and was working full-time by Christmas. 'It's just been fantastic,' says Karen, 'Bryan's taken over the servicing of the lawnmowers and ride-ons, giving Rob more time to focus on the generators and to deal directly with our customers. We've become so busy, we've had to take on a third mechanic, and Bryan's now helping to train him. Bryan is worth his weight in gold!'

Program performance

There was little change in the number of commencements for the Disability Employment Services program compared to the previous financial year. However, job placements and sustained employment outcomes both increased significantly compared to the previous financial year.

Demand for Wage Subsidies Scheme assistance was strong, reflecting the increased flow of people into the program and increased job placements. The number of Employment Assistance Fund applications and Supported Wage System assessments was in line with expectations. The National Disability Recruitment Coordinator service placed 923 unemployed people with disability into jobs.

The proportions of job seekers who were in employment three months following participation in the Disability Management Service and the Employment Support Service were above the estimates at around 41 per cent and 36 per cent respectively. This represents an increase of 20 per cent for the Disability Management Service and 30 per cent increase for the Employment Support Service, compared to the previous financial year.

Table 30 *Key performance indicators for program 3.3*

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Employment assistance and other services—Disability Employment Services		
Number of commencements		
Disability Management Service	50,000	52,050
Employment Support Service	50,000	43,668
Total job placements achieved		
Disability Management Service	23,000	30,737
Employment Support Service	24,000	31,224
Employment assistance and other services—employer incentives and other services		
Other disability employment assistance and services, including Employer Incentives Strategy, Wage Subsidy Scheme, Supported Wage System, Employment Assistance Fund	15,000	23,755
National Disability Recruitment Coordinator	1,000	923

Table 31 *Effectiveness indicators for program 3.3*

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Employment assistance and other services—Disability Employment Services		
Proportion of job seekers in employment three months following participation in employment services:		
Disability Management Service	22%	40.8%
Employment Support Service	17%	36.0%

Program 3.4 Working age payments

Working age payments support people to improve their prospects of gaining employment, acquire labour market skills and knowledge, and participate in society.

Financial assistance is provided to people who are unemployed, looking for work, undertaking employment preparation programs, have parenting responsibilities or have a partial capacity to work due to disability, and to young people studying towards a Year 12 or equivalent education attainment.

As part of the Building Australia's Future Workforce package, the 2011–12 Budget included income support measures aimed at encouraging more participation in work and other activities, better aligning the treatment of different recipients and making the system fairer:

- Earn or learn provisions will be extended to 21-year-olds from 1 July 2012 along with the maximum age for Youth Allowance for job seekers. Under these arrangements, the same basic payment rate will apply whether a 21 year old is looking for work, an apprentice or a full-time student. To improve work incentives for unemployed young people, the income-test-free area for Youth Allowance (other) is increasing from \$62 a fortnight to \$143 a fortnight, complemented by an increase in the Working Credit from \$1000 to \$3500.
- From 1 January 2013, eligibility for Parenting Payment for grandfathered recipients (who have been receiving payments since before 1 July 2006) will cease when their youngest child turns 12 years old (or, if already 12, on turning 13 in 2013). Parenting Payment recipients may then transfer to Newstart Allowance, or another income support payment, if eligible. Parents affected by these changes have access to professional career advice and training through their Job Services Australia provider as well as other employment assistance and may qualify for a Wage Connect wage subsidy. Under transition provisions, grandfathered recipients whose youngest child

turns 13 before 2013 will not be affected by this change and may continue on Parenting Payment until their child turns 16. Changes introduced on 1 July 2011 mean that new children no longer extend a parent's grandfathered status.

- There will also be a single lower taper rate of 40 cents in the dollar applied to the earnings of single principal carers on Newstart Allowance from 1 January 2013.

Under changes announced in the 2012–13 Budget, and subject to the passage of legislation, grandfathered Parenting Payment provisions will cease on 1 January 2013, replacing the eligibility change described above.

Newstart Allowance

Newstart Allowance provides income support for eligible job seekers aged 21 years or over and under Age Pension age. On 1 July 2012, the minimum age for Newstart Allowance eligibility will increase from 21 to 22 years.

Recipients must satisfy the activity test by seeking and accepting suitable work and participating in activities designed to improve their employment prospects.

At June 2012, there were 549,773 recipients, a 4.2 per cent increase since June 2011, when there were 527,480.

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 who, until they attain Year 12 or an equivalent Certificate II qualification, are undertaking study or training in combination with other approved activities. Certain 15-year-olds, including those who are homeless, may also receive assistance. From 1 July 2012, the maximum age for Youth Allowance for job seekers will be 21 years.

At June 2012, there were 83,802 recipients, a 2.5 per cent decrease since June 2011, when there were 85,972.

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 before 1 July 2006, compulsory participation requirements began on 1 July 2007 or when the youngest qualifying child turns seven, whichever is the later.

At June 2012, there were 319,582 Parenting Payment (Single) recipients, a 2.0 per cent decrease since June 2011, when there were 326,248.

At June 2012, there were 114,342 Parenting Payment (Partnered) recipients, a 2.9 per cent decrease since June 2011, when there were 117,754.

Mobility Allowance

Mobility Allowance is a fortnightly payment 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.

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 for at least 32 hours every four weeks.

At June 2012, 90.5 per cent of recipients received the standard rate and 9.5 per cent the higher rate. There were 61,343 recipients, a 4.2 per cent increase since June 2011, when there were 58,868.

A 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, or who are looking for such work under an agreement with an employment services provider.

Sickness Allowance

Sickness Allowance is a means-tested income support payment for people who are employed (and on Austudy or ABSTUDY payment) but who are temporarily unable to work or study because of an illness or injury, and have a job or course of study to return to. In June 2012, there were 7150 recipients, a 6.6 per cent increase from June 2011, when there were 6705.

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 and people who would previously have been eligible for Partner Allowance can apply for Newstart Allowance. Numbers have declined in recent years as a result. In June 2012, there were 13,945 recipients, an 18.7 per cent decrease since June 2011, when there were 17,147.

Widow Allowance

Widow Allowance provides income support for older working-age women who are widowed, divorced or separated 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. In June 2012, there were 28,935 recipients, a 1.4 per cent decrease since June 2011, when there were 29,341.

Supplementary payments

Recipients of DEEWR income support payments may be eligible to receive a range of supplementary payments.

Clean Energy Advance

A part of the Government's Household Assistance Package, the Clean Energy Advance is a tax-exempt payment, paid as a lump sum to eligible income support recipients. More than 1.1 million recipients of DEEWR income support payments received the advance automatically in May and June 2012.

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 on eligible income support payments who meet certain criteria and to those who qualify for the Pensioner Education Supplement. In 2011–12, a total of 93,859 people received the 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. In 2011–12, there were 26,493 recipients.

National Green Jobs Corps Supplement

The National Green Jobs Corps Supplement is a fortnightly payment of \$41.60 to recipients of DEEWR income support payments to assist them with the cost of participating in this program of work experience, skill development and accredited training. In 2011–12, the supplement was paid to 5131 participants.

The National Green Jobs Corps program closed on 30 June 2012.

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-time or part-time study. In June 2012, there were 49,611 recipients of Pensioner Education Supplement including 25,550 recipients of DEEWR income support payments.

Training Supplement

The Training Supplement was a temporary additional payment under the Jobs and Training Compact of \$41.60 per fortnight for recipients of Newstart Allowance and Parenting Payment who had not completed Year 12 or equivalent, or who had a trade or vocational qualification that could be upgraded to better equip them to find future employment. The supplement was paid to eligible job seekers who fully met their participation requirements by commencing an approved Certificate I to Certificate IV course between 1 July 2009 and 30 June 2011. Recipients may continue to receive Training Supplement for courses commenced prior to 30 June 2011 until the end of the course. In 2011–12, there were 7450 recipients.

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 up to \$560.80 per year, paid in quarterly instalments. In 2009, the Pension Supplement replaced the Utilities Allowance, Pharmaceutical Allowance and Telephone Allowance for recipients over Age Pension age. In 2011–12, 48,461 recipients of DEEWR income support payments were paid the Utilities Allowance. The Pension Supplement was paid to 3240 recipients of DEEWR income support payments.

Approved Program of Work Supplement

The Approved Program of Work Supplement is a fortnightly payment of \$20.80 to assist job seekers with the cost of participating in an approved activity such as Work for the Dole, Drought Force, Green Corps and, from 1 October 2011, Community Development Employment Projects. In 2011–12, 41,259 income support payment 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 the Community Development Employment Projects program for participants receiving wages under the program. In 2011–12, there were 5965 recipients.

Program performance

The performance of program 3.4 is measured by monitoring and analysing payment trends to assess the average duration on income support.

The changing labour market conditions during 2011–12 are reflected in the duration of recipients on income support. The average duration on income support of Newstart Allowance recipients in 2011–12 increased to 180 weeks from 175 weeks in 2010–11. Similarly, while the number of Youth Allowance (other) recipients decreased, the average duration on income support increased to 86 weeks in 2011–12 from 82 weeks in 2010–11.

The average duration on income support for Parenting Payment (Single) recipients was expected to increase and reached 362 weeks in 2011–12, up from 358 weeks in 2010–11. While the grandfathered Parenting Payment population (those remaining on the payment since before July 2006) continued to decline in comparison to the non-grandfathered recipients, the average duration on the payment is still affected primarily by the remaining grandfathered recipients.

Exits within three months of grant of Newstart Allowance were 30 per cent, down from 33 per cent in 2010–11. The result for Youth Allowance (other) of 31 per cent in 2011–12 remained the same as the previous year which may reflect the continued focus on training and study for young job seekers without Year 12 or equivalent qualification.

The proportion of income support recipients who exited within 12 months of grant remained the same as in 2010–11. In 2011–12, 72 per cent of recipients exited Newstart Allowance within 12 months, and 71 per cent left Youth Allowance (other) within 12 months of grant.

Table 32 Effectiveness indicators for program 3.4

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Average (mean) duration on income support by current income support payment (weeks):		
Newstart Allowance	178	180
Youth Allowance (other)	86	86
Parenting Payment (Single)	361	362
Percentage of income support recipients who exit income support within three months of grant:		
Newstart Allowance	32	30
Youth Allowance (other)	33	31
Percentage of income support recipients who exit income support within 12 months of grant:		
Newstart Allowance	72	72
Youth Allowance (other)	71	71

Service delivery performance

DEEWR's bilateral management arrangement with the Department of Human Services (DHS) provides a framework for both agencies to deliver outcomes, including payments, in relation to employment, education and child care. The arrangement contains a confidence framework to monitor the strength and success of the relationship between agencies and assure the parties that policy and program outcomes are being achieved.

DHS's performance against the confidence framework for working age payments and job seeker participation was satisfactory during 2011–12. Claims for working age payments and job seeker participation reports were processed within agreed timeframes. Payment accuracy for major working age payments was marginally below the target of 95 per cent and growth in the debt base reduced.

Random Sample Survey Program

The Random Sample Survey Program provides assurance about the accuracy of working age income support payments. Reviews are conducted by DHS on a random sample of the population for each payment type. DEEWR selects the sample and independently validates DHS's conduct of the reviews.

The program provides 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. It provides benchmark data on the level of inaccurate payments. In 2011–12, the program conducted 14,192 reviews.

Under the confidence framework, payments are to be made with 95.0 per cent, or above, accuracy as measured by the program. In 2011–12, both the overall results and the results for individual working age payments were below the agreed target. DEEWR and DHS are working collaboratively to address the slight reduction in overall accuracy from 2010–11.

Table 33 *Level of payment accuracy determined from the Random Sample Survey Program for the major working age income support payments, 1 July 2011 to 30 June 2012*

<i>Payment Type</i>	<i>Rate of accuracy^a(%)</i>
Newstart Allowance	93.5
Parenting Payment (Single)	97.3
Parenting Payment (Partnered)	87.1
Youth Allowance (other)	90.6
Total	94.3 (±0.5%)

^a Figures are based on a statistical estimate of the level of accuracy of payments. Working age income support payments are surveyed over three periods during the financial year: 1 July to 31 October, 1 November to 28 February, and 1 March to 30 June. All results are based on preliminary data from the three survey periods and are subject to revision.

Source: DEEWR Random Sample Survey Program.

Table 34 *Percentage change in all working age payment debt base levels from 1 July 2010 to 30 June 2012 and change in growth rate*

<i>Performance indicator</i>	<i>Change in \$ 1 July 2010 to 30 June 2011 (%)</i>	<i>Change in \$ 1 July 2011 to 30 June 2012 (%)</i>	<i>Change in rate of growth</i>
Current working age payment recipients	2.3	-4.2	Decrease
Non-current working age payment recipients	-0.03	-0.3	Decrease

Debt management

DHS is responsible for the management of debt identification and recovery on behalf of DEEWR. DEEWR performs a monitoring and oversight role.

Under the bilateral management arrangement between DEEWR and DHS, the target for the reduction of growth in the overall debt base for current and former recipients is 1.0 per cent. Performance data for 2011–12 indicates that there has been a reduction in the growth of debt for current and non-current recipients of working age payments.

Working age income support payments debts raised and recovered

In 2011–12, 505,261 new working age income support payment debts, with a value of approximately \$380.9 million, were raised; \$404.4 million of debt was recovered, waived or written off by DHS and its contracted mercantile agents.

Reviews of recipients' compliance

Information obtained from DHS's Integrated Review System shows that 778,596 working age payment reviews were completed in 2011–12. As a result of those reviews, 103,676 payments were reduced or cancelled, 25,443 payments were increased, and 99,204 debts were raised, with an estimated value of \$173.1 million.

Data matching

DHS data is compared with data from other agencies to identify inconsistent recipient information, including incorrect earnings, multiple identities, incorrect rental information and incorrect information about dependants in care. Data from the following agencies is used: the Australian Taxation Office, the Department of Immigration and Citizenship, Defence Housing Australia, ComSuper, the Australian Transaction Reports and Analysis Centre and state and territory registers of births, deaths and marriages. In 2011–12, 205,736 data matching reviews were conducted.

Customer service and quality

Customer service statistics

Since 1 July 2011, the Employment Services Information Line and the Customer Service Line collectively handled more than 167,600 calls from the public about employment support services.

The Customer Service Line managed 30,414 feedback items, including 7013 complaints, 9083 requests for information and 8173 transfers of job seekers between Job Services Australia providers (Tables 35 and 36).

The Complaints Resolution and Referral Service received 1212 complaint calls from Disability Employment Services clients.

Table 35 Breakdown of feedback by type

<i>Feedback type</i>	<i>Percentage of total</i>	<i>Count</i>
Complaints	23.06%	7,013
Requests for information	29.87%	9,083
Transfers of job seekers	26.87%	8,173
Other (e.g. compliments and suggestions)	20.20%	6,145
Total	100%	30,414

Table 36 Breakdown of complaints by program

<i>Program</i>	<i>Percentage of total</i>	<i>Count</i>
Job Services Australia	85.47%	5,994
Disability Employment Services	10.65%	747
Indigenous Employment Program	0.11%	8
Other	3.76%	264
Total	100%	7,013

Surveys of employers

Surveys of Employers' Recruitment Experiences

Surveys of Employers' Recruitment Experiences have been conducted since 2006 in various regions across Australia.

In the 12 months to March 2012, more than 9700 employers participated in the surveys in 28 regions across Australia. The surveys collect information on employers' labour and skills requirements, including unfilled vacancies, occupations that are difficult to fill, the number of applicants per vacancy and reasons why applicants were unsuitable. The surveys are generally conducted by telephoning a random sample of the major employing industries in a region.

Since April 2009, the regional survey program has focused mainly on the 20 Priority Employment Areas that were identified as likely to be adversely affected by the global financial crisis, as well a number of other regions that have shown a strong interest in the resulting information.

The results are presented to local stakeholders (including Job Services Australia providers, the Department of Human Services, training organisations and regional councils) to use in the development of strategies to better match job seekers with job opportunities. In 2011–12 around 40 presentations were delivered in various regions across Australia. The survey results are also released on the department's website.

Capital Cities Employer Survey

The third Capital Cities Employer Survey was conducted in March 2012. Some 3295 employers were surveyed across the six state capital cities, Darwin and Canberra. The survey provides information on recruitment difficulty which can be compared across cities, industries, occupations and over time. The survey results were released through presentations to stakeholders in the eight participating cities and on the department's website.

Departmental outputs for Outcome 3

Research and evaluation

In 2011–12, continual evaluation and research provided the evidence base to support policy development and program delivery across the full range of the employment and labour skills policy agenda. 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 and monitoring activities in 2011–12 included:

- collecting quantitative and qualitative data from job seekers, service providers and employers to support the evaluation of major labour market programs
- undertaking the Job Services Australia 2009–2012 evaluation program, including publishing two topic reports, *Servicing Indigenous job seekers in Job Services Australia* and *Good practice in Job Services Australia*
- publishing the Labour Market Assistance Outcomes reports, which contain job seekers' employment and education/training outcomes after they participate in labour market programs
- undertaking the Jobs and Training Compact evaluation and delivering the final quarterly monitoring report on the initiative
- undertaking the Disability Employment Services evaluation, including publishing a report titled *Employer perspectives on recruiting people with disability and the role of Disability Employment Services*
- developing and publishing the Building *Australia's Future Workforce Package Overarching Evaluation Strategy* and commencing the evaluation
- providing analysis and advice on appropriate evaluation frameworks and activities for the department and contracted consultants.

Table 37 **Departmental outputs for Outcome 3**

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Program management		
Employment IT applications availability	Target is 99.5%	99.7%
Employment IT applications services—construction and redevelopment of internally developed software	Cost benchmark is \$1,250 per function point. Target is \$1,250 or less	\$1,189 per function point
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 per 1,000 function points (to be measured four weeks after software release)	Five defects per 1,000 function points
Provision of employment outcome results through the Post-Program Monitoring Survey	Results available within a satisfactory timeframe	Results from the survey were made available within a satisfactory timeframe
Services provided by Australian Government agencies (e.g. the Department of Human Services) satisfy performance requirements	DEEWR requirements met	Satisfied
Client satisfaction		
High-quality policy advice as measured by the level of satisfaction by Commonwealth public sector agencies and organisations	Qualitative evaluation of satisfaction using feedback from Commonwealth public sector agencies and organisations	Satisfied ^a
Level of satisfaction of service providers with the contracted information and support	80% satisfied	95.5% 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 employees to meet their requirements. The volume of written material provided to the ministers and parliamentary secretaries remained steady over 2011–12. The department provided training to employees and monitored the quality of ministerial correspondence and briefings.



Outcome 4

*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*

Outcome 4

Outcome 4 is focused on achieving safer, fairer and more flexible workplaces for employees and employers. This complements work across the department to encourage participation and maximise productivity, such as support for the delivery of world-class education and employment programs. Throughout 2011–12, the department continued to pay particular attention to the effective implementation of the *Fair Work Act 2009* and to participate in matters before Fair Work Australia, such as the annual wage review and the equal remuneration case for social and community services sector workers.

In December 2011, the Minister for Employment and Workplace Relations announced the appointment of an independent panel to undertake a post-implementation review of the *Fair Work Act*. The panel was supported by a secretariat in the department. The review examined the practical operation of the legislation and the extent to which its results have been consistent with its objectives. The Minister received the final report in June 2012.

A number of important pieces of workplace relations legislation were enacted during the year.

The *Road Safety Remuneration Act 2012* received royal assent on 16 April 2012. The Act establishes the Road Safety Remuneration Tribunal, which will have the power to set pay and pay-related conditions for both owner drivers and employee drivers in the road transport industry. The pay and conditions set by the tribunal will remove economic incentives for drivers to drive unsafely.

The *Building and Construction Industry Improvement Amendment (Transition to Fair Work) Act 2012* commenced on 1 June 2012. The Act honoured the Government's 2007 and 2010 election commitments to abolish the Office of the Australian Building and Construction Commissioner and create the Office of the Fair Work Building Industry Inspectorate.

The *Fair Work (Registered Organisations) Act 2009* was amended to strengthen the financial and accountability obligations of registered organisations and their office holders, enhance the investigative powers of Fair Work Australia and increase penalty levels.

National approaches to work health and safety help to improve productivity and efficiency by making it easier for businesses to understand their obligations across multiple jurisdictions. National consistency also provides greater certainty and protection for both workers and employers. During 2011–12 the department, through its membership of Safe Work Australia, finalised harmonised work health and safety legislation for introduction by Australian governments, including the model Work Health and Safety Bill 2011, model Work Health and Safety Regulations and supporting priority codes of practice. The model legislation has been enacted by six jurisdictions covering 58 per cent of Australian workers and remains before the South Australian Parliament. Commonwealth legislation implementing the model laws was enacted in 2011 and came into effect on 1 January 2012.

Outcome 4 priorities 2011–12

Provide policy and legal advice to the Government to ensure effective implementation and operation of the Fair Work Act and related frameworks, including advice on issues such as:

- the equal remuneration case covering workers in the social and community services sector
 - development of the *Road Safety Remuneration Act 2012*, which addresses the link between truck drivers' pay and conditions and poor safety outcomes on public roads
 - the development of the Government's submission to Fair Work Australia's annual wage review
 - Fair Work Australia's two-year review of modern awards
 - the workplace relations aspects of the Government's shipping reform agenda
 - the post-implementation review of the Fair Work Act, including assisting the review panel with research into and analysis of the operation of the Act and preceding frameworks.
-

Provide advice on the Government's workplace relations policies for the building and construction industry.

Progress work on harmonising work health and safety laws, in particular the model Work Health and Safety Regulations and the model priority codes of practice and consult with stakeholders on Commonwealth-specific provisions of the model Work Health and Safety Bill.

Provide secretariat support to the Asbestos Management Review and the advisory group of asbestos experts.

Administer the General Employee Entitlements and Redundancy Scheme, which protects employee entitlements in cases of business insolvency.

Outcome 4 achievements 2011–12

Advanced more than \$195 million under the General Employee Entitlements and Redundancy Scheme to 13,929 Australian workers who had unpaid employee entitlements after they lost their jobs as a result of their employers' insolvency. The amount advanced in 2011–12 was the highest since the scheme commenced in 2001.

Advised the Government on its participation in the first successful equal remuneration case at the federal level for social and community services workers. Fair Work Australia in an historic decision granted equal remuneration increases of between 23 and 45 per cent to approximately 150,000 social and community service workers. The Government committed \$3 billion to fund its share of the increases.

Provided secretariat services to the Fair Work Act Review Panel to support the efficient conduct of the review. The panel delivered its final report to the Minister for Employment and Workplace Relations in June 2012.

Developed the Government's legislative response to the 2009 report by the Hon Murray Wilcox QC titled *Transition to Fair Work Australia for the Building and Construction Industry*. This led to the passage of the *Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2012* in the Senate on 20 March 2012. The legislation, which received royal assent on 15 April 2012, replaced the Office of the Australian Building and Construction Commissioner with the Office of the Fair Work Building Industry Inspectorate.

Supported the introduction and passage of the Commonwealth work health and safety legislation through the Australian Parliament. The *Work Health and Safety Act 2011*, regulations and priority codes of practice commenced in the Commonwealth jurisdiction on 1 January 2012 and gave effect to the model harmonised work health and safety laws.

Provided input to the development by Safe Work Australia of nationally consistent work health and safety legislation and supporting material, including a national compliance and enforcement policy and guidance material.

Supported Australia's role as chair of the International Labour Organization (ILO) governing body and contributed to several changes at the ILO, including overseeing the election of a new ILO Director-General.

Supported Australia's ratification of the ILO Maritime Labour Convention, 2006 (No. 186), Asbestos Convention, 1986 (No. 162), Part-time Work Convention, 1994 (No. 175) and Protocol of 2002 to the Occupational Safety and Health Convention (No. 155)—the first ratifications in six years.

Supported the Asbestos Management Review including the release of an issues paper in July 2011 for public comment and delivery of the review's final report to government by 30 June 2012.

Developed the *Fair Work Amendment (Textile, Clothing and Footwear Industry) Act 2012* to enhance entitlements and protections for vulnerable workers in the textile, clothing and footwear industry.

Developed the *Coal Mining Industry (Long Service Leave) Legislation Amendment Act 2011*, which legislated the existing award-based long service leave scheme. The legislation increases transparency for employees and employers about how the entitlement is accrued and granted and provides for greater compliance and more efficient administration.

Developed the *Road Safety Remuneration Act 2012* and the *Road Safety Remuneration (Consequential Amendments and Related Provisions) Act 2012* which establishes the Road Safety Remuneration Tribunal from 1 July 2012, and a separate education and compliance framework to tackle speed, fatigue and dangerous work practices in the trucking industry.

Developed legislative amendments to the *Safety, Rehabilitation and Compensation Act 1988*, which included re-instating claims arising from off-site recess injuries and allowing for extended workers compensation coverage for declared classes of employees and locations.

Developed the *Safety, Rehabilitation and Compensation Amendment (Fair Protection for Firefighters) Act 2011*, which commenced on 7 December 2011.

Provided advice on the Minister for Employment and Workplace Relations' application to the Federal Court of Australia for orders appointing an Administrator to the HSU East branch of the Health Services Union, and the court's approval of a scheme to address the dysfunction associated with that branch, and return the union, to a more effective, responsible and democratic footing.

Developed the *Fair Work (Registered Organisations) Amendment Act 2012*, which amended the *Fair Work (Registered Organisations) Act 2009* to strengthen the financial and accountability obligations of registered organisations and their office holders, broaden the investigative powers of Fair Work Australia and enhance the remedies available under the Act.

Revised the Fair Work Principles and released the Commonwealth Cleaning Services Guidelines to improve the working conditions of contract cleaners working in Commonwealth buildings.

Program 4.1 Employee assistance

This program is directed at providing safety net support for employees in certain circumstances or, alternatively, supporting longstanding industry arrangements that deliver employee benefits.

Coal Mining Industry (Long Service Leave) Administration Act

Under the *Coal Mining Industry (Long Service Leave) Administration 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 collections are paid from the Consolidated Revenue Fund and then transferred by the department to the central fund. In 2011–12, the amount of payroll levy paid by employers to the fund was 2.7 per cent of eligible wages, as prescribed by the Coal Mining Industry (Long Service Leave) Payroll Levy Regulations 1993.

General Employee Entitlements and Redundancy Scheme

The General Employee Entitlements and Redundancy Scheme (GEERS) is a safety net scheme that 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 consists of up to three months wages for the period before the appointment of the insolvency practitioner (including amounts deducted from wages, such as for superannuation not yet passed on to the superannuation fund), all unpaid annual leave, all unpaid long service leave, up to a maximum of five weeks of unpaid payment in lieu of notice and up to a maximum of four weeks of unpaid redundancy entitlement per completed year of service. Payments made under GEERS are subject to an annually indexed income cap, which was \$118,100 for 2011–12.

During 2011–12:

- A total of \$195,534,647 was advanced under GEERS to 13,929 eligible claimants.
- Of claimants who received assistance under GEERS, 90 per cent were paid 100 per cent of their verified employee entitlements by GEERS.
- More than 33,060 enquiries were received by the GEERS Hotline.
- Over \$21 million advanced under GEERS was recovered during 2011–12.

In administering GEERS, the department works closely with insolvency practitioners to determine employees' entitlements and to process GEERS claims quickly and accurately.

In 2011–12, the department surveyed 200 insolvency practitioners to gauge their level of satisfaction with the department's management of the scheme. Ninety-two per cent of respondents gave a rating of satisfactory or above. Information from the survey will assist the department to identify improvements to systems and processes to ensure better outcomes for GEERS claimants.

Program 4.2 Workplace assistance

The objective of workplace assistance is to ensure the successful operation of the workplace relations system, in particular through initiatives designed to demonstrate the benefit of cooperative workplace relations and to assist employers and employees to understand their rights and obligations under the system.

Fair Work Principles

The Fair Work Principles are designed to encourage fair, cooperative and productive workplaces. The principles were revised in November 2011 to introduce additional requirements aimed at improving the working conditions of contract cleaners working in Commonwealth buildings.

To support these requirements the Commonwealth Cleaning Services Guidelines were also introduced. The guidelines are a legislative instrument that set out tender and contract requirements, minimum hourly base rates of pay and the mandatory practices that apply to Australian Government cleaning services contracts.

The mandatory practices require tenderers for contracts to ensure that:

- induction and on-the-job training is provided
- suitable equipment and materials are provided as well as training in the safe and effective use, maintenance and disposal of the required equipment and materials
- written duty schedules listing specific tasks are provided
- workloads are fair and reasonable and there are adequate staff to achieve required performance levels
- freedom of association and representation of employees are acknowledged and supported.

GEERS provides assistance to AE&E Australia employees

In May 2011 AE&E Australia, a building and construction company, entered liquidation leaving more than 150 employees without a job and owed substantial entitlements. As AE&E Australia had insufficient funds to pay its employees their outstanding entitlements, employees applied for assistance from the General Employee Entitlements and Redundancy Scheme.

The department assessed employees' claims and advanced just over \$7 million in employee entitlements.

On average AE&E Australia employees received this assistance within 12 weeks of the liquidation. The amount paid out comprised:

- \$94,900 for underpaid and unpaid wages
- \$1,090,525 for unpaid annual leave
- \$947,176 for unpaid long service leave
- \$948,619 for unpaid payment in lieu of notice
- \$4,047,781 for unpaid redundancy pay.

AE&E Australia is one example of the assistance provided under GEERS to Australian employees in 2011–12.

Productivity Education and Training Fund

The Productivity Education and Training Fund made available \$10 million in 2011–12 and a further \$10 million in 2012–13. The fund enables the creation of long-term programs of education and skills development to support cooperative and productive workplace relations that promote national economic prosperity and social inclusion for all Australians. The programs will be delivered by the Union Education Foundation, the Australian Chamber of Commerce and Industry and the Australian Industry Group commencing in 2012–13.

National Workplace Education program

The National Workplace Education program creates a cooperative workplace relations environment by improving employee representatives' skills in and knowledge of the Fair Work system.

The program is delivered by the Union Education Foundation, which received a one-off grant of \$10 million in 2010 to be used over five years to provide national workplace education programs to employee representatives.

The foundation has developed courses, curriculum and online programs, and recruited educators in the Northern Territory and Tasmania. Affiliates of the Australian Council of Trade Unions have also delivered courses focusing on women, young people and workplace representatives in regional areas as part of the program.

In 2011–12, a total of 267 activities were delivered to 4027 participants in all states and territories under the program.

Ethical Clothing Australia Education and Compliance Program

The Ethical Clothing Australia Education and Compliance Program provides \$1 million per year to the Homeworkers Code Committee Incorporated to support the promotion of Ethical Clothing Australia.

The Homeworkers Code of Practice 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 Homeworkers Code of Practice 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.

Ethical Clothing Australia's strategies include accreditation of brands' supply chains, verification of compliance with workplace relations laws and a signatory system for retailers. The voluntary accreditation system has resulted in 68 accredited manufacturers and 142 signatory retailers.

Domestic Violence Workplace Rights and Entitlements Project

In 2010, the Government provided funding of \$572,000 over two years to the Australian Domestic and Family Violence Clearinghouse for the Domestic Violence Workplace Rights and Entitlements Project. With the support of the Department of Families, Housing, Community Services and Indigenous Affairs, a further \$300,000 in funding has been made available for 2012–13. This will allow the Clearinghouse to undertake further research, training, monitoring and evaluation of family violence-related developments in employment law.

The principal aim of the project is to improve the knowledge and capacity of unions and employer organisations to support employees who are experiencing domestic violence. The project focuses on developing:

- a range of workplace provisions and practices to assist victims of domestic violence to remain in the workplace
- resources to inform unions and employer organisations about domestic violence issues, such as fact sheets, training modules and an online training tool
- a framework to enable the collection, monitoring and evaluation of data about the experience of domestic violence and the implications for the workplace
- strategies to encourage the adoption of domestic violence provisions in enterprise agreements. Thirty-seven enterprise agreements covering approximately 22,000 employees now contain domestic violence provisions.

International Labour Organization

The department and the Minister for Employment and Workplace Relations, the Hon Bill Shorten MP represented the Australian Government at International Labour Organization (ILO) governing body meetings as well as at the 101st session of the International Labour Conference held in Geneva from 30 May to 14 June 2012. Departmental delegates played key roles in developing the new social protection floor recommendation and in discussions on measures to improve youth employment outcomes and respect for fundamental principles and rights at work. Further information about the department's involvement in ILO matters can be found in Part 4.

As chair of the ILO governing body for the period June 2011 to June 2012, Australia played a prominent role in transitioning the ILO through a period of significant change. It was also influential in developing and overseeing the process for the election of a new ILO Director-General on 28 May 2012.

The department worked closely with AusAID and the ILO on implementing the Australian Government—ILO Partnership Agreement 2010–2015. The agreement has provided \$15 million for the development of sustainable employment activities in the Asia–Pacific region over an initial two-year phase (June 2010 to June 2012). Funding was allocated to the Better Work Programme, the Youth Employment Promotion Programme in Timor-Leste, the Global Jobs Pact Framework for Pacific Labour Governance and Migration, Green Jobs in Asia and the Pacific Growth and Employment Plan. Funding for the first phase of the agreement expired on 30 June 2012.

The Government's mid-term review of the agreement found that the ILO has delivered well on partnership commitments during the first two years. Projects implemented so far have already achieved important milestones and strong results.

For example:

- By the end of 2011 the Better Work Programme was improving livelihoods of workers in 316 factories in Cambodia, 141 in Vietnam and 29 in Indonesia through assessments of labour standards compliance, advisory services and training services.
- The Youth Employment Promotion Programme in Timor-Leste contributed to social stability and poverty reduction through 78,422 short-term jobs (40 per cent of which were taken up by youth and 27 per cent by women) created for maintenance of 2600 kilometres of roads. The Timor-Leste Government has since decided to adopt and manage a component of the program.
- The Labour Governance and Migration Programme has facilitated mentoring of worker and employer organisations to build their capacity to participate in the labour law reform process. It has also performed comprehensive legislative assessments to better align laws with international labour standards in all participating Pacific Island countries.

The findings from the review will inform the allocation of funding for projects under phase two of the agreement (2012–2015).

The department has been actively involved in other international labour forums, in particular the G20, and in the negotiation of labour provisions in the Trans-Pacific Partnership free trade agreement.

International labour standards and priority conventions

The ILO's Protocol of 2002 to the Occupational Safety and Health Convention, 1981 (No. 155), the Asbestos Convention, 1986 (No. 162) and the Part-Time Work Convention, 1994 (No. 175) were ratified by Australia on 10 August 2011. The Maritime Labour Convention, 2006 (No. 186) was ratified on 21 December 2011.

During 2011–12, the Government made significant progress towards ratifying the ILO Minimum Age Convention, 1973 (No. 138) and the Labour Inspection (Agriculture) Convention, 1969 (No. 129). Most states and territories have advised that their law and practice is compliant with each convention and that ratification is supported. At this stage, it is anticipated that the ratification processes for both conventions will be completed by mid-2013.

Protected Action Ballots Scheme

Under the *Fair Work Act 2009*, a protected action ballot of eligible workers is required to approve the taking of lawful industrial action to pursue claims during bargaining for an enterprise

agreement, except where the action is in response to industrial action by the other party in enterprise bargaining. During 2011–12 the Government met the full cost of more than 800 ballots, paying just under \$1.59 million under the scheme.



DEEWR People

Imelda Moss, Sue Maloney and Ivan Rozek representing DEEWR at the Universal Children's Day exhibition, Broadmeadows Victoria, October 2011.

Program 4.3 Workers compensation payments

Under the *Safety, Rehabilitation and Compensation Act 1988*, money is appropriated for the purposes of Comcare's Outcome 2: 'An early and safe return to work and access to compensation for injured workers covered by the Comcare scheme through working in partnership with employers to create best practice in rehabilitation and quick and accurate management of workers compensation claims.'

Under the *Asbestos Related Claims Act 2005*, money is appropriated for the purposes of Comcare's Outcome 3: 'Access to compensation for people with asbestos-related diseases where the Commonwealth has a liability through management of claims.'

Program performance

The performance indicators for this program are:

- the extent to which Comcare complies with the Commonwealth Legal Service Directions, the management objectives contained in the Asbestos Litigation Policy Statement and any rules or orders of a court or tribunal in respect of all asbestos-related disease claims

- the accuracy and completeness of data given to the external actuaries for the purpose of the annual actuarial valuation of asbestos-related liabilities
- other performance measures set out in Table 38.

The resolution time for primary asbestos claims improved in 2011–12, exceeding the target of 67 per cent. The target for resolving claims within 180 days covers all claims settled in the financial year, including claims brought forward from previous years.

The target to recover 8 per cent of the value of asbestos claims settlements was exceeded in 2011–12. This reflects a continuing commitment to pursuing viable claims for recovery of damages from third parties. Monies recovered from third parties are returned to the Consolidated Revenue Fund, contributing to the preservation of funds available for future compensation payments.

Table 38 Key performance indicators for program 4.3

<i>Performance indicator</i>	<i>Target</i>	<i>Actual</i>
Percentage of primary asbestos claims settled by Comcare within 180 calendar days	67	69
Percentage of the value of asbestos claims settlements recovered from third parties	8	10

Outcome indicators

The effectiveness of Outcome 4 in achieving the Government's policy and program objectives is described below and measured through the indicators set out in Table 39. The department works to encourage employers and employees to adopt fair and flexible workplace arrangements and to provide timely policy advice on workplace relations, workplace health and safety, and workers compensation issues.

Wages and earnings

The Australian Bureau of Statistics wage price index increased by 3.7 per cent (seasonally adjusted) over the year to the June quarter 2012, down from 3.8 per cent over the year to the June quarter 2011. The annual wage price index result reflects a softening in labour market conditions over the year.

Public sector wages grew by 3.2 per cent, while private sector wages increased by 3.9 per cent.

In industry terms (original data), the highest rate of increase in the index was in mining (5.2 per cent). The lowest annual increases were in retail trade (2.7 per cent) and health care and social assistance (2.6 per cent).

Real wages, as calculated using the Australian Bureau of Statistic's *Australian national accounts: national income, expenditure and product*, rose by 3.7 per cent (seasonally adjusted) over the year to the June quarter 2012, up from 1.7 per cent over the year to the June quarter 2011. The increase in real wages was due to a significant increase in the nominal average non-farm compensation per employee (5.3 per cent), compared with an increase of 1.6 per cent in the derived implicit price deflator for household final consumption expenditure. It should be noted that the average non-farm compensation series is volatile and fluctuates considerably from quarter to quarter.

On 1 June 2012, Fair Work Australia's specialist Minimum Wage Panel released its decision to increase the national minimum wage by 2.9 per cent. This sets the minimum wage at \$606.40 per week, or \$15.96 per hour, representing an increase

of \$17.10 per week since the last minimum wage rise in July 2011. The increase will take effect from the first full pay period on or after 1 July 2012.

Productivity

Labour productivity—as measured by real gross value added per hour worked in the market sector—increased by 3.7 per cent (trend terms) over the year to the June quarter 2012, up from a nil increase over the year to the June quarter 2011. This was the highest productivity growth rate since the year to the June quarter 2004.

Market sector real gross value added increased by 3.3 per cent, while hours worked (in the market sector) decreased by 0.4 per cent. It should be noted that short-term measures of productivity are prone to volatility and cyclical effects and should therefore be interpreted with caution.

Labour productivity growth is influenced by a wide range of factors, including business investment and capital deepening, innovation, new technology, human capital and infrastructure.

Labour productivity (in all sectors) has grown at only 1.0 per cent per year over the 10 years to the June quarter 2012, compared with 2.3 per cent over the previous decade. Possible explanations for the slowdown include the effects of droughts, floods and cyclones on mining and agriculture, forestry and fishing; specific factors affecting the electricity, gas, water and waste services industry, including the need to invest in transmission and peak generation infrastructure; and an inflow of less experienced people into the workforce. Specific factors affecting the mining industry could include substantial investment in new projects, which have not begun to produce output, resulting in a decline in measured productivity until those projects come online, and the exploitation of lower quality sources of mineral and energy products in response to high real commodity prices.

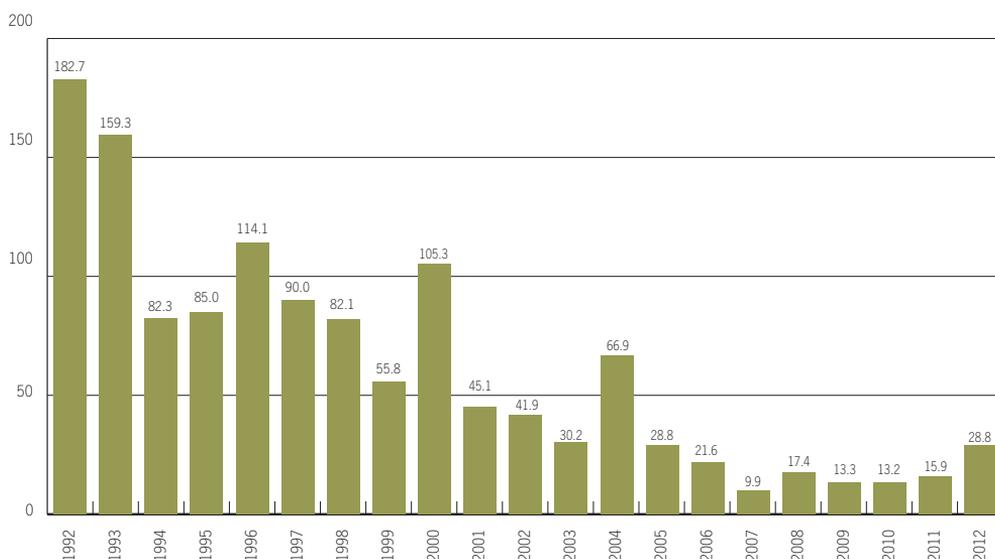
Industrial disputation

Australia recorded a rate of 28.8 working days lost per thousand employees over the year to the June quarter 2012, up from 15.9 working days lost per thousand employees over the year to the June quarter 2011. In general, industrial disputation under this measure has trended downwards over the long-term despite short-term fluctuations.

The education and training and health care and social assistance industries accounted for the largest number of working days lost (approximately 136,000) over the year to the June quarter 2012, followed by coal mining (approximately 33,500).

The increase in the dispute rate over the year in part reflects an increased number of agreements that expired recently—8335 agreements expired in 2011 compared with 5133 agreements in 2010. Also, the ABS industrial dispute figures include working days lost from all industrial disputes, not just those under the Fair Work Act, and the education and training and health care and social assistance industries include large numbers of state government employees who are not covered by the Fair Work Act.

Chart 5 *Industrial disputation as measured by annual working days lost per thousand employees, year to June quarter 1992 to year to June quarter 2012*



Source: Australian Bureau of Statistics *Industrial disputes, Australia*, cat. no. 6321.0.55.001, various years.

