



Budget

2018-19

Portfolio Budget Statements 2018-19 **Budget Related Paper No. 1.5**

Education and Training Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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Senator the Hon Simon Birmingham

Minister for Education and Training
Manager of Government Business in the Senate
Senator for South Australia

Senator the Hon Scott Ryan
President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

The Hon Tony Smith MP
Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2018–19 Budget for the Education and Training Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Birmingham', with a large, sweeping flourish extending to the right.

Simon Birmingham

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
n/a	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion
tbc	to be confirmed

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact the Chief Financial Officer, Department of Education and Training on 1300 566 046.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2018–19 Portfolio Budget Statements (PBS) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PBS is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2018–19. In this sense, the PBS are Budget related papers and are declared by the Appropriation Acts to be ‘relevant documents’ to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PBS provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PBS where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Enhanced Commonwealth Performance Framework

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Enhanced Commonwealth Performance Framework - key components of relevant publications

Portfolio Budget Statements (May) *Portfolio based*

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

Corporate Plan (August) *Entity based*

Primary planning document of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured** and **assessed**.



Annual Performance Statement (October following year) *Entity based*

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity's performance results**.

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PORTFOLIO OVERVIEW

EDUCATION AND TRAINING PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

Through the Education and Training portfolio, the Australian Government takes a national leadership role in early childhood education and child care, preschool education, schooling, higher education and research, skills and training, and international education.

The Education and Training portfolio comprises the Department of Education and Training (the department) and the following entities (see Figure 1 on page 3):

- Australian Curriculum, Assessment and Reporting Authority
- Australian Institute for Teaching and School Leadership
- Australian Research Council
- Australian Skills Quality Authority
- Tertiary Education Quality and Standards Agency
- Australian National University.¹

The department and portfolio entities work with state and territory governments, other Australian Government entities and a range of service providers to provide high quality policy advice and services for the benefit of all Australians.

Following the Prime Minister's announcement on 12 February 2018, responsibility for the Australian Institute of Aboriginal and Torres Strait Islander Studies transferred from the Education and Training portfolio to the Prime Minister and Cabinet portfolio.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

¹ The Australian