Agreement making

A total of 8127 collective agreements were approved by Fair Work Australia in 2011–12. This was a 12 per cent increase on the total of 7258 agreements approved in 2010–11. The increase is due to increased enterprise agreement making in the construction, transport and storage and administrative and support services industries. The average annualised wage increase under the enterprise agreements approved during 2011–12 was 3.9 per cent, compared to the 4.0 per cent increase for 2010–11.

Workplace relations policy

Workplace relations policy encompasses a number of activities that promote greater productivity, more employment opportunities for Australians, and strong and sustainable economic growth through the development of fairer and more flexible workplaces. DEEWR provides timely advice and analysis on policies and legislation to advance the Government's national approach to workplace relations.

Fair Work Act review

On 20 December 2011 the Minister for Employment and Workplace Relations announced the appointment of a panel to conduct the review of the Fair Work Act and the review's terms of reference. The Fair Work Act Review Panel, comprising Dr John Edwards, Professor Emeritus Ron McCallum AO and the Hon Michael Moore, was supported by the department through the Fair Work Act Review Secretariat. The panel provided its report to the Government on 15 June 2012, after it had been assessed as meeting best practice regulation requirements by the Office of Best Practice Regulation.

The secretariat assisted the panel with analysing more than 250 written submissions and supported an extensive program of meetings and roundtable discussions with key stakeholders.

Road safety remuneration system

The *Road Safety Remuneration Act 2012* received royal assent on 16 April 2012. The Act is the

Australian Government's response to the National Transport Commission report, *Safe Payments: Addressing the Underlying Causes of Unsafe Practices in the Road Transport Industry* and the *Safe Rates, Safe Roads* directions paper.

The Act was developed following extensive consultation with an industry reference group, the Safe Rates Advisory Group, during 2010–11 and the public following release of the directions paper in November 2010.

The Act establishes a new Road Safety Remuneration Tribunal and an education and compliance framework to promote safety and fairness in the road transport industry. The tribunal, which commences on 1 July 2012, will have the power to set pay and conditions for both employee drivers and owner drivers if there is a link between the drivers' pay and safety outcomes on the roads.

From 1 January 2013, the tribunal will also be able to resolve safety-related disputes between drivers in any sector of the industry and their hirers or employers, or with others in the supply chain such as retail and other transport companies. A regulatory impact assessment concluded that establishing the tribunal more effectively addresses current levels of safety and potential market failures than a voluntary approach.

Appointments to the tribunal were announced on 30 June 2012. Four Fair Work Australia members were appointed: Senior Deputy President Jennifer Acton was appointed as president and Senior Deputy President Lea Drake, Commissioner Ingrid Ashbury and Commissioner Peter Hampton were appointed as members. Four industry members were also appointed: Professor Ann Williamson, Mr Steve Hutchins, Mr Tim Squires and Mr Paul Ryan. The industry member appointments followed an open, merit-based selection process. Nominations for appointment to the tribunal were advertised in national media and the Minister for Employment and Workplace Relations wrote to owner driver, employee and employer organisations about the process.

Building and construction industry

During 2011–12, the department continued to support and provide advice on the Government's workplace relations policies for the building and construction industry.

The department assisted government agencies in applying the National Code of Practice for the Construction Industry and the related implementation guidelines. Presentations and seminars were delivered to government agencies and industry bodies.

The department also developed revised implementation guidelines that took effect on 1 May 2012. The revised guidelines reflect the Government's commitment to a balanced workplace relations system and reflect the Fair Work Principles, which support the creation of quality jobs and decent work by ensuring that government procurement is consistent with the Fair Work Act.

The department continued to provide advice and assessment services on the compliance of building and construction employers' industrial instruments with the code and guidelines. During 2011–12, the department completed 9350 assessments, with an average turnaround time of 4.8 days. This was well within the target of 10 days, but slightly longer on average than the turnaround time in the previous period (9196 assessments in 2010–11 with an average turnaround time of 3.4 days).

Paid parental leave

The *Paid Parental Leave and Other Legislation Amendment (Dad and Partner Pay and Other Measures) Act 2012* was passed by Parliament on 27 June 2012. The Act provides fathers and partners (including adopting parents and parents in same-sex couples) with two weeks Dad and Partner Pay when they are caring for a child born or adopted from 1 January 2013. The payment will be at the rate of the national minimum wage, the same weekly rate as for existing Parental Leave Pay. The department worked with the lead agency—the Department of Families, Housing, Community Services and Indigenous Affairs—in providing advice to the Government on the policy details of the scheme and draft legislation. The scheme complements

existing workplace entitlements under the Fair Work Act, such as the right of eligible employees to access 12 months of unpaid parental leave.

Workplaces of the future

During 2011–12, the department supported the Government's policies on the future of work and workplaces by conducting research and providing policy advice.

In December 2011, departmental employees attended and contributed to the second Workplaces of the Future forum, which was run by the Society for Knowledge Economics.

The forum considered the question, 'How can we make Australian workplaces more participative, fair, innovative, productive and sustainable by better utilising the skills and potential of every person at work?'

In June 2012, the department provided the Society for Knowledge Economics with a grant to investigate and develop effective approaches to building workplace-level management and leadership capability.

Fair Entitlements Guarantee

The Fair Entitlements Guarantee is one part of the Protecting Workers' Entitlement Package announced during the 2010 election campaign. It will replace the existing General Employee Entitlements and Redundancy Scheme (GEERS), which currently assists employees who have lost their employment due to the liquidation or bankruptcy of their employer and who are owed certain employee entitlements.

The Fair Entitlements Guarantee will be a legislatively based scheme, whereas GEERS is administratively based. It will operate in a similar manner to GEERS and will cover the same range of employee entitlements.

During 2011–12, the department continued to consult with stakeholders and provide support and policy advice to the Government on the content of the legislation.

Workplace relations aspects of the Government's shipping reform agenda

During 2011–12, the department provided workplace relations advice on the Government's Stronger Shipping for a Stronger Economy reform package to ensure that all seafarers working regularly on ships in Australian waters have the benefit of Australian workplace relations laws and a fair safety net of employment conditions.

Workplace relations legal

During 2011–12, the department provided legal and policy advice to departmental ministers, portfolio agencies and other stakeholders about:

- the operation of the Fair Work framework and the national workplace relations system
- developments arising from court and tribunal decisions in federal, state and territory jurisdictions
- work health and safety, workers compensation and public sector employment matters.

Primary legislation

The *Safety, Rehabilitation and Compensation and Other Legislation Amendment Act 2011* commenced on 7 December 2011. The Act reintroduced workers compensation coverage for workers on offsite recess breaks, introduced time limits for claim determinations, provided 24/7 workers compensation for employees posted overseas who are part of a declared class or have been posted to a declared place, and ensured funding of certain Comcare claims, particularly those concerning long latency diseases.

The *Safety, Rehabilitation and Compensation Amendment (Fair Protection for Firefighters) Act 2011* created the presumption for firefighters that certain cancers were caused by their employment and allows them to access workers compensation.

The *Coal Mining Industry (Long Service Leave) Legislation Amendment Act 2011* commenced on 1 January 2012. The Act legislated entitlements and administrative aspects of the portable long service leave scheme in the black coal mining industry.

The *Building and Construction Industry Improvement Amendment (Transition to Fair Work) Act 2012* commenced on 1 June 2012. It replaced the Office of the Australian Building and Construction Commissioner with the Office of the Fair Work Building Inspectorate to regulate the building and construction industry. It also renamed the *Building and Construction Industry Improvement Act 2005* as the *Fair Work (Building Industry) Act 2012*.

The *Road Safety Remuneration Act 2012* and the *Road Safety Remuneration (Consequential Amendments and Related Provisions) Act 2012* commence on 1 July 2012 and establish the Road Safety Remuneration Tribunal.

The *Work Health and Safety Act 2011* commenced operation on 1 January 2012 and gave effect to the Commonwealth's commitment to implement model legislation developed in accordance with the Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety. The Act, together with the *Work Health Safety Regulations 2011* and *Codes of Practice* (which also commenced on 1 January 2012), forms part of a nationally consistent system of work health and safety laws.

The *Fair Work (Registered Organisations) Amendment Act 2012* commenced on 29 June 2012. It strengthens the financial and accountability obligations of registered organisations and their office holders, broadens the investigative powers of Fair Work Australia and enhances the remedies available under the *Fair Work (Registered Organisations) Act 2009*.

The *Fair Work Amendment (Textile, Clothing and Footwear Industry) Act 2012* commences on 1 July 2012. It amends the *Fair Work Act 2009* to enhance entitlements and protections for outworkers in the textile, clothing and footwear industry.

Regulations

The following regulations were made during 2011–12:

- Fair Work (Transitional Provisions and Consequential Amendments) Amendment Regulation 2012 (No. 1)—the regulation requires certain Queensland social and community services sector employers to pay employees rates of pay in accordance with a 2009 pay equity decision of the Queensland Industrial Relations Commission. The regulation applies to employers who would have become subject to the decision, and liable to pay those rates, from 27 March 2011 had Queensland not referred workplace relations matters to the Commonwealth from 1 January 2010. This regulation replaces the Fair Work (Transitional Provisions and Consequential Amendments) Amendment Regulations 2011 (No. 1), which were repealed on 30 September 2011.
- Work Health and Safety Regulations 2011—the regulations support the *Work Health and Safety Act 2011* and form part of a nationally consistent scheme of work health and safety laws.
- Fair Work (Registered Organisations) Amendment Regulations 2011—the regulations prescribe counterpart unions under section 9A(1) of the *Fair Work (Registered Organisations) Act 2009*, which establishes a framework for applications to extend eligibility rules to be lodged and dealt with, and addresses the position of state registered associations with no federal counterparts. The regulations commenced on 15 December 2011.
- Fair Work Amendment Regulation 2012 (No. 1)—the regulation enables a deputy president or commissioner of Fair Work Australia to be dually appointed as a member of the Road Safety Remuneration Tribunal.
- Fair Work Amendment Regulations 2011 (No. 3)—the regulations prescribe the Public Service Minister as employing authority for APS employees, in line with machinery of government changes.
- Fair Work Amendment Regulations 2011 (No. 4)—the regulations enable an official of an industrial association to represent a party in a small claims proceeding in circumstances where the party is granted leave by the Federal Magistrates Court or a state magistrates court.
- Coal Mining Industry (Long Service Leave Funding) Amendment Regulations 2011 (No. 1)—the regulations prescribe the categories of employees who are able to enter into a waiver agreement for the purposes of the *Coal Mining Industry (Long Service Leave) Administration Act 1992* and makes administrative changes to the names of the coal mining industry regulations.
- Building and Construction Industry Improvement Amendment (Transition to Fair Work) Regulation 2012, Fair Work (Building Industry) Regulations 2005 and Fair Work (Building Industry-Accreditation Scheme) Regulations 2005—the regulations make appropriate provision in relation to a range of substantive matters set out in the *Fair Work (Building Industry) Act 2012*.

Workplace safety

Office of the Federal Safety Commissioner

The Office of the Federal Safety Commissioner administers the Australian Government Building and Construction OHS Accreditation Scheme and works closely with Australian Government agencies and industry to ensure effective implementation of the health and safety requirements of the *Building and Construction Industry Improvement Act 2005* (replaced by the *Fair Work (Building Industry) Act 2012* from 1 June 2012).

As at 30 June 2012, there were 244 companies accredited under the scheme. In addition, the office had been notified of 791 directly and indirectly funded contracts for building work covered by the scheme with a combined value \$41.57 billion.

Following an intensive accreditation process, including an overseas onsite audit, the Office of the Federal Safety Commissioner accredited

an international company for the first time in early 2012. The accreditation enables the company to contribute its rail expertise to one of the largest infrastructure projects in Australia, the Victorian Regional Rail Link project.

Asbestos management

On 29 October 2010, Senator Chris Evans, the then Minister for Tertiary Education, Skills, Jobs and Workplace Relations, announced the establishment of the Asbestos Management Review.

Mr Geoff Fary was appointed to chair the review and was assisted by an expert advisory group. In June 2012 the review provided a report to the

Government with recommendations for development of a national strategic plan to improve asbestos awareness and management. The department provided secretariat support for the review.

The terms of reference for the review were broad in scope and encompassed asbestos management issues beyond workplace health and safety, including environmental and public health issues. The review was designed to complement work already underway at both the Commonwealth and state and territory levels. It was also to complement the development of harmonised workplace health and safety laws, which include regulations and codes of practice relating to asbestos management and removal.

Outcome effectiveness indicators

Table 39 Effectiveness indicators for Outcome 4

<i>Performance indicator</i>	<i>Year to June quarter 2011</i>	<i>Year to June quarter 2012</i>
The federal workplace relations system supports improved productivity outcomes		
Labour productivity as measured by real gross value added per hour worked in the market sector (growth rate, trend terms)	0.0%	3.7%
Australian Bureau of Statistics wage price index (growth rate, seasonally adjusted terms)	3.8%	3.7%
Low incidence of industrial action (allowing for variations in the bargaining cycle)		
Working days lost per thousand employees (WDL/1000E)	15.9	28.8 ^a
Working days lost in federal bargaining disputes	Not available	Not available ^b
Collective bargaining is widely used by employers and employees to negotiate pay and conditions		
Enterprise agreements approved ^c	7,258	8,127

a The level of industrial action can be affected by the number of agreements that expired recently. In 2011, 8335 agreements expired compared to 5133 in 2010. ABS industrial dispute figures include working days lost from all industrial disputes, not just those under the Fair Work Act. The education and training, health care and social assistance industries include large numbers of state government employees who are not covered by the Fair Work Act.

b For confidentiality reasons, the Australian Bureau of Statistics (ABS) did not release a disaggregation of working days lost by jurisdiction for the March and September quarters in 2011. As a result, working days lost in federal bargaining disputes for the year to June quarter 2011 and the year to the June quarter 2012 cannot be calculated.

c Unless otherwise noted, all data on enterprise agreements in this section is derived from the department's Workplace Agreements Database, which is the only database of its kind in Australia. It contains data about wages and conditions in every enterprise agreement made under the federal workplace relations system since the commencement of formal enterprise bargaining in December 1991 and that have been subsequently provided to DEEWR. Researchers may request data by emailing the department at ebtrends@deewr.gov.au.

Departmental outputs for Outcome 4

Table 40 Departmental outputs for Outcome 4

<i>Performance indicator</i>	<i>Estimate</i>	<i>Actual</i>
Timeliness of processing claims for the General Employee Entitlements and Redundancy Scheme (GEERS)	80% processed within 16 weeks of receipt	79%
	98% processed within four weeks of receipt of verified entitlement data	98.3%
Accuracy of processing claims for the GEERS	Over 98% of payments not varied after appeal	99.6%
Satisfaction of stakeholders (insolvency practitioners) with the management of GEERS	Satisfied or above	92% of surveyed stakeholders reported the department's management of GEERS at satisfactory or above
Timeliness of departmental responses to client requests for assessment of industrial instruments against the code and guidelines	95% completed within 10 working days	99%
Client satisfaction Fresh Ideas for Work and Family	80% of clients surveyed satisfied	99%
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 from stakeholders indicated that the Office of the Federal Safety Commissioner's advice, information, education and promotion of safer workplaces on Australian Government construction sites was effective



3 Our operations

Incorporates the department's response to the Department of Finance and Deregulation's sustainability reporting pilot and details the department's economic, environmental and socially sustainable operations

Our operations

For the 2011–12 reporting period, DEEWR is participating in a Department of Finance and Deregulation pilot for a sustainability reporting framework. The purpose of sustainability reporting is to bring to the forefront of each Australian Government entity the short-, medium- and long-term economic, social and environmental impacts of the way it conducts its internal operations.

Focusing on sustainability gives DEEWR, and the Australian Government more broadly, the opportunity to enhance efficiencies and operational effectiveness by better understanding the drivers of costs such as fuel, electricity and water use. Sustainability reporting has undergone significant development internationally, with the Global Reporting Initiative emerging as the most commonly used reporting framework. By using elements of the Global Reporting Initiative, sustainability reporting focuses on internal operations of Australian Government entities, particularly relating to human resources and environmental performance.

As part of the sustainability pilot, tables summarising performance on employment, financial and environmental factors have been included in this report (Tables 41, 42 and 43) as well as a statement about human rights (page 128) and a set of Global Reporting Initiative indicators (Appendix 3). Performance measures and selected indicators are designed to be consistent across participating pilot agencies to allow for comparison.

Our people

Strategic people management and people capability

Under DEEWR's governance arrangements, the People and Leadership Committee is responsible for ensuring the department has appropriate and effective people management strategies to enable it to meet its business goals.

DEEWR experienced significant organisational change during 2011–12, particularly following announcements of a reduced operating budget for 2012–13 and a machinery of government change in December 2011. To engage our people in managing these changes, workshops were facilitated across all areas of the department, including state and territory offices. The workshops involved employees at all levels and sought their ideas on ways for DEEWR to function more efficiently within a reduced fiscal environment.

A key theme that emerged from the workshops was the importance of further developing our flexible, agile and capable workforce to enable the department to respond quickly and effectively to emerging priorities and position us more strongly to meet future challenges. Feedback from the workshops, coupled with other people capability analysis undertaken in DEEWR during the past year, has resulted in a range of targeted actions to build our workforce capability.

During 2011–12, the People Capability Framework was developed, the first stage of which will be implemented in August 2012. The framework will enable employees and their supervisors to assess the capabilities required for their roles and identify learning and development needs. It will also help DEEWR to identify skills gaps at an organisational level and to conduct more effective workforce planning and strategic recruitment.

We also adopted a new Learning and Development Plan during the year to guide our future investment in programs and development opportunities for our people. A key theme of our approach is the importance of learning from

Table 41 Summary of performance—employment

<i>Indicator</i>	<i>2010–11</i>	<i>2011–12</i>	<i>% change</i>
Number of staff employed (headcount)	5,471	4,199	–23.2%
Total employee expenditure (dollars)	522,901,000	507,751,000	–2.8%
Diversity of workforce^a			
Women (% of total workforce)	61% (3,330 of 5,471)	60% (2,523 of 4,199)	–1.0%
People with disability (% of total workforce)	2.7% (149 of 5,471)	2.8% (117 of 4,199)	+0.1%
Aboriginal and Torres Strait Islander (% of total workforce)	5.2% (285 of 5,471)	5.4% (228 of 4,199)	+0.2%
Staff with English as a second language (% of total workforce)	Not reported	5.0% (210 of 4,199)	N/A
Staff health and wellbeing			
Number of work health and safety incident reports	56	51	–8.9
Number of health and safety representatives	Not reported	30	N/A
Training and education			
Percentage of staff undertaking supported studies	Not reported	7.9% (330 ^b of 4,199)	N/A

N/A = not applicable.

a Workforce diversity data relies on self-identification.

b This figure includes employees on paid and unpaid study leave.

There may be some underreporting as not all study leave is captured centrally.

one another, and we have introduced a range of initiatives to showcase and draw on the experience of our senior leaders to guide and coach others.

The introduction of the DEEWR Enterprise Agreement 2012–2014 was a significant achievement during the year. The agreement incorporates a new performance management system that will allow us to identify issues early and provide more timely support to our people, including managers.

Ethical standards

The *Public Service Act 1999*, through the Australian Public Service (APS) Code of Conduct and APS Values, sets the framework for behavioural and ethical standards in the public service. These standards govern how the department conducts its business, particularly with regard to the

behaviour of employees and relationships with the public, government and the parliament.

The department’s values and conduct standards are incorporated into employee individual performance and development plans and form an integral part of the department’s work and leadership behaviours.

Recruitment

During 2011–12 we made a number of improvements to our recruitment approach. We streamlined our internal recruitment process to facilitate quick and effective movement of employees into areas of emerging priority. We also continued with prudent external recruitment for positions that were not able to be filled through internal mechanisms or for hard-to-fill positions such as specialised skill sets or in specific locations.

Budget 2012–13 workshops and Shaping DEEWR's Future plan

The department responded quickly and innovatively to announcements made in the Mid-Year Economic and Fiscal Outlook 2011–12 and in preparation for the 2012–13 Budget. A steering committee was established to recommend ways the department should work to operate within the allocated budget. One of the committee's proposals was to conduct workshops with each branch and state to consider the implications of the reduced budget and operating environment.

A broad-based team drawn from across the department worked together to coordinate, facilitate and assist with the workshops. The project team developed and monitored the approach and worked with an external organisation, Enzyme International Pty Ltd, to train DEEWR people to facilitate the workshops.

More than 100 workshops were conducted over a five-week period during February and March 2012. The objective was to identify activities branches and states could stop doing or do differently. The common methodology used ensured each attendee had an equal opportunity to vote on the proposed ideas and be involved in the decision-making process. The outcomes of each branch and state workshop were captured in individual reports and provided to them for action.

The workshops recorded thousands of ideas from over 2000 people at all levels. Positive feedback was received on the workshops, and participants agreed that if the highest priority ideas were implemented the department would be able to manage within the reduced budget allocations. The ideas ranged from rationalising programs, managing meetings more

effectively, increasing clarity about work priorities, managing assets and delegating work. The ideas can be broadly categorised under the following themes:

- policy stewardship
- flexible, capable and agile workforce
- better processes
- clear priorities
- delegation and risk management.

The ideas from the workshops led almost immediately to some tangible results. One simple yet effective measure was to set the default printing of all printers in the department to black and white printing rather than colour. This initiative will save the department approximately \$650,000 a year in departmental expenses.

Over the next 12 months the department will implement actions under the 'Shaping DEEWR's Future' banner, which will centre on the five themes from the workshops. This will assist DEEWR people to identify activities aimed at increasing our organisational capability. Around 30 activities underpin the five themes, including clearance processes and delegation, coaching and mentoring, a seminar series, and centres of excellence for project management and procurement.

DEEWR will continue to focus on managing the large policy agenda ahead and ensuring the department delivers best practice for Ministers, stakeholders and the Australian public.

Entry-level programs

Graduate recruitment is a key entry-level program for refreshing the department's workforce. In February 2012, 72 graduates began their 10 month program of comprehensive on- and off-the-job training. The department also participated in other entry-level programs in 2011–12, including the continuation of Indigenous cadets, apprentices and trainees as well as internship programs in the ICT and legal areas of DEEWR.

DEEWR administers the Indigenous Australian Government Development Program across the APS. The recruitment process for the 2012 intake commenced during 2011–12 and 45 participants are expected to start in October 2012. During the year, a review was conducted that resulted in enhancements to the 2012 program, such as increasing its length from 12 to 15 months to enable participants to become established in their roles, and providing accommodation (for those who have relocated) before the formal study element of the program begins.

Indigenous business is everyone's business

Commitment to reconciliation

DEEWR takes a coordinated approach to embedding reconciliation into everyday business practices. The department's strategic plan communicates that *Indigenous business is everyone's business in DEEWR*, which is then put into operation within business plans. As a department, DEEWR believes that a commitment to reconciliation is not only the right thing to do, but it also makes good business sense; a workforce that is respectful, understanding and inclusive of Aboriginal and Torres Strait Islander people can more effectively respond to their specific needs.

The department's Reconciliation Action Plan (RAP) is governed by the RAP Implementation Subcommittee. Representatives on the subcommittee oversee the promotion of reconciliation initiatives within their work areas and help to develop strategies and solutions for achieving actions and measurable targets in the RAP.

Aboriginal and Torres Strait Islander recruitment, retention and career development

DEEWR is committed to improving the recruitment, retention and career development of its Aboriginal and Torres Strait Islander employees. This commitment reflects DEEWR's broader aims for improving outcomes for Aboriginal and Torres Strait Islander people and contributing to closing the gap on Aboriginal and Torres Strait Islander disadvantage.

During 2011–12, DEEWR continued to build on its existing entry-level programs for Aboriginal and Torres Strait Islander employees, including the Indigenous cadet and Indigenous graduate programs.

The Australian Government has set a target to increase Aboriginal and Torres Strait Islander employment levels to a minimum of 2.7 per cent across the public sector by 2015. As at 30 June 2012, 5.4 per cent of DEEWR's employees identified as Aboriginal or Torres Strait Islander (see Appendix 7).

DEEWR's achievement in maintaining a higher representation of Aboriginal and Torres Strait Islander employees than the APS target in an environment that has been characterised by resource constraints and downsizing is testimony to the department's commitment.

Leadership and governance

The Secretary and the Executive champion DEEWR's commitment to support a greater number of Aboriginal and Torres Strait Islander employees in their career aspirations and development. DEEWR has an Indigenous Leader, appointed by the Secretary, who provides leadership, advice and guidance to the Executive, other managers and employees. DEEWR's Indigenous Adviser works with the Indigenous Leader and provides human resources and cultural advice within the organisation. A number of senior Indigenous leaders in DEEWR have an important role in supporting and guiding employees and managers in their local areas and programs.



DEEWR Secretary Lisa Paul with Scott Prince, Learn Earn Legend! program ambassador, Leann Wilson, DEEWR, and Leah Armstrong, CEO of Reconciliation Australia, at the launch of the DEEWR Reconciliation Action Plan 2011–2014, October 2011.

Reconciliation Action Plan 2011–2014 launch

DEEWR launched its second Reconciliation Action Plan (RAP) on 26 October 2011, following extensive consultation with employees in national office and state and territory offices. The launch event featured inspirational presentations by speakers who outlined the significance of the three core pillars of the Reconciliation Australia RAP program: respect, relationships and opportunities. Speakers included Leann Wilson, DEEWR's Queensland Strategic Relationships Manager, Learn Earn Legend! program ambassador and National Rugby League superstar Scott Prince and Leah Armstrong, CEO Reconciliation Australia.

DEEWR's RAP vision is that Aboriginal and Torres Strait Islander peoples are an integral part of our business and workforce; together we contribute to a productive and inclusive Australia through our commitment to reconciliation. Our RAP sets out practical defined targets that provide a framework to achieve a departmental culture that respects and values the contribution of Aboriginal and Torres Strait Islander peoples, histories and cultures. The RAP also focuses on building a culturally capable workforce, providing specialised recruitment pathways and extending our working relationships with Aboriginal and Torres Strait Islander stakeholders.

Mura Kaimel–Yarrangi Committee

The Mura Kaimel–Yarrangi (MKY) Committee works in partnership with DEEWR's People and Leadership Committee, People and Organisational Development Group and other key stakeholders. The MKY network was recently reviewed and membership refreshed.

To promote continuous improvement and ensure the ongoing effectiveness of the MKY, an annual action plan is developed to focus efforts on priority outcomes. The plan is a practical tool for achieving outcomes, and is reviewed every 12 months to measure its effectiveness and ensure that the priorities outlined in the plan are current.

The MKY Committee is an important element of DEEWR's governance structure. The committee provides DEEWR's Aboriginal and Torres Strait Islander employees with the opportunity to influence the department's recruitment, retention and career development strategies for Aboriginal and Torres Strait Islander people. The MKY Committee and associated state and national office MKY networks provide support and informal mentoring opportunities to DEEWR employees.

Cultural capability

The MKY Committee led the development of the cultural capabilities for piloting in the broader People Capability Framework. DEEWR offers a broad range of opportunities for employees to develop their cultural capability, including Indigenous cultural awareness training, Torres Strait Islander seminars and RAP and Closing the Gap 'local connections' workshops.

DEEWR employees, especially new starters, are encouraged to complete the Indigenous Business in DEEWR eLearning program. The program aims to build understanding of Aboriginal and Torres Strait Islander culture and history and outline the work occurring across all business areas of the department on initiatives designed to close the gap.

Throughout the year many reconciliation activities are organised to increase employees cultural awareness, knowledge and understanding such as presentations by Aboriginal and Torres Strait Islander guest speakers and various workshops and information seminars. Events in 2011–12

included racism workshops, a cultural excursion to Tidbinbilla Nature Reserve to allow national office employees to learn about the cultural landscape of the area and discover how native resources were traditionally used, and an ethics seminar on best practices in Indigenous research.

Workforce planning

At 30 June 2012 the department had 4199 employees. Between 1 July 2011 and 30 June 2012, 1993 people separated from the department. Of these separations, 1758 were ongoing employees and 235 were non-ongoing employees. Of the ongoing employee separations, 992 transferred to another agency as a result of machinery of government changes, 255 received voluntary redundancies, 253 voluntarily transferred to another agency, 183 resigned, 49 retired, 14 were dismissed and the remainder separated for a variety of other reasons. Appendix 7 contains summary tables of workforce statistics at 30 June 2012 and for the previous year.

The DEEWR Workforce Plan 2011–2013 sets out the department's strategies for building and strengthening our workforce capability to ensure we can deliver our business now and into the future. The plan reflects the maturity of workforce planning across the department, demonstrating the strong systems in place to capture and report on our employee base.

Regular human resources metrics reports are prepared for the People and Leadership Committee and the Executive Meeting on departmental performance against human resources performance indicators and on organisational workforce demographics.

Business area workforce management is supported by a desktop HR Dashboard, an online tool available to managers (Executive Level 2 and above) that provides real-time information about their workforce drawn from the department's HR Information System, Connect.

The HR Dashboard provides a range of data including headcount, demographics, unscheduled leave and turnover rates.

Remuneration and conditions of employment

All non-SES DEEWR employees are covered by the DEEWR Enterprise Agreement 2012–2014.

DEEWR's previous collective agreement expired on 17 November 2011. DEEWR began bargaining for a new enterprise agreement with the Community and Public Sector Union and other bargaining representatives on 15 August 2011. After employees voted against the initial offer in December 2011, the department revised its position and reached agreement with the union in April 2012.

The final offer was consistent with the requirements of the APS Bargaining Framework, including the maximum recommended average annualised wage increase of 3 per cent. Importantly, it retains a range of flexible working conditions that support our people and create a productive work environment.

The outcome of the second vote in May 2012 was strongly in favour. Sixty-nine per cent (2970) of all eligible employees voted (4311), and 96 per cent of them (2852) voted to accept the agreement. The enterprise agreement became operational on 13 June 2012.

Salary arrangements and non-salary benefits

The enterprise agreement provides a range of modern, flexible, streamlined terms and conditions to support the balance of work and personal responsibilities, create a positive work environment and encourage people from diverse backgrounds to join and remain with the department. Features of the agreement include pay rises that keep pace with the cost of living increases and the maintenance and in some cases enhancement of flexible work arrangements. Flexible work arrangements include access to part-time work, up to eight weeks of purchased leave, 14 weeks of paid maternity or maternal leave which can be taken at half-pay, parental leave and studies assistance. The agreement also introduced provisions for foster care leave.

Individual flexibility arrangements

The enterprise agreement contains a flexibility term that allows the Secretary and individual employees to vary the terms of the enterprise agreement to better accommodate their personal circumstances. Variations under individual flexibility arrangements are limited to the matters set out in the flexibility term of the enterprise agreement such as overtime and penalty rates, remuneration and leave.

Determinations

Remuneration and conditions for Senior Executive Service (SES) employees are provided under a section 24(1) determination made under the *Public Service Act 1999*. DEEWR adopts a total remuneration approach; the SES package was restructured in December 2011 to align SES remuneration and conditions with the APS Bargaining Framework and to strengthen the performance framework.

Performance pay

At 30 June 2012 all non-SES employees were covered by the DEEWR Enterprise Agreement 2012–2014, which does not provide access to performance pay. During the 2011–12 performance cycle no SES employees were granted performance pay. However, one SES employee received a payment in 2011–12 that related to performance during the previous financial year.

Performance management system

DEEWR's performance management system provides a common and consistent basis for performance management in which managers and employees equally commit to, and understand, their performance management responsibilities. The system features regular feedback discussions, and separate ratings are provided for key deliverables and observable work behaviours. Both ratings are given equal weight to emphasise the importance not only of what we deliver, but also how we deliver it. In 2011–12, DEEWR introduced new rating systems as part of the overall performance management system for both non-SES and SES employees.



Artist, dancer and choreographer Gail Mabo (centre), pictured with DEEWR employees (L to R) Angie Stiles, Kelly Grandin, Kevin Brahim, Andrea Henson and Lara Norman during National Reconciliation Week, June 2012.

Commemorating and celebrating days of significance

National Aborigines and Islanders Day Observance Committee Week, 3 to 10 July 2011

DEEWR commemorated National Aborigines and Islanders Day Observance Committee (NAIDOC) Week with a flag raising ceremony in the national office which was streamed live across DEEWR. Some DEEWR employees attended the NAIDOC Trivia Night and the NAIDOC Touch Football Day, which featured football ambassadors from the Learn Earn Legend! program.

Throughout the week short films from the National Film and Sound Archive Black Screen collection were shown in the national office and a daily lunchtime quiz was promoted in staff notices. The week ended with a NAIDOC wrap-up session with storytelling and musical entertainment.

National Reconciliation Week, 27 May to 3 June 2012

National Reconciliation Week is a time to reflect on Australia's reconciliation journey. DEEWR organised a variety of events and activities during the week to celebrate the respectful relationships shared between Aboriginal and Torres Strait Islander peoples and other Australians, and provide an opportunity to reflect on our commitment.

Activities in the national office included cultural awareness workshops, an Aboriginal dance and didgeridoo performance, film screenings, a 'showcase extravaganza' promoting DEEWR's Aboriginal and Torres Strait Islander programs and initiatives and a traditional Aboriginal women's storytelling workshop. Some of the events in the state and territory offices included guided tours of the Sydney Royal Botanical Gardens; a presentation by Torres Strait Islander singer and dancer Eddie Peters; a presentation from Eddie Cubillo, the Northern Territory Anti-Discrimination Commissioner; a talk from Carlton ex-footballer Syd Jackson; and a communal artwork master class.

A reconciliation panel discussion was live-streamed across DEEWR and featured Gail Mabo, Simon Gordon from Reconciliation Australia and DEEWR senior executives. The panel provided a great forum to discuss DEEWR's commitment to developing a culturally capable workforce and embedding reconciliation in our business practices.



Justin Ling and Tim Gore, friends and mentors participating in the co-mentoring initiative.

Co-mentoring for Aboriginal and Torres Strait Islander and Senior Executive Service employees

In March 2012, DEEWR established a co-mentoring initiative, led by Deputy Secretary Michael Manthorpe in collaboration with DEEWR's Indigenous Leader Kevin Brahim and the Mura Kaimel–Yarrangi Committee. The initiative is an informal two-way mentoring and coaching relationship between DEEWR's senior executives and Aboriginal and Torres Strait Islander employees at all classification levels.

The initiative focuses on two areas: retaining Aboriginal and Torres Strait Islander employees and providing the senior leaders of DEEWR with valuable insights into Aboriginal and Torres Strait Islander cultures and histories. The support, encouragement and guidance provided to Aboriginal and Torres Strait Islander employees enhance their experience of working in DEEWR and assist with realising their career potential.

The flexibility of the program allows participants to choose a formal or informal approach to their mentoring relationship. Since the program began in March 2012, 30 mentoring relationships have been established.

Leading up to National Reconciliation Week 2012, a series of 'You and Me' articles featured on DEEWR's intranet, profiling some of the co-mentoring relationships between Aboriginal and Torres Strait Islander employees and non-Indigenous staff. The articles highlighted how employees learn from and engage with each other in an environment of mutual respect and understanding, as well as how their relationship has provided opportunities for them both.

Learning and development activities and their impact

In 2011–12, the department introduced a number of measures to strengthen its approach to learning and development, and to develop leadership capability at all levels of the organisation.

In late 2011, the department implemented the DEEWR Learning and Development Plan, which outlines, in broad terms, DEEWR's commitment to developing our people. The plan introduced the concept of '70:20:10'—the idea that 70 per cent of our learning and development happens on the job, learning from our own experiences; 20 per cent from observing others around us; and 10 per cent from formal, job-related training. To assist managers to deliver the 70:20 component, DEEWR has developed coaching programs and will continue to focus on coaching as a learning priority throughout 2012–13.

During 2011–12, the department offered a range of targeted learning and development opportunities to support a flexible, agile and capable workforce.

For SES and Executive Level employees, our learning and development calendar emphasised development programs with the Australian Public Service Commission, the Australian and New Zealand School of Government and the Australian National Institute of Public Policy to support ongoing career progression and succession planning.

Other efforts included making ongoing improvements to the Indigenous Australian Government Development Program and the graduate program, developing award-winning eLearning programs and establishing a learning and development panel to ensure better access to suitable providers. The Connect system was enhanced to include a learning management system, the People Capability Framework and increased automation, integration, reporting ability and usability for DEEWR employees and administrators in relation to learning and development and performance management. These improvements will be implemented in early 2012–13. Employee individual performance and development plans continue to be central to identifying individual learning and development needs.

Work health and safety

In accordance with the *Work Health and Safety Act 2011*, DEEWR is committed to providing a safe and healthy work environment and has established health and safety management arrangements to support this commitment. DEEWR promotes a proactive approach to health and safety management based on effective communication and consultation and the systematic identification, assessment and control of risks.

DEEWR's health and safety management arrangements focus on effective consultation with employees and Health and Safety Representatives and promotion and development of health and safety initiatives in the workplace. The DEEWR Peak Occupational Health and Safety Committee met regularly throughout the year. With representatives from state, territory, regional and national offices, the committee provides a forum for consultation and consideration of strategic work health and safety issues for the department.

The *Work Health and Safety Act 2011* came into effect on 1 January 2012. A key achievement over the course of the year was implementing the Act within the department. Work health and safety systems, policies and procedures were updated to ensure that they were in line with the new legislation. A comprehensive education campaign was also delivered to ensure that all employees are aware of their responsibilities under the new legislation and to increase the commitment to health and safety in the department.

DEEWR's Health, Safety and Wellbeing Strategy 2010–2012 details a range of activities undertaken to support employee health, safety and wellbeing in the workplace. The strategy has a focus on early intervention, proactive and preventative injury management, promotion of healthy work practices and increasing awareness of the importance of incident reporting. Key activities during the year included promotion and implementation of Health and Wellbeing Week.

Reporting

In 2011–12, falls, slips and trips made up the highest proportion (20 per cent) of reported work health and safety incidents. Body stressing (which includes

eLearning awards

DEEWR is setting the benchmark for interactive eLearning in the APS by producing a suite of eLearning programs to meet the diverse learning needs of the organisation. To date, a wide range of innovative and interactive programs have been developed, including *Indigenous Business in DEEWR*; *Travel Cards*; *Making Room Bookings*; *Fraud, Bullying and Harassment*; *Workplace Health and Safety*; *Ethics*; *Probity*; *Financial Management and Accountability*; and the *Orientation Network*.

DEEWR received five awards at the Learning and Technology Impact Awards 2012 for our eLearning programs. The *Indigenous Business in DEEWR* program was awarded first place in the Behavioural Change—Cultural Diversity category. This is the first time a government agency has received this honour. DEEWR also received four finalist awards for best eLearning programs for the *Orientation Network* (which won two awards), *Probity* and *Room Bookings* programs.

These awards recognise DEEWR's commitment to delivering the best learning experience for all our employees.

muscle strains, back conditions and tendonitis/tenosynovitis) made up the next highest proportion (16 per cent). The number of body-stressing incidents was lower than in the previous reporting period. The reduction in body-stressing incidents is attributed to increased promotion of incident reporting and implementation of early intervention strategies such as rest-break software. For information on incidents by type, see Appendix 7.

Five detailed investigations were undertaken into reported incidents, including those involving being hit by moving objects, and biological and environmental factors.

In 2011–12, Comcare was notified of 51 incidents pursuant to section 68 of the *Occupational Health and Safety Act 1991* and section 38 of the *Work Health and Safety Act 2011*. This compares with 56 incidents reported to Comcare in 2010–11.

Changes to disability reporting in annual reports

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's *State of the Service Report* and the *APS Statistical Bulletin*. These reports are available at www.apsc.gov.au. Since 2010–11, departments and agencies were no longer required to report on these functions.

The Commonwealth Disability Strategy has been replaced with the National Disability Strategy, which sets out a 10-year national policy framework for improving life for Australians with disability and their families and carers. A high-level report to track progress for people with disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at www.fahcsia.gov.au. The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters

in its regular *How Australia is faring* report and, if appropriate, in strategic change indicators in agency annual reports such as at Appendix 2 of this report. More detail on social inclusion matters can be found at www.socialinclusion.gov.au.

State network

At 30 June 2012, the department had 870 employees working in state network offices, including around 150 Aboriginal and Torres Strait Islander employees. Through its extensive network of offices across Australia, the department has a presence in 52 locations, 45 of which are regional (including Indigenous Coordination Centres and Regional Education, Skills and Jobs Coordinator locations) and there is a state office in each capital city.

DEEWR's state network manages a range of programs and services, enabling the department to respond rapidly and consistently to risks and challenges. DEEWR manages around 190 programs for the Government, more than half of which are managed by the state network. This includes programs relating to employment, Aboriginal and Torres Strait Islander education and employment, schools, early childhood education and child care. A strength of the state offices is their understanding of what works on the ground, and this qualitative and anecdotal evidence helps shape national programs and policies. State network employees develop and maintain strong levels of engagement with service providers and stakeholders, including local organisations, state governments, non-government organisations, industry and educational bodies.

The state network has had an important role in ensuring successful implementation of the 2011–12 Budget measures, including Regional Education, Skills and Jobs Coordinators, Local Employment Coordinators and initiatives contributing to the Building Australia's Future Workforce policy. The work of each state office is also shaped by its environment. Differences between jurisdictions—such as variations in geography, economic performance, labour demands, population profiles, levels of disadvantage and even preschool attendance rates—mean that workloads, areas of focus and pressures vary across the network.

During 2011–12 the department delivered on the Government's 2011 Budget commitment to deploy 34 Regional Education, Skills and Jobs Coordinators across the 46 non-metropolitan Regional Development Areas. Coordinators work closely with their local community to develop and implement strategies that maximise education, skills and jobs outcomes arising from local opportunities, government programs and major projects. The issues, goals and strategies for each region are articulated in Regional Education, Skills and Jobs Plans.

Queensland's Learn Earn Legend! program gained momentum during 2011–12. The department partnered with two new organisations: the Queensland Reds Rugby Union and the Northern Pride Rugby League clubs. These partnerships have enabled an additional 125 young Aboriginal and Torres Strait Islander people to be supported through participation in the program. Through Learn Earn Legend! an outstanding 80 per cent of young people involved have been placed in employment, training or higher education over the past 12 months.

Through the Indigenous Employment Program, DEEWR's Western Australian offices have continued to work with employers, both directly and through the program's panels, to support new employment opportunities for Aboriginal and Torres Strait Islander jobseekers. During 2011–12 DEEWR worked with employers across a range of sectors, including construction, hospitality, mining and resources. In addition to direct employment opportunities, the department focused on building the capability of Aboriginal and Torres Strait Islander service providers operating in the training and employment sectors. Through the Indigenous Employment Program, the Australian Institute of Company Directors worked with Aboriginal and Torres Strait Islander senior executives and board members from providers operating across Western Australia to enhance business management and governance practices. This has led to an improvement in service provision for Aboriginal and Torres Strait Islander clients.

The state network successfully implemented initiatives aimed at improving the quality of

centre-based Budget Based Funded early childhood services, including negotiating and managing capital funding agreements and taking a lead role in negotiating leases for the land on which the services are located in Aboriginal and Torres Strait Islander communities.

The DEEWR network contributed to policy development for the Remote Jobs and Communities Program based on the knowledge, experience and expertise of DEEWR employees on the ground.

Eyre Peninsula Mining Careers Expos

The Regional Education, Skills and Jobs Coordinator in the Whyalla and Eyre Peninsula region identified in his local plan the emerging opportunities in the resources sector. Working with local education, industry and training stakeholders, he supported a series of nine career information sessions designed to expose Eyre Peninsula residents to the scope of potential employment opportunities in the mining industry and allied service industries. Delivered during March 2012 in Ceduna, Wudinna, Cleve and Port Lincoln, the expos were pitched at secondary school students to encourage them to explore career paths in the mining industry, and members of the general public who were unemployed, underemployed or seeking a change of career and looking for more immediate job opportunities.

These expos are helping the region to get on the front foot with meeting immediate and longer term labour and skills demand in the resources sector.

Eyre Peninsula Mining Alliance Manager Stephen Marlow talks to members of the public at the evening session in Port Lincoln.



Financial performance

The following table provides a summary of DEEWR's financial performance between 2010–11 and 2011–12, that indicates changes in our operating expenses and viability. Further information on the department's financial performance is in Part 4, with full financial statements found in Part 5.

Table 42 Summary of performance—financial

<i>Indicator</i>	<i>2010–11 (\$'000)</i>	<i>2011–12 (\$'000)</i>	<i>% change</i>
Operating statement			
Total expenditure	921,587	826,496	–10.3%
Total own-source revenue	43,414	32,350	–25.5%
Total net cost of service	851,788	786,479	–7.6%
Economic viability			
Total assets	475,164	424,796	–10.6%
Total liabilities	275,346	254,867	–7.4%

Environmental performance

DEEWR's environmental management activities are focused on reducing impacts from energy consumption, waste, water consumption, travel and transport, paper consumption and procurement policies and practices. The department's progress is summarised in the following table.

Table 43 Summary of performance—environmental

<i>Indicator</i>	<i>2010–11^a</i>	<i>2011–12</i>	<i>% change</i>
Office/building energy use			
Total office tenant light and power electricity consumption (kWh)	12,383,846	10,635,473	–14.1%
Total office tenant light and power energy consumption (MJ)	44,581,845	38,287,702	–14.1%
Office tenant light and power energy use per full-time equivalent (MJ/FTE)	8,180.16	7,302.63	–10.7%
Office tenant light and power energy use per square metre (MJ/m ²)	202.73	170.35	–16.0%
Base/central building energy consumption (MJ) ^b	N/A	N/A	N/A
Base/central building energy consumption per square metre (MJ/m ²) ^b	N/A	N/A	N/A
Greenhouse emissions attributed to office tenant light and power energy use (tonnes/CO ₂ -e)	11,076.78	9,422.39	–15.0%
Green power purchased (kWh)	1,238,385	1,061,243	–14.3%

<i>Indicator</i>	<i>2010–11^a</i>	<i>2011–12</i>	<i>% change</i>
Vehicle fleet			
Total number of fleet vehicles	152	128	–15.8%
Average green vehicle rating of fleet	12.1	12.3	+1.7%
Total fuel purchased (kilolitres)	191.92	139.33	–27.4%
Total distance travelled (kilometres)	1,861,067	1,387,298	–25.6%
Average fuel consumption of vehicle fleet (litres/100 km)	10.31	10.04	–2.6%
Total direct greenhouse emissions of fleet (tonnes CO ₂ -e)	428.7	312.86	–27.0%
Greenhouse emissions			
Total greenhouse emissions (tonnes CO ₂ -e)	11,505.5	9,751.3	–15.3%
Total greenhouse emissions per FTE (tonnes CO ₂ -e/FTE)	2.11	1.87	–11.4%
Air travel			
Total number of flights	25,466	24,064	–5.5%
Total distance of flights (km)	22,340,190	19,533,669	–12.6%
Potable water consumption^c			
Total potable water use (kilolitres)	N/A	162	N/A
Potable water use per FTE (kilolitres/FTE)	N/A	0.083	N/A
Water use per square metre (kilolitres/m ²)	N/A	0.004	N/A
Resource efficiency and waste			
Office paper purchased by FTE (A4 reams/FTE)	13	12.7	–2.3%
Percentage of paper purchased with recycled content	56.10%	88.37%	+32.3%
Office paper recycled (tonnes) ^d	261.52	242.4	–7.3%
Total waste produced (tonnes) ^d	N/A	180.30	N/A
Total waste produced per FTE (kg/FTE) ^d	N/A	45.9	N/A
Percentage of waste diverted from landfill ^c	81.5%	87.3%	+5.8%

kWh = kilowatt hour; MJ = megajoule; N/A = not available.

- a Some figures for 2010–11 are different from those previously reported due to increased availability of data.
- b Base/central building information applies only to agencies that own property, which DEEWR does not.
- c Data only available for 50 Marcus Clarke Street, Canberra.
- d Data only available for tenancies across Canberra.

Effect of the department's activities on the environment

DEEWR uses an environmental management system, certified to AS/NZS ISO 14001, as its main tool to continuously reduce negative environmental impacts and minimise pollution. The department is committed to the philosophy of *rethink, reduce, reuse, repair, recycle* to build strong environmental awareness and progressively implement policies and work practices that minimise our energy and water consumption, waste and greenhouse gas emissions.

Office and building

DEEWR strives to minimise its impact on the environment across departmental operations. Consistent progress has been made over recent years towards achieving the Government's energy efficiency targets through energy-saving initiatives such as installing sensor lighting and using more energy-efficient ICT equipment and appliances. In 2011–12 DEEWR reduced its energy intensity to 7318 megajoules per person per year—surpassing the Energy Efficiency in Government Operations Policy target of 7500 megajoules.

DEEWR's head office building at 50 Marcus Clarke Street, Canberra, exemplifies DEEWR's initiatives and progress in this area. The building has already gained the following ratings:

- 6-Star Green Star As Built (whole of building)
- 5-Star Green Star Office Interiors
- 5.5-Star NABERS Energy for both base building and tenancy.

These results have been achieved through active and cooperative engagement with the building owners and managers in order to ensure that we maximise the building's environmental potential.

In early 2012 the department occupied major refurbished tenancies at 10 and 12 Mort Street, Canberra, which have been designed to achieve a 4.5-Star NABERS rating. As with 50 Marcus Clarke Street, the performance of these tenancies will be managed in cooperation with building managers under provisions in the Green Lease Schedule.

DEEWR's tenancy at Jacana House in Darwin has achieved a 4-Star Green Star Office Interiors rating.

Information and communications technology

DEEWR reduced the running costs, resource consumption and environmental impacts of its ICT operations through initiatives that included using energy-efficient monitors, virtual servers and print-on-demand, duplex and black and white default multi-function-devices. The department completed the Desktop 2010 project and now has 1200 fewer desktop computers, 600 fewer laptops and 2000 fewer computer monitors. The number of multi-function-devices also dropped by around 100.

As a result of the reduction in equipment numbers and improvements in energy efficiency, desktop energy per end user dropped from 1200 kilowatt hours a year in July 2009, to 450 in July 2010 and 250 in July 2011.

Greentrac software, which provides power reporting capability, power management functionality and user-level encouragement, was installed on all desktop computers to help employees to monitor and minimise energy consumption. A departmental baseline was established and the Greentrac portal was made visible to all users.

Vehicle fleet and air travel

DEEWR's pool vehicle fleet has an average Green Vehicle Guide rating of 12.3.

Total air kilometres travelled decreased by 12.6 per cent from 22,340,190 kilometres in 2010–11 to 19,533,669 kilometres in 2011–12. This improvement is attributed primarily to better use of available ICT, such as videoconferencing.

Water

DEEWR's national office buildings are fitted with a range of water-saving systems. Water-saving technologies, such as low-flow taps and showers, dual-flush cisterns and waterless or low-flow urinals, are in place wherever possible. Additional water-saving technologies at 50 Marcus Clarke Street include sensor taps, greywater recycling for flushing toilets, waterless urinals and rainwater retention for use in cooling towers.

Resource efficiency and waste

DEEWR's standardised waste management system, which is now in place in all eight Canberra buildings, continues to produce outstanding results. The most recent waste audit at 50 Marcus Clarke Street, Canberra, on 22 March 2012 showed an effective recycling rate of 89.37 per cent and a very low contamination rate of 3.36 per cent.

Paper use continues to drop, through standardised duplex printing, print-on-demand technology and electronic filing. The Australian Government ICT Sustainability Plan 2010–2015 established formal targets for reductions in paper use. Starting from a baseline of 18.6 reams per person per year in 2010, targets reduce to 13 reams by July 2012 and culminate at nine reams in July 2015. DEEWR had already achieved the 13 ream target by July 2011, 12 months ahead of schedule. At 30 June 2012, paper use was 12.7 reams per person per year. In addition, DEEWR is in the process of mandating the purchasing of 100 per cent post-consumer recycled A4 and A3 copy paper through its stationery contract.

Human rights

DEEWR operates in the context of Australia's obligations as a signatory to seven key human rights treaties. Human rights are protected and promoted through a range of domestic legislation, policies and practices and independent bodies. In line with Australia's Human Rights Framework, the department aims to promote a human rights culture. This involves an expectation that employees treat all people with respect and consideration, and avoid making assumptions based on personal characteristics or behaviour. It also involves ensuring that DEEWR is a safe and respectful workplace that reflects the diversity of the people it serves. This commitment is consistent with our obligations under the APS Values and Code of Conduct, as contained in the *Public Service Act 1999*.

Employees can access a range of resources including the publication *In our hands: a guide to human rights for Australian public servants*, available from the Attorney-General's Department website at

www.ag.gov.au, to assist staff to understand human rights obligations and take them into account in their daily work.

Supporting social and economic participation

In addition to delivering programs under its four outcomes, the department is engaged in cross-sectoral work that spans social inclusion, social policy, social innovation, engagement with international organisations, and economic analysis and advice. This section outlines the department's work on these activities.

As part of the Council of Australian Governments (COAG) reform agenda to improve the economic and social participation of Australians, the department has primary responsibility for six high-level COAG targets. These relate to educational attainment and closing the gap on Indigenous disadvantage. The department also assists the Department of Health and Ageing and the Department of Families, Housing, Community Services and Indigenous Affairs in achieving three other COAG targets. The department reports on issues that impact on achieving the targets, addressing potential risks and promoting best practice. Progress against the COAG targets is discussed in the outcomes chapters of this report.

Social policy initiatives

In 2011–12, the department continued to collaborate with other agencies on policies and programs to improve social and economic participation by disadvantaged people. The work included developing strategic approaches across the child care, education and employment sectors to increase participation and wellbeing for disadvantaged people. The target groups included the homeless or people at risk of homelessness, people with disability, people with mental illness, young parents, jobless families, refugees and vulnerable migrants.

Homelessness policy and initiatives

During the year, the department contributed to the implementation of the Government's homelessness agenda through its participation on the Homelessness Delivery Review Board, input to the Prime Minister's Council on Homelessness and work on improving outcomes for homeless people participating in DEEWR programs.

The Innovation Fund, which ended on 30 June 2012, included six projects that assisted 1807 job seekers who were homeless. The projects provided around 341 jobs, 655 training places, 62 work experience placements and 148 mentoring programs. Twenty Job Services Australia demonstration pilots also commenced that aim to enhance service delivery to highly disadvantaged (Stream 4) clients; more than 1000 job seekers have already started in the program. Projects funded under the Innovation Fund and the Job Services Australia demonstration pilots will be used to inform policy development to improve assistance in mainstream programs for people who are homeless or at risk of homelessness.

Disability and mental health policy

Increasing the economic participation of people with disability and mental illness continued to be a priority social policy focus for the department in 2011–12, with ongoing contributions to the national mental health reforms, the National Disability Strategy and the National Disability Insurance Scheme. Australia is participating in a three-year OECD project titled 'Disability and Work: the Challenges for Labour Market Inclusion of People with Mental Health Problems', which was launched in April 2010. The OECD released a background report, *Sick on the job? Myths and realities about mental health and work*, in December 2011. The department led Australia's participation in the review, in collaboration with the Department of Families, Housing, Community Services and Indigenous Affairs.

Family policy and gender equality

The department develops policy to improve the economic security of families and women and to achieve equitable outcomes for parents and women. In 2011–12 the department contributed to whole-

of-government initiatives such as the National Carer Strategy, the National Plan to Reduce Violence against Women and their Children, the Women's Interdepartmental Committee, the Carers Forum and the Interdepartmental Meeting on Male Health. The department also contributed to the Australian Law Reform Commission's inquiry into family violence and Commonwealth laws and is working with other agencies to implement a number of the recommendations from the Australian Law Reform Commission's final report, *Family violence and Commonwealth laws—improving legal frameworks*.

Refugees and vulnerable migrants

In 2011–12, the department chaired the Interdepartmental Working Group on Improving the Education and Employment Outcomes of Refugees and Vulnerable Migrants. The working group initiated research and stakeholder consultation to inform future policy for, and delivery of programs to, job seekers from refugee and culturally and linguistically diverse backgrounds.

Social policy trials

The department conducts various social policy trials as part of the process for developing new policy and initiatives. The Building Australia's Future Workforce package in the 2011–12 Budget included trials for young parents and jobless families to provide opportunities for the parents to participate in education and for their children to participate in early childhood activities. The measures are designed to build the capacity of teenage and jobless parents to join the workforce.

Helping young parents

On 1 January 2012, the Helping Young Parents measure commenced as part of the Building Australia's Future Workforce package. The program will support up to 4000 young parents over three and a half years across 10 identified locations of disadvantage to obtain Year 12 or equivalent qualifications and support the development of their children. The trial provides additional funding for services such as Youth Connections, child care, employment services and Communities for Children.

Helping Young Parents information day

In one of the 10 trial sites for the Helping Young Parents measure, the Government Action Leader worked with local service providers to engage with parents by organising an information day at the local community centre. Information about local study and employment opportunities was presented by training providers and a Job Services Australia provider. Transport to the venue and a crèche were organised for parents who needed these services.

A number of the young parents who attended the information session are now participating in an introduction to study course based on the Dynamic Alternative Learning Environment Young Mothers Program model. This involves the parents attending a TAFE bridging course, for up to two days a week, and includes an introduction to aged care, hospitality and child care.

The 12-week program aims to familiarise parents with child care and give them confidence to move their child into approved child care after selecting an avenue of study that interests them and is likely to provide employment opportunities.

Early indications show the measure is progressing well. Young parents are attending interviews with the Department of Human Services, actively developing participation plans, establishing new networks and engaging with local service providers to take up the services on offer.

The data shows some parents are engaging in education activities beyond the minimum education requirements of the measure by participating in Certificate III and diploma-level courses rather than 'baseline' Certificate II courses. The majority of the parents studying are attending vocational institutions such as registered training organisations. Young parents are also receiving individual support from Youth Connections providers and assistance with accredited education and training agency coordination and referrals to other agencies.

Another positive result is that some young parents who already have a Year 12 or equivalent qualification have volunteered to remain in the measure to build up their educational qualifications or to receive help to find a job.

While the Helping Young Parents measure is still in its early stages, the available evidence suggests the measure is having a positive impact for many young parents.

Jobless families

During the year, the department worked in conjunction with the Department of Human Services and the Department of Families, Housing, Community Services and Indigenous Affairs to ensure successful implementation on 1 July 2012 of the Supporting Jobless Families measure.

Under the measure, parents and their children will be supported through services that focus on child health, development and wellbeing, and on assistance with returning to work. The measure will support up to 22,000 parents each year across 10 identified locations of disadvantage and will run until 30 June 2015. DEEWR will be responsible for the ongoing monitoring and evaluation of the measure following its implementation.

Family Centred Employment Project

The Family Centred Employment Project is a three-year demonstration project that began on 1 July 2010 and aims to address the multiple and entrenched barriers to employment experienced by jobless families. The project is being delivered in Goodna, Queensland; Broadmeadows, Victoria; and Port Adelaide, South Australia.

The model is based on 'wraparound' and holistic family-centred service delivery. The project builds on existing community strengths, utilises the large number of services already being provided and draws on local knowledge and expertise.

Providers and families will jointly address the needs of the family as a whole, which may include assistance with child care, housing, financial management, parenting support, health care and education participation. The project aims to assist at least one family member towards employment, but also recognises that overcoming entrenched and multiple barriers to employment involves supporting participants to take interim steps on the pathway to finding a job.

As at 30 June 2012, around 216 families were working actively with service providers and had a family care plan in place. Providers reported that more than 70 individuals achieved employment outcomes in a range of industries including construction and mining, retail and hospitality, child care services and aged care. Around 60 participants also participated in education and training in fields such as English and language, aged care, construction and engineering, and beauty therapy. In addition, a range of positive social outcomes were achieved by more than 200 individuals in such areas as parenting skills, alcohol and drug counselling, obtaining driver's licences, attaining stable housing and financial and budgeting skills. An evaluation of the project will provide evidence for future best practice servicing for jobless families.

Social inclusion

The Australian Government's vision of a socially inclusive society is one in which all Australians feel valued and able to participate fully by learning, working and engaging with their community.

In 2011–12, the department continued the implementation of major reforms to help build more inclusive communities and support the Government's approach that aims to address the disadvantage currently experienced by around five per cent of Australians.

Ongoing collaboration with state and territory governments is targeted towards breaking the cycle of entrenched disadvantage in particular communities. During 2011–12 the department managed initiatives aimed at improving the educational performance of children at greatest risk of long-term disadvantage and assisting families to gain skills and access job opportunities.

Other social inclusion policies focused on closing the gap on Aboriginal and Torres Strait Islander disadvantage, improving education and employment outcomes for people living with disability or mental illness and their carers, and improving employment servicing arrangements and outcomes for people who are homeless or at risk of homelessness.

The department administered a range of strategies such as the Supporting Jobless Families and Helping Young Parents measures. The department also provided assistance and information to the Australian Social Inclusion Board on various issues ranging from employment service arrangements for disadvantaged job seekers to social cohesion.

Social inclusion measurement strategy

The national social inclusion measurement and reporting strategy was developed by the Australian Government as part of the reporting and accountability arrangements that monitor progress being made in addressing social exclusion in Australia. The strategy is intended to reflect both longer term goals and outcomes of social inclusion and the key areas of government action.

The department's progress against the six strategic change indicators for which it has responsibility is outlined in Appendix 2 of this report.

Social innovation

The department develops policies and projects to promote social innovation and cross-sector collaboration that creates a social impact,

with a particular focus on the development of the social investment market in Australia.

Social investment initiatives

During 2011–12, the three Social Enterprise Development and Investment Funds were announced and commenced operations. The SEDIF funds provide advice, support and tailored loans to eligible social enterprises to assist them to grow their operations and increase the impact of their work in communities. The Australian Government seed funding of \$20 million has been fully leveraged by the fund managers, taking the total pool of capital to over \$40 million. The funds are the first of their kind in Australia and represent a turning point in the development of the social investment market in Australia.

The department also collaborated with JB Were, Mission Australia and the National Australia Bank on the publication of two reports to promote discussion on the potential for a place-based impact investment fund to support small and medium enterprises in communities facing structural change or disadvantage.

The department provided a joint submission with the Department of the Prime Minister and Cabinet to the Senate Economic References Committee inquiry into finance for the not-for-profit sector and provided evidence at hearings.

Children's Ground

The department collaborated to develop Children's Ground, a model for working with children and families experiencing the greatest disadvantage in their communities to achieve lasting change over a generation. The design and development work is being carried forward by a new independent not-for-profit organisation. The first community in which the engagement and development phase of work has begun is with the Mirarr people living in Kakadu, West Arnhem region in the Northern Territory.

Not-for-profit sector reforms

The department is working closely with the Office for the Not-for-Profit Sector in the Department of the Prime Minister and Cabinet to realise the priorities

of the National Compact. The National Compact is an agreement that sets out how government and the not-for-profit sector will work together to improve the lives of Australians. The department has undertaken activities to strengthen relationships with the not-for-profit sector, improve coordination of policy for programs and services and expand the capacity of the not-for-profit sector. The department is also a member of a number of working groups that support the work of the Not-for-Profit Sector Reform Council.

Geospatial intelligence and support

The design and delivery of place-based and community-centred programs is supported by spatial analysis, advice and high-quality mapping products. The department works to collaboratively research and develop digital spatial information capacity in partnership with government and its stakeholders. Activities in 2011–12 included:

- analysis and mapping of Indigenous focus schools and their access to the National Broadband Network. This work was undertaken collaboratively as part of the Aboriginal and Torres Strait Islander Education Action Plan
- analysis of existing service areas for the National Disability Coordination Officers Program. This program provides support and tailored case management for people with disability in specific regions across Australia
- provision of mapping services and data analysis for Priority Employment Areas, Local Employment Coordinators, and the Better Futures, Local Solutions initiative
- review of vocational education and training service sites for the MySkills website. This website is a major new Australian Government training initiative
- analysis of income support data and creation of place-based reports.

Supporting economic participation

The department analyses developments in the Australian economy, particularly in relation to macroeconomic performance and household wellbeing, and develops and promotes

evidence to support policy development focused on enhancing human capital.

Ongoing work includes analysis and design of income support programs to promote social and economic participation by working-age Australians, taking account of international trends in welfare reform and social, work and education outcomes. The department also produces the Monthly Leading Indicator of Employment, which foreshadows trends in employment.

During 2011–12, the department provided economic research and analysis support to the independent panel reviewing the Fair Work Act and contributed economic analysis to the Future Jobs Forum, the Prime Minister's Economic Forum, the review of the Australian Bureau of Statistics Measures of Australia's Progress indicators, the Government's response to the Australian Productivity Commission's report on caring for older Australians, the White Paper on Australia in the Asian Century and the Government's submission to the annual wage review. DEEWR also continued to support the work of the Productivity Committee of Cabinet.

During the year, the department completed research on the engagement of mature-age workers in the labour market, the influence of family income on children's cognitive development, the impact of a labour market move on life satisfaction, the structural and frictional unemployment rate, and the relationship between retrenchments and the unemployment rate for job losers.

Analysis was also conducted in 2011–12 on the profile and wellbeing of working-age Australians, particularly those with partial capacity to work or of mature age, to assist with the development of income support policies. The department also reviewed the DEEWR Leading Indicator of Employment and analysed the effect of workplace relations arrangements on labour productivity. Work continued to maintain the Job Seeker Classification Instrument and monitor its impact on different client groups.

Three Sistas

Three Sistas, a Cairns-based social enterprise, received the first loan under the newly established Social Enterprise Development and Investment Fund. The \$450,000 loan will enable Three Sistas to convert a failing tourist resort into an integrated crisis accommodation and patient transport service for people in Cairns.

The innovative Three Sistas model is built on strong community partnerships and will create a range of positive social impacts. Three Sistas will work with Apunipima Cape York Health Council to connect people with essential services when they travel from Cape York to Cairns for health care. They are also partnering with Team Wild, a local organisation supporting disadvantaged young people, to offer work experience and training opportunities throughout the redevelopment of the site.

The fund manager, Social Enterprise Finance Australia, worked closely with Three Sistas to tailor the loan specifically to their needs. Over time, income from tenants' rent and payments from Apunipima will allow Three Sistas to repay the loan and eventually purchase the entire premises.

Migration policy

To support productivity improvement in the labour market and the economy, the department provides advice on policy settings and selection criteria for temporary and permanent migration programs and related settlement issues. In 2011–12, the department supported migration policy objectives by introducing a resource sector jobs board, which recognises that sponsored temporary migration should complement domestic workforce planning and employer participation in employment and training initiatives.

Engagement with international organisations

During 2011–12 the department continued its high level of engagement with international bodies such as the Organisation for Economic Co-operation and Development (OECD), the World Association of Public Employment Services and the International Labour Organization.

The department is represented by a Minister-Counsellor (Education and Employment) on Australia's permanent delegation to the OECD. The Minister-Counsellor is based in Paris and facilitates the department's work with the OECD. The Minister-Counsellor is also accredited with the United Nations Educational, Scientific and Cultural Organization and France as the host of the OECD.

The department is an active participant in committees that govern the work of the OECD, including the Education Policy Committee; the Centre for Educational Research and Innovation; the Employment, Labour and Social Affairs Committee; and the Cooperative Action Programme on Local Economic and Employment Development. Through this engagement, the department helps shape and drive the OECD research and analytical agenda, based on domestic policy evidence and requirements, international developments and international comparability.

The department also manages Australia's participation in a range of other OECD projects, including the Programme for International Student Assessment, the Teaching and Learning International Survey, the International

Indicators of Education Systems (INES), and the Programme for the International Assessment of Adult Competencies (PIAAC).

PIAAC is the OECD's flagship international survey of adult literacy, numeracy and problem-solving skills. Through membership of the PIAAC Board of Participating Countries, the department ensures Australia's views are represented in relation to overall policy aspects of the program. During 2011–12, the department funded the Australian PIAAC survey, results from which will be published in the OECD's *Skills outlook* publication. Also during the year the department assumed the role of chair of the INES Working Party, which has responsibility for the overall INES work program. The INES program provides information and data on the performance of the education systems of the OECD's member countries and a set of partner countries.

In other international activities during 2011–12, the department managed Australia's participation in the OECD's review of Australia's activation policies. The review, which involved a country visit by an OECD team and preparation of a detailed report to be released by the OECD in late 2012, will help support policy development and program delivery in the areas of labour market, income support and welfare reform. In addition, the department led an OECD project to develop new, internationally comparable indicators on early child education. This suite of new indicators was published for the first time in the OECD's *Education at a glance 2012*.

Information on the department's engagement with the International Labour Organization is in the Outcome 4 chapter and Part 4: Our accountability.

Research and evaluation

The department's social policy agenda is supported by a rich evidence base. In 2011–12, the department continued to conduct research, analysis and evaluations to support the development of evidence based policy advice and improved program delivery. Activities during 2011–12 included:

- evaluation of the School Enrolment and Attendance Measure (SEAM) trials in the Northern Territory and Queensland, which contributed to improvements in implementation

of the trials and provided an evidence base for government decisions on continuation and expansion of the trials. The SEAM evaluation report for the Northern Territory for 2010 was publicly released on 2 February 2012. The final evaluation framework and strategy of the SEAM trial has been finalised and is now in place

- ongoing evaluation of demonstration and pilot programs, including the Family Centred Employment Project and the Supporting Jobless Families and Helping Young Parents measures
- analysis of DEEWR's research evaluation database to support a range of social policy initiatives including the evaluation of the Jobs and Training Compact.

The department's research and evaluation capability is supported by ongoing development of primary data collections, including longitudinal administrative datasets of income support recipients and job seekers.

Information technology management

Information technology plays an important enabling role in assisting the department to fulfil its critical policy processes and functions. DEEWR's Technology Solutions Group provides service-orientated technology solutions that support the department's outcomes, including infrastructure services, application development and maintenance and other support services. The department develops and hosts a number of large-scale business systems that underpin the delivery of business programs across the portfolio, including corporate systems such as SAP Connect and the Parliamentary Document Management System.

The 2012–13 Budget provides funding for DEEWR to establish a whole-of-government information management system for parliamentary workflow between agencies and ministerial offices. Agencies will begin implementing the new system in 2013. This work extends DEEWR's existing arrangements as the supplier of its Parliamentary Document Management System to AusAID, the Department of Industry, Innovation, Science, Research and Tertiary Education and the Department of Defence to 41 agencies by June 2016.

Achievements in 2011–12 were:

- migration of a wide range of applications onto a secure, manageable, scalable and cost-efficient application platform
- replacement of the department's mainframe and relocation to a more sustainable data centre
- implementation and support of government programs and initiatives such as the More Support for Students with Disabilities initiative and the National Broadband Network-enabled Education and Skill Services program
- achievement of our target of reducing our reliance on the IT contractor workforce by more than 50 per cent by December 2011
- launch of the online ICT Career Development Framework, which is designed to assist employees and managers to assess capabilities, identify development opportunities and address needs through targeted training solutions. The framework will also help the department to better understand employee capability and match skills to projects, further developing our agile and mobile workforce
- development and implementation of the ICT leadership program. During 2011–12, the first cohort of attendees successfully completed the program, which is run annually for Executive Level employees in DEEWR ICT areas and designed to build capability in strategic thinking, change management and leading large teams. The course received positive feedback from attendees and received a Secretary's Award for innovation in the 'Caring for our people' category.

A focus for the department was improving accessibility of online information and services as mandated by the Department of Finance and Deregulation's Web Accessibility National Transition Strategy. The department continues to collaborate closely with internal stakeholders and Finance to ensure we are well placed to meet our policy and legislative obligations.

The continuing focus on cost reduction measures has included introducing strategies such as hardware rationalisation, reduction of software

licensing costs where possible and improvements in process efficiency. The department is using cloud computing technology for hosting some websites, resulting in increased scalability and efficiency.

A review into our application portfolio has commenced which will identify opportunities for rationalisation and consolidation across our business systems and provide further cost-saving opportunities.

Services for other agencies

The department continues to provide ICT services to a number of agencies under memorandum of understanding arrangements. The base service involves desktop computers, network communications, applications hosting and storage. Some clients also receive telephony services and application development and maintenance services. The department continues to host and support the tertiary, vocational and international education business systems for the Department of Industry, Innovation, Science, Research and Tertiary Education.



DEEWR People

Indigenous Australian Government Development Program (IAGDP) participants employed across DEEWR and partnering agencies graduate with Diploma of Government, August 2011.



4 Our accountability

*Information about the department including
governance, risk management, audit processes and
external scrutiny*

Governance

The Executive Meeting is the key decision-making body for the department. Membership consists of the Secretary, Associate and Deputy Secretaries and the Chief Finance Officer. The Executive Meeting facilitates work across the department to achieve corporate objectives and promote the core principles of good public sector governance—accountability, transparency, integrity, stewardship, efficiency, leadership and risk management.

A broader governance committee structure underpins the Executive Meeting, organised into the following streams based on their functional roles:

- organisational stream—supports and monitors the department’s business. Committees under this stream are Audit; Business Management; Information Technology; and People and Leadership
- strategic linkages stream—discusses forward-looking policy and business linkages. Committees under this stream are Closing the Gap; DEEWR Implementation Steering; Budget Implementation Steering; and Strategic Information Management and Research
- business stream—manages the department’s business and implements policy at an outcome or program level. The committees under this stream are Early Childhood, Working Age and Indigenous Participation Senior Executive Meeting; Schools and Youth Board; Employment Steering; and Workplace Relations and Economic Strategy Senior Executive Meeting.

Reviews of the governance framework, which includes all committees, are conducted regularly and the results are provided to the Executive Meeting for action. This ensures the department continues to meet its requirements through transparent reporting, accountability and decision making.

Strategic plan

The DEEWR Strategic Plan 2011–2014 sets out how the department works with citizens, stakeholders and other departments to achieve its goals now and in the future. The plan reflects the Government’s priorities for access to early childhood care and development; quality early childhood and school education; increased employment and participation; safe workplaces and an inclusive society. Through the plan the department demonstrates its commitment to closing the gap for Aboriginal and Torres Strait Islander peoples, and improving services and outcomes for people in regional Australia and people experiencing disadvantage.

The plan was updated to reflect machinery of government changes. More information and the plan can be found at www.deewr.gov.au.

Business planning

DEEWR business plans outline the major initiatives for the year ahead and the measures of success. The plans are developed annually at the cluster, group and branch level and are reviewed biannually. The plans align with the vision, goals and strategies set out in the strategic plan. They are also linked to individual performance and development plans, which enable employees to understand their contributions to the strategic plan. The following departmental planning is integrated in the business planning process:

- strategic risk assessments, including fraud, security and ICT
- mission-critical activities requiring a business continuity plan
- activities in the Reconciliation Action Plan 2011–2014
- resourcing and capability requirements.

Implementing government initiatives

DEEWR has a robust corporate governance structure in place to ensure that initiatives are implemented seamlessly and to a consistently high standard in accordance with government and community expectations and accountability responsibilities.

One of DEEWR's governance committees is the DEEWR Implementation Steering Committee. The committee is responsible for overseeing governance, risk and implementation strategies and ensuring that arrangements are in place to meet external reporting obligations. The committee considers and provides strategic oversight through monitoring of key government commitments.

Risk management

DEEWR's risk management framework articulates the department's approach to managing risks at all levels. Its focus is on promoting risk management as an integral component of business delivery and good governance. Supported by the Executive, the framework encourages all employees to manage risk as part of their everyday responsibilities.

The framework commits the department to identifying, treating and monitoring risks related to potential threats, harm, losses, failures and opportunities. Information is reported to members of the Executive and governance committees to guide the management of risk at the strategic level.

RiskActive, an enterprise-wide risk management system, provides a central repository for DEEWR's risk plans. It supports the framework by ensuring that risk management processes are integrated across all levels of the department. During 2011–12, 573 employees were trained in RiskActive.

As required under the Commonwealth Fraud Control Guidelines, relevant risk plans are required to contain at least one identified fraud risk.

DEEWR participates in Comcover's annual Risk Management Benchmarking Survey. The survey benchmarks the department's framework and capabilities against other participating agencies

across the Commonwealth. In 2012, DEEWR achieved an overall risk management score of 8 out of 10, with achievements in risk management policy and objectives, review and evaluation, and accountability and responsibility. The department's score was higher than both the average score of the 138 participating agencies and the average score of DEEWR's peer group agencies (7.2 out of 10).

External scrutiny

Significant judicial decisions

Williams v Commonwealth of Australia [2012] HCA 23

The High Court delivered judgment on 20 June 2012 finding that, in the absence of legislation, the Commonwealth did not have power to enter into a funding agreement or to make payments to the Scripture Union of Queensland for the provision of chaplaincy services at the Darling Heights State Primary School under the National Schools Chaplaincy Program.

On 26 June 2012 the Australian Government introduced a Bill in parliament to provide legislative authorisation for existing Australian Government programs, including the National School Chaplaincy Program and the Student Welfare Program. The Bill was passed by parliament and received royal assent on 28 June 2012.

Significant administrative tribunal decisions

There were no decisions of administrative tribunals in 2011–12 that had a significant impact on the operations of the department.

Reports on the operations of the department by the Commonwealth Ombudsman

Administration of the National School Chaplaincy Program (06/2011)

This investigation examined the department's administration of the National School Chaplaincy Program with a focus on the application process, funding agreements, program guidelines, monitoring and acquittal of funds and complaint handling.

The Ombudsman made eight recommendations about the department's processes and guidance material. The department addressed each of the report's recommendations, and on 14 March 2012 Acting Ombudsman Alison Larkins confirmed that the department had acted on the Ombudsman's recommendations to address matters of concern.

Reports by the Auditor-General

During 2011–12, the Australian National Audit Office tabled five reports in parliament that made recommendations relating to the department:

- Audit Report No. 4 2011–12 *Indigenous Employment in Government Service Delivery*
- Audit Report No. 6 2011–12 *Fair Work Education and Information Program*
- Audit Report No. 9 2011–12 *Indigenous Secondary Student Accommodation Initiatives*
- Audit Report No. 10 2011–12 *Administration of the National Partnership on Early Childhood Education*
- Audit Report No. 41 2011–12 *National Partnership Agreement on Literacy and Numeracy.*

The department was also involved in the following cross-portfolio performance reviews conducted by the ANAO:

- Audit Report No. 2 2011–12 *Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar Year 2010 Compliance)*
- Audit Report No. 5 2011–12 *Development and Implementation of Key Performance Indicators to Support the Outcomes and Programs Framework*
- Audit Report No. 17 2011–12 *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2011.*

Details of these reports can be found at www.anao.gov.au.

Parliamentary committee inquiries

The department appeared before the Senate Standing Committee on Education, Employment and Workplace Relations for Supplementary Budget Estimates—19 and 20 October 2011; Additional Budget Estimates—15 and 16 February 2012; and Budget Estimates—28 to 31 May 2012.

The department also made appearances before, or submissions to, a number of parliamentary committee inquiries during the year. Details of the inquiries can be found on the Parliament of Australia website at www.aph.gov.au.

Table 44 *Appearances before, and submissions to, parliamentary committee inquiries*

Committee	Inquiry
House Standing Committee on Regional Australia	<ul style="list-style-type: none"> • The use of 'fly-in, fly-out' workforce practices in regional Australia
House Standing Committee on Aboriginal and Torres Strait Islander Affairs	<ul style="list-style-type: none"> • Language learning in Indigenous communities
House Standing Committee on Health and Ageing	<ul style="list-style-type: none"> • Registration processes and support for overseas trained doctors
House Standing Committee on Education and Employment	<ul style="list-style-type: none"> • Mental health and workforce participation • Fair Work Amendment (Better Work/Life Balance) Bill 2012 • Workplace bullying

Committee	Inquiry
House Standing Committee on Agriculture, Resources, Fisheries and Forestry	<ul style="list-style-type: none"> • Australian forestry industry
House Standing Committee on Social Policy and Legal Affairs	<ul style="list-style-type: none"> • Foetal Alcohol Spectrum Disorder
House Standing Committee on Infrastructure and Communications	<ul style="list-style-type: none"> • Bills referred 24 November 2011 (Road Safety Remuneration) • Bills referred 22 March 2012 (Shipping Reforms) • The role and potential of the National Broadband Network
Senate Standing Committee on Rural and Regional Affairs and Transport	<ul style="list-style-type: none"> • Air Navigation and Civil Aviation Amendment (Aircraft Crew) Bill 2011; Qantas Sale Amendment (Still Call Australia Home) Bill 2011
Senate Standing Committee on Education, Employment and Workplace Relations	<ul style="list-style-type: none"> • Higher education and skills training to support future demand in agriculture and agribusiness in Australia • The shortage of engineering and related employment skills • Fair Work Amendment (Textile, Clothing and Footwear Industry) Bill 2011 • Fair Work (Registered Organisations) Amendment Bill 2012 • Safety, Rehabilitation and Compensation Amendment (Fair Protection for Firefighters) Bill 2011 • Work Health and Safety Bill 2011; and Work Health and Safety (Transitional and Consequential) Bill 2011 • Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2011 • Equal Opportunity for Women in the Workplace Amendment Bill 2012 • The administration and purchasing of Disability Employment Services in Australia
Senate Select Committee on Australia's Food Processing Sector	<ul style="list-style-type: none"> • Australia's food processing sector
Senate Standing Committee on Economics	<ul style="list-style-type: none"> • Finance for the not-for-profit sector • Coastal Trading (Revitalising Australian Shipping) Bill 2012 and related bills
Senate Standing Committee on Community Affairs	<ul style="list-style-type: none"> • Social Security and Other Legislation Amendment (2012 Budget and Other Measures) Bill 2012 • Commonwealth contribution to former forced adoption policies and practices
Parliamentary Joint Committee on Human Rights	<ul style="list-style-type: none"> • Committee Activity: Social Security Amendment (Fair Incentives to Work) Bill 2012
Joint Standing Committee on Electoral Matters	<ul style="list-style-type: none"> • The Australian Electoral Commission analysis of the Fair Work Australia report on the Health Services Union
Joint Standing Committee on Migration	<ul style="list-style-type: none"> • Multiculturalism in Australia

Committee	Inquiry
Joint Committee of Public Accounts and Audit	<ul style="list-style-type: none"> • Review of Auditor-General's Report No. 21—Administration of Grant Reporting • Review of Auditor-General's Report No. 26—Management of Student Visas • Review of Auditor-General's Report No. 30—Digital Education Revolution Program—National Secondary Schools Computer Fund • National Funding Agreements

Fraud control

As required by the *Commonwealth Fraud Control Guidelines 2011* and the *Financial Management and Accountability Act 1997*, the department has a fraud control plan as well as other guidelines and policies which underpin fraud control in the department. Collectively these documents establish the framework for the management of fraud risks and the conduct of investigations.

In 2011–12, the department promoted fraud awareness and managed fraud risks by:

- continuing to integrate fraud risk assessment into the department's business planning processes
- providing face to face fraud awareness training to employees
- releasing a new online fraud awareness training package for employees
- maintaining a suite of fraud control guidance documents for all employees
- releasing a revised fraud control plan, building on the previous fraud control plan, and incorporating amendments to the Commonwealth guidelines
- providing advice to program and policy areas on fraud risk analysis and management
- investigating instances of possible fraud in accordance with the Australian Government Investigations Standards and the Commonwealth guidelines.

Audit processes

Internal Audit

Internal Audit is an important component of DEEWR's control framework and provides independent assurance to the DEEWR Executive and the Audit Committee that resources are being used efficiently, effectively and ethically to:

- promote strong performance management and accountability in departmental programs, systems and practices
- promote better practice within DEEWR
- improve the controls and governance within a risk management environment.

Internal Audit monitored the implementation of both internal and external audit recommendations and reported progress to the Audit Committee.

Audit Committee

The functions of the DEEWR Audit Committee are constituted in accordance with Section 46 of the *Financial Management and Accountability Act 1997* and Regulation 22C. In line with the Act and Regulation, the committee undertakes functions that include:

- assisting the department to comply with obligations under the Act, regulations and Finance Minister orders
- providing a forum for communication between the Chief Executive, senior managers and the internal and external auditors of the department.

The members of the Audit Committee include two deputy secretaries (chair and deputy chair), two group managers and one independent external member.

Ministerial and parliamentary services

During 2011–12, the portfolio's parliamentary workflow was affected by changes to ministerial responsibilities including the appointment of new ministers. The volume of ministerial correspondence increased by 4.4 per cent in 2011–12 compared to the previous year, and other areas of activity such as briefings and questions on notice remained steady (see Table 45; figures for 2010–11 are shown in brackets).

Service charter

The DEEWR Service Charter explains the department's service commitments and standards. It also provides the general business context within which the department's program-specific service-level agreements operate. Employees are encouraged to conduct program implementation and service delivery within the overall framework of the service charter. A link to the service charter is featured on the department's intranet and internet sites.

Financial management

After adjusting for depreciation and revaluations, the department reported an operating deficit for 2011–12 of \$2.1 million (0.3 per cent of departmental revenue) compared to a deficit of \$5.6 million for 2010–11 (0.7 per cent of departmental revenue).

During the year there were two Administrative Arrangement Orders (AAOs) affecting the financial results of the department. Responsibility for the tertiary education function including higher education, skills and international education transferred to the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE) on 14 December 2011. There was a further transfer to DIISRTE for the tertiary education components of the *Indigenous Education Targeted Assistance Act 2000* on 9 February 2012.

The department's expenses decreased by \$95 million compared to 2010–11. The decreases primarily reflect the transfer of the tertiary education function to DIISRTE (\$46 million); decreases in lease commitments (\$17 million); and a reduction to depreciation and amortisation (\$34 million). The department's net asset position decreased by \$30 million primarily due to the transfer of funding to DIISRTE to meet employee leave provisions for employees transferred as a result of the AAO change.

Table 45 *Parliamentary workflow 2011–12 (2010–11)*

<i>Responsible area</i>	<i>Ministerial correspondence (received)^a</i>	<i>Briefings</i>	<i>Question time briefs</i>	<i>Answers to parliamentary questions on notice (tabled)</i>	<i>Senate Estimates questions on notice (tabled)</i>
Department	12,776 (12,237)	4,528 (4,168)	554 (535)	74 (38)	937 (815)
Agencies	383 (303)	110 (72)	11 (4)	19 (5)	334 (240)
Total	13,159 (12,540)	4,638 (4,240)	565 (539)	93 (43)	1,271 (1,055)

^a An estimated 4838 campaign letters were also received, but are not included in these figures.

The department's administered expenses decreased by \$6.620 billion primarily as a result of the transfer of the tertiary education function to DIISRTE. The transfer also resulted in the department's administered net assets decreasing by \$13.778 billion. This is due to the transfer of the HECS/HELP Receivable (\$15.551 billion), the Student Financial Supplement Scheme—Austudy (\$0.680 billion) and the investment in the Australian National University (\$1.886 billion) offset by the transfer of the provision for Unfunded University Superannuation (\$5.209 billion).

Asset management

The department's asset management policies and procedures emphasise whole-of-life asset management. The department undertook a number of processes in the reporting year to provide assurance as to the validity and valuation of the assets held. These included:

- a stocktake to confirm the location of the department's assets
- an asset impairment in accordance with Australian Accounting Standard 136 to ensure that the department only carries assets at a value above the recoverable amount
- a full revaluation of all assets excluding intangibles as at 30 June 2012.

Purchasing

The department's procurement policies and practices are consistent with all relevant Commonwealth laws, the Commonwealth financial framework (including the Commonwealth Procurement Guidelines) and other relevant policies. The Legal and Investigations Group provides or arranges the provision of, if necessary, specialist legal and probity advice to all areas of the department engaged in procurement. The department uses AusTender to publish its procurement activities and plans. As a result, the department's procurement activities are readily communicated and accessible to all business enterprises.

The department contributes to reconciliation in Australia through its implementation of the Indigenous Opportunities Policy and internal procurement policies aimed at increasing opportunities for businesses owned by Aboriginal and Torres Strait Islander people. The department works in partnership with the Australian Indigenous Minority Supplier Council in applying the policies to support participation of Aboriginal and Torres Strait Islander businesses in Australian Government procurement activities.

Consultancies

During 2011–12, 217 new consultancies were entered into, involving total actual expenditure of \$17,677,519. In addition, 101 ongoing consultancy contracts were active during 2011–12, involving total actual expenditure of \$12,360,435.

Information on the value of contracts and consultancies is available on the AusTender website at www.tenders.gov.au.

The department's policy on engaging consultants

The department engages individuals and companies to provide professional services under contracts for service, taking into account the skills and resources required for the task, the skills available internally and the cost-effectiveness of those options.

The decision to engage a consultant is made in accordance with the *Financial Management and Accountability Act 1997* and related regulations.

Consultancy services are a particular type of service delivered under a contract for services. They are distinguished from other contracts for services by the nature of the work performed. A consultant is an entity, whether an individual, a partnership or a corporation, engaged to provide professional independent and expert advice or services. The methods of selection used for consultancies are open tender, select tender, direct sourcing and panel arrangements (initially selected through either an open tender or select tender process). Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined research reviews or evaluations; or provide independent advice, information or creative solutions to assist the department in management decision making.

Exempt contracts

No contracts in excess of \$10,000 (inclusive of GST) or standing offers were exempted by the Secretary from being published on AusTender during the reporting year.

Grants programs

Information on grants awarded by the department during the period 1 July 2010 to 30 June 2012 is available at www.deewr.gov.au.

Information publication scheme

Agencies subject to the *Freedom of Information Act 1982* are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the Act and has replaced the former requirement to publish a section 8 statement in the annual report. Each agency must display on its website a plan showing what information it publishes in accordance with Information Publication Scheme requirements. DEEWR's plan is available at www.foi.deewr.gov.au.

Tripartite consultation on International Labour Organization matters

This report on tripartite consultations on International Labour Organization (ILO) matters was prepared in accordance with Australia's commitments under the ILO Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144). Australia ratified the convention in June 1979.

Tripartite consultation on ILO matters, including international labour standards, occurs through:

- regular meetings of the International Labour Affairs Committee (ILAC), a committee of the National Workplace Relations Consultative Council
- direct consultation between DEEWR and the representative worker and employer organisations (the social partners)—that is, the Australian Council of Trade Unions, the Australian Chamber of Commerce and Industry, and the Australian Industry Group.

ILAC was established in 1978 under section 12(1) of the then *National Labour Consultative Council Act 1977* (replaced by the *National Workplace Relations Consultative Council Act 2002*). Its terms of reference require it to consider matters of substance relating to the ILO and other relevant international bodies.

In 2011–12, ILAC met twice: 14 October 2011 and 9 March 2012.

Article 5 of Convention No. 144 requires consultation on several matters. A summary of these matters, and the way in which the Australian Government responded to them in 2011–12, follows.

Government replies to questionnaires and reports

The social partners were invited to contribute to a variety of Australian Government responses to ILO questionnaires and reports throughout 2011–12.

Questionnaire on draft text of the social protection floor recommendation

The social partners were invited to comment on a questionnaire about the types of provisions that should be included in the proposed recommendation for a social protection floor. The recommendation was then discussed and adopted at the 101st session of the ILO International Labour Conference in June 2012.

Tabling of Domestic Workers Convention 2011 (No. 189) and Domestic Workers Recommendation 2011 (No. 201)

The social partners were invited to comment on a new convention and recommendation, adopted by the ILO in June 2011, which were designed to ensure that domestic workers enjoy effective protection of their human rights; have decent working conditions; are free from abuse, harassment and violence; are informed of their terms and conditions of employment; have decent living conditions; and are not bound to the household.

As required by the ILO, the department tabled the convention and recommendation in the Australian Parliament on 9 May 2012 with an accompanying submission detailing the extent to which the instruments are given effect in Australia and further action in relation to them.

2012 International Labour Conference

The 101st session of the International Labour Conference was held between 30 May and 14 June 2012 and covered the following technical items:

- adoption of a new recommendation on the social protection floor (standard setting—single discussion)
- general discussion on youth employment
- recurrent discussion on the fundamental principles and rights at work.

The technical items covered at the conference were discussed at the ILAC meeting of 9 March 2012. The social partners were also consulted about the technical items in the margins of the conference.

Article 19 report on selected unratified conventions

The Australian Government was required to respond to a questionnaire on unratified ILO conventions and recommendations which is requested annually under Article 19 of the ILO Constitution. In 2011–12 Australia was required to report on the following conventions and recommendations:

- Labour Relations (Public Service) Convention, 1978 (No. 151)
- Labour Relations (Public Service) Recommendation, 1978 (No. 159)
- Collective Bargaining Convention, 1981 (No. 154)
- Collective Bargaining Recommendation, 1981 (No. 163).

ILAC members were informed of this obligation at the committee's meetings on 14 October 2011 and 9 March 2012. The Australian Government provided the reports to the ILO and social partners on 28 February 2012.

Re-examination at appropriate intervals of unratified conventions and of recommendations

Following their consideration by ILAC members in previous years, the Protocol of 2002 to the Occupational Safety and Health Convention, 1981 (No. 155), the Asbestos Convention, 1986 (No. 162) and the Part-Time Work Convention, 1994 (No. 175) were ratified by the Australian Government on 10 August 2011. The Maritime Labour Convention, 2006 (No. 186) was ratified on 21 December 2011.

At the ILAC meetings of 14 October 2011 and 9 March 2012 members discussed the following unratified ILO instruments:

- Convention No. 129, Labour Inspection (Agriculture) Convention, 1969
- Convention No. 138, Minimum Age Convention, 1973
- Convention No. 152, Occupational Safety and Health (Dock Work) Convention, 1979
- Convention No. 169, Indigenous and Tribal Peoples Convention, 1989
- Convention No. 176, Occupational Safety and Health in Mining Convention, 1995
- Convention No. 177, Home Work Convention, 1996.

Consideration of these conventions for ratification will continue in 2012–13.

The Migration for Employment Convention (Revised), 1949 (No. 97), the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143) and the United Nations International Convention on the Protection of the Rights of all Migrant Workers and Their Families were discussed at the ILAC meeting on 9 March 2012.

Questions arising out of reports made to the ILO under Article 22 of the ILO Constitution

On 1 September 2011, in accordance with Article 22 of the ILO Constitution, the Australian Government submitted reports to the ILO on the following ratified conventions:

- Convention No. 10, Minimum Age (Agriculture) Convention, 1921
- Convention No. 11, Right of Association (Agriculture) Convention, 1921
- Convention No. 87, Freedom of Association and Protection of the Right to Organise Convention, 1948
- Convention No. 98, Right to Organise and Collective Bargaining Convention, 1949
- Convention No. 99, Minimum Wage Fixing Machinery (Agriculture) Convention, 1951
- Convention No. 100, Equal Remuneration Convention, 1951
- Convention No. 111, Discrimination (Employment and Occupation) Convention, 1958
- Convention No. 112, Minimum Age (Fishermen) Convention, 1959
- Convention No. 122, Employment Policy Convention, 1964
- Convention No. 123, Minimum Age (Underground Work) Convention, 1965
- Convention No. 131, Minimum Wage Fixing Convention, 1970
- Convention No. 144, Tripartite Consultation (International Labour Standards) Convention, 1976
- Convention No. 156, Workers with Family Responsibilities Convention, 1981
- Convention No. 158, Termination of Employment Convention, 1982
- Convention No. 173, Protection of Workers' Claims (Employer's Insolvency) Convention, 1992.

The social partners were invited to comment on these reports and were provided with final copies. The Australian Council of Trade Unions provided comments to the ILO on the reports.

The social partners were also invited to contribute to the Article 22 reports due to be submitted to the ILO in September 2012. Reports are required for the following ratified conventions:

- Convention No. 12, Workmen's Compensation (Agriculture) Convention, 1921
- Convention No. 19, Equality of Treatment (Accident Compensation) Convention, 1925
- Convention No. 27, Marking of Weight (Packages Transported by Vessels) Convention, 1929
- Convention No. 42, Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934
- Convention No. 81, Labour Inspection Convention, 1947
- Convention No. 100, Equal Remuneration Convention, 1951
- Convention No. 111, Discrimination (Employment and Occupation) Convention, 1958
- Convention No. 137 Dock Work Convention, 1973
- Convention No. 155, Occupational Safety and Health Convention, 1981.



5 Financial Statements

Includes the independent auditor's report and the department's financial statements

INDEPENDENT AUDITOR'S REPORT

To the Minister for School Education, Early Childhood and Youth

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Education, Employment and Workplace Relations (the Department) for the year ended 30 June 2012, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies; and Notes to and forming part of the financial statements.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the Department is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and

the reasonableness of accounting estimates made by the Chief Executive of the Department, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Department of Education, Employment and Workplace Relations:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of Education, Employment and Workplace Relations financial position as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

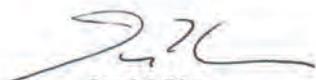
As disclosed in Note 29 *Compensation and Debt Relief*, the High Court held in *Williams v Commonwealth* that payments made under the National School Chaplaincy program were constitutionally invalid as they were beyond the Executive power of the Commonwealth (section 61 of the Constitution). The debts arising as a consequence of that decision, and debts that may have arisen under the National School Chaplaincy and Student Welfare program, were waived under section 34(1)(a) of the *Financial Management and Accountability Act 1997*. The total waived by the Special Minister of State was \$208.283 million.

Note 33 *Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund* discloses information on the Department's review of its exposure to risks of not complying with statutory conditions on payments from special appropriations and special accounts. Non-compliance with statutory conditions may lead to a contravention of section 83 of the Constitution, which requires that no money shall be drawn from the Treasury of the Commonwealth except under an appropriation made by law.

As disclosed in Note 33, payments were made in 2011-12 which were potentially in contravention of section 83 of the Constitution, being amounts totalling \$7,354,250 under the *Student Assistance Act 1973* and \$112,930,165 under the *Social Security (Administration) Act 1999*. Note 33 also discloses contraventions or potential

contraventions of section 83 involving small amounts; and indicates that in one of these situations, there may be additional potential contraventions.

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'I. McPhee', with a long horizontal stroke extending to the left.

Ian McPhee

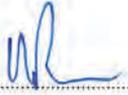
Auditor-General

Canberra

27 September 2012

Department of Education, Employment and Workplace Relations
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed.....

Lisa Paul AO PSM
Chief Executive

26/9/12

Signed.....

Justine Potter
Acting Chief Finance Officer

26/9/2012

Department of Education, Employment and Workplace Relations
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
EXPENSES			
Employee benefits	3A	507,751	522,901
Supplier expenses	3B	237,657	288,830
Grants	3C	5,943	2,519
Depreciation and amortisation	3D	71,593	105,978
Finance costs	3E	105	200
Write-down and impairment of assets	3F	3,213	967
Losses from asset sales	3G	234	188
Other expenses	3H	-	4
Total expenses		826,496	921,587
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	32,350	43,414
Total own-source revenue		32,350	43,414
Gains			
Reversals of previous asset write-downs and impairment	4B	341	-
Other gains	4C	7,326	26,385
Total gains		7,667	26,385
Total own-source income		40,017	69,799
Net cost of (contribution by) services		786,479	851,788
Revenue from Government	4D	712,826	740,218
Surplus (Deficit)		(73,653)	(111,570)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus:			
Adjustment to land		837	-
Adjustment to buildings		194	11,553
Adjustment to leasehold improvements		1,030	-
Adjustment to infrastructure, plant and equipment		(4,530)	-
Changes to provision for restoration obligations		(516)	-
Total other comprehensive income (loss)		(2,985)	11,553
Total comprehensive income (loss)		(76,638)	(100,017)

Department of Education, Employment and Workplace Relations

BALANCE SHEET

as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	5A	2,540	3,990
Trade and other receivables	5B	148,210	171,114
Other financial assets	5C	491	476
Total financial assets		<u>151,241</u>	<u>175,580</u>
Non-financial assets			
Land and buildings	6A/6C	104,860	103,872
Infrastructure, plant and equipment	6B/6C	36,942	51,664
Intangibles	6D/6E	106,383	115,566
Other non-financial assets	6F	25,370	28,482
Total non-financial assets		<u>273,555</u>	<u>299,584</u>
Total assets		<u>424,796</u>	<u>475,164</u>
LIABILITIES			
Payables			
Suppliers	7A	65,801	40,488
Other payables	7B	61,367	66,797
Total payables		<u>127,168</u>	<u>107,285</u>
Provisions			
Employee provisions	8A	123,639	159,751
Other provisions	8B	4,060	8,310
Total provisions		<u>127,699</u>	<u>168,061</u>
Total liabilities		<u>254,867</u>	<u>275,346</u>
Net assets		<u>169,929</u>	<u>199,818</u>
EQUITY			
Contributed equity		312,474	265,730
Reserves		44,346	47,331
Retained surplus (accumulated deficit)		(186,891)	(113,243)
Total equity		<u>169,929</u>	<u>199,818</u>

Department of Education, Employment and Workplace Relations
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2012

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Opening balance								
Balance carried forward from previous period	(113,243)	159	47,331	35,778	265,730	182,599	199,818	218,536
Adjustment for errors	5	-	-	-	-	-	5	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjusted opening balance	(113,238)	159	47,331	35,778	265,730	182,599	199,823	218,536
Comprehensive income								
Other comprehensive income	-	-	(2,469)	11,553	-	-	(2,469)	11,553
Adjustment to provision for restoration obligations	-	-	(516)	-	-	-	(516)	-
Surplus (Deficit) for the period	(73,653)	(111,570)	(516)	-	-	-	(73,653)	(111,570)
Total comprehensive income (loss)	(73,653)	(111,570)	(2,985)	11,553	-	-	(76,638)	(100,017)
Transactions with owners								
Distributions to owners								
Returns of capital:								
Restructuring (Note 9)	-	-	-	-	(34,303)	(445)	(34,303)	(445)
Return of special account balance (Note 28)	-	(1,832)	-	-	-	-	-	(1,832)
Contributions by owners								
Appropriation (equity injection)	-	-	-	-	12,132	5,917	12,132	5,917
Departmental capital budget	-	-	-	-	68,915	77,659	68,915	77,659
Sub-total transactions with owners	-	(1,832)	-	-	46,744	83,131	46,744	81,299
Transfers between equity components	-	-	-	-	-	-	-	-
Closing balance as at 30 June	(186,891)	(113,243)	44,346	47,331	312,474	265,730	169,929	199,818

Department of Education, Employment and Workplace Relations

CASH FLOW STATEMENT

for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
OPERATING ACTIVITIES			
Cash received			
Sale of goods and rendering of services		24,833	43,292
Net GST received		28,561	30,017
Appropriations		766,161	811,946
Other		9,841	431
Total cash received		829,396	885,686
Cash used			
Employee benefits		509,956	537,642
Supplier expenses		283,780	287,716
Grants		5,943	2,519
Section 31 receipts transferred to the OPA		33,342	43,772
Other		-	4
Total cash used		833,021	871,653
Net cash from (used by) operating activities	10	(3,625)	14,033
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of infrastructure, plant and equipment		6	49
Proceeds from sales of land and buildings		-	-
Total cash received		6	49
Cash used			
Purchase of infrastructure, plant and equipment		12,276	14,413
Purchase/development of intangibles		50,130	50,330
Purchase of land and buildings		14,068	18,065
Total cash used		76,474	82,808
Net cash from (used by) investing activities		(76,468)	(82,759)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - capital injection		12,132	5,917
Contributed equity - capital budget		66,511	64,460
Returns from the OPA		-	1,945
Total cash received		78,643	72,322
Cash used			
Returns to the OPA		-	1,832
Total cash used		-	1,832
Net cash from (used by) financing activities		78,643	70,490
Net increase (decrease) in cash held		(1,450)	1,764
Cash and cash equivalents at the beginning of the reporting period		3,990	2,226
Cash and cash equivalents at the end of the reporting period	5A	2,540	3,990

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

Department of Education, Employment and Workplace Relations
SCHEDULE OF COMMITMENTS
as at 30 June 2012

	2012	2011
	\$'000	\$'000
BY TYPE		
Commitments receivable		
Sublease rental income ¹	(30,500)	(30,009)
Net GST recoverable on commitments	<u>(60,015)</u>	<u>(66,524)</u>
Total commitments receivable	<u>(90,515)</u>	<u>(96,533)</u>
Commitments payable		
Capital commitments		
Land and buildings	-	2,097
Infrastructure, plant and equipment	<u>-</u>	<u>569</u>
Total capital commitments	<u>-</u>	<u>2,666</u>
Other commitments		
Operating leases ¹	553,133	585,830
IT commitments ²	59,897	70,645
Research and development	550	3,922
Other ³	<u>74,844</u>	<u>68,933</u>
Total other commitments	<u>688,424</u>	<u>729,330</u>
Net commitments by type	<u>597,909</u>	<u>635,463</u>
BY MATURITY		
Commitments receivable		
One year or less	(16,377)	(20,441)
From one to five years	(48,666)	(43,216)
Over five years	<u>(25,472)</u>	<u>(32,876)</u>
Total commitments receivable	<u>(90,515)</u>	<u>(96,533)</u>
Commitments payable		
Capital commitments		
One year or less	<u>-</u>	<u>2,666</u>
Total capital commitments	<u>-</u>	<u>2,666</u>
Operating lease commitments¹		
One year or less	67,857	77,343
From one to five years	257,966	209,008
Over five years	<u>227,310</u>	<u>299,479</u>
Total operating lease commitments	<u>553,133</u>	<u>585,830</u>
IT commitments²		
One year or less	23,580	60,010
From one to five years	<u>36,317</u>	<u>10,635</u>
Total IT commitments	<u>59,897</u>	<u>70,645</u>
Research and development commitments		
One year or less	275	2,852
From one to five years	<u>275</u>	<u>1,070</u>
Total research and development commitments	<u>550</u>	<u>3,922</u>

Department of Education, Employment and Workplace Relations
SCHEDULE OF COMMITMENTS
as at 30 June 2012

	2012 \$'000	2011 \$'000
Other commitments³		
One year or less	26,458	19,356
From one to five years	<u>48,386</u>	<u>49,577</u>
Total other commitments	<u>74,844</u>	<u>68,933</u>
Net commitments by maturity	<u>597,909</u>	<u>635,463</u>

NB: Commitments are GST inclusive where relevant.

¹ Operating leases included are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Leases for office accommodation	Lease payments are subject to periodic market value or indexed increases.
Sub lease revenue for office accommodation	Vacant office space is sub leased where possible. The total of future minimum lease payments expected to be received over the next five years is \$25,363,918 (2011: \$24,358,583) including GST.
Agreement for provision of motor vehicles to senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to the department.

² IT commitments include contracts for data services, IT software licensing and hardware maintenance agreements.

³ Other commitments include a range of contracts such as fees for provision of services.

Department of Education, Employment and Workplace Relations
SCHEDULE OF CONTINGENCIES
as at 30 June 2012

	2012	2011
	\$'000	\$'000
Contingent assets		
Claims for damages or costs	-	24
Total contingent assets	<u>-</u>	<u>24</u>
Contingent liabilities		
Claims for damages or costs	<u>3,961</u>	<u>3,413</u>
Total contingent liabilities	<u>3,961</u>	<u>3,413</u>
<i>Net contingent assets (liabilities)</i>	<u>(3,961)</u>	<u>(3,389)</u>

Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 11. Contingent Assets and Liabilities, along with information on significant remote contingencies and contingencies that cannot be quantified.

Department of Education, Employment and Workplace Relations
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
EXPENSES			
Employee benefits	16A	-	8,881
Supplier expenses	16B	2,764,014	3,146,340
Subsidies	16C	685,257	1,045,781
Personal benefits	16D	20,528,506	20,999,313
Grants	16E	11,849,400	16,353,973
Finance costs	16F	195	604,896
Write-down and impairment of assets	16G	81,408	42,335
Payment to CAC Act bodies	16H	21,515	8,372
Total expenses from ordinary activities		35,930,295	42,209,891
Losses			
Fair value losses	16I	-	340,421
Total losses		-	340,421
Total expenses administered on behalf of Government		35,930,295	42,550,312
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Taxation revenue			
Other taxes	17A	151,584	123,821
Total taxation revenue		151,584	123,821
Non-taxation revenue			
Interest	17B	1,844	647,767
Commonwealth asset recoveries	17C	24,944	19,398
Other revenue	17D	133,447	511,260
Total non-taxation revenue		160,235	1,178,425
Total own-source revenue administered on behalf of Government		311,819	1,302,246
Gains			
Fair value gains from financial instruments	17E	-	56,549
Reversals of previous asset write-downs and impairment	17F	1,505	79
Total gains administered on behalf of Government		1,505	56,628
Total own-source income administered on behalf of Government		313,324	1,358,874
Net cost of (contribution by) services		35,616,971	41,191,438
Surplus (Deficit)		(35,616,971)	(41,191,438)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus		29,858	130,374
Total other comprehensive income		29,858	130,374
Total comprehensive income (loss)		(35,587,113)	(41,061,064)

Department of Education, Employment and Workplace Relations
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	18A	15	200
Trade and other receivables	18B	1,283,036	18,012,660
Other investments	18C	44,559	1,921,157
Total financial assets		1,327,610	19,934,017
Non-financial assets			
Other non-financial assets	19A	7,388	3,640
Total non-financial assets		7,388	3,640
Total assets administered on behalf of Government		1,334,998	19,937,657
LIABILITIES			
Payables			
Suppliers	20A	314,800	176,879
Subsidies	20B	32,028	29,292
Personal benefits	20C	988,083	951,457
Grants	20D	89,588	49,469
Other payables	20E	2,461,906	2,294,927
Total payables		3,886,405	3,502,024
Provisions			
Provision for grants	21A	-	5,209,000
Total provisions		-	5,209,000
Total liabilities administered on behalf of Government		3,886,405	8,711,024
Net assets/(liabilities)		(2,551,407)	11,226,633

Department of Education, Employment and Workplace Relations
ADMINISTERED RECONCILIATION SCHEDULE

	2012	2011
	\$'000	\$'000
Opening administered assets less administered liabilities as at 1 July	11,226,633	9,809,975
Adjustment for errors	-	-
Adjustment for changes in accounting policies	-	-
Adjusted opening administered assets less administered liabilities	11,226,633	9,809,975
Surplus (deficit) items:		
Plus: Administered income	313,324	1,358,874
Less: Administered expenses (non CAC)	(35,908,780)	(42,541,940)
Less: Payments to CAC Act bodies	(21,515)	(8,372)
Other comprehensive income:		
Administered revaluations taken to/from reserves	29,858	130,374
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses (non CAC)	4,712,280	7,217,185
Annual appropriations for payment to CAC Act bodies	21,515	8,372
Special appropriations (limited) (non CAC)	129,571	146,157
Special appropriations (limited) paid to CAC Act bodies	-	-
Special appropriations (unlimited) (non CAC)	32,413,733	37,131,238
Special appropriations (unlimited) paid to CAC Act bodies	66,530	67,617
Special accounts	4,655	(1,892)
Transfers to OPA	(1,655,414)	(2,090,955)
Restructuring	(13,883,841)	-
Other movements	44	-
Closing administered assets less administered liabilities as at 30 June	(2,551,407)	11,226,633

Department of Education, Employment and Workplace Relations
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
OPERATING ACTIVITIES			
Cash received			
Interest		805	541
Net GST received		1,342,656	1,269,120
Levies		151,584	123,821
Other		364,998	745,356
Total cash received		1,860,043	2,138,838
Cash used			
Suppliers		3,878,942	4,379,939
Subsidies		682,522	1,036,452
Personal benefits		20,695,554	21,029,111
Grants		11,697,806	16,056,258
Interest		48	47
Payments to CAC Act bodies		21,515	8,372
Employee benefits		-	8,881
Total cash used		36,976,387	42,519,060
Net cash flows from (used by) operating activities	22	(35,116,344)	(40,380,222)
INVESTING ACTIVITIES			
Cash received			
Repayments of advances and loans		1,246,661	1,569,512
Total cash received		1,246,661	1,569,512
Cash used			
Loans made		1,805,756	3,669,813
Total cash used		1,805,756	3,669,813
Net cash flows from (used by) investing activities		(559,095)	(2,100,301)
Net increase (decrease) in cash held		(35,675,439)	(42,480,523)
Cash and cash equivalents at the beginning of the reporting period		200	1,301
Cash from the Official Public Account for:			
- Appropriations		37,343,629	44,570,569
- GST appropriations		375,143	551,436
- Special accounts		79,501	408,831
		37,798,273	45,530,836
Cash to the Official Public Account for:			
- Appropriations		(1,655,414)	(2,090,955)
- Return of GST appropriations		(392,759)	(549,736)
- Special accounts		(74,846)	(410,723)
		(2,123,019)	(3,051,414)
Cash and cash equivalents at the end of the reporting period	18A	15	200

Department of Education, Employment and Workplace Relations
SCHEDULE OF ADMINISTERED COMMITMENTS
as at 30 June 2012

BY TYPE	2012 \$'000	2011 \$'000
Commitments receivable		
Net GST recoverable on commitments	<u>(2,429,942)</u>	<u>(3,090,641)</u>
Total commitments receivable	<u>(2,429,942)</u>	<u>(3,090,641)</u>
Commitments payable		
Other commitments		
Employment programs	10,923,260	9,592,789
Goods and services ¹	263,296	601,464
Grants	968,934	6,285,347
Legislative obligations ²	14,542,513	25,362,170
Other	<u>125,706</u>	<u>83,930</u>
Total other commitments	<u>26,823,709</u>	<u>41,925,700</u>
Net commitments by type	<u><u>24,393,767</u></u>	<u><u>38,835,059</u></u>
BY MATURITY		
Commitments receivable		
One year or less	(1,192,128)	(1,144,408)
From one to five years	(1,233,456)	(1,946,233)
Over five years	<u>(4,358)</u>	<u>-</u>
Total commitments receivable	<u>(2,429,942)</u>	<u>(3,090,641)</u>
Commitments payable		
Other Commitments		
One year or less	13,174,997	18,458,086
From one to five years	13,600,773	23,467,614
Over five years	<u>47,939</u>	<u>-</u>
Total other commitments	<u>26,823,709</u>	<u>41,925,700</u>
Net commitments by maturity	<u><u>24,393,767</u></u>	<u><u>38,835,059</u></u>

NB: All commitments are GST inclusive where relevant.

The value of commitments is determined based on expected value of services contracted, but yet to be performed under the agreement.

¹ Goods and services contracts include amounts relating to consultancies.

² Legislative obligations relate to amounts specified in the legislation where a funding determination has not yet been made. For the 2012 financial year the legislation comprises the *Schools Assistance Act 2008* and the *Indigenous Education (Targeted Assistance) Act 2000*. The 2011 figure also included the *Higher Education Support Act 2003* (HESA). Responsibility for HESA transferred to the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE) on 14 December 2011.

Department of Education, Employment and Workplace Relations
SCHEDULE OF ADMINISTERED CONTINGENCIES
as at 30 June 2012

	2012	2011
	\$'000	\$'000
Administered contingent assets		
Claims for damages or costs	15,302	19,480
Other	-	-
Total administered contingent assets	<u>15,302</u>	<u>19,480</u>
Administered contingent liabilities		
Claims for damages or costs	<u>66,862</u>	33,956
Total administered contingent liabilities	<u>66,862</u>	33,956
<i>Net administered contingent assets (liabilities)</i>	<u><u>(51,560)</u></u>	<u><u>(14,476)</u></u>

Details of each class of contingent assets and liabilities in the above table are disclosed in Note 23. Administered Contingent Assets and Liabilities, along with information on remote contingencies and contingencies that cannot be quantified.

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

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

Note 1. Summary of Significant Accounting Policies

1.1 Objectives of DEEWR

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

The department provides advice to the Government and administers programs to achieve the Government's objectives for education, employment and workplace relations. The department works in partnership with the states and territories, non-government authorities, providers and industry.

The department's structure for 2011-12 changed as a result of the Administrative Arrangement Orders (AOs) issued on 14 December 2011 and 9 February 2012. As a result responsibility for Tertiary Education including Higher Education, Vocational Education and International transferred to the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE). During the year the department was structured to meet the following outcomes:

Outcome 1: Early Childhood Education and Child Care

Outcome 2: School Education

Outcome 3: Tertiary, Youth and International

Outcome 4: Employment

Outcome 5: Workplace Relations

The continued existence of the department in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the department's administration and programs.

The department's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the department in its own right. Administered activities involve the management or oversight by the department, on behalf of the Government, of items controlled or incurred by the Government.

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the department or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

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

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note the department has not identified accounting assumptions or estimates that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

During the 2010-11 financial year the department made the following judgements that had a significant impact on the amounts recorded in the financial statements. Responsibility for these programs transferred to DIISRTE on 14 December 2011:

- Concessional loans – the fair value of the Higher Education Loan Program (HELP) receivable (2010-11 \$15.551 billion) was calculated by actuarial assessment. The two main measures impacting on the calculation of the HELP asset are the face value of debt not expected to be repaid and the fair value of the remaining receivable, calculated as the present value of the projected future cashflows. The discount rate used was the 10 year government bond rate as at reporting date. The prevailing rate as at 30 June 2011 was 5.3%.
- Unfunded University Superannuation – the fair value for the provision for unfunded university superannuation (2010-11 \$5.209 billion) was calculated by actuarial assessment. The provision was valued in accordance with the requirements of AASB 119, *Employee Benefits*. The discount rate used was the 10 year government bond rate as at the reporting date. The prevailing rate as at 30 June 2011 was 5.3%.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following new standards/revised standards/interpretations/amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the department.

- AASB 7 Financial Instruments: Disclosures - November 2010 (Compilation)
- AASB 101 Presentation of Financial Statements - May 2011 (Compilation)
- AASB 107 Statement of Cash Flows - May 2011 (Compilation)
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors - May 2011 (Compilation)
- AASB 110 Events after the Reporting Period - December 2009 (Compilation)
- AASB 118 Revenue - October 2010 (Compilation)
- AASB 119 Employee Benefits - October 2010 (Compilation)
- AASB 124 Related Party Disclosures - December 2009 (Principal)
- AASB 132 Financial Instruments: Presentation - May 2011 (Compilation)
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets - October 2010 (Compilation)
- AASB 139 Financial Instruments: Recognition and Measurement - October 2010 (Compilation)
- AASB 1031 Materiality - December 2009 (Compilation)
- AASB 1054 Australian Additional Disclosures - May 2011 (Principal)
- Interp. 4 Determining whether an Arrangement contains a Lease - December 2009 (Compilation)
- Interp. 115 Operating Leases – Incentives - October 2010 (Compilation)
- Interp. 132 Intangible Assets – Web Site Costs - October 2010 (Compilation)

Future Australian Accounting Standard Requirements

The following new standards, revised standards, interpretations and amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date and apply to the future reporting period, they are not expected to have a financial impact on the department:

- AASB 9 Financial Instruments - December 2010 (Principal)
- AASB 13 Fair Value Measurement - September 2011 (Principal)

Department of Education, Employment and Workplace Relations

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- AASB 119 Employee Benefits - September 2011 (Principal)
- AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]
- AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]
- AASB 2011-13 Amendments to Australian Accounting Standard – Improvements to AASB 1049

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the department retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

Revenue from Government

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

Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources received free of charge

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

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Department of Education, Employment and Workplace Relations

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of administrative arrangements

Net assets received from, or relinquished to, another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured at net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the department's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2012. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of the department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or the Australian Government Employees Superannuation Trust (AGEST).

The CSS, PSS and AGEST are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation's administered schedules and notes.

Department of Education, Employment and Workplace Relations

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The department makes employer contributions to the employee's superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Lease incentives

Lease incentives taking the form of 'free' leasehold improvements and rent free holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- cash on hand;
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;
- cash held by outsiders; and
- cash in special accounts.

1.11 Financial Assets

The department classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future;
- are parts of an identified portfolio of financial instruments that the department manages together and has a recent actual pattern of short-term profit-taking; or

Department of Education, Employment and Workplace Relations

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- are derivatives that are not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit or loss for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, these instruments are valued at cost. The department has no such instruments.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at the end of the reporting period.

- *Financial assets held at amortised cost* - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.
- *Available-for-sale financial assets* - If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Statement of Comprehensive Income.
- *Financial assets held at cost* - If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.12 Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. Financial liabilities are recognised and derecognised upon trade date.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Department of Education, Employment and Workplace Relations

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

1.13 Contingent Liabilities and Contingent Assets

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

Indemnities

The maximum amounts payable under the indemnities given is disclosed in the Schedule of Contingencies. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.

1.14 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

1.15 Acquisition of Assets

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

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

1.16 Infrastructure, Plant and Equipment including Land and Buildings

Asset recognition threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, (or \$50,000 for leasehold improvements) which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

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

Revaluations

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

<i>Asset Class</i>	<i>Fair value measurement</i>
Land	Market selling price
Buildings excluding leasehold improvements	Market selling price
Buildings – Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Department of Education, Employment and Workplace Relations

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

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

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

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

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

<i>Asset Class</i>	<i>2012</i>	<i>2011</i>
Buildings on freehold land	37-51 years	37-51 years
Buildings – leasehold improvements	Lease term	Lease term
Infrastructure, plant and equipment	3-15 years	3-15 years

Impairment

All assets were assessed for impairment at 30 June 2012. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Assets not previously recognised

Leasehold improvement restoration obligations and computer equipment were brought to account as part of land and buildings and infrastructure, plant and equipment for the first time as at 30 June 2011.

1.17 Intangibles

The department's intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Purchases costing less than \$200,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the department's software are 2-15 years (2011: 2-15 years).

All software assets were assessed for indications of impairment as at 30 June 2012.

1.18 Taxation

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

Revenues, expenses and non-financial assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

1.19 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes.

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

Administered cash transfers to and from the Official Public Account

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

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the department on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of funds as directed.

Administered fee revenue is recognised when the service is provided. Collectability of the debt is reviewed at balance date. Impairment allowances are made when collectability of the debt is judged to be less, rather than more, likely.

Gains and losses

Administered gains or losses under the Higher Education Loan Program (HELP), the Student Loan Supplement Scheme and Unfunded University Superannuation are recognised at 30 June each year based on an actuarial assessment of the fair value.

Loans and receivables

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

The HELP scheme is administered under the *Higher Education Support Act 2003*. HELP consists of HECS-HELP, FEE-HELP, OS-HELP, and VET FEE-HELP, and any resulting debts are called a HELP debt. Responsibility for the HELP scheme transferred to DIISRTE on 14 December 2011; as a result there is a nil value for the HELP receivable at 30 June 2012.

Administered receivables, including those relating to personal benefit overpayments, represent debts owed to the department by past and present customers. All debts known to be irrecoverable are excluded from the value of administered receivables. Irrecoverable debts comprise amounts written off pursuant to section 1236 of the *Social Security Act 1991* and amounts waived pursuant to section 1237 of the *Social Security Act 1991*. In accordance with departmental guidelines for the operation of waivers under section 1237 of the *Social Security Act 1991*, where a debt is not likely to exceed a threshold amount and it is not cost effective for the Australian Government to recover the debt, the debt is waived.

Independent valuations are conducted with sufficient frequency to ensure that the carrying amounts of impairment allowances for doubtful debts does not differ materially from the fair value as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in the programs.

Administered investments

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments other than those held for sale are classified as available-for-sale and are measured at their fair value as at 30 June 2012. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at the end of the reporting period.

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

Grants and subsidies

The department administers a number of grant and subsidy schemes on behalf of the Government.

Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

Under the Federal Financial Framework agreed with Council of Australian Governments (COAG), which came into effect on 1 January 2009, the Department of the Treasury is accountable for the payment of grants under the National Partnership Agreements to the States and Territories. As a result DEEWR reported payments made since the agreement came into effect as nation building transfers (Note 16E) for all payments made through State and Territory Governments.

Voluntary disclosure

The department administers a number of personal benefit programs on behalf of the government that provide income support, family assistance and other entitlements to individuals. Payments are determined in accordance with provisions under social security law and other legislation. Payments made under the *Social Security (Administration) Act 1999*, *A New Tax System (Family Assistance) (Administration) Act 1999* and *Student Assistance Act 1973* legislation are assessed, determined and paid by officers of the Department of Human Services (DHS) under delegation from the department.

Payments made by DHS appear in the financial statements of the department, which receives appropriations for the payments.

The *Social Security (Administration) Act 1999*, *A New Tax System (Family Assistance) (Administration) Act 1999* and *Student Assistance Act 1973* imposes obligations on payment recipients to disclose to DHS information about financial and personal circumstances that affect entitlement to payment. Unreported changes in circumstances can lead to incorrect payment, even if no deliberate fraud is intended. However, risks associated with relying on voluntary disclosure are mitigated by a risk management strategy which focuses on prevention, detection and deterrence.

In addition, DHS conducts a comprehensive program of reviews. Compliance reviews of payment recipient's circumstances contribute to the detection of overpayment and benefit fraud. Recipients are generally selected for compliance reviews based on risk categories and inconsistencies in income, assets or other data across DHS systems, or between DHS and data gathered through Job Services Australia, universities, or held by other agencies such as the ATO and financial institutions.

Payments to CAC Act bodies

Payments to Comcare from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans of the relevant portfolio department. The appropriation to the department is disclosed in Table A of the appropriation note.

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

Note 2. Events After the Reporting Period

There have been no events after balance date that have the potential to significantly affect the ongoing structure and financial activities of the department.

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

Note 3. Expenses

	2012 \$'000	2011 \$'000
Note 3A. Employee benefits		
Wages and salaries	341,969	358,990
Superannuation:		
Defined contribution plans	23,644	24,233
Defined benefit plans	48,587	53,243
Leave and other entitlements	70,004	75,640
Separations and redundancies	20,188	7,065
Other	3,359	3,730
Total employee benefits	507,751	522,901
Note 3B. Supplier expenses		
Goods and services		
IT services	51,952	53,561
Contractors	15,995	25,434
Consultants	36,060	31,542
Resources received free of charge	5,041	25,215
Travel	12,228	14,404
Property	17,055	20,525
Other	31,213	32,555
Total goods and services	169,544	203,236
Goods and services are made up of:		
Provision of goods – related entities	122	26
Provision of goods – external parties	3,283	6,486
Rendering of services – related entities	19,519	17,310
Rendering of services - external parties	146,620	179,414
Total goods and services	169,544	203,236
Other supplier expenses		
Operating lease rentals – external parties:		
Minimum lease repayments	63,389	80,157
Contingent rentals	1,023	1,555
Workers compensation expenses	3,701	3,882
Total other supplier expenses	68,113	85,594
Total supplier expenses	237,657	288,830
Note 3C. Grants		
Public sector:		
Australian Government entities (related entities)	2,964	174
Private sector:		
Non-profit organisations	1,035	537
Other	1,944	1,808
Total grants	5,943	2,519

Department of Education, Employment and Workplace Relations
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	2012	2011
	\$'000	\$'000
<u>Note 3D. Depreciation and amortisation</u>		
Depreciation:		
Infrastructure, plant and equipment	19,044	21,199
Buildings	75	75
Leasehold improvements	21,136	26,617
Total depreciation	40,255	47,891
Amortisation:		
Intangibles:		
Computer software	31,338	58,087
Total amortisation	31,338	58,087
Total depreciation and amortisation	71,593	105,978
<u>Note 3E. Finance costs</u>		
Unwinding of discount on provision for restoration obligations	105	200
Total finance costs	105	200
<u>Note 3F. Write-down and impairment of assets</u>		
Asset write-downs and impairments from:		
Write-off of receivables - goods and services	7	42
Impairment of receivables - goods and services	-	254
Impairment of intangibles	662	-
Impairment of leasehold improvements	705	-
Write-off of non-financial assets – infrastructure, plant and equipment	1,282	361
Write-off of non-financial assets – land and buildings	557	228
Write-off of non-financial assets – inventory held for distribution	-	172
Impairment of inventory held for distribution	-	(90)
Total write-down and impairment of assets	3,213	967
<u>Note 3G. Losses from asset sales</u>		
Infrastructure, plant and equipment:		
Proceeds from sale	(6)	(49)
Carrying value of assets sold	240	237
Net loss from infrastructure, plant and equipment	234	188
Total losses from sale of assets	234	188
<u>Note 3H. Other expenses</u>		
Act of Grace payments	-	4
Total other expenses	-	4

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

Note 4. Income

	2012	2011
	\$'000	\$'000

Note 4A. Sale of goods and rendering of services

Provision of goods - external parties	369	412
Rendering of services - related entities	18,112	18,882
Rendering of services - external parties	13,869	24,120
<i>Total sale of goods and rendering of services</i>	<u>32,350</u>	<u>43,414</u>

Note 4B. Reversals of previous asset write-downs and impairment

Reversal of impairment losses	341	-
<i>Total reversals of previous asset write-downs and impairments</i>	<u>341</u>	<u>-</u>

Note 4C. Other gains

Resources received free of charge	5,041	25,215
Gain on write back of restoration provision	569	533
First time recognition of assets – infrastructure, plant and equipment	101	194
First time recognition of assets – portable and attractive items	9	12
Other	1,606	431
<i>Total other gains</i>	<u>7,326</u>	<u>26,385</u>

REVENUE FROM GOVERNMENT

Note 4D. Revenue from Government

Appropriations:

Departmental appropriation	712,826	740,218
<i>Total revenue from Government</i>	<u>712,826</u>	<u>740,218</u>

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

Note 5. Financial Assets

	2012 \$'000	2011 \$'000
<u>Note 5A. Cash and cash equivalents</u>		
Cash on hand or on deposit	<u>2,540</u>	<u>3,990</u>
Total cash and cash equivalents	<u>2,540</u>	<u>3,990</u>
<u>Note 5B. Trade and other receivables</u>		
Goods and services:		
Goods and services - related entities	3,555	4,317
Goods and services - external parties	<u>1,495</u>	<u>2,265</u>
Total receivables for goods and services	<u>5,050</u>	<u>6,582</u>
Appropriations receivable:		
For existing programs	<u>137,886</u>	<u>158,284</u>
Total appropriations receivable	<u>137,886</u>	<u>158,284</u>
Other receivables:		
GST receivable from the Australian Taxation Office	<u>5,279</u>	<u>6,594</u>
Total other receivables	<u>5,279</u>	<u>6,594</u>
Total trade and other receivables (gross)	<u>148,215</u>	<u>171,460</u>
Less impairment allowance account:		
Goods and services	<u>(5)</u>	<u>(346)</u>
Total impairment allowance account	<u>(5)</u>	<u>(346)</u>
Total trade and other receivables (net)	<u>148,210</u>	<u>171,114</u>
Receivables are expected to be recovered in:		
No more than 12 months	148,210	171,114
More than 12 months	-	-
Total trade and other receivables (net)	<u>148,210</u>	<u>171,114</u>
Receivables are aged as follows:		
Not overdue	147,067	162,954
Overdue by:		
0 to 30 days	19	7,219
31 to 60 days	616	25
61 to 90 days	223	12
More than 90 days	<u>290</u>	<u>1,250</u>
Total receivables (gross)	<u>148,215</u>	<u>171,460</u>

Department of Education, Employment and Workplace Relations
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	2012 \$'000	2011 \$'000
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(5)	(346)
Total impairment allowance account	<u>(5)</u>	<u>(346)</u>

Credit terms for goods and services were within 30 days (2011: 30 days).

Reconciliation of the Impairment Allowance Account:

Movements in relation to 2012

	Goods and services \$'000	Total \$'000
Opening balance	(346)	(346)
Amounts written off	(7)	(7)
Amounts recovered and reversed	7	7
Increase/decrease recognised in net surplus	341	341
Closing balance	(5)	(5)

Movements in relation to 2011

	Goods and services \$'000	Total \$'000
Opening balance	(92)	(92)
Amounts written off	(42)	(42)
Amounts recovered and reversed	42	42
Increase/decrease recognised in net surplus	(254)	(254)
Closing balance	(346)	(346)

	2012 \$'000	2011 \$'000
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Note 5C. Other financial assets

Accrued revenue	491	476
Total accrued revenue	<u>491</u>	<u>476</u>

Total accrued revenue is expected to be recovered in:

No more than 12 months	491	476
More than 12 months	-	-
Total accrued revenue	<u>491</u>	<u>476</u>

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

Note 6. Non-Financial Assets

	2012 \$'000	2011 \$'000
<u>Note 6A. Land and buildings</u>		
Land:		
Freehold land at fair value	1,960	1,123
Buildings on freehold land:		
Fair value	2,210	2,345
Accumulated depreciation	-	(255)
Total freehold land and buildings	<u>4,170</u>	<u>3,213</u>
Leasehold improvements:		
Work in progress	1,813	637
Fair value	100,255	100,314
Accumulated depreciation	(673)	(292)
Accumulated impairment losses	(705)	-
Total leasehold improvements	<u>100,690</u>	<u>100,659</u>
Total land and buildings	<u>104,860</u>	<u>103,872</u>

There are 4 residential properties to be sold within the next 12 months. The properties have a net book value of \$1,650,000 as at 30 June 2012.

There are 10 leased properties that the department manages which are due to be vacated within the next 12 months that have leasehold improvement assets. The total net book value of the leasehold improvements including restoration for these properties was \$3,712,800 as at 30 June 2012.

An impairment loss was recognised for one property associated with surplus lease space.

Note 6B. Infrastructure, plant and equipment

Work in progress	-	7,227
Fair value	40,469	142,504
Accumulated depreciation	(3,527)	(98,067)
Total infrastructure, plant and equipment	<u>36,942</u>	<u>51,664</u>

No material amounts of infrastructure, plant and equipment are expected to be sold or disposed of within the next 12 months.

No indicators of impairment were found for infrastructure, plant and equipment assets.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2012, an independent valuer conducted the revaluations.

A revaluation increment of \$837,411 for land (2011: nil), \$193,653 for buildings on freehold land (2011: nil) and \$1,029,929 for leasehold improvements (2011: \$11,552,762); a decrement of \$4,530,056 for plant and equipment (2011: nil) were credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet; no increments/decrements were expensed (2011: nil).

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

Note 6C. Reconciliation of the opening and closing balances of property, plant and equipment (2011-12)

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Total land and buildings \$'000	Infrastructure, plant and equipment \$'000	Total \$'000
As at 1 July 2011						
Gross book value	1,123	2,345	100,951	104,419	149,731	254,150
Accumulated depreciation and impairment	-	(255)	(292)	(547)	(98,067)	(98,614)
Net book value 1 July 2011	1,123	2,090	100,659	103,872	51,664	155,536
Additions:						
By purchase	-	-	15,228	15,228	12,276	27,504
By lease incentive	-	-	7,875	7,875	-	7,875
First time recognition	-	-	-	-	101	101
Reclassification	-	1	(27)	(26)	26	-
Revaluations and impairments recognised in other comprehensive income	837	194	1,030	2,061	(4,530)	(2,469)
Impairments recognised in the operating result	-	-	(705)	(705)	-	(705)
Depreciation expense	-	(75)	(21,136)	(21,211)	(19,044)	(40,255)
Other movements	-	-	-	-	-	-
Disposals:						
From disposal of entities or operations (including restructuring)	-	-	(1,677)	(1,677)	(2,029)	(3,706)
Other	-	-	-	-	(240)	(240)
Write-offs	-	-	(557)	(557)	(1,282)	(1,839)
Net book value 30 June 2012	1,960	2,210	100,690	104,860	36,942	141,802
Net book value as of 30 June 2012 represented by:						
Gross book value	1,960	2,210	101,363	105,533	40,469	146,002
Accumulated depreciation and impairment	-	-	(673)	(673)	(3,527)	(4,200)
Net book value as at 30 June 2012	1,960	2,210	100,690	104,860	36,942	141,802

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

Note 6C. Reconciliation of the opening and closing balances of property, plant and equipment (2010-11)

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Total land and buildings \$'000	Infrastructure, plant and equipment \$'000	Total \$'000
As at 1 July 2010						
Gross book value	1,123	2,345	185,347	188,815	145,756	334,571
Accumulated depreciation and impairment	-	(180)	(86,298)	(86,478)	(88,303)	(174,781)
Net book value 1 July 2010	1,123	2,165	99,049	102,337	57,453	159,790
Additions:						
By purchase	-	-	18,365	18,365	14,413	32,778
By lease incentive	-	-	-	-	-	-
First time recognition	-	-	129	129	65	194
Reclassification	-	-	(1,557)	(1,557)	1,557	-
Revaluations and impairments recognised in other comprehensive income	-	-	11,553	11,553	-	11,553
Depreciation expense	-	(75)	(26,617)	(26,692)	(21,199)	(47,891)
Disposals:						
From disposal of entities or operations (including restructuring)	-	-	(35)	(35)	(27)	(62)
Other	-	-	-	-	(237)	(237)
Write-offs	-	-	(228)	(228)	(361)	(589)
Net book value 30 June 2011	1,123	2,090	100,659	103,872	51,664	155,536
Net book value as of 30 June 2011 represented by:						
Gross book value	1,123	2,345	100,951	104,419	149,731	254,150
Accumulated depreciation and impairment	-	(255)	(292)	(547)	(98,067)	(98,614)
Net book value as at 30 June 2011	1,123	2,090	100,659	103,872	51,664	155,536

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

	2012	2011
	\$'000	\$'000
<u>Note 6D. Intangibles</u>		
Computer software:		
Internally developed – in progress	24,345	42,410
Internally developed – in use	183,908	209,863
Purchased	3,381	5,699
<i>Total computer software (gross)</i>	211,634	257,972
Accumulated amortisation - internally developed	(101,918)	(136,820)
Accumulated amortisation - purchased	(3,333)	(5,586)
<i>Total computer software (net)</i>	106,383	115,566
<i>Total intangibles</i>	106,383	115,566

No indicators of impairment were found for intangible assets.

No material amounts of intangibles are expected to be sold or disposed of within the next 12 months.

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

Note 6E. Reconciliation of the opening and closing balances of intangibles (2011-12)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2011			
Gross book value	252,273	5,699	257,972
Accumulated amortisation and impairment	(136,820)	(5,586)	(142,406)
Net book value 1 July 2011	115,453	113	115,566
Additions:			
By Purchase	-	-	-
Internally developed	50,216	-	50,216
Revaluations and impairments recognised in other comprehensive income	-	-	-
Impairments recognised in the operating result	(661)	(1)	(662)
Amortisation	(31,274)	(64)	(31,338)
Disposals:			
From disposal of entities or operations (including restructuring)	(27,399)	-	(27,399)
Other	-	-	-
Write-offs	-	-	-
Net book value 30 June 2012	106,335	48	106,383
Net book value as of 30 June 2012 represented by:			
Gross book value	208,253	3,381	211,634
Accumulated amortisation and impairment	(101,918)	(3,333)	(105,251)
Net book value 30 June 2012	106,335	48	106,383

¹ In the 2011-12 financial year write offs of \$16.916 million for internally developed software and \$2.317 million for purchased software were carried out on the assets which were fully depreciated, therefore the net book value written off was \$0.

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

Note 6E. Reconciliation of the opening and closing balances of intangibles (2010-11)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2010			
Gross book value	313,444	9,663	323,107
Accumulated amortisation and impairment	(190,391)	(9,393)	(199,784)
Net book value 1 July 2010	123,053	270	123,323
Additions:			
Internally developed	50,330	-	50,330
Amortisation	(57,930)	(157)	(58,087)
Disposals:			
Write-offs ¹	-	-	-
Net book value 30 June 2011	115,453	113	115,566
Net book value as of 30 June 2011 represented by:			
Gross book value	252,273	5,699	257,972
Accumulated amortisation and impairment	(136,820)	(5,586)	(142,406)
Net book value 30 June 2011	115,453	113	115,566

¹ In the 2010-11 financial year write offs of \$111.502 million for internally developed software and \$3.964 million for purchased software were carried out on the assets which were fully depreciated, therefore the net book value written off was \$0.

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

	2012 \$'000	2011 \$'000
<u>Note 6F. Other non-financial assets</u>		
Prepayments	<u>25,370</u>	<u>28,482</u>
<i>Total other non-financial assets</i>	<u>25,370</u>	<u>28,482</u>
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	<u>22,409</u>	25,969
More than 12 months	<u>2,961</u>	<u>2,513</u>
<i>Total other non-financial assets</i>	<u>25,370</u>	<u>28,482</u>

No indicators of impairment were found for other non-financial assets.

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

Note 7. Payables

	2012 \$'000	2011 \$'000
<u>Note 7A. Suppliers</u>		
Trade creditors and accruals	57,833	34,328
Operating lease rentals	7,968	6,160
Total supplier payables	65,801	40,488
Supplier payables expected to be settled within 12 months:		
Related entities	32,430	3,076
External parties	26,107	33,051
Total	58,537	36,127
Supplier payables expected to be settled in greater than 12 months:		
Related entities	-	-
External parties	7,264	4,361
Total	7,264	4,361
Total supplier payables	65,801	40,488

Settlement is usually made within 30 days.

Note 7B. Other payables

Salaries and wages	10,212	10,947
Superannuation	1,639	1,731
Separations and redundancies	6,712	1,364
Other employee benefits	340	388
Lease incentives	28,185	22,936
Unearned income	819	9,960
Payable to the Official Public Account	1	1
Accrued expenses	10,564	15,555
Surplus lease space	2,895	3,915
Total other payables	61,367	66,797
Total other payables are expected to be settled in:		
No more than 12 months	34,176	46,067
More than 12 months	27,191	20,730
Total other payables	61,367	66,797

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

Note 8. Provisions

	2012 \$'000	2011 \$'000
Note 8A. Employee provisions		
Leave	<u>123,639</u>	<u>159,751</u>
Total employee provisions	<u><u>123,639</u></u>	<u><u>159,751</u></u>
Employee provisions are expected to be settled in:		
No more than 12 months	<u>36,022</u>	<u>48,366</u>
More than 12 months	<u>87,617</u>	<u>111,385</u>
Total employee provisions	<u><u>123,639</u></u>	<u><u>159,751</u></u>
Note 8B. Other provisions		
Provision for restoration obligations	<u>4,060</u>	<u>8,310</u>
Total other provisions	<u><u>4,060</u></u>	<u><u>8,310</u></u>
Other provisions are expected to be settled in:		
No more than 12 months	<u>2,810</u>	<u>4,812</u>
More than 12 months	<u>1,250</u>	<u>3,498</u>
Total other provisions	<u><u>4,060</u></u>	<u><u>8,310</u></u>
	Provision for restoration obligations \$'000	Total \$'000
Carrying amount 1 July 2011	8,310	8,310
Additional provisions made	-	-
Amounts used	(4,302)	(4,302)
Amounts reversed	(569)	(569)
Unwinding of discount or change in discount rate	105	105
Adjustment to asset revaluation reserve	<u>516</u>	<u>516</u>
Closing balance as at 30 June 2012	<u><u>4,060</u></u>	<u><u>4,060</u></u>

The department currently has 9 (2011: 16) agreements for the leasing of premises which have provisions requiring the department to restore the premises to their original condition at the conclusion of the lease. The department has made a provision to reflect the present value of this obligation.

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

Notes:

1. The tertiary education functions, including higher education, vocational education and international education were relinquished to the Department of Industry, Innovation, Science, Research and Tertiary Education during 2011-12 due to Administrative Arrangement Order changes on 13 December 2011 and 9 February 2012.
2. Responsibility for registering training organisations and accrediting courses was relinquished to the national VET regulator, the Australian Skills Quality Authority on 1 July 2011. As at 30 June 2012 some assets had not been transferred to the Australian Skills Quality Authority. An additional transfer of land and buildings (\$1.774m) was completed in July 2012.
3. The functions relating to quality assurance for higher education were transferred to the Tertiary Education Quality Standards Agency on 1 July 2011.
4. Marketing of international education was relinquished to Austrade on 1 July 2010 via an Administrative Arrangements Order.
5. Agreement making and workplace relations advice was relinquished to the Australia Public Service Commission on 1 July 2010 via an Administrative Arrangements Order.
6. Remuneration Tribunal was relinquished to the Australian Public Service Commission on 14 September 2010 via an Administrative Arrangements Order.
7. The net assets/liabilities relinquished to all entities were \$34.303 million (2011: \$445,000).

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

Note 9B. Administered restructuring		
	2012	2011
	Tertiary Education: including Higher Education, Vocational Education and International Education	<i>Remuneration Tribunal Act 1973 and Remuneration and Allowances Act 1990</i>
	Department of Industry, Innovation, Science, Research and Tertiary Education¹	Australian Public Service Commission ²
	\$'000	\$'000
FUNCTIONS RELINQUISHED		
Assets relinquished		
Trade and other receivables	26,358	-
Advances and loans	16,796,794	-
Other receivables	628,192	-
Investments	1,906,457	-
Total assets relinquished	19,357,801	-
Liabilities relinquished		
Payables	(326,536)	-
Provision for grants	(5,147,424)	-
Total liabilities relinquished	(5,473,960)	-
Net assets/(liabilities) relinquished	13,883,841	-

Notes

1. The tertiary education functions, including higher education, vocational education and international education were relinquished to the Department of Industry, Innovation, Science, Research and Tertiary Education during 2011-12 due to Administrative Arrangement Order changes on 13 December 2011 and 9 February 2012.
2. The *Remuneration Tribunal Act 1973* and the *Remuneration and Allowances Act 1990* were relinquished to the Australian Public Service Commission on 14 September 2010 and 14 October 2010 respectively via an Administered Arrangements Order.
3. The net assets/liabilities relinquished to all entities were \$13,883.841 million (2011: nil).

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

Note 10. Cash Flow Reconciliation

	2012 \$'000	2011 \$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	2,540	3,990
Balance sheet	2,540	3,990
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(786,479)	(851,788)
Add revenue from Government	712,826	740,218
Adjustments for non-cash items		
First time recognition of non financial assets	(101)	(194)
Reversal of impairment losses	(341)	-
Other gains	(569)	(533)
Depreciation / amortisation	71,593	105,978
Net write-down and impairment of assets	3,213	967
Net losses from sale of assets	234	188
Finance costs - unwinding of discount on provision for restoration obligations	105	200
Changes in assets / liabilities		
Decrease / (increase) in net receivables	21,266	24,398
Decrease / (increase) in accrued revenue	(15)	89
Decrease / (increase) in inventories	-	277
Decrease / (increase) in prepayments	3,112	(3,670)
Increase / (decrease) in employee provisions	(6,802)	(6,395)
Increase / (decrease) in supplier payables	(5,576)	10,746
Increase / (decrease) in other provisions	(4,302)	1,129
Increase / (decrease) in other payables	(11,789)	(7,577)
Net cash from (used by) operating activities	<u>(3,625)</u>	<u>14,033</u>

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

Note 11. Contingent Assets and Liabilities

	Indemnities		Claims for damages or costs		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Contingent assets						
Balance from previous period	-	-	24	54	24	54
New contingent assets recognised	-	-	-	-	-	-
Re-measurement	-	-	2	-	2	-
Assets recognised Expired	-	-	(26)	(30)	(26)	(30)
Total contingent assets	-	-	-	24	-	24
Contingent liabilities						
Balance from previous period	-	-	3,413	1,216	3,413	1,216
New contingent liabilities recognised	-	-	-	1,190	-	1,190
Re-measurement	-	-	548	1,032	548	1,032
Liabilities recognised	-	-	-	(25)	-	(25)
Obligations expired	-	-	-	-	-	-
Total contingent liabilities	-	-	3,961	3,413	3,961	3,413
Net contingent assets (liabilities)					(3,961)	(3,389)

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

Quantifiable Contingencies

The schedule of contingencies reports contingent liabilities in respect of indemnities and claims for damages of \$3.961 million (2011: \$3.413 million).

The schedule also reports contingent assets in respect of claims for damages of nil (2011: \$0.024 million).

The amounts included in the schedule represent an estimate of the department's contingent assets and liabilities based on wide ranging legal cases.

Unquantifiable Contingencies

As at 30 June 2012, the department had contingent liabilities likely to be paid in respect of damages and claims that are not quantifiable. There was one open matter in the hands of the department's legal representatives (2011: 3). These open matters relate to a wide range of legal issues (departmental and administered) with varying probabilities of success. It is not possible to estimate the amounts of any eventual receipts or payments that may be received or made in relation to these claims.

Significant Remote Contingencies

The department has one (2011: nil) contingent asset where the likelihood of receipt is remote. The value of contingent liabilities where the likelihood of payment is remote is nil (2011: \$2.727 million). These are not included in the Schedule of Contingencies.

In addition to the unquantifiable contingencies listed above, the department has provided an indemnity to the Reserve Bank of Australia against loss or damage arising from the bank acting in good faith on the instructions given to it under the provision of the contract for the department's transactional banking services, any error, mistake, fraud or negligence and any failure of the department to observe its obligations. The likelihood of any payment being required under the indemnity is remote and unquantifiable.

Department of Education, Employment and Workplace Relations
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Note 12. Senior Executive Remuneration

Note 12A. Senior executive remuneration expense for the reporting period

	2012	2011
	\$'000	\$'000
Short-term employee benefits:		
Salary (including annual leave taken)	28,597	30,656
Annual leave accrued	400	373
Other	5,027	5,671
<i>Total short-term employee benefits</i>	<u>34,024</u>	<u>36,700</u>
Post-employment benefits:		
Superannuation	5,208	5,174
<i>Total post-employment benefits</i>	<u>5,208</u>	<u>5,174</u>
Other long-term benefits:		
Long-service leave	1,381	963
<i>Total other long-term benefits</i>	<u>1,381</u>	<u>963</u>
Termination benefits	<u>784</u>	<u>194</u>
<i>Total employment benefits</i>	<u>41,397</u>	<u>43,031</u>

Notes

- Note 12A was prepared on an accrual basis. It excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$150,000.
- Other includes motor vehicle allowances, other allowances and reportable fringe benefits

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Note 12B. Average annual reportable remuneration paid to substantive senior executives during the reporting period

Average annual reportable remuneration ¹	2012						Total
	Senior Executives	Reportable salary ²	Contributed superannuation ³	Reportable allowances ⁴	Bonus paid ⁵	Total	
	No.	\$	\$	\$	\$	\$	
Total remuneration (including part-time arrangements):							
Less than \$150,000*	53	64,897	11,798		7,590	84,285	
\$150,000 to \$179,999	19	125,907	37,861			163,768	
\$180,000 to \$209,999	47	161,424	33,988	1,940		197,352	
\$210,000 to \$239,999	47	184,181	37,144	238		221,563	
\$240,000 to \$269,999	17	212,489	36,597			249,086	
\$270,000 to \$299,999	12	234,424	48,870			283,294	
\$300,000 to \$329,999	6	261,311	48,164			309,475	
\$330,000 to \$359,999	5	290,485	45,630			336,115	
\$360,000 to \$389,999	2	302,575	64,556			367,131	
\$540,000 to \$569,999	1	413,686	148,325	829		562,840	
Total	209						

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2011

Average annual reportable remuneration¹	Senior Executives No.	Reportable salary²	Contributed superannuation³	Reportable allowances⁴	Bonus paid⁵	Total
		\$	\$	\$	\$	\$
Total remuneration (including part-time arrangements):						
Less than \$150,000*	42	56,814	9,824	-	-	66,638
\$150,000 to \$179,999	14	146,413	25,262	-	-	171,675
\$180,000 to \$209,999	57	166,311	29,649	-	-	195,960
\$210,000 to \$239,999	43	181,887	38,135	-	-	220,022
\$240,000 to \$269,999	26	213,228	39,143	-	14,038	266,409
\$270,000 to \$299,999	14	228,766	53,271	-	-	282,037
\$300,000 to \$329,999	3	268,109	46,095	-	-	314,204
\$330,000 to \$359,999	4	260,678	85,888	-	-	346,566
\$360,000 to \$389,999	1	315,136	64,556	-	-	379,692
\$390,000 to \$419,999	1	397,154	24,288	-	-	421,442
\$480,000 to \$509,999	1	380,809	128,534	-	-	509,343
Total	206					

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
 - c) exempt foreign employment income
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per individuals' payslips.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. Existing remuneration arrangements for senior executives do not provide for the payment of performance bonus however as at 30 June 2011 there was one employee that was on an AWA and received a bonus.
6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

**Department of Education, Employment and Workplace Relations
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Note 12C. Other highly paid staff

	2012				
Average annual reportable remuneration ¹	Staff No.	Reportable salary ²	Contributed superannuation ³	Reportable allowances ⁴	Total
		\$	\$	\$	\$
Total remuneration (including part time arrangements):					
\$150,000 to \$179,999	73	130,412	27,215	-	157,627
\$180,000 to \$209,999	4	161,143	27,682	-	188,825
\$210,000 to \$239,999	3	192,715	31,796	-	224,511
Total	80				

	2011				
Average annual reportable remuneration ¹	Staff No.	Reportable salary ²	Contributed superannuation ³	Reportable allowances ⁴	Total
		\$	\$	\$	\$
Total remuneration (including part time arrangements):					
\$150,000 to \$179,999	56	122,484	32,529	-	155,013
\$180,000 to \$209,999	1	172,509	18,679	-	191,188
\$210,000 to \$239,999	2	209,227	17,728	-	226,955
\$240,000 to \$269,999	2	192,731	61,730	-	254,460
Total	61				

Notes:

1. This table reports staff:
 - a) who were employed by the department during the reporting period;
 - b) whose reportable remuneration was \$150,000 or more for the financial period; and
 - c) were not required to be disclosed in Tables A or B.
 Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);

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

- b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
- c) exempt foreign employment income.
- 3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
- 4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 5. 'Bonus paid'. Existing remuneration arrangements for non senior executive staff do not provide for the payment of bonuses.
- 6. Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

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

Note 13. Remuneration of Auditors

	2012 \$'000	2011 \$'000
Financial statement audit services were provided free of charge to the department by the Australian National Audit Office.		
The fair value of the services provided for financial statement audit services was	<u>1,740</u>	<u>1,740</u>
<i>Total fair value of services provided</i>	<u>1,740</u>	<u>1,740</u>

No other services were provided by the auditors of the financial statements.

Note 14. Financial Instruments

Note 14A. Categories of financial instruments

Financial Assets

Loans and receivables:

Cash and cash equivalents	2,540	3,990
Goods and services	5,050	6,582
Accrued revenue	<u>491</u>	<u>476</u>
<i>Carrying amount of financial assets</i>	<u>8,081</u>	<u>11,048</u>

Financial Liabilities

At amortised cost:

Trade creditors	57,833	34,328
Accrued expenses	<u>10,564</u>	<u>15,555</u>
<i>Carrying amount of financial liabilities</i>	<u>68,397</u>	<u>49,883</u>

Note 14B. Net income and expense from financial assets

Loans and receivables

Write off impairment - goods and services	(7)	(42)
Reversal of impairment - goods and services	341	-
Impairment of receivables - goods and services	<u>-</u>	<u>(254)</u>
Net gain/(loss) loans and receivables	<u>334</u>	<u>(296)</u>
<i>Net gain/(loss) from financial assets</i>	<u>334</u>	<u>(296)</u>

There was no net income/expenses from financial assets not at fair value from profit and loss in the year ending 2012 [2011: nil].

Department of Education, Employment and Workplace Relations
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Note 14C. Fair value of financial instruments

	Carrying amount	Fair value	Carrying amount	Fair value
	2012	2012	2011	2011
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	2,540	2,540	3,990	3,990
Goods and services	5,050	5,045	6,582	6,236
Accrued revenue	491	491	476	476
Total	8,081	8,076	11,048	10,702
Financial Liabilities				
At amortised cost:				
Trade creditors	57,833	57,833	34,328	34,328
Accrued expenses	10,564	10,564	15,555	15,555
Total	68,397	68,397	49,883	49,883

Note 14D. Credit risk

The department is exposed to minimal credit risk as loans and receivables are cash, cash on deposit and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables in 2012: \$5,050,000 (2011: \$6,582,000). The department has assessed the risk of the default on payment and has allocated in 2012: \$5,000 (2011: \$346,000) to an impairment allowance for doubtful debts.

The department has no significant exposures to any concentrations of credit risk. All figures for credit risk referred to do not take into account the value of any collateral or other security.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2012	2011
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	2,540	3,990
Goods and services	5,050	6,582
Accrued revenue	491	476
Total	8,081	11,048

In relation to the department's gross credit risk there is no collateral held however in 2012: 81 (2011: 11) limited indemnities were given in respect of venue hire between the Commonwealth and third parties.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	2,540	3,990	-	-
Goods and services	3,902	4,670	1,148	1,912
Accrued revenue	491	476	-	-
Total	6,933	9,136	1,148	1,912

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Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Goods and services	19	616	223	285	1,143
Total	19	616	223	285	1,143

Ageing of financial assets that were past due but not impaired for 2011

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Goods and services	625	25	12	904	1,566
Total	625	25	12	904	1,566

The following asset has been individually assessed as impaired

Trade receivables have been individually assessed for impairment including an assessment made on an historical basis.

Note 14E. Liquidity risk

The department is appropriated funding from the Australian Government. The department manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.

Maturities for non-derivative financial liabilities 2012

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	-	57,833	-	-	-	57,833
Accrued expenses	-	10,564	-	-	-	10,564
Total	-	68,397	-	-	-	68,397

Maturities for non-derivative financial liabilities 2011

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	-	34,328	-	-	-	34,328
Accrued expenses	-	15,555	-	-	-	15,555
Total	-	49,883	-	-	-	49,883

Department of Education, Employment and Workplace Relations
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Note 14F. Market risk

The department holds basic financial instruments that do not expose the department to market risks.

Note 15. Financial Assets Reconciliation

		2012	2011
		\$'000	\$'000
<u>Financial assets</u>	Notes		
Total financial assets as per balance sheet		151,241	175,580
Less: non-financial instrument components			
Appropriation receivable	5B	137,886	158,284
GST receivable from the ATO	5B	5,279	6,594
Impairment allowance account	5B	<u>(5)</u>	<u>(346)</u>
Total non-financial instrument components		<u>143,160</u>	<u>164,532</u>
<i>Total financial assets as per financial instruments note</i>	14A	<u>8,081</u>	<u>11,048</u>

Department of Education, Employment and Workplace Relations
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Note 16. Administered Expenses

	2012	2011
	\$'000	\$'000
Note 16A. Employee benefits		
Wages and salaries ¹	-	8,881
Total employee benefits	-	8,881
Note 16B. Supplier expenses		
Goods and services		
Labour market assistance to job seekers and industry	1,500,250	1,785,748
Assistance to people with disabilities	856,682	741,546
Vocational and industry training ²	198,205	368,392
Other	208,877	250,654
Total goods and services	2,764,014	3,146,340
Goods and services are made up of:		
Rendering of services – related entities	181,847	300,222
Rendering of services - external	2,582,167	2,846,118
Total goods and services	2,764,014	3,146,340
Total supplier expenses	2,764,014	3,146,340
Note 16C. Subsidies		
Payable to related entities:		
Industrial relations	151,584	123,821
Payable to external parties:		
Vocational and industry training ²	476,283	877,765
Labour market assistance to job seekers and industry	45,985	39,253
School education - specific funding	5,519	3,645
Assistance to people with disabilities	5,886	1,297
Total subsidies	685,257	1,045,781

¹The department transferred the administration of the *Remuneration Tribunal Act 1973* and the *Remuneration and Allowances Act 1990* to the Australian Public Service Commission (APSC) on 14 September 2010 and 14 October 2010 respectively.

²Responsibility for the administration of vocational and industry training programs transferred to DIISRTE on 14 December 2011.

Department of Education, Employment and Workplace Relations
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	2012	2011
	\$'000	\$'000
Note 16D. Personal benefits		
Direct:		
Higher education ¹	-	76
Student assistance	1,765,591	3,377,720
Assistance to families with children	7,521,018	7,581,536
Vocational and industry training ¹	118,001	189,110
Assistance to the aged	584,752	618,569
Assistance to people with disabilities	138,954	129,997
Assistance to the unemployed	7,447,843	6,964,814
Labour market assistance to job seekers and industry	66,547	66,223
School education - specific funding	1,140	960
Indirect:		
Assistance to families with children	2,667,136	1,918,963
Student Assistance	20,045	-
Industrial relations	197,479	151,345
Total personal benefits	20,528,506	20,999,313
Note 16E. Grants		
Public sector:		
Australian Government entities (related entities)	301,893	323,334
State and Territory Governments	7,847,655	7,473,453
Nation Building transfers	107,331	1,383,348
Private sector:		
Non-profit organisations	620,508	836,205
Multi-jurisdictional sector ¹	2,798,854	6,108,546
Other	173,159	229,087
Total grants	11,849,400	16,353,973
Note 16F. Finance costs		
Other interest payments	195	47
Unwinding of discount (concessional loans) ¹	-	604,849
Total finance costs	195	604,896
Note 16G. Write-down and impairment of assets		
Asset write-downs and impairments from:		
Impairment of personal benefits receivable	70,612	2,452
Impairment of Unfunded University Superannuation ¹	-	33,000
Write-down of other receivables	10,279	1,537
Impairment of goods and services and other receivables	517	5,346
Total write-down and impairment of assets	81,408	42,335

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

	2012	2011
	\$'000	\$'000
<u>Note 16H. Payments to CAC Act bodies</u>		
Comcare	<u>21,515</u>	<u>8,372</u>
<i>Total payments to CAC Act bodies</i>	<u>21,515</u>	<u>8,372</u>
<u>Note 16I. Fair value losses</u>		
Losses from remeasuring financial instruments held at fair value through profit or loss ¹	<u>-</u>	<u>340,421</u>
<i>Total fair value losses</i>	<u>-</u>	<u>340,421</u>
¹ Responsibility for tertiary education including: higher education support, vocational training and international transferred to DIISRTE on 14 December 2011.		

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

Note 17. Administered Income

	2012 \$'000	2011 \$'000
Taxation revenue		
<u>Note 17A. Other taxes</u>		
Levies (other than agricultural)	151,584	123,821
Total other taxes	<u>151,584</u>	<u>123,821</u>
Non-taxation revenue		
<u>Note 17B. Interest</u>		
Other sources	8	540
Loans ¹	1,836	647,227
Total interest	<u>1,844</u>	<u>647,767</u>
<u>Note 17C. Commonwealth asset recoveries</u>		
Special Employee Entitlements Scheme for Ansett Group Employees (SEESA) recoveries	3,368	2,537
General Employee Entitlements and Redundancy Scheme (GEERS) recoveries	21,576	16,861
Total Commonwealth asset recoveries	<u>24,944</u>	<u>19,398</u>
<u>Note 17D. Other revenue</u>		
Education investment fund special account ¹	74,846	405,001
Other	58,601	106,259
Total other revenue	<u>133,447</u>	<u>511,260</u>
Gains		
<u>Note 17E. Fair value gains from financial instruments</u>		
Actuarial gain on Unfunded University Superannuation ¹	-	56,549
Total fair value gains from financial instruments	<u>-</u>	<u>56,549</u>
<u>Note 17F. Reversals of previous asset write-downs and impairment</u>		
Reversals of impairment losses for goods and services receivables	1,505	-
Reversal of impairment losses for personal benefits receivables	-	79
Total reversals of previous asset write-downs and impairments	<u>1,505</u>	<u>79</u>

¹ Responsibility for tertiary education including the Higher Education Loan Program (HELP), Unfunded University Superannuation and the Education Investment Fund special account transferred to DIISRTE on 14 December 2011.

Department of Education, Employment and Workplace Relations
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Note 18. Administered Financial Assets

	2012	2011
	\$'000	\$'000
Note 18A. Cash and cash equivalents		
Cash on hand or on deposit	15	200
Total cash and cash equivalents	15	200
Note 18B. Receivables		
Taxation receivables:		
Levies receivable from related entities	26,314	21,756
Total taxation receivables	26,314	21,756
Good and services:		
Goods and services - external parties	20,103	28,304
Total receivables for goods and services	20,103	28,304
Advances and loans:		
HECS/HELP ¹	-	15,551,142
Student Financial Supplement Scheme ¹	30,667	711,036
Other Loans	15,260	20,548
Total advances and loans	45,927	16,282,726
Other receivables:		
GST receivable from Australian Taxation Office	222,613	54,744
Personal benefits receivable	1,301,340	1,420,842
Unfunded University Superannuation ¹	-	1,451,891
Total other receivables	1,523,953	2,927,477
Total trade and other receivables (gross)	1,616,297	19,260,263
Less impairment allowance account:		
Goods and services	(4,547)	(7,000)
Personal benefits	(328,714)	(274,603)
Unfunded University Superannuation ¹	-	(966,000)
Total impairment allowance account	(333,261)	(1,247,603)
Total trade and other receivables (net)	1,283,036	18,012,660
Receivables are expected to be recovered in:		
No more than 12 months	237,181	1,222,800
More than 12 months	1,045,855	16,789,860
Total trade and other receivables (net)	1,283,036	18,012,660

Department of Education, Employment and Workplace Relations
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	2012 \$'000	2011 \$'000
Receivables are aged as follows:		
Not overdue	469,859	17,836,233
Overdue by:		
0 to 30 days	3,796	10,708
31 to 60 days	2,354	6,071
61 to 90 days	2,515	4,304
More than 90 days	<u>1,137,773</u>	<u>1,402,947</u>
Total receivables (gross)	<u>1,616,297</u>	<u>19,260,263</u>
The impairment allowance account is aged as follows:		
Not overdue	(1,158)	(967,647)
Overdue by:		
0 to 30 days	(1,072)	(1,797)
31 to 60 days	(666)	(1,137)
61 to 90 days	(721)	(817)
More than 90 days	<u>(329,644)</u>	<u>(276,205)</u>
Total impairment allowance account	<u>(333,261)</u>	<u>(1,247,603)</u>
Goods and services receivables are with entities external to the Australian Government. Credit terms are within 30 days (2011: 30 days).		
Reconciliation of the Impairment Allowance Account:		
Movements in relation to 2012		
	Receivables \$'000	Total \$'000
Opening balance	(1,247,603)	(1,247,603)
Amounts written off	(10,279)	(10,279)
Amounts recovered and reversed	10,279	10,279
Increase/decrease recognised in net surplus	<u>914,342</u>	<u>914,342</u>
Closing balance	<u>(333,261)</u>	<u>(333,261)</u>
Movements in relation to 2011		
	Receivables \$'000	Total \$'000
Opening balance	(1,206,884)	(1,206,884)
Amounts written off	(1,537)	(1,537)
Amounts recovered and reversed	1,537	1,537
Increase/decrease recognised in net surplus	<u>(40,719)</u>	<u>(40,719)</u>
Closing balance	<u>(1,247,603)</u>	<u>(1,247,603)</u>

¹ Responsibility for tertiary education including the Higher Education Loan Program (HELP), the Student Financial Supplement Scheme (Austudy) and Unfunded University Superannuation was transferred to DIISRTE on 14 December 2011.

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

	2012	2011
	\$'000	\$'000
<u>Note 18C. Other investments</u>		
Other Investments:		
Comcare ¹	-	5,991
Australian National University ²	-	1,885,753
Australian Institute for Teaching and School Leadership ³	8,769	4,428
Australian Learning and Teaching Council ⁴	-	20,704
Australian Curriculum, Assessment and Reporting Authority ⁵	1,835	4,281
Coal Mining Industry Corporation ⁶	33,955	-
Total other investments	44,559	1,921,157
Total other investments are expected to be recovered in:		
No more than 12 months	-	-
More than 12 months	44,559	1,921,157
Total other investments	44,559	1,921,157

The department retains 100 per cent ownership of each of the listed investments. The principle activity of the department's administered investments is as follows:

¹ *Comcare* – the minimisation of human and financial costs in relation to workplace injury in Commonwealth employment.

² *Australian National University* – provision of research and teaching services. Responsibility for reporting of the *Australian National University* investment transferred to DIISRTE on 14 December 2011.

³ *Australian Institute for Teaching and School Leadership Ltd* – supports and enhances the teaching profession for the benefit of all Australians.

⁴ *The Australian Learning and Teaching Council (ALTC)* – provides a national focus for the enhancement of learning and teaching in Australian higher education providers. In January 2011 the Australian Government announced that ALTC would cease operating on 31 December 2011. Certain functions were transferred to the department. On 14 December 2011 responsibility for the ALTC transferred to DIISRTE.

⁵ *Australian Curriculum, Assessment and Reporting Authority* – executes the policy directions that are determined by the Ministerial Council for Education, Early Childhood Development and Youth Affairs regarding curriculum, assessment, data collection and reporting at a national level.

⁶ *Coal Mining Industry Corporation (CMIC)* – is responsible for the administration of the Coal Mining Industry Long Service Leave Fund (The Fund). The Fund has operated since 1949 to provide reimbursement payments to employers paying long service leave to persons employed in the black coal industry in New South Wales, Queensland, Western Australia and Tasmania on the basis of industry employment service.

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

Note 19. Administered Non-Financial Assets

	2012	2011
	\$'000	\$'000
<u>Note 19A. Other non-financial assets</u>		
Prepayments	7,388	3,640
Total other non-financial assets	7,388	3,640
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	7,388	3,640
More than 12 months	-	-
Total other non-financial assets	7,388	3,640

No indicators of impairment were found for other non-financial assets.

Note 20. Administered Payables

Note 20A. Suppliers

Trade creditors and accruals	314,800	176,879
Total supplier payables	314,800	176,879
Supplier payables expected to be settled within 12 months:		
Related entities	784	5,673
External parties	314,016	171,206
Total supplier payables	314,800	176,879

Settlement was usually made within 30 days.

Note 20B. Subsidies

Payable to related entities	26,314	21,755
Payable to external entities	5,714	7,537
Total subsidies	32,028	29,292
Total subsidies are expected to be settled in:		
No more than 12 months	32,028	29,292
More than 12 months	-	-
Total subsidies	32,028	29,292

Note 20C. Personal benefits

Direct	912,373	886,143
Indirect	75,710	65,314
Total personal benefits	988,083	951,457
Total personal benefits are expected to be settled in:		
No more than 12 months	988,083	951,457
More than 12 months	-	-
Total personal benefits	988,083	951,457

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

	2012 \$'000	2011 \$'000
Note 20D. Grants		
Public sector:		
Local Governments	25	-
Private sector:		
Non-profit organisations	35,271	19,124
Other	<u>54,292</u>	<u>30,345</u>
Total grants	<u>89,588</u>	<u>49,469</u>
Total grants are expected to be settled in:		
No more than 12 months	89,588	49,469
More than 12 months	-	-
Total grants	<u>89,588</u>	<u>49,469</u>

Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.

Note 20E. Other payables

Comcare payable ¹	2,416,520	2,237,080
GST payable	<u>45,386</u>	<u>57,847</u>
Total other payables	<u>2,461,906</u>	<u>2,294,927</u>
Total other payables are expected to be settled in:		
No more than 12 months	123,837	305,886
More than 12 months	<u>2,338,069</u>	<u>1,989,041</u>
Total other payables	<u>2,461,906</u>	<u>2,294,927</u>

¹ The amount payable to Comcare represents amounts payable by the Commonwealth for:

- workers compensation claims resulting from injuries that occurred prior to 1 July 1989, referred to as 'pre-premium' claims;
- Workers compensation claims resulting from injuries that have occurred since 1 July 1989, referred to as 'premium' claims; and
- The management of asbestos related personal injury common law disease claims against the Commonwealth.

Full details of the amounts payable may be found in the Comcare annual report.

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

Note 21. Administered Provisions

	2012 \$'000	2011 \$'000
Note 21A. Provision for grants		
Unfunded University Superannuation ¹	-	5,209,000
Total provision for grants	<u>-</u>	<u>5,209,000</u>
Total provision for grants are expected to be settled in:		
No more than 12 months	-	190,649
More than 12 months	-	5,018,351
Total provisions for grants	<u>-</u>	<u>5,209,000</u>

¹ Responsibility for tertiary education including the Higher Education Loan Program (HELP), the Student Financial Supplement Scheme (Austudy) and Unfunded University Superannuation was transferred to DIISRTE on 14 December 2011.

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

Note 22. Administered Cash Flow Reconciliation

	2012	2011
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Schedule of Administered Assets and Liabilities to Schedule of Administered Cash Flows		
Cash and cash equivalents as per:		
Schedule of administered cash flows	15	200
Schedule of administered assets and liabilities	15	200
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(35,616,971)	(41,191,438)
Adjustments for non-cash items		
Net write down of non-financial assets	81,408	42,335
Expenses not requiring cash - restructuring	5,291,417	-
Other expenses not requiring cash	152,321	1,245,292
Other revenues not providing cash	(3,494)	(647,227)
Changes in assets / liabilities		
(Increase) / decrease in net receivables	(33,404)	89,879
(Increase) / decrease in other non financial assets	(3,748)	75
Increase / (decrease) in supplier payables	145,649	35,353
Increase / (decrease) in subsidies payable	2,735	9,328
Increase / (decrease) in personal benefits payable	36,625	86,121
Increase / (decrease) in grants payable	(5,168,882)	(49,940)
Increase / (decrease) in other payables	-	-
Net cash from (used by) operating activities	<u>(35,116,344)</u>	<u>(40,380,222)</u>

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

Note 23. Administered Contingent Assets and Liabilities

	Indemnities		Claims for damages or costs		Other		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Contingent assets								
Balance from previous period	-	-	19,480	18,701	-	9,000	19,480	27,701
New contingent assets recognised	-	-	-	-	-	-	-	-
Re-measurement	-	-	21,151	17,170	-	-	21,151	17,170
Assets recognised	-	-	(25,329)	(16,391)	-	(9,000)	(25,329)	(25,391)
Expired	-	-	-	-	-	-	-	-
Total contingent assets	-	-	15,302	19,480	-	-	15,302	19,480
Contingent liabilities								
Balance from previous period	-	-	33,956	30,191	-	-	33,956	30,191
New contingent liabilities recognised	-	-	-	-	-	-	-	-
Re-measurement	-	-	32,906	3,765	-	-	32,906	3,765
Liabilities recognised	-	-	-	-	-	-	-	-
Obligations expired	-	-	-	-	-	-	-	-
Total contingent liabilities	-	-	66,862	33,956	-	-	66,862	33,956
Net contingent assets (liabilities)							(51,560)	(14,476)

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

Quantifiable Contingencies

The schedule of administered contingencies reports contingent assets and liabilities in respect of estimated payments and recoveries in relation to the Early Childhood Programs, Special Employee Entitlements Scheme for Ansett Group Employees (SEESA), dividends for General Employee Entitlements and Redundancy Scheme (GEERS) and proceedings in the Dust Disease Tribunal as a result of the department's administration in prior years. The estimated contingent liability is \$66.862 million (2011: \$33.956 million). The estimated contingent asset is \$15.302 million (2011: \$19.480 million).

Unquantifiable Contingencies

At 30 June 2012, the department had a number of legal claims against it. The department has denied liability and is defending the claims. It is not possible to estimate the amounts of any eventual payment that may be required in relation to these claims.

In addition, there are currently a number of cases before both the Administrative Appeals Tribunal (AAT) and the Social Security Appeals Tribunal (SSAT) for which the outcomes are not yet known or able to be quantified.

Relating to the General Employee Entitlements and Redundancy Scheme (GEERS), it is known that there are employers with large outstanding employee entitlements that have been placed into liquidation. The amounts are unable to be quantified as no claim forms have been received.

Significant Remote Contingencies

The value of contingent assets where the likelihood of receipt is remote is nil (2011: nil). The value of contingent liabilities where the likelihood of payment is remote is \$197.729 million (2011: \$2.300 million). The majority of the contingent liability represents residual credits from the Job Services - Employment Pathway Fund. These are not included in the schedule of administered contingencies.

Department of Education, Employment and Workplace Relations
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Note 24. Administered Financial Instruments

	2012 \$'000	2011 \$'000
Note 24A. Categories of financial instruments		
Financial Assets		
Available for sale:		
Investments	44,559	1,921,157
Total	44,559	1,921,157
Loans and receivables:		
Cash and cash equivalents	15	200
Taxation receivables	26,314	21,756
Goods and services receivable	20,103	28,304
Total	46,432	50,260
Fair value through profit and loss (designated):		
HECS/HELP loans ¹	-	15,551,142
Student Financial Supplement Scheme ¹	30,667	711,036
Other loans	15,260	20,548
Total	45,927	16,282,726
Carrying amount of financial assets	136,918	18,254,143
Financial Liabilities		
At amortised cost:		
Trade creditors	314,800	176,879
Subsidies payable	32,028	29,292
Grants payable	89,588	49,469
Total	436,416	255,640
Carrying amount of financial liabilities	436,416	255,640

Department of Education, Employment and Workplace Relations
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Note 24B. Net income and expense from financial assets

Available for sale		
Gain/loss recognised in equity	29,858	130,374
Net gain/(loss) from available for sale	29,858	130,374
Loans and receivables		
Interest revenue	8	540
Reversal of impairment - goods and services	1,505	-
Write-down and impairment	(10,796)	(6,883)
Net gain/(loss) from loans and receivables	(9,283)	(6,343)
Fair value through profit and loss		
Designated as such:		
Interest revenue	1,836	639,618
Interest expense	(147)	-
Unwinding of discount ¹	-	(604,849)
Fair value gain/(losses) ¹	-	(340,421)
Net gain/(loss) at fair value through profit and loss	1,689	(305,652)
Net gain/(loss) from financial assets	22,264	(181,621)

¹ Responsibility for tertiary education including the Higher Education Loan Program (HELP) and the Student Financial Supplement Scheme (Austudy) transferred to DIISRTE on 14 December 2011.

**Department of Education, Employment and Workplace Relations
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Note 24C. Fair value of financial instruments

	Carrying amount 2012 \$'000	Fair value 2012 \$'000	Carrying amount 2011 \$'000	Fair value 2011 \$'000
Financial Assets				
Available for sale:				
Investments	44,559	44,559	1,921,157	1,921,157
Loans and receivables financial assets:				
Cash at bank and on hand	15	15	200	200
Taxation receivables	26,314	26,314	21,756	21,756
Receivables for goods and services	20,103	15,556	28,304	21,304
Other receivables	-	-	-	-
Fair value through profit and losses (designated):				
HECS/HELP loans ¹	-	-	15,551,142	15,551,142
Student Financial Supplement Scheme ¹	30,667	30,667	711,036	711,036
Other loans	15,260	15,260	20,548	20,548
Total	136,918	132,371	18,254,143	18,247,143
Financial Liabilities				
At amortised cost:				
Trade creditors	314,800	314,800	176,879	176,879
Subsidies payable	32,028	32,028	29,292	29,292
Grants payable	89,588	89,588	49,469	49,469
Total	436,416	436,416	255,640	255,640

¹ Responsibility for HECS/HELP loans and Student Financial Supplement Scheme (Austudy) transferred to DIISRTE on 14 December 2011.

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

Fair value measurements categorised by fair value hierarchy

	Level 1: Market Values \$'000		Level 2: Market Inputs \$'000		Level 3: Non Market Inputs \$'000		Total \$'000
	2012	2011	2012	2011	2012	2011	
Financial assets at fair value							
Investments	-	-	-	-	44,559	1,921,157	1,921,157
HECS/HELP loans ¹	-	-	-	-	-	15,551,142	15,551,142
Student Financial Supplement Scheme ¹	-	-	-	-	30,667	711,036	711,036
Other loans	-	-	-	-	15,260	20,548	20,548
Total	-	-	-	-	90,486	18,203,883	18,203,883

Reconciliation of Level 3 fair value hierarchy for financial assets

	Investments \$'000		Loans \$'000		Total \$'000
	2012	2011	2012	2011	
Financial assets at fair value					
Opening balance	1,921,157	1,790,783	16,282,726	14,489,829	18,203,883
Restructuring	(1,906,457)	-	(16,796,794)	-	(18,703,251)
Total gains or losses for the period recognised in profit or loss ²	29,858	130,374	681	(305,652)	30,539
New loans made during the period	-	-	1,805,756	3,667,813	1,805,756
Loan repayments made during the period	-	-	(1,246,442)	(1,569,264)	(1,246,442)
Closing Balance	44,559	1,921,157	45,927	16,282,726	90,486

¹ Responsibility for HECS/HELP loans and Student Financial Supplement Scheme (Austudy) transferred to DIIRTE on 14 December 2011.

² The gains or losses for the period are presented in the schedule of administered items under Notes 16F Finance Costs, 16I Fair Value Losses, 17B Interest and 18C Investments.

Department of Education, Employment and Workplace Relations
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Note 24D. Credit risk

The administered loans and receivables of the department are not exposed to a high level of credit risk as the majority of financial assets are cash or cash equivalents, trade receivables or advances and loans to state, territory and local governments. The department manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition the department has policies and procedures that guide employees' debt recovery techniques that are to be applied.

The recoverability and credit quality of the fair value through profit and loss (designated) amounts are factored into the actuarial assessment each year. No separate account is maintained of the write offs in the department's accounts rather just the movement in the assessment as a gain or loss in the Schedule of Administered Items. This accounting treatment is consistent with the basis for accounting for these instruments.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2012	2011
	\$'000	\$'000
Financial assets		
Available for sale:		
Investments	44,559	1,921,157
Loan and receivables financial assets:		
Cash at bank and on hand	15	200
Taxation receivables	26,314	21,756
Goods and services receivables	20,103	28,304
Fair value through profit and loss (designated)		
HECS/HELP loans	-	15,551,142
Student Financial Supplement Scheme	30,667	711,036
Other loans	15,260	20,548
Total	136,918	18,254,143

The department has assessed the risk of the default on payment on payment and has allocated the following to an impairment allowance for doubtful debts:

Goods and services receivables \$4.547 million in 2012 (2011: \$7.000 million).

In relation to the entity's gross credit risk no collateral is held by the department.

Department of Education, Employment and Workplace Relations
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Credit quality of financial instruments not past due or individually determined as impaired					
	Not past due nor impaired 2012 \$'000	Not past due nor impaired 2011 \$'000	Past due or impaired 2012 \$'000	Past due or impaired 2011 \$'000	
Available for sale:	-	-	-	-	
Investments	44,559	1,921,157	-	-	
Loans and receivables financial assets:					
Cash at bank and on hand	15	200	-	-	
Taxation receivables	26,314	21,756	-	-	
Goods and services receivables	15,457	16,588	4,646	11,716	
Fair value through profit and loss (designated):					
HECS/HELP loans	-	15,551,142	-	-	
Student Financial Supplement Scheme	30,667	711,036	-	-	
Other loans	15,260	20,548	-	-	
Total	132,272	18,242,427	4,646	11,716	
Ageing of financial assets that were past due but not impaired for 2012					
	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Goods and services and other receivables	58	32	3	6	99
Total	58	32	3	6	99
Ageing of financial assets that were past due but not impaired for 2011					
	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Goods and services and other receivables	1,412	187	74	3,043	4,716
Total	1,412	187	74	3,043	4,716

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

Note 24E. Liquidity risk

The department is exposed to minimal liquidity risk and is appropriated funding from the Australian Government. The department manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.

Maturities for non-derivative financial liabilities 2012

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Financial Liabilities						
At amortised cost:						
Trade creditors	-	314,800	-	-	-	314,800
Subsidies	-	32,028	-	-	-	32,028
Grants payable	-	89,588	-	-	-	89,588
Total	-	436,416	-	-	-	436,416

Maturities for non-derivative financial liabilities 2011

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Financial Liabilities						
At amortised cost:						
Trade creditors	-	176,879	-	-	-	176,879
Subsidies	-	29,292	-	-	-	29,292
Grants payable	-	49,469	-	-	-	49,469
Total	-	255,640	-	-	-	255,640

The department has no derivative financial liabilities in both current and prior year.

Note 24F. Market risk

The department holds basic financial instruments that do not expose it to certain market risks including to 'currency risk' and 'other price risks'.

Note 24G. Assets Pledged/or Held as Collateral

No assets held by the department are pledged or held as collateral.

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

Note 24H. Concessional loans	2012	2011
	\$'000	\$'000
HECS/HELP loans¹		
Nominal value	-	23,134,080
Less: Unexpired discount	-	(2,355,201)
Less: Impairment	-	(5,227,737)
Carrying value	-	15,551,142
Student Financial Supplement Scheme¹		
Nominal value	406,905	2,370,502
Less: Unexpired discount	(39,838)	(346,066)
Less: Impairment	(336,400)	(1,313,400)
Carrying value	30,667	711,036
Child Care loans		
Nominal value	15,260	20,548
Less: Unexpired discount	-	-
Less: Impairment	-	-
Carrying value	15,260	20,548
Total	45,927	16,282,726

¹ Responsibility for tertiary education including the Higher Education Loan Program (HELP) and the Student Financial Supplement Scheme (Austudy) transferred to DIISRTE on 14 December 2011.

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

Note 25. Administered Financial Assets Reconciliation

	2012	2011
	\$'000	\$'000
<u>Financial assets</u>		
		Notes
Total financial assets as per schedule of administered assets and liabilities	1,327,610	19,934,017
Less: non-financial instrument components		
GST receivable from Australian Taxation Office	222,613	54,744
Personal benefits receivable (net)	972,626	1,146,239
Unfunded University Superannuation ¹ (net)	-	485,891
Impairment allowance account	(4,547)	(7,000)
Total non-financial instrument components	1,190,692	1,679,874
Total financial assets as per financial instruments note	136,918	18,254,143

1 Responsibility for tertiary education including Unfunded University Superannuation transferred to DIISRTE on 14 December 2011.

Note 26. Unfunded Superannuation Provision for Australian Universities

Responsibility for the Unfunded Superannuation Provision for Australian Universities transferred to DIISRTE on 14 December 2011. The balance of the provision for 2011-12 will be reported in the DIISRTE Annual Report.

Funding responsibility for universities has varied from time to time between the Commonwealth and the States. A number of universities have employees or former employees who are members of State superannuation schemes which are unfunded or partly funded. In these schemes, current employer contributions for benefits cover many past years of accruals of benefit rights for individual members. Accordingly, there are cost sharing arrangements for these schemes in place between the Commonwealth and the States. The Commonwealth makes payments to the universities which are used to pay the required amount of employer contributions to the schemes. The Commonwealth is then reimbursed by the States for their share of the costs.

Prior to 2002-03, the Commonwealth recognised its involvement in the annual financial statements of the former Department of Education, Science and Training as an administered commitment. However, as a result of AASB 137 – Provisions, Contingent Liabilities and Contingent Assets, the Commonwealth recognised the administered commitment as a provision (liability) for the first time in 2002-03. AASB 1044 requires the recognition of a provision where it is probable that a future sacrifice of economic benefit will be required and where the amount of the provision can be measured reliably. It should be noted that inclusion of a provision as a liability in the annual financial statements does not constitute recognition of a legal obligation or policy commitment.

For 2010-11 AASB 119 – Employee Benefits was the standard used to measure unfunded superannuation liabilities. The main difference with this approach is the economic assumptions used. AASB 119 requires the use of the 'best estimate'; assumptions based on current market conditions/expectations. In particular, the interest rate should be based on the yields available on Government bonds so the liability has been calculated using the spot interest rate at the end of the financial year.

The Australian Government Actuary (AGA) provides an estimate of the provision. The AGA noted that the estimates are based on figures provided by respective State actuaries for the universities and that these calculations were at different dates and on different actuarial bases.

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

Note 27. Appropriations

Note 27A. Annual appropriations ('Recoverable GST exclusive')

	2012 Appropriations							Appropriation applied in 2012 (current and prior years) \$'000	Variance ^(c) \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000			
	Annual Appropriation \$'000	Appropriations reduced ^(a) \$'000	AFM ^(b) \$'000	Section 30 \$'000	Section 31 \$'000		Section 32 \$'000		
DEPARTMENTAL									
Ordinary annual services	809,280	-	-	-	34,680	(27,539)	816,421	835,729	(19,308)
Other services									
Equity	12,132	-	-	-	-	-	12,132	12,132	-
Loans	-	-	-	-	-	-	-	-	-
Total departmental	821,412	-	-	-	34,680	(27,539)	828,553	847,861	(19,308)
ADMINISTERED									
Ordinary annual services									
Administered items	5,828,146	(265,975)	47,569	40,683	-	(1,174,482)	4,475,941	4,487,870	(11,929)
Payments to CAC Act bodies	14,403	-	-	-	-	-	14,403	14,403	-
Other services									
States, ACT, NT and Local government	322,134	(56,118)	-	7,277	-	-	273,293	272,370	923
New administered outcomes	-	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-	-	-
Payments to CAC Act bodies	7,112	-	-	-	-	-	7,112	7,112	-
Total administered	6,171,795	(322,093)	47,569	47,960	-	(1,174,482)	4,770,749	4,781,755	(11,006)

Notes:

(a) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2011-12: sections 10,11 and 12 and under Appropriation Acts (No. 2,4,6) 2011-12: sections 12,13 and 14. Departmental appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of the Appropriations Acts (Nos 1,3,5) 2011-12 and section 12 of Appropriation Acts (No. 2,4,6) 2011-12, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination which is disallowable by Parliament.

(b) Advance to the Finance Minister (AFM) – Appropriation Acts (No. 1,3,5) 2011-12: section 13 and Appropriation Acts (No. 2,4,6) 2011-12: section 15.

(c) Administered variances are as a result of the payment of 2010-11 creditors in 2011-12 less any creditor payments due for 2011-12 which will be paid in 2012-13.

**Department of Education, Employment and Workplace Relations
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	2011 Appropriations							Appropriation applied in 2011 (current and prior years) \$'000	Variance ^(c) \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000			
	Annual Appropriation \$'000	Appropriations reduced ^(a) \$'000	AFM ^(b) \$'000	Section 30 \$'000	Section 31 \$'000		Section 32 \$'000		
DEPARTMENTAL									
Ordinary annual services	823,170	-	-	-	43,772	(5,295)	861,647	874,953	(13,306)
Other services									
Equity	5,917	-	-	-	-	-	5,917	5,917	-
Loans	-	-	-	-	-	-	-	-	-
Previous years' outputs	-	-	-	-	-	-	-	-	-
Total departmental	829,087	-	-	-	43,772	(5,295)	867,564	880,870	(13,306)
ADMINISTERED									
Ordinary annual services									
Administered items	6,034,194	(574,213)	-	295,980	-	-	5,755,961	5,459,696	296,265
Payments to CAC Act bodies	8,372	-	-	-	-	-	8,372	8,372	-
Other services									
States, ACT, NT and Local government	1,884,099	(133,605)	-	-	-	-	1,750,494	1,757,489	(6,995)
New administered outcomes	-	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-	-	-
Payments to CAC Act bodies	-	-	-	-	-	-	-	-	-
Total administered	7,926,665	(707,818)	-	295,980	-	-	7,514,827	7,225,557	289,270

Notes:

(a) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2010-11: sections 10,11,12 and 15 and under Appropriation Acts (No. 2,4,6) 2010-11: sections 12,13,14 and 17. Departmental appropriations do not lapse at the financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of the Appropriations Acts (Nos 1,3, & 5) 2010-11 and section 12 of Appropriation Acts (No. 2,4 & 6) 2010-11, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination which is disallowable by Parliament.

(b) Advance to the Finance Minister (AFM) – Appropriation Acts (No. 1,3,5) 2010-11: section 13 and Appropriation Acts (No. 2,4,6) 2010-11: section 15.

(c) Administered variances are as a result of the payment of 2009-10 creditors in 2010-11 less any creditor payments due for 2010-11 which will be paid in 2011-12.

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

Note 27B. Departmental and administered capital budgets ('Recoverable GST exclusive')

	2012 Capital Budget Appropriations			Capital Budget Appropriations applied in 2012 (current and prior years)			Variance \$'000
	Appropriation Act	FMA Act	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ^(c) \$'000	Payments for other purposes \$'000	Total payments \$'000	
	Annual Capital Budget \$'000	Appropriations reduced ^(b) \$'000					
DEPARTMENTAL Ordinary annual services Capital budget ^(a)	68,915	-	68,915	66,511	-	66,511	2,404
ADMINISTERED Ordinary annual services Capital budget ^(a)	-	-	-	-	-	-	-

Notes:

(a) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3 & 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriation, please see Table A: Annual appropriations.

(b) Appropriations reduced under Appropriation Acts (No. 1,3 & 5) 2011-12: sections 10,11,12 and 15 or via a determination by the Finance Minister.

(c) Payments made on non-financial assets include purchase of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

**Department of Education, Employment and Workplace Relations
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	2011 Capital Budget Appropriations			Capital Budget Appropriations applied in 2011 (current and prior years)			Variance \$'000	
	Appropriation Act		FMA Act	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ^(c) \$'000	Payments for other purposes \$'000		Total payments \$'000
	Annual Capital Budget \$'000	Appropriations reduced ^(b) \$'000	Section 32 \$'000					
DEPARTMENTAL Ordinary annual services Capital budget ^(a)	83,788	-	(214)	83,574	64,460	-	64,460	19,114
ADMINISTERED Ordinary annual services Capital budget ^(a)	-	-	-	-	-	-	-	-

Notes:

(a) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3 & 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriation, please see Table A: Annual appropriations.

(b) Appropriations reduced under Appropriation Acts (No. 1,3 & 5) 2010-11: sections 10,11,12 and 15 or via a determination by the Finance Minister.

(c) Payments made on non-financial assets include purchase of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

**Department of Education, Employment and Workplace Relations
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Note 27C. Unspent annual appropriations ('Recoverable GST exclusive')

	2012	2011
	\$'000	\$'000
Departmental		
Appropriation Act (No. 1) 2011-12	102,166	-
Appropriation Act (No. 3) 2011-12	1,472	-
Appropriation Act (No. 1) 2010-11	34,248	124,478
Appropriation Act (No. 3) 2010-11	-	5,076
Appropriation Act (No. 3) 2009-10	-	28,730
Total	137,886	158,284

Administered		
Appropriation Act (No. 1) 2011-12	369,028	-
Appropriation Act (No. 3) 2011-12	79,492	-
Appropriation Act (No. 2) 2011-12	55,555	-
Appropriation Act (No. 4) 2011-12	1,375	-
Appropriation Act (No. 1) 2010-11	4,471	568,825
Appropriation Act (No. 3) 2010-11	-	27,373
Appropriation Act (No. 2) 2010-11	-	35,301
Appropriation Act (No. 4) 2010-11	-	92,939
Appropriation Act (No. 1) 2009-10	3,508	4,235
Total	513,429	728,673

**Department of Education, Employment and Workplace Relations
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Note 27D. Special appropriations (Recoverable GST exclusive)

Authority	Type	Purpose	Appropriation applied	
			2012 \$'000	2011 \$'000
A New Tax System (Family Assistance) (Administration) Act 1999 (Administered)	Unlimited Amount	An Act to enable the payment of family assistance to support families.	4,258,974	3,588,425
Schools Assistance Act 2008 - Section 167 (Administered)	Unlimited Amount	An Act to grant financial assistance to the States for 2005 to 2008 for primary and secondary education, and for related purposes.	7,580,019	7,084,494
Student Assistance Act 1973 - Section 55A (Administered)	Unlimited Amount	An Act to provide certain benefits to certain students and for other purposes.	289,691	277,066
Indigenous Education (Targeted Assistance) Act 2000 - Section 13 (Administered)	Unlimited Amount	An Act to provide targeted financial assistance to advance the education of Indigenous persons, and for other related purposes.	27,936	29,823
Indigenous Education (Targeted Assistance) Act 2000 - Section 14, Administration, Limit for the reporting period and total limit for all reporting periods (Administered)	Limited Amount	An Act to provide targeted financial assistance to advance the education of Indigenous persons, and for other related purposes.	129,571	146,157
Higher Education Support Act 2003 - Section 164-25 (Administered)	Unlimited Amount	An Act to grant financial assistance to support the higher education system for individuals and universities.	4,493,188	9,401,830
Social Security Administration Act 1999 - Section 242 (Administered)	Unlimited Amount	An Act to provide income support assistance for individuals.	15,611,502	16,621,818
Coal Mining Industry (Long Service Leave Funding) Act 1992 (Administered)	Unlimited Amount	An Act to manage the long service leave entitlement of the Coal Mining Industry.	152,423	118,900
Judicial and Statutory Officers (Remuneration and Allowances) Act 1984 (Administered)	Unlimited Amount	An Act to provide for relocation allowance payable to the Solicitor General.	-	-

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

Note 27D. Special appropriations (Recoverable GST exclusive) (continued)

Authority	Type	Purpose	Appropriation applied	
			2012 \$'000	2011 \$'000
<i>Remuneration and Allowances Act 1990</i> - Section 8 ¹ (Administered)	Unlimited Amount	An Act to provide for the remuneration and allowances of holders and judicial officers, Secretaries of Departments and holders of public offices, Senators and Members of the House of Representatives, Ministers and office holders of the Parliament.	-	4,823
<i>Remuneration Tribunal Act 1973</i> - Section 7(13) ¹ (Administered)	Unlimited Amount	An Act to inquire into, and determine or provide advice on, remuneration and related matters.	-	4,059
<i>Safety, Rehabilitation and Compensation Act 1988</i> (SRC Act) (Administered)	Unlimited Amount	An Act to provide for the payment of workers compensation claims and associated expenses in accordance with the provisions of the SRC Act.	43,260	45,303
<i>Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005</i> (Administered)	Unlimited Amount	An Act to assign responsibility for the management of certain liabilities relating to asbestos-related claims, and for related purposes.	23,270	22,314
<i>Air Passenger Ticket Levy (Collection) Act 2001</i> , limited to \$500,000,000 (Administered)	Limited Amount	An Act to provide a safety net arrangement for former employees of the Ansett Group of Companies.	-	-
Total			32,609,834	37,345,012

1 The Department transferred the administration of the *Remuneration Tribunal Act 1973* and the *Remuneration and Allowances Act 1990* to the Australian Public Service Commission (APSC) on 14 September 2010 and 14 October 2010 respectively.

2 Responsibility for the administration of these Acts or elements of these Acts transferred to DIIRTE on 14 December 2011 and 9 February 2012.

Department of Education, Employment and Workplace Relations
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Note 27E. Disclosure by agent in relation to annual and special appropriations ('Recoverable GST exclusive')

	Department of Industry, Innovation, Science, Research and Tertiary Education	Department of Families, Housing, Community Services, and Indigenous Affairs
2012	\$'000	\$'000
Total receipts	9,360,051	600
Total payments	9,347,599	600

	Department of Industry, Innovation, Science, Research and Tertiary Education	Department of Families, Housing, Community Services, and Indigenous Affairs
2011	\$'000	\$'000
Total receipts	1,496,085	-
Total payments	1,495,968	-

**Department of Education, Employment and Workplace Relations
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Note 27F. Reduction in administered items ('Recoverable GST exclusive')

2012	Amount required - by Appropriation Act ³			Total amount required ³	Total amount appropriated ⁴	Total reduction ⁵
	Act (No.1)	Act (No.3)	Act (No. 5)			
Ordinary Annual Services						
Outcome 1	412,586,421.00	5,015,000.00	-	417,601,421.00	417,601,421.00	-
Outcome 2	381,483,306.61	-	-	381,483,306.61	556,701,000.00	175,217,693.39
Outcome 3	875,877,622.34	-	-	875,877,622.34	886,868,077.22	10,990,454.88
Outcome 4	2,378,047,946.21	176,686,965.95	-	2,554,734,912.16	2,629,524,000.00	74,789,087.84
Outcome 5	111,715,566.45	93,844,981.96	-	205,560,548.41	210,539,000.00	4,978,451.59
Other services						
Specific payments to States, ACT, NT and Local government						
Outcome 2	230,334,492.69	35,681,729.00	-	266,016,222	322,134,000.00	56,117,778.31

Notes:

1. Numbers in this section are disclosed to the cent.
2. Administered items for 2011-12 were reduced to these amounts when these financial statements were tabled in Parliament as part of the department's 2011-12 annual report. This reduction is effective in 2012-13, but the amounts are reflected in Table A in the 2011-12 financial statements in the column 'Appropriations reduced' as they are adjustments to 2011-12 appropriations.
3. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
4. Total amount appropriated in 2011-12.
5. Total reduction effective in 2012-13.

**Department of Education, Employment and Workplace Relations
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2011	Amount required - by Appropriation Act ³			Total amount required ³	Total amount appropriated ⁴	Total reduction ⁵
	Act (No.1)	Act (No.3)	Act (No. 5)			
Ordinary Annual Services						
Outcome 1	378,363,544.64	-	-	378,363,544.64	410,057,000.00	31,693,455.36
Outcome 2	381,903,728.19	-	-	381,903,728.19	467,052,000.00	85,148,271.81
Outcome 3	1,804,530,152.92	-	-	1,804,530,152.92	1,976,076,000.00	171,545,847.08
Outcome 4	2,731,413,532.56	-	-	2,731,413,532.56	2,975,621,000.00	244,207,467.44
Outcome 5	163,768,820.76	-	-	163,768,820.76	205,388,000.00	41,619,179.24
Other services	Act (No.2)	Act (No.4)	Act (No. 6)			
Specific payments to States, ACT, NT and Local government						
Outcome 2	1,725,372,178.00	25,121,870.36	-	1,750,494,048.36	1,884,099,000.00	133,604,951.64

Notes:

1. Numbers in this section are disclosed to the cent.
2. Administered items for 2010-11 were reduced to these amounts when these financial statements were tabled in Parliament as part of the department's 2010-11 annual report. This reduction is effective in 2011-12, but the amounts are reflected in Table A in the 2010-11 financial statements in the column 'Appropriations reduced' as they are adjustments to 2010-11 appropriations.
3. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
4. Total amount appropriated in 2010-11.
5. Total reduction effective in 2011-12.

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

Note 28. Special Accounts

Note 28A. Special accounts ('Recoverable GST exclusive')

	Education Investment Fund ¹		Aboriginal Tutorial Assistance Superannuation ²		National Youth Affairs Research Scheme ³	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Balance brought forward from previous period	-	-	879	832	400	514
Increases:						
Appropriation credited to special account	-	-	-	-	-	-
Costs recovered	-	-	-	-	-	-
Realised investments	-	-	-	-	-	-
Other receipts	74,846	405,001	47	47	-	-
Total increases	74,846	405,001	47	47	-	-
Available for payments	74,846	405,001	926	879	400	514
Decreases:						
Departmental						
Transfer to the Official Public Account (OPA)	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
Total Departmental decreases	-	-	-	-	-	-
Administered						
Payments made	-	-	-	-	-	-
Other payments	(74,846)	(405,001)	-	-	(90)	(114)
Total administered decreases	(74,846)	(405,001)	-	-	(90)	(114)
Total decreases	(74,846)	(405,001)	-	-	(90)	(114)
Total balance carried to the next period	-	-	926	879	310	400

Department of Education, Employment and Workplace Relations
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Note 28A. Special accounts ('Recoverable GST exclusive') (continued)

	Services for Other Entities and Trust Moneys ⁴		International Marketing of Education ⁵	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Balance brought forward from previous period	5,202	3,243	-	1,945
Increases:				
Appropriation credited to special account	-	-	-	-
Costs recovered	-	-	-	-
Realised investments	-	-	-	-
Other receipts	11,775	5,675	-	-
Total increases	11,775	5,675	-	-
Available for payments	16,977	8,918	-	1,945
Decreases:				
Departmental				
Transfer to the Official Public Account (OPA)	-	-	-	(1,832)
Other Payments	-	-	-	(113)
Total Departmental decreases	-	-	-	(1,945)
Administered				
Payments made	(2,915)	-	-	-
Transfer to the Official Public Account (OPA)	-	-	-	-
Other payment	(13,472)	(3,716)	-	-
Total administered decreases	(16,387)	(3,716)	-	-
Total decreases	(16,387)	(3,716)	-	(1,945)
Total balance carried to the next period	590	5,202	-	-

Department of Education, Employment and Workplace Relations

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

¹ Education Investment Fund Special Account

Appropriation: *Financial Management and Accountability Act 1997*; section 21

Establishing Instrument: *Nation-building Funds (Consequential Amendments) Act 2008* on 31 December 2008.

Purpose: To make grants of financial assistance to eligible higher education institutions in relation to capital expenditure and research facilities. Responsibility for EIF transferred to DIISRTE on 14 December 2011.

² Aboriginal Tutorial Assistance Superannuation Special Account

Appropriation: *Financial Management and Accountability Act 1997*; section 20

Establishing Instrument: *Financial Management and Accountability Determination 2003/05*; later varied by determination 2006/43.

Purpose: to provide a source of finance for the liability for the Superannuation Productivity Benefit entitlements owing to tutors contracted under the Aboriginal Tutorial Assistance Scheme (ATAS).

³ National Youth Affairs Research Scheme Special Account

Appropriation: *Financial Management and Accountability Act 1997*; section 20

Establishing Instrument: *Financial Management and Accountability Determination 2006/45* on 17 August 2006.

Purpose: For the receipt of monies from State Governments to meet expenditure in respect of the National Youth Affairs Research Scheme.

⁴ Services for Other Entities and Trust Moneys Special Account

Appropriation: *Financial Management and Accountability Act 1997*; section 20

Establishing Instrument: *Financial Management and Accountability Determination 2008/14* on 3 June 2008.

Purpose: To disburse amounts: held on trust or otherwise for the benefit of a person other than the Commonwealth; in connection with services performed on behalf of other governments and bodies that are not FMA agencies; and to repay amounts where an Act or other law requires or permits the repayment of an amount received. Responsibility for elements of the SOETM special account transferred to DIISRTE on 14 December 2011.

⁵ International Marketing of Education Special Account

Appropriation: *Financial Management and Accountability Act 1997*; section 20

Establishing Instrument: *Financial Management and Accountability Determination 2006/42*, August 2006. The special account was abolished on 2 June 2011 by the *Financial Management and Accountability Determination 2011/01*. The remaining balance was transferred to the Official Public Account.

Purpose: to provide a source of finance to resource the international marketing of Australian education and training services.

The Student Financial (Supplements) Scheme Special Account was abolished on 17 December 2010 following amendments to the Financial Framework Legislation Amendment Act 2010. The balance in the account was nil and no transactions were debited or credited to the account for the year ended 30 June 2011.

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

Note 29. Compensation and Debt Relief

	2012	2011
	\$'000	\$'000
Departmental		
No 'Act of Grace' payments were expensed during the reporting period (2011: 1 payment)	-	4
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2011: no waivers)	-	-
No ex-gratia payments were provided for during the period (2011: no payments)	-	-
1 payment was provided under the Compensation for Detriment caused by Defective Administration (CDDA) scheme during the reporting period (2011: 1 payment)	5	30
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period (2011: no payments)	-	-

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

Administered	2012 \$'000	2011 \$'000
4 'Act of Grace' payments were expensed during the reporting period (2011: 27 payments)	<u>7</u>	<u>28</u>
16 waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2011: 7 waivers)*	<u>208,468</u>	<u>39</u>
198,365 waivers of amounts owing to the Australian Government were made pursuant to sections 1237, 1237A and 1237AAD of the <i>Social Security Act 1991</i> . (2011: 277,576 waivers)	<u>17,985</u>	<u>27,686</u>
4,117 waivers of amounts owing to the Australian Government were made pursuant to the <i>Student Assistance Act 1973</i> (2011: 4,446 waivers)	<u>655</u>	<u>577</u>
104,472 waivers of amounts owing to the Australian Government were made pursuant to the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> (2011: 99,723 waivers)	<u>2,215</u>	<u>2,066</u>
No ex-gratia payments were provided for during the reporting period. (2011: no payments)	<u>-</u>	<u>-</u>
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2011: no payments)	<u>-</u>	<u>-</u>
No payments made or outstanding under section 73 of the <i>Public Service Act 1999</i> during the reporting period. (2011: no payments)	<u>-</u>	<u>-</u>
1 HECS debt waiver of an amount owing to the Commonwealth (Pre 2005) was made under the <i>Higher Education Funding Act 1988</i> (2011: 15 waivers)	<u>3</u>	<u>18</u>
3,563 HELP debt waivers of amounts owing to the Commonwealth (Post 2004) were made under the <i>Higher Education Support Act 2003</i> (2011: 11,293 waivers)	<u>7,161</u>	<u>20,460</u>

*The High Court in *Williams v Commonwealth [2012] HCA 23* held that payments made under the National School Chaplaincy program were constitutionally invalid as they were beyond the Executive power of the Commonwealth. Consequently, the payments so made became debts owed to the Commonwealth. However, the Special Minister of State, the Hon Gary Gray, AO MP, after considering all relevant matters waived those debts under s34(1)(a) of the *Financial Management and Accountability Act 1997* (the FMA Act). The Special Minister of State also purported to waive debts that might be owing under the National School Chaplaincy and Student Welfare Program (NSCSWP). The amount waived was \$208.283m.

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

Note 30. Reporting of Outcomes

The department has five outcomes and details of each outcome are provided in the front of the 2011-12 Annual Report. The department uses a cost allocation model to determine the attribution of its shared items.

Note 30A. Net cost of outcome delivery

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Departmental								
Expenses	89,554	97,355	155,201	146,753	141,467	232,022	362,810	370,810
Own-source income	910	931	2,200	1,392	16,692	45,280	4,804	3,692
Administered								
Expenses	4,643,392	4,147,194	8,641,472	9,596,049	5,324,715	12,125,941	16,670,305	16,110,841
Own-source income	4,593	17,023	9,925	6,277	105,388	1,175,781	13,940	12,613
Net cost/(contribution) of outcome delivery	4,727,443	4,226,595	8,784,548	9,735,133	5,344,102	11,136,902	17,014,371	16,465,346

	Outcome 5		Payment to CAC Act Bodies*		Not attributed#		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Departmental								
Expenses	77,465	74,647	-	-	-	-	826,497	846,940
Own-source income	15,410	18,504	-	-	-	-	40,016	51,295
Administered								
Expenses	356,584	293,603	267,485	276,684	-	-	35,903,953	42,550,312
Own-source income	179,144	145,458	-	-	334	1,722	313,324	1,358,874
Net cost/(contribution) of outcome delivery	239,495	204,288	267,485	276,684	(334)	(1,722)	36,377,110	41,987,083

Outcomes 1 to 5 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Appendix 6 of this annual report for Agency resource statements and resources.

* Payments to CAC Act bodies are not related to outcomes. They are included here so the total agrees to the resourcing table.

Some administered own-source income is not related to programs and outcomes. They are included here so the total agrees to the schedule of comprehensive income.

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

Note 30B. Major classes of departmental expense income assets and liabilities by outcome

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Expenses								
Employee benefits	57,315	57,839	96,952	82,772	89,006	139,339	219,139	200,816
Suppliers	26,827	31,948	45,379	45,720	41,660	76,966	102,570	110,923
Depreciation	5,012	7,418	12,171	18,016	10,023	14,837	39,375	58,288
Grants	-	-	20	30	156	518	191	261
Other	401	150	678	215	623	362	1,533	522
Total	89,555	97,355	155,200	146,753	141,468	232,022	362,808	370,810
Income								
Sale of goods and rendering of services	430	609	1,267	928	12,613	21,211	2,961	2,517
Income from government	83,029	84,947	135,249	121,830	124,795	171,268	313,731	307,981
Other	481	322	933	464	4,080	24,069	1,843	1,175
Total	83,940	85,878	137,449	123,222	141,488	216,548	318,535	311,673
Assets								
Cash and cash equivalent	-	-	-	-	-	-	-	-
Trade and other receivables	398	406	1,416	667	-	541	2,699	1,638
Accrued revenue	-	-	-	-	-	-	-	-
Land and buildings	14,899	11,728	23,567	16,836	-	25,234	56,512	42,587
Infrastructure, plant and equipment	2,520	3,430	8,460	8,282	-	6,934	23,449	29,603
Intangibles	6,342	6,348	22,273	15,416	-	13,092	71,738	74,363
Other financial assets	-	-	-	-	-	-	-	-
Total	24,159	21,912	55,716	41,201	-	45,801	154,398	148,191
Liabilities								
Suppliers	9,355	4,646	14,787	6,664	-	9,368	35,456	16,845
Other payables	8,725	7,666	13,791	10,994	-	15,455	33,066	27,792
Employee provisions	17,578	18,333	27,785	26,293	-	36,963	66,620	66,467
Other provisions	577	954	912	1,368	-	1,923	2,188	3,457
Total	36,235	31,599	57,275	45,319	-	63,709	137,330	114,561

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

	Outcome 5		Not attributed*		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Expenses						
Employee benefits	45,339	42,135	-	-	507,751	522,901
Suppliers	21,221	23,273	-	-	237,657	288,830
Depreciation	5,012	7,419	-	-	71,593	105,978
Grants	5,576	1,710	-	-	5,943	2,519
Other	317	110	-	-	3,552	1,359
Total	77,465	74,647	-	-	826,496	921,587
Income						
Sale of goods and rendering of services	15,079	18,149	-	-	32,350	43,414
Income from government	56,022	54,192	-	-	712,826	740,218
Other	330	354	-	-	7,667	26,385
Total	71,431	72,695	-	-	752,843	810,017
Assets						
Cash and cash equivalent	-	-	2,540	3,990	2,540	3,990
Trade and other receivables	391	402	143,306	167,460	148,210	171,114
Accrued revenue	-	-	491	476	491	476
Land and buildings	9,882	7,488	-	-	104,860	103,873
Infrastructure, plant and equipment	2,513	3,413	-	-	36,942	51,663
Intangibles	6,030	6,347	-	-	106,383	115,566
Other financial assets	-	-	25,370	28,482	25,370	28,482
Total	18,816	17,650	171,707	200,408	424,796	475,164
Liabilities						
Suppliers	6,203	2,964	-	-	65,801	40,488
Other payables	5,785	4,890	-	-	61,367	66,797
Employee provisions	11,656	11,695	-	-	123,639	159,751
Other provisions	383	608	-	-	4,060	8,310
Total	24,027	20,157	-	-	254,867	275,346

Outcomes 1 to 5 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Appendix 6 of this annual report for Agency resource statements and resources.

* Assets and liabilities that could not be reliably attributed to outcomes.

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

Note 30C. Major Classes of Administered Expenses, Income, Assets, and Liabilities by Outcomes

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Expenses								
Subsidies	-	-	5,519	3,645	476,283	877,765	51,871	40,550
Personal benefits	4,307,453	3,837,028	286,647	199,725	1,618,132	3,368,141	14,118,795	13,443,074
Grants	300,719	270,352	8,198,680	9,204,877	3,026,714	6,518,134	76,917	92,298
Suppliers	26,547	40,944	168,856	184,409	204,570	384,147	2,356,929	2,527,284
Employee Benefits	-	-	-	-	-	-	-	-
Other	8,673	(1,130)	8,112	3,393	(984)	977,754	65,793	7,635
Total	4,643,392	4,147,194	8,667,814	9,596,049	5,324,715	12,125,941	16,670,305	16,110,841
Income								
Taxation	-	-	-	-	-	-	-	-
Non taxation revenue	4,593	17,023	10,350	6,277	105,388	1,175,781	12,010	12,613
Gains	-	-	(425)	-	-	-	1,930	-
Total	4,593	17,023	9,925	6,277	105,388	1,175,781	13,940	12,613
Assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables	185,641	109,751	53,740	4,542	-	16,938,362	794,604	882,613
Investments	-	-	10,604	8,709	-	1,906,457	-	-
Other non financial assets	3,800	-	-	-	-	-	-	-
Total	189,441	109,751	64,344	13,251	-	18,844,819	794,604	882,613
Liabilities								
Suppliers	16,469	2,158	208,502	19,602	-	63,250	89,605	91,748
Subsidies	-	-	-	-	-	7,536	5,714	-
Personal benefits	679,009	629,389	4,702	2,934	-	59,219	302,932	259,427
Grants	10,892	18,141	66,199	16,666	-	3,038	12,497	11,624
Other payables	-	-	-	-	-	-	-	-
Provision for grants	-	-	-	-	-	5,209,000	-	-
Total	706,370	649,688	279,403	39,202	-	5,342,043	410,748	362,799

Department of Education, Employment and Workplace Relations
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	Outcome 5		Payment to CAC Act		Not attributed*		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Expenses								
Subsidies	151,584	123,821	-	-	-	-	685,257	1,045,781
Personal benefits	197,479	151,345	-	-	-	-	20,528,506	20,999,313
Grants	400	-	245,970	268,312	-	-	11,849,400	16,353,973
Suppliers	7,112	9,556	-	-	-	-	2,764,014	3,146,340
Employee Benefits	-	8,881	-	-	-	-	-	8,881
Other	9	-	21,515	8,372	-	-	103,118	996,024
Total	356,584	293,603	267,485	276,684	-	-	35,930,295	42,550,312
Income								
Taxation	151,584	123,821	-	-	-	-	151,584	123,821
Non taxation revenue	27,560	21,637	-	-	334	1,722	160,235	1,235,053
Gains	-	-	-	-	-	-	1,505	-
Total	179,144	145,458	-	-	334	1,722	313,324	1,358,874
Assets								
Cash and cash equivalents	-	-	-	-	15	200	15	200
Receivables	26,439	21,878	-	-	222,612	55,514	1,283,036	18,012,660
Investments	33,955	5,991	-	-	-	-	44,559	1,921,157
Other non financial assets	3,588	3,640	-	-	-	-	7,388	3,640
Total	63,982	31,509	-	-	222,627	55,714	1,334,998	19,937,657
Liabilities								
Suppliers	224	121	-	-	-	-	314,800	176,879
Subsidies	26,314	21,756	-	-	-	-	32,028	29,292
Personal benefits	1,440	488	-	-	-	-	988,083	951,457
Grants	-	-	-	-	-	-	89,588	49,469
Other payables	-	-	2,416,520	2,237,080	45,386	57,847	2,461,906	2,294,927
Provision for grants	-	-	-	-	-	-	-	5,209,000
Total	27,978	22,365	2,416,520	2,237,080	45,386	57,847	3,886,405	8,711,024

Outcomes 1 to 5 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Appendix 6 of this annual report for Agency resource statements and resources.

* Assets, liabilities and income that could not be reliably attributed to outcomes.

Department of Education, Employment and Workplace Relations
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Note 31. Cost Recovery

	2012 \$'000	2011 \$'000
<u>Note 31A. Departmental Receipts Subject to Cost Recovery Policy</u>		
Other cost recovery arrangements		
CRICOS registration charges ¹	-	15,113
Trade Recognitions Australia ¹	977	1,750
Australian Education International ¹	868	595
Other	-	213
<i>Total receipts subject to cost recovery policy</i>	<u>1,845</u>	<u>2,558</u>

<u>Note 31B. Administered Receipts Subject to Cost Recovery Policy</u>		
Other cost recovery arrangements		
Trade Recognitions Australia ¹	934	1,678
<i>Total receipts subject to cost recovery policy</i>	<u>934</u>	<u>1,678</u>

1. Responsibility for CRICOS, Trade Recognitions Australia and Australian Education International transferred to the Department of Industry, Innovation, Science, Research and Tertiary Education during 2011-12.

Note 32. Net Cash Appropriation Arrangements

Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹	(5,045)	5,961
Plus: depreciation/amortisation expenses previously funded through appropriation	<u>(71,593)</u>	<u>(105,978)</u>
<i>Total comprehensive income (loss) - as per the Statement of Comprehensive Income</i>	<u>(76,638)</u>	<u>(100,017)</u>

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

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

Note 33. Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance and Deregulation (Finance) provided information to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts. The possibility of this being an issue for the agency was reported in the notes to the 2010-11 financial statements and the agency undertook to investigate the issue during 2011-12 in line with the guidance provided by Finance.

During 2011-12, DEEWR developed a plan to review exposure to risks of not complying with statutory conditions on payments from appropriations. Separate plans were developed for appropriations managed and paid by the department and appropriations paid by the Department of Human Services (DHS). The plans involved:

For appropriations managed and paid by the department:

- identifying each special appropriation and special account;
- determining the risk of non-compliance by assessing the difficulty of administering the statutory conditions and assessing the extent to which existing payment systems and processes satisfy those conditions;
- determining procedures to confirm risk assessments in medium risk cases and to quantify the extent of non-compliance, if any, in higher risk situations;
- obtaining legal advice as appropriate to resolve questions of potential non-compliance; and
- considering legislative or procedural changes to reduce the risk of non-compliance in the future to an acceptably low level.

For appropriations paid by DHS, examined separately due to the complexity of legislative requirements and volume of transactions processed annually:

- identifying each special appropriation;
- completing an initial risk assessment;
- identifying payment processes and process controls; and
- adopting a methodology whereby all repayments are treated as potential section 83 breaches rather than investigating individual potential breaches for payment compliance against legislative requirements.

The agency identified 14 appropriations involving statutory conditions for payment, comprising:

- 10 special appropriations; and
- 4 special accounts.

The work conducted to date has identified:

- 1 payment made without legal authority and in contravention of section 83 of the Constitution for *A New Tax System (Family Assistance) Act 1999*;
- 30 payments made were considered a potential breach for the *Schools Assistance Act 2008*; and
- 1 payment under *A New Tax System (Family Assistance) Act 1999* subject to pending legal advice to determine whether contraventions of section 83 exist. As a result of this situation there may be additional potential contraventions; and
- *Social Security Administration Act 1999* and *Student Assistance Act 1973* have 390,030 potential breaches of section 83 based on debts raised for payments made in 2011-12. These total \$120.284 million with the majority relating to the Newstart program. There are mitigating factors that explain the number and amount of potential section 83 breaches. Social Security and Student Assistance legislation requires customers to provide personal information to DHS from which DHS makes assessments and payments to the customer. If the customer fails to notify DHS or provides incorrect information, an overpayment could arise. Section 83 does not distinguish between errors made by DEEWR or those initiated by customer notifications. Amounts recovered for debts

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

raised in 2011-12 total \$4.662 million. Amounts subject to waiver or write-off for debts raised in 2011-12 are \$5.131 million.

In order to reduce the risks of non-compliance to acceptably low level procedural changes have been made for payments made under the *Schools Assistance Act 2008*.

Of the total amount paid in contravention of section 83 identified above Table A provides a breakdown by appropriation of the amounts paid incorrectly, the amounts recovered or offset against later payment, amounts for which recovery action is in progress and/or amounts subject to waiver or write-off or other resolution.

DEEWR will continue to monitor its level of compliance with section 83 of the Constitution across all legislation for which it is administratively responsible. Where possible legislative amendments and system changes will continue to be progressed.

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

Table A - Summary

Appropriations identified as subject to conditions	Expenditure in 2011-12 \$000	Review complete? (Yes/No)	Breaches identified to date					Potential breaches to date yet to be resolved		Remedial action taken or proposed ^{1,1,5}
			Number.	Total \$000	Incorrect \$000	Recovered/offset As at date \$000	Yes/No	Indicative extent		
SPECIAL APPNS										
A New Tax System (Family Assistance) Act 1999 ²	4,258,974	No	1	0	0	0	0	Yes	1	N/A
Schools Assistance Act 2008 ³	7,580,019	Yes	Nil	Nil	Nil	Nil	Nil	Yes	30	SM
Indigenous Education (Targeted Assistance) Act 2000	157,507	Yes	Nil	Nil	Nil	Nil	Nil	No	Nil	N/A
Higher Education Support Act 2003	4,493,188	Yes	Nil	Nil	Nil	Nil	Nil	No	Nil	N/A
Student Assistance Act 1973	289,691	Yes	Nil	Nil	Nil	Nil	Nil	Yes	Refer Table B	N/A
Social Security Administration Act 1999	15,611,502	Yes	Nil	Nil	Nil	Nil	Nil	Yes	Refer Table B	N/A
Safety, Rehabilitation & Compensation Act 1988	43,260	Yes	Nil	Nil	Nil	Nil	Nil	No	Nil	N/A
Asbestos-related claims (Management of Commonwealth Liabilities) Act 2005	23,270	Yes	Nil	Nil	Nil	Nil	Nil	No	Nil	N/A
Coal Mining Industry	152,423	Yes	Nil	Nil	Nil	Nil	Nil	No	Nil	N/A

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

Appropriations identified as subject to conditions	Expenditure in 2011-12 \$000	Review complete? (Yes/No)	Breaches identified to date				Potential breaches to date yet to be resolved		Remedial action taken or proposed ^{1,5}
			Number.	Total \$000	Incorrect \$000	Recovered/offset As at date \$000	Yes/No	Indicative extent	
<i>(Long Service Leave) Administration Act 1992</i>									
SPECIAL ACCOUNTS									
Education Investment Fund	74,846	Yes	Nil	Nil	Nil	Nil	Nil	No	Nil
Services for Other Entities and Trust Moneys	2,915	Yes	Nil	Nil	Nil	Nil	Nil	No	Nil
National Youth Affairs Research Scheme	90	Yes	Nil	Nil	Nil	Nil	Nil	No	Nil
Aboriginal Tutorial Assistance Superannuation	0	Yes	Nil	Nil	Nil	Nil	Nil	No	Nil

¹ L= legislative change; S= systems change; P=planned; M=made (eg SM, or LP).

² The value of the incorrect amount of the payment was \$200.

³ 30 instances of potential breaches were identified with a value of \$1,219

⁴ Responsibility for *Social Security Act 1991* including the following programs: Austudy, Youth Allowance (student) and Fares Allowance transferred to the Department of Industry, Innovation, Science, Research and Tertiary Education following changes to the Administrative Arrangement Orders on 14 December 2011.

⁵ DEEWR will continue to monitor its level of compliance with section 83 of the Constitution across all legislation for which it is administratively responsible. Where possible legislative amendments and system changes will continue to be progressed.

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 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Table B – Summary of potential breaches

Act	Value of potential breaches \$	Number of potential breaches	Recovery of 2011-12 potential breaches \$	Potential breaches waived or written off \$
<i>Student Assistance Act 1973</i>	7,354,250	12,760	397,358	164,448
<i>Social Security Administration Act 1999</i>	112,930,165	377,270	4,264,694	4,966,746
Total	120,284,415	390,030	4,662,052	5,131,194



6 Appendixes

Provides additional information about the department's operations, such as the social inclusion measurement framework, workforce statistics and agency resource statements

Appendix 1 Ecologically sustainable development

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires that Commonwealth agencies report on their environmental performance. There are also targets, actions and reporting obligations for government agencies' information and communication technology operations under the Australian Government ICT Sustainability Plan 2010–2015.

For the 2011–12 reporting period, DEEWR is participating in the Department of Finance and Deregulation pilot program on sustainability reporting. Information required for this appendix, as well as a table of environmental indicators and data, can be found in Part 3 of this report.



DEEWR People

Canberra employees at Hanging Rock during a cultural capability excursion to Tidbinbilla Nature Reserve, June 2012.

Appendix 2 Social inclusion measurement framework

In December 2009, the Government agreed to a national social inclusion measurement framework and reporting strategy. The framework is intended to reflect both longer term goals and outcomes of social inclusion and key areas of government action.

Commonwealth agencies responsible for the relevant policy areas have reported against strategic change indicators since October 2011. The strategic change indicators measure progress in relevant areas of government policy and service delivery. They also include risk factors for exclusion, and data on government programs designed to improve inclusion outcomes.

DEEWR has responsibility for reporting against six strategic change indicators under three of the priority areas. Previous reporting can be found in Appendix 4 of the *DEEWR Annual Report 2010–11*.

Full details on the indicators are published in the Australian Social Inclusion Board’s annual report *Social inclusion in Australia: how Australia is faring*, available at www.socialinclusion.gov.au.

Priority area 1: Targeting jobless families with children to increase work opportunities, improve parenting and build capacity

Indicator 1—Proportion of long-term unemployed job seekers in employment, education or training three months following participation in employment services

Indicator 2—Proportion of long-term unemployed job seekers off benefit 12 months following participation in employment services

Job Services Australia and Disability Employment Services play an important role in promoting social inclusion. DEEWR measures the employment, education and training outcomes of job seekers who participate in these services, including those who have been unemployed for a long period of time and are at risk of being socially excluded. Outcomes data shows how job seekers in this group benefit from participation in employment services (see Table 46). The result for the proportion of long-term unemployed job seekers in employment, education or training three months following participation in employment services for 2011–12 is around four percentage points higher than the corresponding result for 2010–11.

Table 46 Outcomes for long-term unemployed job seekers

Performance indicator	Program	2010–11	2011–12
Proportion of long-term unemployed job seekers in employment, education or training three months following participation in employment services	Job Services Australia/ Disability Employment Services	46.7%	50.5%
Proportion of long-term unemployed job seekers off benefit 12 months following participation in employment services	Job Services Australia	na	40.3%

na = not available.

Source: DEEWR internal data.

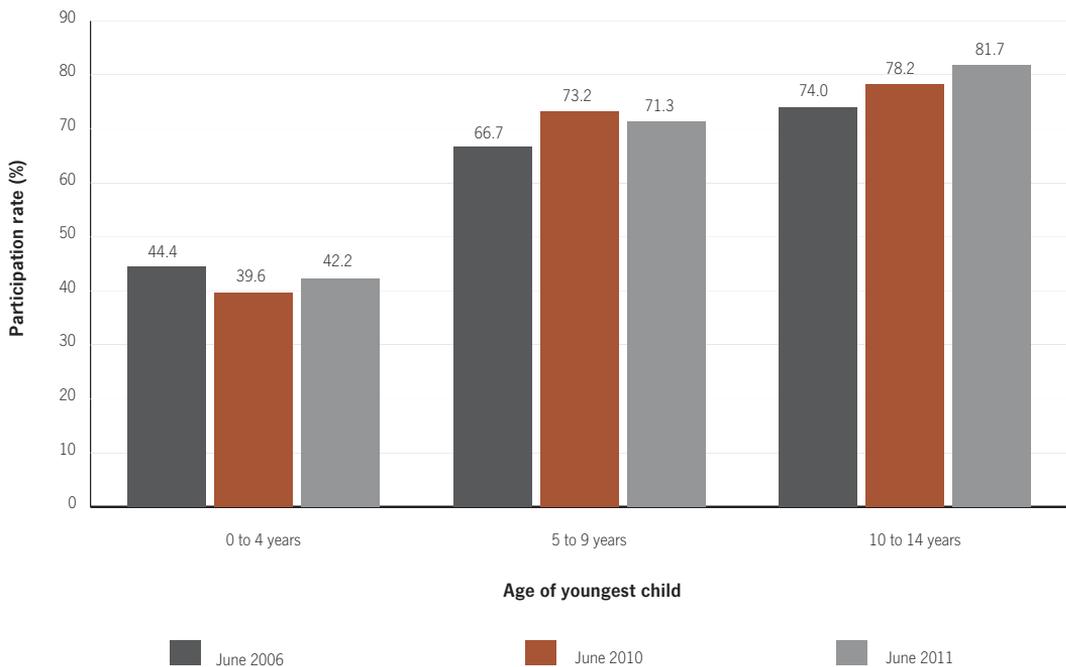
Indicator 3—Labour force participation of single parents by age group of youngest child (0–4, 5–9, 10–14)

Data from the Australian Bureau of Statistics (ABS) shows that the labour force participation rate of the head of single-parent families varies significantly by age of the youngest child (see Chart 6). In 85.8 per cent of cases, single-parent families are headed by females.

In many families, mothers increase their workforce participation as children grow older, particularly after children start school.

For example, as illustrated in Chart 6, where the youngest child was aged between 0 and 4 years, 42.2 per cent of lone parents were participating in the labour force, as at June 2011 (latest available data). For single parents whose youngest child was aged between 5 and 9 years, the participation rate increased to 71.3 per cent, and the participation rate where the youngest child was aged between 10–14 years stood at 81.7 per cent. This compares favourably with the overall participation rate for females aged 15–64, which was 70.6 per cent in June 2011.

Chart 6: Participation rates for single parents with children by age of youngest child



Source: ABS Labour Force, Australia: Labour Force Status and Other Characteristics of Families, June 2011 (cat. No. 6224.0.55.001).

Priority area 2: Improving the life chances of children at greatest risk of long-term disadvantage

Indicator 4—Proportion of children (aged 3–5 years) from special needs groups enrolled in state and territory funded or provided preschools

The best publicly available single source of national data for this indicator is the *Report on Government Services 2012*. In terms of social inclusion, the data on children with special needs is most relevant (see Table 47). This indicator compares the proportion of children using preschool services with special needs to the proportion of children with special needs in the community. If the proportions are similar, it is considered that there is equity in participation.



DEEWR People

NSW employees attend a Close the Gap event, March 2012.

Table 47 Representation of children from special needs groups in state and territory government preschool services, 2010–11^a (2009–10^b data in brackets, Australia only)

	Unit	NSW	Vic	Qld ^c	WA ^d	SA	Tas	ACT ^e	NT ^f	Australia ^g
Children from language backgrounds other than English										
Number of children	no.	7,274	9,874	1,559	na	2,720	na	962	na	22,389 (22,598)
Representation in children's services	%	11.2	14.2	7.8	na	11.9	na	23.0	na	12.3 (10.6)
Representation in the community (3–5 years)	%	23.2	21.6	11.6	15.6	13.5	7.2	16.1	38.7	18.7 (18.7)
Indigenous children										
Number of children	no.	3,346	957	1,369	2,912	1,450	393	191	1,434	12,052 (11,407)
Representation in children's services	%	5.1	1.4	6.8	8.8	6.3	6.3	4.6	42.9	5.4 (5.3)
Representation in the community (3–5 years)	%	4.4	1.2	6.7	5.8	3.6	6.9	2.4	42.5	4.7 (4.5)
Children with disability^h										
Number of children	no.	4,037	2,920	558	1,036	2,970	na	198	167	11,886 (12,998)
Representation in children's services	%	6.2	4.2	2.8	3.1	13.0	na	4.7	5.0	5.4 (6.1)
Representation in the community (3–5 years)	%	7.3	3.9	7.3	6.8	5.5	7.2	7.3	np	6.3 (8.0)
Children from regional areas										
Number of children	no.	24,805	17,127	7,509	7,138	6,110	6,146	67	1,607	70,509 (61,648)
Representation in children's services	%	38.0	24.7	37.4	21.5	26.7	98.4	1.6	48.0	31.4 (28.9)
Representation in the community (3–5 years)	%	28.0	27.5	45.1	24.5	26.2	97.7	0.1	48.2	32.3 (32.3)
Children from remote areas										
Number of children	no.	816	41	1,414	2,650	1,180	98	..	1,739	7,938 (8,491)
Representation in children's services	%	1.3	0.1	7.0	8.0	5.2	1.6	..	52.0	3.6 (4.0)
Representation in the community (3–5 years)	%	0.7	0.1	4.7	9.0	4.4	2.0	..	53.1	3.2 (3.2)

na = not available; .. = not applicable.

- a Data for representation in the community is estimated from the ABS Census of population and housing 2006, except for children with disability and Indigenous children. Data for the representation of children with disability in the community is from the ABS Survey of disability, ageing and carers 2009, and Indigenous data is from ABS Experimental estimates and projections. Due to the various data sources used in different years, caution should be used when making comparisons.
- b Data for representation in the community is estimated from the ABS Census of Population and Housing 2006, except for children with disability. Data for the representation of children with disability in the community is from the ABS Survey of disability, ageing and carers 2003. Due to the various data sources used in different years, caution should be used when making comparisons across the years.
- c Queensland child care data is based on an annual voluntary census and response rates are variable by service type and over time. Preschool data includes Indigenous Community Pre-Preparatory services and C&K community kindergarten services. Data on regional and remote areas is for children attending in the census week, based on location of services according to the Australian Standard Geographic Classification.
- d For WA, it is assumed that the ratio of students with disability in the non-government system is the same as in the government system.
- e In the ACT there are no regions classified as remote. Preschool students may be counted in more than one special needs group.
- f Data includes remote Catholic preschools funded by the NT Government. All other non-government preschools are excluded. Data on children from language backgrounds other than English are of a quality too poor to report. Indigenous children and children with disability in preschools include 3-year-old children. Indigenous children aged 4 years in preschool are a proxy for children in preschool in the year before full-time school. Children with disability aged 4 and 5 years in preschool are a proxy for children in preschool in the year before full-time school.
- g Data for Australia for children in services is the sum of the states and territories for which data is available, and should not be interpreted as national data. All other data for Australia represents all states and territories and can be considered as national data.
- h Data is not directly comparable between jurisdictions because there is no national definition or standard on children with disability. Victorian data was collected in a disaggregated format for the first time in 2010–11. Therefore this may result in data quality issues. In Queensland, the definition of disability refers to a diagnosed disability.

Sources: 2010–11 data: *Steering Committee for the Review of Government Service Provision 2012, Report on government services 2012, Productivity Commission, Canberra, Table 3A.16*; 2009–10 data: *Steering Committee for the Review of Government Service Provision 2011, Report on government services 2011, Productivity Commission, Canberra, Table 3A.16*.

Indicator 5(i)—Proportion of students at or above the national minimum standard in reading and numeracy for students in schools participating in the Literacy and Numeracy National Partnership in years 3, 5 and 7

The National Partnership Agreement on Literacy and Numeracy (LNNP) between the Commonwealth, state and territory governments aims to deliver sustained improvement in literacy and numeracy outcomes for all students, especially those who are falling behind. In addition, there is a particular priority on delivering accelerated improvement in literacy and numeracy outcomes for Aboriginal and Torres Strait Islander students.

Reforms in each state and territory have been implemented since 2009 in around 1200 schools, both government and non-government. This includes approximately 500,000 students, or 12 per cent of Australia's student population; and approximately 28,000 Aboriginal and Torres Strait Islander students, or 18 per cent of Australia's Aboriginal and Torres Strait Islander student population.

The LNNP has been implemented in different ways in each state and territory and performance measures and targets were negotiated bilaterally with each jurisdiction. Performance under the LNNP is assessed by the COAG Reform Council. The council's role is to assess the extent to which targets negotiated between each jurisdiction and the Commonwealth have been met.

The council's first report on the LNNP was published in April 2011 and its second report was published in May 2012. Both reports are available on the council's website at www.coagreformcouncil.gov.au.

In its second report, the council reported improvements in consistency and clarity of performance reporting and noted that all targets had been independently assessed and were found to be reasonable and ambitious. The council found that between 2008 and 2011, schools participating in the LNNP generally improved their results in reading and numeracy. For all states, the council assessed 83.8 per cent of agreed NAPLAN targets and 76.1 per cent of local measure targets as fully or partially met. Twenty-eight of the 31 agreed Indigenous-specific targets, or 90.3 per cent, across all states and territories showed improvement.

Further analysis of NAPLAN data shows that, between 2008 and 2011:

Year 3 reading	In all states and territories, LNNP schools increased the percentage of students achieving above the national minimum standard.
Year 3 numeracy	Most states on average had a decrease in the percentage of students above the national minimum standard. However, this decrease was smaller than the average decrease for schools that did not receive LNNP funding.
Year 5 reading	In most states and territories, LNNP schools increased the percentage of students achieving above the national minimum standard.
Year 5 numeracy	In all states and territories, LNNP schools increased the percentage of students achieving above the national minimum standard. The average increase for these schools was greater than the average increase for schools that did not receive LNNP funding.
Year 7 reading	Most states and territories on average had a decrease in the percentage of students achieving above the national minimum standard. However, in Victoria and the Australian Capital Territory this decrease was less than the average decrease for schools that did not receive LNNP funding.
Year 7 numeracy	Most states and territories on average had a decrease in the percentage of students achieving above the national minimum standard. However, in Queensland and Western Australia this decrease was less than the average decrease for schools that did not receive LNNP funding.

Indicator 5(ii)—Proportion of students at or above the national minimum standard in reading and numeracy for Indigenous students in years 3, 5, 7 and 9

Nationally, in 2011, across reading and numeracy, an average of 74.9 per cent of Aboriginal and Torres Strait Islander students were at or above the national minimum standard compared to 94.8 per cent for non-Indigenous students. This equates to an average gap of 19.9 percentage points. In 2011 the percentage of Aboriginal and Torres Strait Islander students at or above the national minimum standard in reading and numeracy ranged from 83.6 per cent for Year 3 numeracy to 66.4 per cent for Year 5 reading. The percentages for reading and numeracy are shown in charts 7 and 8.

2011 compared to 2010

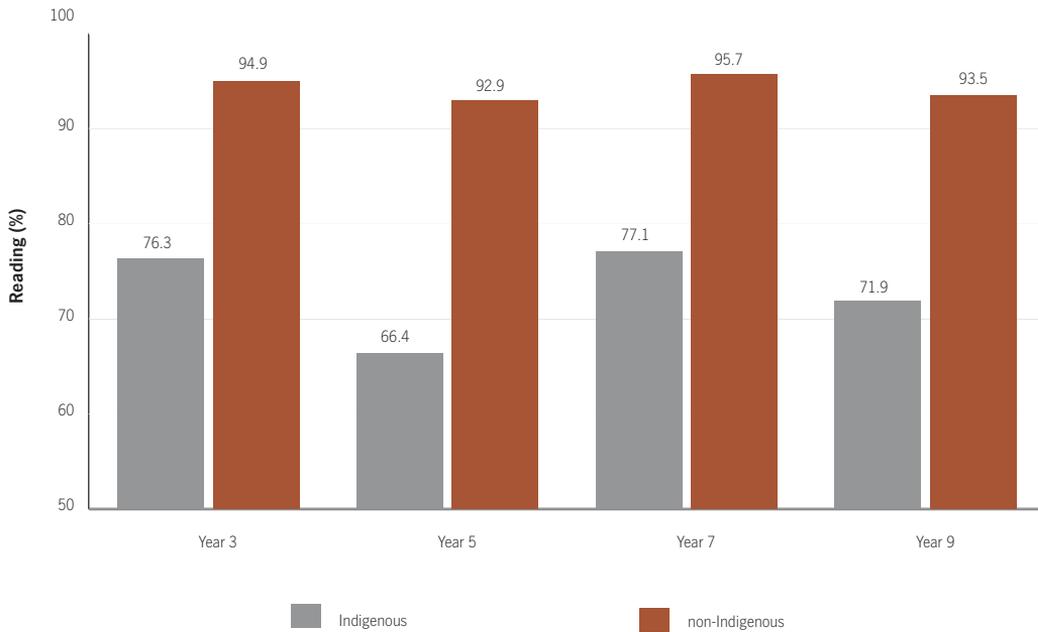
The greatest improvements over the 2010 results in the percentage of Aboriginal and Torres Strait Islander students at or above the national minimum standard were in Year 3 numeracy (by 7.0 percentage points) and Year 9 reading (7.7 percentage points). Both outcomes were statistically significant achievements and resulted in large reductions in those gaps of 5.9 and 6.4 percentage points respectively. The gap narrowed in all other year levels for reading and numeracy, with the exception of Year 5 reading where there was no change in the gap.

Longer-term trends

Since 2008 the gap has decreased in all year levels of reading and numeracy except Year 7 numeracy. Some closures of the gap have been quite impressive—Year 3 reading (6.6 percentage points), Year 3 numeracy (4.6 percentage points), Year 5 numeracy (4.5 percentage points) and Year 7 reading (4.9 percentage points). However, some closures of the gap have been quite small—Year 9 numeracy (0.2 percentage points) and Year 9 reading (1.9 percentage points).

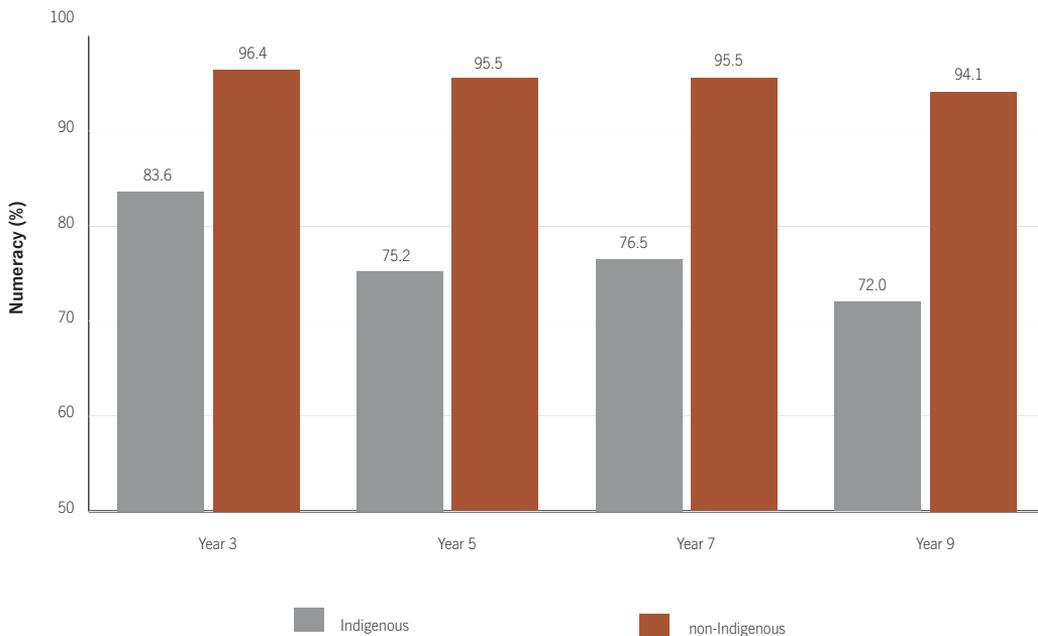
The 2011 cohort is substantially the same as that tested in 2009, and comparing the progress in reading and numeracy over the two assessment periods reveals generally small improvements in outcomes and small decreases in the gap, usually around 2 percentage points or lower. The greatest improvement was in reading from Year 5 to Year 7, which increased by 10.4 percentage points, resulting in a decrease in the gap of 7.8 percentage points. The only decline was in reading from Year 3 to Year 5, which decreased by 8.7 percentage points, causing a rise of 6.8 percentage points in the gap.

Chart 7: Students at or above national minimum standards for reading, 2011



Source: Australian Curriculum, Assessment and Reporting Authority 2011, NAPLAN achievement in reading, persuasive writing, language conventions and numeracy: national report for 2011.

Chart 8: Students at or above national minimum standards for numeracy, 2011



Source: Australian Curriculum, Assessment and Reporting Authority 2011, NAPLAN achievement in reading, persuasive writing, language conventions and numeracy: national report for 2011.

Since 2010, the gap between the percentages of Aboriginal and Torres Strait Islander and non-Indigenous students at or above the national minimum standard has narrowed slightly in all but Year 5 reading. The largest decreases in the gap of 5.9 and 6.4 percentage points occurred in Year 3 numeracy and Year 9 reading respectively.

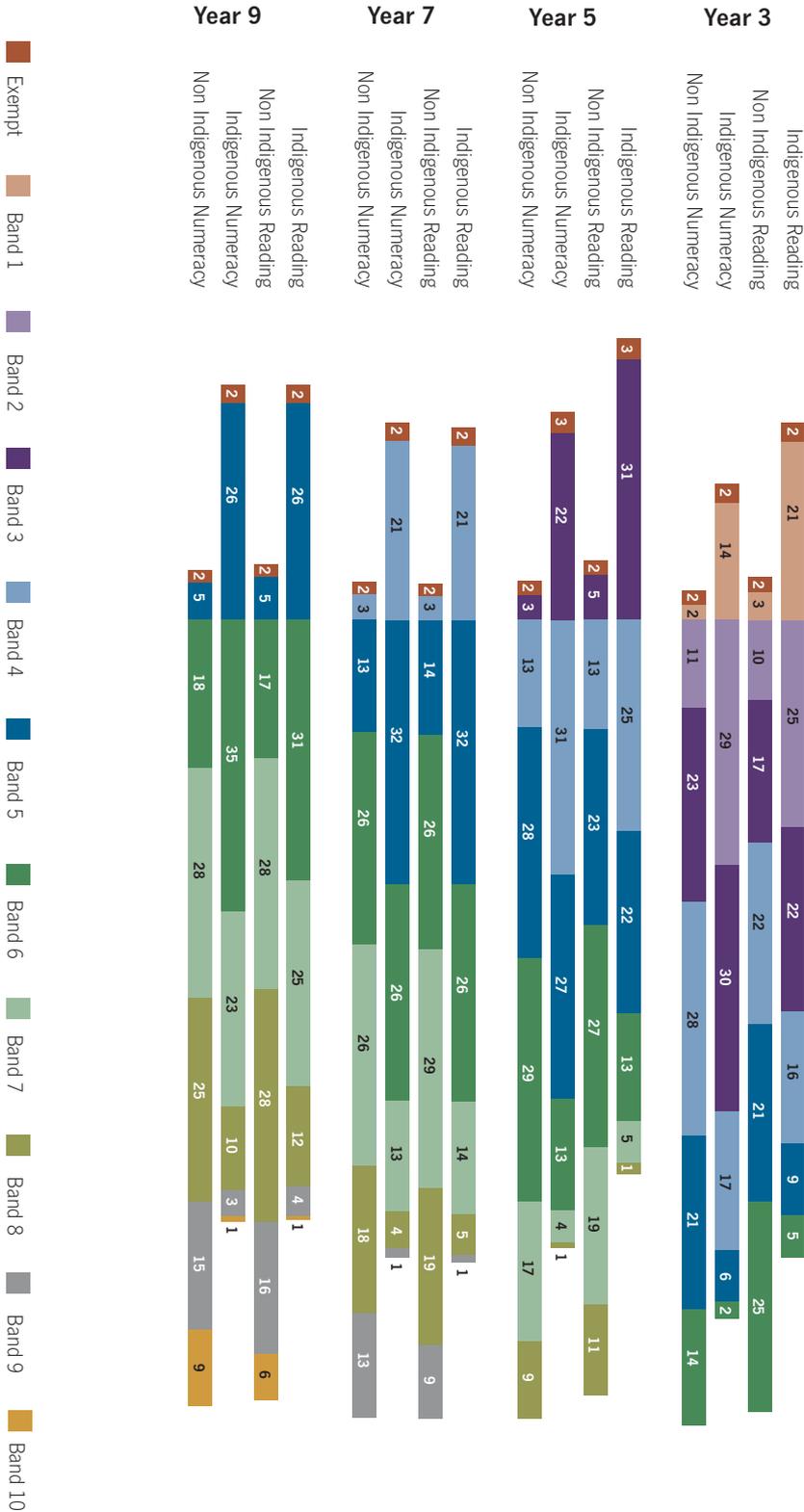
Chart 9 shows the percentage distribution of Aboriginal and Torres Strait Islander students across the achievement bands for all domains compared to the percentage distribution of other Australian students for 2011. The chart highlights the comparison of percentages of Aboriginal and Torres Strait Islander and other Australian students below the minimum standard. Band 2 is the minimum standard for Year 3, band 4 is the minimum standard for Year 5, band 5 is the minimum standard for Year 7 and band 6 is the minimum standard for Year 9.



DEEWR People

South Australian employees celebrated 'Back to School' Day to raise funds for The Smith Family to help transform lives through education, June 2012.

Chart 9: Percentage distribution of students across the NAPLAN achievement bands, 2011



A further measure is student gain, which is the increase in achievement for the same cohort of students (for example, Year 3 in 2008 and Year 5 in 2010).

Table 48 shows that in the Year 3 to 5 cohort, the average gains for Aboriginal and Torres Strait Islander students in reading and numeracy were slightly greater than average gains for non-Indigenous students.

In the Year 5 to 7 cohort, the gains for Aboriginal and Torres Strait Islander students in reading exceeded those for non-Indigenous students by 15.3 mean scale scores.

In the Year 7 to 9 cohort, the gains for Aboriginal and Torres Strait Islander students in reading exceeded those for non-Indigenous students by 6.8 mean scale scores.

Table 48 Gain by Indigenous students, 2009 to 2011

Cohort year	Domain	Difference			
		Average gain for all	Average gain Indigenous students	Average gain non-Indigenous students	Indigenous and non-Indigenous students
Year 3 to 5	Reading	77.3	82.4	77.3	5.1
	Numeracy	93.9	100.6	93.6	7.0
Year 5 to 7	Reading	46.3	60.9	45.6	15.3
	Numeracy	57.8	54.3	58.2	-3.9
Year 7 to 9	Reading	38.4	44.9	38.1	6.8
	Numeracy	39.8	41.4	39.7	1.7

Source: Australian Curriculum, Assessment and Reporting Authority 2011, NAPLAN achievement in reading, persuasive writing, language conventions and numeracy.

Priority area 3: Improving outcomes for people living with disability

Indicator 6—Proportion of job seekers with disability in employment, education or training three months after participation in employment services

DEEWR’s measurement of outcomes for job seekers with disability who participate in Job Services Australia and Disability Employment Services shows that just under half are in employment, education and/or training three months after participation in employment services (see Table 49). The result for 2011–12 is more than 6 percentage points higher than the corresponding result for 2010–11.

Table 49 Proportion of job seekers with disability in employment, education and training three months after participation in employment services

Performance indicator	Program	2010–11	2011–12
Proportion of job seekers with disability in employment, education and training three months after participation in employment services	Job Services Australia/ Disability Employment Services	42.3%	48.8%

Source: DEEWR internal data.

Appendix 3 Global Reporting Initiative indicator index

The Global Reporting Initiative was founded in 1997 and aims to fulfil the need for open, transparent communication about sustainability issues by providing a consistent and credible framework for organisations to report on their economic, environmental and social impacts.

DEEWR is participating in a pilot of sustainability reporting using the Global Reporting Initiative framework as a base for reporting. For the purposes of the pilot a limited set of Global Reporting Initiative indicators have been chosen for reporting based on their relevance and applicability in the context of the operations of Australian Government entities.

As this is a pilot of sustainability reporting, using a limited set of indicators, specific, independent assurance of reporting has not been undertaken.

Table 50 Global Reporting Initiative indicators applicable to Australian Government agencies

<i>G3.1 indicator reference</i>	<i>Description</i>	<i>Level of disclosure (full/partial/none)</i>	<i>Page</i>
Strategy and analysis			
1.1	Statement from the most senior decision maker of the organisation about the relevance of sustainability to the organisation and its strategy	Full	112
Organisational profile			
2.1	Name of organisation	Full	14
2.2	Primary brands, products or services	Full	14
2.3	Operational structure of the organisation	Full	16–7
2.4	Location of organisation’s headquarters	Full	127
2.5	Locations of operations	Full	123
2.8	Scale of organisation	Full	117
2.9	Significant changes during the reporting period regarding size and structure	Full	9–10
Report parameters			
3.1	Reporting period of information provided	Full	iii
3.3	Reporting cycle	Full	iii
3.4	Contact point for questions regarding the report or its contents	Full	ii
Report scope and boundary			
3.5	Process for defining report content	Full	iii
3.6	Boundary of the report	Full	iii
3.7	State any specific limitations on the scope or boundary of the report	None	na

G3.1 indicator reference	Description	Level of disclosure (full/partial/none)	Page
3.9	Data measurement techniques and the bases of calculations	Full	19–109, 117, 127, 263
3.12	Table identifying the location of the standard disclosures in report	Full	270–3
Governance			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks	Full	138
4.7	Process for determining composition, qualifications and expertise of highest governance body	Partial	138
4.8	Mission or value statements, codes of conduct, and principles relevant to sustainability performance and the status of their implementation	Full	14, 112–3
4.9	Procedures for highest governance body for overseeing the organisation's identification and management of sustainability performance	Full	138
4.10	Processes for evaluating the highest governing body's own performance	Full	138
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments	Partial	149–255
EC3	Coverage of the organisation's defined benefit plan obligations	Partial	118
Human rights reporting			
HR3	Total hours of employees training on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained	Partial	128
Employment			
LA1	Total workforce by employment type, employment contract and region, broken down by gender	Full	291–4
LA2	Total number and rate of new employee hires and turnover by age, gender and region	Partial	291–4
Labour–management relations			
LA4	Percentage of employees covered by collective bargaining agreements	Full	118

<i>G3.1 indicator reference</i>	<i>Description</i>	<i>Level of disclosure (full/partial/none)</i>	<i>Page</i>
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on work health and safety programs	Full	113
LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region and gender	Partial	294
Training and education			
LA10	Average hours of training per year per employee by gender and employment category	Partial	113
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them to manage career endings	Full	121
LA12	Percentage of employees receiving regular performance and career development reviews by gender	Full	118, 121
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	Partial	113
Corruption			
SO2	Percentage and total number of business units analysed for risks related to corruption	Full	139
SO3	Percentage of employees trained in organisation’s anti-corruption policies and procedures	Partial	142
Materials^a			
EN1	Materials used by weight or volume	Full	126
EN2	Percentage of materials used that are recycled input	Full	126
Energy			
EN4	Indirect energy consumption by primary source	Partial	125
EN5	Energy saved due to conservation and efficiency improvements	Partial	127
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Full	127–8

<i>G3.1 indicator reference</i>	<i>Description</i>	<i>Level of disclosure (full/partial/none)</i>	<i>Page</i>
Water			
EN8	Total water withdrawal by source	Partial	126
Emissions, effluent and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight	Partial	126
EN18	Initiatives to reduce indirect greenhouse emissions and reductions achieved	Partial	126–8
EN22	Total weight of waste by type and disposal method	Partial	126–8
Transport			
EN29	Significant environmental impacts of transporting products and other goods, and transporting members of the workforce	Partial	126–7

a 'Materials' refers to office paper.



DEEWR People

Cairns employees enjoying Cupcake Day, raising funds for the RSPCA, August 2011.

Appendix 4 Compliance with the Carer Recognition Act

On 18 November 2010, the Australian Government nationally recognised the exceptional contribution made by unpaid carers through the *Carer Recognition Act 2010*.

The Act includes the important principle that carers should have the same rights, choices and opportunities as other Australians. The Act also sets up reporting and consultation obligations for certain Australian Public Service agencies.

There are four key elements DEEWR is required to report on:

- awareness and understanding of the Statement for Australia's Carers
- human resource policies
- reflecting the principles in the Statement for Australia's Carers
- consultation with carers.

Awareness and understanding of the Statement for Australia's Carers

Each public service agency is to take all practicable measures to ensure that its employees and agents have an awareness and understanding of the Statement for Australia's Carers. *Carer Recognition Act 2010* Part 3, section 7(1)

The department provides information on carers for the general public on its website, including information on the Government's commitment to social inclusion, the National School Chaplaincy and Student Welfare Program and the National Carer Recognition Framework including the Act and the National Carer Strategy.

Australia's first National Carer Strategy was launched on 3 August 2011 and is the Government's long-term commitment to carers. The National Carer Strategy will ensure that carers are valued and respected by society and that they have rights, choices, opportunities and capabilities to participate in economic, social and community life.

The department displays posters to promote understanding of carers and the Statement for Australia's Carers around the workplace. Information on the Act and the statement is also available on the department's intranet.

Each year the department celebrates Carers Week, which is a national awareness-raising week held in the third week of October. In 2011, departmental Carers Week activities included:

- promotion of services and information for carers of people with mental health issues
- promotion of flexible working arrangements including leave provisions, and internal and external services
- promotion of the Employee Assistance Program and Families at Work.

Human resource policies

Each public service agency's internal human resources policies, so far as they may significantly affect an employee's caring role, are to be developed having due regard to the Statement for Australia's Carers. *Carer Recognition Act 2010* Part 3, section 7(2)

When developing human resources policies, the department considers and complies with the principles contained in the Statement for Australia's Carers.

The department has incorporated special carers leave entitlements provisions in the DEEWR Enterprise Agreement 2012–2014, and has carers' rooms to provide facilities for unforeseen caring responsibilities. Information for employees about conditions available to carers in the enterprise agreement and the leave guide is available on the intranet.

The department actively supports employees with caring responsibilities. The intranet has a people portal that is an initial contact point for employees and provides information about internal resources, external resources and articles and publications that can assist carers and managers. The page also provides direct access to the Employee Assistance Program.

The DEEWR Equity and Diversity Officer Network works with managers, employees and service providers to advocate for employees with a caring role, disability or cultural difference in the department.

The department's human resources practitioners regularly talk with employees with caring responsibilities to assist them to access respite and counselling services through the Employee Assistance Program.

Reflecting the principles in the Statement for Australia's Carers

Each public service care agency is to take all practicable measures to ensure that it, and all its employees and agents, take action to reflect the principles of the Statement for Australia's Carers in developing, implementing, providing or evaluating care supports. *Carer Recognition Act 2010* Part 3, section 8(1)

The terms and conditions in the department's standard funding agreement include an obligation for funding recipients to comply with relevant laws and any Commonwealth policies, and to comply with any code of ethics, regulation or other industry standards relevant to the activity.

In 2011 the department, through the Office for Youth, sponsored Carers Australia to develop a resource booklet titled *Young carers in education (supporting rural and remote young carers)*. The booklet aims to raise awareness of young carers and their challenges and is designed to help teachers identify young carers so they are better equipped to support their needs. The booklet was launched on 9 March 2012 and has been sent to schools nationwide.

Consultation with carers

Each public service care agency is to consult carers, or bodies that represent carers, when developing or evaluating care supports. *Carer Recognition Act 2010* Part 3, section 8(2)

During 2011–12, the department facilitated extensive consultations with carer stakeholders and employer organisations, unions and state and territory governments on expanding the right to request flexible working arrangements under the *Fair Work Act 2009* to eligible employees with care responsibilities. The consultation process gave stakeholders the opportunity to provide feedback on the proposed expansion, any anticipated impacts on employers and how the Government could work with employers and employees to address those impacts. Consultations concluded in May 2012 and stakeholders have been notified that amendments will be considered as part of the review of the *Fair Work Act*.

The department is a joint funding partner in an Australian Research Council linkage research project with the University of New South Wales aimed at understanding the impacts of social inclusion on carers. The department works collaboratively with research partners to ensure carers are identified and considered, where appropriate, in the design and implementation of new research studies.

Officers from the department met with Carers Australia in December 2011 to discuss the programs and assistance that are available to carers to help them combine their work and caring responsibilities or move into work when their caring role ends.



DEEWR People

During Health and Wellbeing week, 5–9 September 2011, a Health and Wellbeing Expo was held in National Office. Pictured here is Billy Blood Drop from the Australian Red Cross with DEEWR employees Mel Beban and Carol Moran.

Appendix 5 Advertising and market research

Details of payments made to advertising, market research, polling, media advertising and direct mail organisations by the department in 2011–12 are listed in the following tables. Where the total paid is less than \$11,900 (inclusive of GST) details have not been included. This is consistent with section 311A of the *Commonwealth Electoral Act 1918*.

Table 51 Advertising agencies

<i>Procurement reference number</i>	<i>Contract number</i>	<i>Organisation</i>	<i>Service provided</i>	<i>Total \$ paid in 2011–12</i>
26914	84162	Newd Corp Pty Ltd	Development of creative concepts for Building Australia's Future Workforce campaign	2,215,402.90
Total				2,215,402.90

Table 52 Market research and polling organisations

<i>Procurement reference number</i>	<i>Contract number</i>	<i>Organisation</i>	<i>Service provided</i>	<i>Total \$ paid in 2011–12</i>
27071	84178	Hall & Partners Open Mind Pty Ltd	Benchmarking, tracking and evaluation research for the Building Australia's Future Workforce campaign	180,000.00
26822	83785	Open Mind Research Group Holdings Pty Ltd	Developmental research and creative concept testing for the Workforce Skills and Participation campaign	249,072.27
26220	83258	Orima Research Pty Ltd	Market research services for the Child Care Assistance Awareness campaign	66,429.00
9042	76555	Wallis Consulting Group Pty Ltd	Conduct of the Longitudinal Surveys of Australian Youth	1,082,837.55
Total				1,578,338.82

Table 53 **Media advertising organisations**

<i>Procurement reference number</i>	<i>Contract number</i>	<i>Organisation</i>	<i>Service provided</i>	<i>Total \$ paid in 2011–12</i>
27424	84600	Adcorp Australia Limited	Advertising of information sessions for the Indigenous Employment Panel Request for Tender	21,097.95
27617	84667	Adcorp Australia Limited	Newspaper advertising services for the Remote Participation and Employment Services consultations	17,036.85
27765	84783	Adcorp Australia Limited	Advertising for Job Services Australia Request for Tender information session for 2012–2015	22,510.43
27822	84779	Adcorp Australia Limited	Advertising of Request for Tender for a panel of Project Managers for Construction and Refurbishment	16,950.84
27837	84811	Adcorp Australia Limited	Advertising in newspapers nationally for applications for new schools and expressions of interest for funding recipients under the National School Chaplaincy and Student Welfare Program	30,215.49
27937	84902	Adcorp Australia Limited	Advertising for consultation sessions for Exposure Draft Disability Employment Services Request for Tender	46,853.72
27950	84915	Adcorp Australia Limited	Newspaper advertisements for applications for Inclusion and Professional Support Program	33,775.08
27958	84938	Adcorp Australia Limited	Newspaper advertising to promote nominations for the 2011 Australian Vocational Student Prize	19,682.59
27540	84911	Mediabrand Australia Pty Ltd	Digital display and avant cards promotion for National Youth Week 2012	27,323.51
27830	84903	Mediabrand Australia Pty Ltd	Regional Student Income Support campaign advertising	511,899.02
27472	84830	Sensis Pty Ltd	Provision of department's White Pages and Yellow Pages listing and directory assistance throughout Australia	304,614.20
27894	85093			
28018	85023			
27936	85024	Sensis Pty Ltd	Provision of department's Yellow Pages regional listing and directory assistance throughout Australia	152,880.20
Total				1,204,839.85

Table 54 *Direct mail organisations*

<i>Procurement reference number</i>	<i>Contract number</i>	<i>Organisation</i>	<i>Service provided</i>	<i>Total \$ paid in 2011–12</i>
27305	84208	Salmat Businessforce Pty Limited	Survey personalisation and mailing services (distribution and printing of surveys for participants in employment services)	310,847.47
27745	84831	Salmat Businessforce Pty Limited	Printing and distribution of job seeker letters for Job Services Australia Transition 2012	19,837.26
Total				330,684.73



DEEWR People

The Executive brought some early Christmas cheer to the corridors of DEEWR Canberra offices with rousing performances of carols and traditional Christmas tunes.

Appendix 6 Agency resource statements and resources for outcomes

<i>Agency Resource Statement— 2011–12</i>	<i>Actual Available Appropriations for 2011–12</i>	<i>Payments Made 2011–12</i>	<i>Balance Remaining</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Ordinary Annual Services			
Departmental appropriation			
Prior year departmental appropriation	163,946	129,698	34,248
Departmental appropriation	781,741	671,351	110,390
S.31 Relevant agency receipts	34,680	34,680	–
Total	980,367	835,729	144,638
Administered expenses			
Outcome 1	454,835	440,444	
Outcome 2	405,363	318,305	
Outcome 3	955,738	955,738	
Outcome 4	2,656,305	2,563,080	
Outcome 5	211,947	210,303	
Payments to CAC Act Bodies	14,403	14,403	
Total	4,698,591	4,502,273	
Total ordinary annual services	5,678,958	5,338,002	
Other services			
Administered expenses			
Specific payments to States, ACT, NT and local government			
Outcome 2	273,183	272,370	
Payments to CAC Act Bodies	7,112	7,112	
Total	280,295	279,482	
Departmental non–operating			
Prior year departmental appropriation	–	–	–
Equity injections	12,132	12,132	–
Previous years' outputs	–	–	–
Total	12,132	12,132	–
Total other services	292,427	291,614	
Total available annual appropriations	5,971,385	5,629,616	

<i>Agency Resource Statement— 2011–12</i>	<i>Actual Available Appropriations for 2011–12</i>	<i>Payments Made 2011–12</i>	<i>Balance Remaining</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Special appropriations			
Special appropriations limited by criteria/ entitlement			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>		4,258,974	
<i>Schools Assistance Act 2008</i>		7,580,019	
<i>Indigenous Education (Targeted Assistance) Act 2000</i>		157,507	
<i>Higher Education Support Act 2003</i>		4,493,188	
<i>Student Assistance Act 1973</i>		289,691	
<i>Social Security (Administration) Act 1999</i>		15,611,502	
<i>Coal Mining Industry (LSL) Funding Act 1992</i>		152,423	
<i>Safety, Rehabilitation and Compensation Act 1988</i>		43,260	
<i>Asbestos-related Claims (Management of Commonwealth Liabilities Act) 2005</i>		23,270	
Total special appropriations		32,609,834	
Special Accounts			
Opening Balance	1,279		
Appropriation receipts	–		
Appropriation receipts – other agencies	–		
Non–appropriation receipts to Special Accounts	74,893		
Payments made		74,936	
Closing Balance			1,236
Total resourcing and payments	5,945,044	38,239,450	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	21,515	21,515	
Total net resourcing and payments for DEEWR	5,948,870	38,217,935	

<i>Outcome 1</i>	<i>Budget (2011–12)</i>	<i>Actual expenses (2011–12)</i>	<i>Variation (2011–12)</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	<i>A</i>	<i>B</i>	<i>A–B</i>
Administered expenses			
Program 1.1: Support for the Child Care System			
Ordinary Annual Services (Appropriation Bill No 1)			
Child Care Services Support	326,526	324,281	2,245
Jobs Education and Training (JET) Child Care Fee Assistance	88,075	101,412	–13,337
Total for Program 1.1	414,601	425,693	–11,092
Program 1.2: Child Care Fee Assistance			
Special Appropriations			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>			
Child Care Benefit	2,342,852	2,327,285	15,567
Child Care Rebate	1,835,663	1,887,422	–51,759
Total for Program 1.2	4,178,515	4,214,707	–36,192
Program 1.3: Early Childhood Education			
Ordinary Annual Services (Appropriation Bill No 1)			
Early Childhood Education– Universal Access	3,000	2,991	9
Total for Program 1.3	3,000	2,991	9
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	417,601	428,684	–11,083
Other services (Appropriation Bill No. 2)	–	–	–
Special Appropriations	4,178,515	4,214,707	–36,192
Special Accounts	–	–	–
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	87,141	83,924	3,217
Revenues from independent sources (Section 31)	579	430	149
Special Appropriations	–	–	–
Special Accounts	–	–	–
Expenses not requiring appropriation in the Budget year	12,355	5,201	7,154
Total for Outcome 1	4,696,191	4,732,946	–36,755
Average staffing level (number)	461	573	112

<i>Outcome 2</i>	<i>Budget (2011–12)</i>	<i>Actual expenses (2011–12)</i>	<i>Variation (2011–12)</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	<i>A</i>	<i>B</i>	<i>A–B</i>
Administered expenses			
Program 2.2: Non–government Schools National Support			
Special Appropriations			
<i>Schools Assistance Act 2008</i>	7,587,740	7,586,358	1,382
<i>Indigenous Education (Targeted Assistance) Act 2000</i>	150,941	158,464	–7,523
Total for Program 2.2	7,738,681	7,744,822	–6,141
Program 2.3: Schools Support			
Ordinary Annual Services (Appropriation Bill No 1)			
Teach Next	4,300	683	3,617
Online Diagnostic Tools	14,894	14,849	45
Indigenous Ranger Cadetships	850	850	–
National Asian Languages in Schools	4,635	4,610	25
Grants and Awards	4,035	3,859	176
National School Chaplaincy Program	74,000	63,886	10,114
Helping Children with Autism	5,354	5,358	–4
Quality Outcomes	50,539	51,374	–835
Framework for Open Learning	2,875	2,224	651
Supplementary Funding for School Operations	–	–	–
Local Schools Working Together	10,000	9,883	117
Student Resilience and Wellbeing	1,911	517	1,394
One Laptop per Child	11,700	11,700	–
Indigenous Education	48,790	43,743	5,047
Total for Program 2.3	233,883	213,536	20,347
Program 2.4: Trade Training			
Other Services (Appropriation Bill No 2)			
Trade Training Centres (Non–government)	55,025	55,022	3
Total for Program 2.4	55,025	55,022	3

<i>Outcome 2</i>	<i>Budget (2011–12)</i>	<i>Actual expenses (2011–12)</i>	<i>Variation (2011–12)</i>
	<i>\$'000 A</i>	<i>\$'000 B</i>	<i>\$'000 A–B</i>
Program 2.5: Digital Education Revolution			
Ordinary Annual Services (Appropriation Bill No 1)			
Digital Education Revolution Project Pool	9,242	9,092	150
Other Services (Appropriation Bill No 2)			
Digital Education Revolution (Non–government)	74,000	74,000	–
Total for Program 2.5	83,242	83,092	150
Program 2.6: National Action Plan on Literacy and Numeracy			
Ordinary Annual Services (Appropriation Bill No 1)			
National Action Plan on Literacy and Numeracy (Non–Government)	6,800	6,328	472
Total for Program 2.6	6,800	6,328	472
Program 2.7: Education Infrastructure (referred to as Building the Education Revolution)			
Other Services (Appropriation Bill No 2)			
Building the Education Revolution (Non–government)	93,419	93,856	–437
Total for Program 2.7	93,419	93,856	–437
Program 2.8: Smarter Schools– Low SES School Communities National Partnership			
Administered expenses	–	–	–
Special Appropriations	–	–	–
Total for Program 2.8	–	–	–
Program 2.9: Smarter Schools– Improving Teacher Quality National Partnership			
Ordinary Annual Services (Appropriation Bill No 1)			
Teacher Quality (Non government)	15,640	14,800	840
Total for Program 2.9	15,640	14,800	840
Program 2.10: More support for students with disabilities			
Ordinary Annual Services (Appropriation Bill No 1)			
Students with Disabilities	554	554	–
Other Services (Appropriation Bill No 2)			
Students with Disabilities (Non Government)	17,066	17,067	–1
Total for Program 2.10	17,620	17,621	–1

<i>Outcome 2</i>	<i>Budget (2011–12)</i>	<i>Actual expenses (2011–12)</i>	<i>Variation (2011–12)</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	<i>A</i>	<i>B</i>	<i>A–B</i>
Program 2.11: Youth Support			
Ordinary Annual Services (Appropriation Bill No 1)			
Youth Attainment and Transitions NP	113,402	113,393	9
Youth Engagement	9,669	9,019	650
Special Account Expenses:			
<i>National Youth Affairs Research Scheme Special Account</i>	240	149	91
Total for Program 2.11	123,311	122,561	750
Program 2.12: School Student Assistance			
Special Appropriations			
<i>Student Assistance Act 1973</i>			
ABSTUDY – Secondary	141,235	145,938	–4,703
ABSTUDY – Tertiary	78,162	80,644	–2,482
Assistance for Isolated Children	57,601	59,010	–1,409
Special Account Expenses			
<i>Superannuation Payments for ATAS Tutors</i>	5	–	5
Total for Program 2.12	277,003	285,592	–8,589
Program 2.13: Empowering Local Schools			
Ordinary Annual Services (Appropriation Bill No 1)			
Empowering Local Schools	1,250	1,250	–
<i>Other Services (Appropriation Bill No 2)</i>			
Empowering Local Schools (Non–Government)	18,613	18,615	–2
Total for Program 2.13	19,863	19,865	–2
Program 2.14: Rewards for School Improvement			
Ordinary Annual Services (Appropriation Bill No 1)			
Rewards for School Improvement	5,785	3,290	2,495
Total for Program 2.14	5,785	3,290	2,495

<i>Outcome 2</i>	<i>Budget (2011–12)</i>	<i>Actual expenses (2011–12)</i>	<i>Variation (2011–12)</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	<i>A</i>	<i>B</i>	<i>A–B</i>
Program 2.15: National Rewards for Great Teachers			
Other Services (Appropriation Bill No 2)			
National Rewards for Great Teachers	8,717	7,430	1,287
Total for Program 2.15	8,717	7,430	1,287
Outcome 2 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	396,225	371,262	24,963
Other services (Appropriation Bill No. 2)	266,840	265,990	850
Special Appropriations	8,015,679	8,030,414	–14,735
Special Accounts	245	149	96
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	160,358	141,435	18,923
Revenues from independent sources (Section 31)	1,178	1,267	–89
Special Appropriations			–
Special Accounts			–
Expenses not requiring appropriation in the Budget year	23,393	12,498	–10,895
Depreciation expense not funded by Appropriation	–		
Total for Outcome 2	8,863,918	8,823,015	40,903
Average staffing level (number)	974	906	68

<i>Outcome 3¹</i>	<i>Budget (2011–12)</i>	<i>Actual expenses (2011–12)</i>	<i>Variation (2011–12)</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	<i>A</i>	<i>B</i>	<i>A–B</i>
Administered expenses			
Program 3.1: Employment Services			
Ordinary Annual Services (Appropriation Bill No 1)			
Job Services Australia	1,490,135	1,467,680	22,455
Job Capacity Assessment	–	–	–
Jobs Fund	38,800	36,198	2,602
National Green Jobs Corps	18,750	17,776	974
Productivity Education and Training Fund	10,000	10,000	–
Regional Education, skills and Job Plans	442	224	218
Productive Ageing Package	5,102	2,552	2,550
Insulation Workers Support	–	191	–191
Total for Program 3.1	1,563,229	1,534,621	28,608
Program 3.2: Indigenous Employment			
Ordinary Annual Services (Appropriation Bill No 1)			
Indigenous Employment Program	157,713	157,270	443
Indigenous Public Sector Employment	–	–	–
Total for Program 3.2	157,713	157,270	443
Program 3.3: Disability Employment Services			
Ordinary Annual Services (Appropriation Bill No 1)			
Employment Assistance and Other Services	37,398	37,558	–160
Disability Employment Services	824,310	825,010	–700
Total for Program 3.3	861,708	862,568	–860
Program 3.4: Working Age Payments			
Ordinary Annual Services (Appropriation Bill No 1)			
Compensation and Debt Relief	198	–	198
Special Appropriations			
<i>Social Security (Administration) Act 1999</i>			
Mature Age Allowance	–	100	–100
Mobility Allowance	139,686	138,941	745
Newstart Allowance	6,590,474	6,600,470	–9,996
Parenting Payment (Single)	4,737,198	4,793,423	–56,225
Parenting Payment (Partnered)	1,062,116	1,063,839	–1,723

<i>Outcome 3¹</i>	<i>Budget (2011–12)</i>	<i>Actual expenses (2011–12)</i>	<i>Variation (2011–12)</i>
	<i>\$'000 A</i>	<i>\$'000 B</i>	<i>\$'000 A–B</i>
Partner Allowance (Benefit)	17,704	17,540	164
Partner Allowance (Pension)	157,831	160,405	–2,574
Pensioner Education Supplement	81,095	81,804	–709
Sickness Allowance	91,288	91,583	–295
Utilities Allowance	20,400	19,483	917
Widow Allowance	401,691	404,624	–2,933
Youth Allowance (other)	751,484	743,638	7,846
Total for Program 3.4	14,051,165	14,115,850	–64,685
Outcome 3 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	2,582,848	2,554,459	28,389
Special Appropriations	14,050,967	14,115,850	–64,883
Special Accounts	–	–	–
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	319,960	319,708	252
Revenues from independent sources (Section 31)	2,427	2,961	–534
Special Accounts			–
Expenses not requiring appropriation in the Budget year	49,179	40,139	9,040
Depreciation expense not funded by Appropriation	–	–	–
Total for Outcome 3	17,005,381	17,033,117	–27,736
Average staffing level (number)	2,016	2,173	–157

1 This is referred to as Outcome 4 in Note 30 of the Financial Statements. The Financial Statements reflect the outcome structure in place during the 2011–12 financial year.

<i>Outcome 4¹</i>	<i>Budget (2011–12)</i>	<i>Actual expenses (2011–12)</i>	<i>Variation (2011–12)</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	<i>A</i>	<i>B</i>	<i>A–B</i>
Administered expenses			
Program 4.1: Employee Assistance			
Ordinary Annual Services (Appropriation Bill No 1)			
General Employee Entitlements and Redundancy Scheme	199,386	195,535	3,851
Special Appropriations			
<i>Coal Mining Industry (LSL) Funding Act 1992</i>	152,423	151,584	839
Total for Program 4.1	351,809	347,119	4,690
Program 4.2: Workplace Assistance			
Ordinary Annual Services (Appropriation Bill No 1)			
Protected Action Ballots Scheme	1,600	1,589	11
Home Workers Code of Practice Program	250	250	–
International Labour Organisation – Subscription	8,903	7,228	1,675
Fair Work Education and Information Campaign	–	–1	1
Social and Community Workers Education and Information Program	400	400	–
Total for Program 4.2	11,153	9,466	1,687
Program 4.3: Workers compensation payments			
Ordinary Annual Services (Appropriation Bill No 1)			
Workers Compensation payment Act 1	14,403	14,403	–
Ordinary Annual Services (Appropriation Bill No 2)			
Workers Compensation payment Act 2	–	7,112	–7,112
Special Appropriations			
<i>Asbestos related claims Act 200 – S8(2)</i>	23,270	23,270	–
<i>Safety, Rehabilitation & Compensation Act – S90D</i>	34,790	222,700	–187,910
Total for Program 4.3	72,463	267,485	–195,022
Outcome 4 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	224,942	219,404	5,538
Ordinary Annual Services (Appropriation Bill No 2)	–	7,112	–7,112
Special Appropriations	210,483	397,554	–187,071

<i>Outcome 4¹</i>	<i>Budget (2011–12)</i>	<i>Actual expenses (2011–12)</i>	<i>Variation (2011–12)</i>
	<i>\$'000 A</i>	<i>\$'000 B</i>	<i>\$'000 A–B</i>
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	32,857	57,211	–24,354
Revenues from independent sources (Section 31)	16,385	15,079	1,306
Special Accounts			–
Expenses not requiring appropriation in the Budget year	8,041	5,175	2,866
Depreciation expense not funded by Appropriation	–	–	–
Total for Outcome 4	492,708	701,535	–208,827
Average staffing level (number)	378	380	–2

- 1 This is referred to as Outcome 5 in Note 30 of the Financial Statements. The Financial Statements reflect the outcome structure in place during the 2011–12 financial year.

Appendix 7 Workforce statistics

The tables below relate to the discussion on our people in Part 3. Figures in brackets are from the 2010–11 annual report.

Table 55 *Employment agreement statistics at 30 June 2012*

<i>Classification</i>	<i>Section 24(1) determinations</i>	<i>Collective</i>	<i>2011–12</i>
SES	144	0	144
Non-SES	0	4,054	4,054
Total	144	4,054	4,198

Note: The Secretary is not included in these figures as remuneration arrangements for departmental secretaries are set out under a separate instrument.

Table 56 *Salary ranges at 30 June 2012*

<i>Classification</i>	<i>Section 24(1) determinations</i>
APS Level 1	41,930–45,846
APS Level 2	49,248–52,480
APS Level 3	54,998–57,285
APS Level 4	59,827–65,756
APS Level 5	66,055–75,814
APS Level 6	74,260–86,799
Executive Level 1	91,315–118,324
Executive Level 2	107,455–146,566
Government Lawyer	61,495–81,661
Senior Government Lawyer	91,315–111,861
Principal Government Lawyer	122,588–152,326
SES Band 1	133,330–219,279
SES Band 2	194,969–256,475
SES Band 3	252,979–297,227

Table 57 Ongoing and non-ongoing full-time and part-time employees self-identifying as Indigenous and non-Indigenous at 30 June 2012

<i>Identification</i>	<i>Ongoing full-time</i>	<i>Ongoing part-time</i>	<i>Non-ongoing full-time</i>	<i>Non-ongoing part-time</i>	<i>Total</i>
Indigenous	200 (249)	21 (27)	7 (8)	0 (1)	228 (285)
Non-Indigenous	3,340 (4,377)	505 (652)	93 (125)	33 (32)	3,971 (5,186)
Total	3,540 (4,626)	526 (679)	100 (133)	33 (33)	4,199 (5,471)

Table 58 Employees by classification at 30 June 2012

<i>Classification</i>	<i>Female</i>	<i>Male</i>	<i>Total</i>
Cadets	3 (4)	8 (4)	11 (8)
Apprentices/Trainees	1 (1)	0 (0)	1 (1)
Indigenous Australian Government Development Program Trainees ^a	0 (26)	0 (8)	0 (34)
Graduates	37 (41)	32 (18)	69 (59)
APS Level 1	6 (4)	4 (10)	10 (14)
APS Level 2	12 (12)	9 (13)	21 (25)
APS Level 3	59 (88)	53 (78)	112 (166)
APS Level 4	298 (385)	129 (172)	427 (557)
APS Level 5	440 (592)	252 (334)	692 (926)
APS Level 6	649 (830)	413 (499)	1,062 (1,329)
Executive Level 1	646 (872)	523 (649)	1,169 (1,521)
Executive Level 2	233 (310)	171 (246)	404 (556)
Government Lawyer	10 (12)	7 (10)	17 (22)
Senior Government Lawyer	24 (29)	5 (10)	29 (39)
Principal Government Lawyer	22 (24)	8 (11)	30 (35)
Public Affairs Officer	0 (0)	0 (1)	0 (1)
SES Band 1 ^b	56 (71)	49 (60)	105 (131)
SES Band 2 ^c	24 (25)	9 (13)	33 (38)
SES Band 3	2 (3)	4 (5)	6 (8)
Secretary	1 (1)	0 (0)	1 (1)
Total	2,523 (3,330)	1,676 (2,141)	4,199 (5,471)

a The Indigenous Australian Government Development Program Trainees intake for 2012 (45 participants) had not yet commenced at 30 June 2012.

b This number includes 10 employees on secondment to another APS agency or long-term leave.

c This number includes four employees on secondment to another APS agency or long-term leave.

Table 59 Employees by employment status at 30 June 2012

<i>Classification</i>	<i>Female</i>	<i>Male</i>	<i>Total</i>
Ongoing			
Full-time	1,979 (2,655)	1,561 (1,971)	3,540 (4,626)
Part-time	463 (587)	63 (92)	526 (679)
Subtotal	2,442 (3,242)	1,624 (2,063)	4,066 (5,305)
Non-ongoing			
Full-time	64 (69)	36 (64)	100 (133)
Part-time	17 (19)	16 (14)	33 (33)
Subtotal	81 (88)	52 (78)	133 (166)
Total	2,523 (3,330)	1,676 (2,141)	4,199 (5,471)

Table 60 Employees by location at 30 June 2012

<i>Classification</i>	<i>Female</i>	<i>Male</i>	<i>Total</i>
New South Wales	136 (136)	93 (95)	229 (231)
Victoria	92 (105)	45 (58)	137 (163)
Queensland	124 (154)	47 (63)	171 (217)
Western Australia	79 (85)	27 (31)	106 (116)
South Australia	78 (86)	30 (32)	108 (118)
Tasmania	25 (30)	16 (20)	41 (50)
Australian Capital Territory	1,922 (2,663)	1,404 (1818)	3,326 (4,481)
Northern Territory	66 (65)	12 (19)	78 (84)
Overseas	1 (6)	2 (5)	3 (11)
Total	2,523 (3,330)	1,676 (2141)	4,199 (5,471)

Table 61 *Employee separations, 2011–12*

<i>Classification</i>	<i>Number</i>
Cadets	2 (5)
Apprentices/Trainees	0 (2)
Graduates	19 (2)
Indigenous Australian Government Development Program Trainees	2 (0)
APS Level 1	3 (4)
APS Level 2	22 (13)
APS Level 3	80 (55)
APS Level 4	214 (164)
APS Level 5	333 (175)
APS Level 6	447 (225)
Executive Level 1	556 (237)
Executive Level 2	215 (100)
Government Lawyer	8 (7)
Senior Government Lawyer	18 (5)
Principal Government Lawyer	11 (3)
SES Band 1	47 (18)
SES Band 2	11 (3)
SES Band 3	5 (2)
Secretary	0 (0)
Total	1,993 (1,020)

Note: Further detail on separations is outlined in Part 3, Our operations.

Table 62 *Reported work health and safety incidents, by type, 2011–12*

<i>Classification</i>	<i>Number</i>
Body stressing	16
Falls, slips and trips	19
Hazards reported (nil injury; nil time lost)	13
Being hit by moving objects	10
Chemicals and other substances	6
Unspecified mechanism of injury	4
Biological factors	7
Vehicle accidents (includes travel to and from work)	7
Hitting objects with the body	7
Heat, electricity and other environmental factors	5
Mental stress	3
Other and multiple mechanisms of injury	3

Appendix 8 Commonwealth involvement in proceedings before courts and tribunals

This appendix describes matters dealt with by courts or tribunals in 2011–12 that involved participation by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, the Minister for Employment and Workplace Relations, Financial Services and Superannuation or funding provided by the department.

Fair Work Australia

Minister for Tertiary Education, Skills, Jobs and Workplace Relations [2011] FWAFB 7444

On 29 October 2011, the Minister applied to Fair Work Australia for orders to terminate protected industrial action at Qantas under section 424 of the *Fair Work Act 2009*. The Minister sought the order on the grounds that the action threatened significant damage to an important part of the Australian economy. On 31 October 2011, a Full Bench of Fair Work Australia granted the Minister's application and terminated all protected industrial action at Qantas with immediate effect.

Annual Wage Review 2011–12

On 16 March 2012, the Australian Government lodged its submission to Fair Work Australia's Annual Wage Review 2011–12. The Government's submission recommended that any increase to the national minimum wage and award wages in 2012 should reflect changes in living costs and other changes in the economic environment since the last minimum wage rise in 2011.

On 11 May 2012, the Government lodged a post-budget submission which updated the Minimum Wage Panel with the Government's 2012–13 macroeconomic forecasts as well as relevant budget measures and other data released since the initial submission was lodged. The panel held consultation hearings with key stakeholders on 14 and 21 May 2012. Officials from DEEWR and the Treasury attended the consultation hearings on 14 May 2012 to outline the Government's position.

On 1 June 2012, the panel released its decision to increase the national minimum wage and award wages by 2.9 per cent. This decision increases the national minimum wage by \$17.10 a week to \$606.40 per week, or \$15.96 per hour, with effect from the first full pay period on or after 1 July 2012.

Application for an Equal Remuneration Order in the Social and Community Services Industry (Case No. C2010/3131)

On 11 March 2010, the Australian, Municipal, Administrative, Clerical and Services Union, and four other unions (the applicants), filed an application under the *Fair Work Act 2009* for an equal remuneration order for social and community services workers. The application sought significant pay increases for these workers.

The Government continued its participation in the case by filing its third submission on 8 July 2011, addressing matters raised in the Fair Work Australia interim decision of 16 May 2011.

On 17 November 2011, the Government filed a joint submission with the applicants which outlined the agreed position of the Government and the applicants on outstanding matters and proposed a remedy for the gender undervaluation.

On 1 February 2012, a Full Bench of Fair Work Australia handed down a majority decision in the equal remuneration case. This was the first successful equal remuneration case in the history of federal workplace relations legislation.

Fair Work Australia awarded wage increases of between 23 and 45 per cent above the minimum rates in the SACS Modern Award (inclusive of a four per cent loading to respond to historic bargaining impediments in the sector), affecting around 150,000 of Australia's lowest paid workers, 120,000 of whom are women.

Fair Work Australia handed down the equal remuneration order on 22 June 2012, concluding the application.

Modern Awards Review 2012

Fair Work Australia's two year review of modern awards commenced in the 2011–12 financial year and is due to be completed by mid 2013. The review has been divided into four stages and will cover the following common issues: public holidays, penalty rates, award flexibility, annual leave and wages and conditions for apprentices and trainees.

On 23 May 2012, the Commonwealth delivered a scoping paper, requested by Fair Work Australia President Justice Ross, outlining the Australian Government's position on the issues to be considered by the apprentice/trainee tranche of the review. The paper recommended a broad review of wages and conditions for juniors and employees to whom training arrangements apply.

On 6 June 2012, the Government lodged its submission to Fair Work Australia on the legislative scope of the review.

Following a hearing on 21 June 2012 (at which DEEWR officials appeared), the Full Bench issued a decision on 29 June 2012 which was consistent with the Commonwealth's position that Fair Work Australia should not re-litigate issues that were considered during the award modernisation process, unless there has been a significant change in circumstances that warrants revisiting the matter.

Federal Court

Australian and International Pilots Association v Fair Work Australia [2012] FCAFC 65

The Australian and International Pilots Association (AIPA) brought an appeal against the decision of a Full Bench of Fair Work Australia in *Minister For Tertiary Education, Skills, Jobs And Workplace Relations* [2011] FWAFB 7444. The Minister appeared as second respondent to oppose the appeal. On 10 May 2012, a Full Court of the Federal Court dismissed the appeal. The Full Court held that Fair Work Australia's order terminating industrial action by AIPA and its members was beyond jurisdiction but that relief should not be granted because of the effect of subsection 413(7) of the *Fair Work Act 2009*.

Brown v Health Services Union [2012] FCA 644

On 26 April 2012, the Minister for Employment and Workplace Relations, Financial Services and Superannuation applied to the Federal Court seeking the appointment of an Administrator to the HSU East Branch of the Health Services Union (HSU) under section 323 of the *Fair Work (Registered Organisations) Act 2009*. The Minister subsequently intervened in an identical application to the Federal Court by HSU officials. On 21 June 2012, the Federal Court declared that both the federally registered HSU East branch and the state registered HSUeast had ceased to function effectively and approved a scheme under which both the HSU East branch and HSUeast were de-merged, all elected offices declared vacant and an administrator appointed pending the outcome of fresh elections.

High Court

Board of Bendigo Regional Institute of Technical and Further Education v Barclay and Anor (M128/2011)

On 2 September 2011, the High Court of Australia granted the Board of Bendigo Regional Institute of Technical and Further Education special leave to appeal the decision of a Full Court of the Federal Court in *Barclay v The Board of Bendigo Regional Institute of Technical and Further Education* [2011] FCAFC 14.

A majority of the Full Federal Court held that in relation to the operation of the General Protections provisions of the *Fair Work Act 2009*, the test for determining whether adverse action has occurred is neither a purely objective nor subjective inquiry. On 29 March 2012 the High Court heard the appeal. The Minister for Tertiary Education, Skills, Jobs and Workplace Relations intervened in the appeal to make submissions in support of the view of the Federal Court majority. As at 30 June 2012 the High Court has reserved its decision.

Appendix 9 Errors in the 2010–11 annual report

This appendix details errors in the 2010–11 annual report and the relevant corrections. The outcome numbers referred to in this appendix are the outcomes as reported in the *DEEWR Annual Report 2010–11*.

In Outcome 2, page 28, under ‘National Assessment Program—Literacy and Numeracy’ the dot points should have read:

- 91.0 per cent (spelling) to 95.5 per cent (writing) for Year 3 students
- 91.3 per cent (reading) to 93.7 per cent (numeracy) for Year 5 students
- 91.6 per cent (grammar and punctuation) to 95.1 per cent (numeracy) for Year 7 students
- 87.2 per cent (writing) to 93.1 per cent (numeracy) for Year 9 students.

On page 34, Table 10: Key performance indicators for program 2.3, under ‘Indigenous Youth Mobility Program’ the figure should have been 474 not 483. Similarly, on page 35, under ‘Indigenous Youth Mobility Program,’ the last paragraph should cite the figure 474 not 483.

In Outcome 4, page 90, under ‘Key priorities’ the second dot point should have read ‘develop and implement streamlined arrangements for accessing employment services to ensure that disadvantaged job seekers receive the services most appropriate to their needs’.

On page 98, Table 38: Effectiveness indicators for program 4.1, the actual figures for the first indicator should read \$2415 not \$2332 for Streams 1-3 and \$9551 not \$8524 for Stream 4. The fourth indicator actual figures should read:

<i>Effectiveness indicator</i>	<i>Estimate</i>	<i>Actual</i>
Proportion of job seekers off benefit three months following participation in employment services:		
Stream 1	55%	56.7%
Stream 2	40%	50.5%
Stream 3	35%	29.6%
Stream 4	15%	33.4%

In Outcome 5, page 124, Table 51: Effectiveness indicators for Outcome 5, the first figure listed under June quarter 2010 should have been 1.4% not 1.8%.

In Part 5: Managing our business, page 161, under ‘Summary of active consultancies’ the paragraph should have read ‘During 2010–11, 296 new consultancies were entered into, involving total actual expenditure of \$16,667,155. In addition, 112 ongoing consultancy contracts were active during 2010–11, involving total actual expenditure of \$14,824,830.’

In Appendix 7: Advertising and market research, page 284, Table 69: Market research and polling organisations, the following contract information should have been included:

<i>Procurement reference no.</i>	<i>Contract no.</i>	<i>Organisation</i>	<i>Service provided</i>	<i>Total \$ paid in 2010–11</i>
26822	83785	Open Mind Research Group Holdings Pty Ltd	Developmental research and creative concept testing for the Workforce Skills and Participation campaign	149,270.00

In the list of consultancies used by the department in 2010–11 (published online), the contract with procurement reference number Z5637 should have been excluded, and the following contracts should have been included.

Group	Procurement reference no.	Contract no.	Consultant name	Description	Contract	Selection process	Justification
Early Childhood Quality and Workforce Group	27012	84152	Simply Written Pty Ltd	Facilitation and compilation of content and production of National Quality Standard assessment and rating documents	21,780.00	OT	B
Indigenous Pathway and Early Childhood Development	27312	84215	Price Waterhouse Coopers	Consultancy services to examine the cost drivers associated with delivery of Budget Based Funding Mobile Services	18,253.00	OT	B
National Schools and Youth Partnerships	26175	84622	The Trustee for Deloitte Access Economics Trust	Cost benefit analysis of the National Career Development Strategy	70,840.00	OT	B
	25813	84298	The Trustee for Dandolo Partners Unit Trust	Evaluation of the National Partnership on Youth Attainment and Transition	1,227,980.00	OT	C
	ED10/012894	ED10/012894	TT Partners Pty Ltd	Development and validation of a valuation framework for digital learning resources funded by the department	370,081.35	OT	B
Technology Solutions Group	26032	83049	Phoenicia Consulting Pty Ltd	Provision of IT management advisory services	73,700.00	RS	B

OT= open tender; RS= select tender; B= need for specialised or professional skills; C= need for independent research or assessment.

References

Acronyms

AAO	Administrative Arrangement Order
ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
APS	Australian Public Service
BER	Building the Education Revolution
COAG	Council of Australian Governments
DEEWR	Department of Education, Employment and Workplace Relations
DHS	Department of Human Services
GEERS	General Employee Entitlements and Redundancy Scheme
HECS	Higher Education Contribution Scheme
HELP	Higher Education Loan Program
HIPPY	Home Interaction Program for Parents and Youngsters
ICT	information and communication technology
ILAC	International Labour Affairs Committee
ILO	International Labour Organization
INES	International Indicators of Education Systems
JETCCFA	Jobs, Education and Training Child Care Fee Assistance
LNNP	Literacy and Numeracy National Partnership
low-SES	low socioeconomic status
MKY	Mura Kaimel - Yarrangi Committee
NAIDOC	National Aborigines and Islanders Day Observance Committee
NAPLAN	National Assessment Program—Literacy and Numeracy
OECD	Organisation for Economic Co-operation and Development
PIAAC	Programme for the International Assessment of Adult Competencies
RAP	Reconciliation Action Plan
SEAM	Improving School Enrolment and Attendance through Welfare Reform Measure

Glossary

Administered item	Revenues, expenses, assets and liabilities that the Government controls, but which an agency or authority manages on the Commonwealth's behalf.
Appropriation	An amount of public moneys parliament authorises for spending for a particular purpose.
AusTender	The Australian Government's web-based procurement system, which provides centralised access to all publicly available approaches to market, multi-use lists, annual procurement plans and reported contracts.
Budget measure	A decision by Cabinet or Ministers and has resulted in a cost or savings to outlays.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Key performance indicators	These are financial and non-financial measures used to help define and evaluate an organisation's success. An indicator is usually selected on the basis of relevance as a measure of some aspect of a specific project or operation.
Machinery of government changes	Describes a variety of organisational or functional changes affecting the Commonwealth. Some common examples of machinery changes are: <ul style="list-style-type: none">• changes to the Administrative Arrangements Order following a Prime Ministerial decision to abolish or create a department or to move functions/responsibilities between departments/agencies• creation of a new statutory agency or executive agency, or abolition of such agencies• movement of functions into, or out of, the Australian Public Service.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Government. Actual outcomes are assessments of the end results or impacts actually achieved.
Portfolio Budget Statements	Budget-related paper detailing Budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.
Programs	Government programs deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements.
Social inclusion	The Government's social inclusion agenda aims to make sure every Australian has the capability, opportunity and resources to participate in the economy and play an active role in their community while taking responsibility for shaping their own lives.
Strategic change indicators	As part of the Government's national social inclusion measurement framework, these indicators measure progress in relevant areas of government policy and service delivery towards improving social inclusion outcomes.
Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

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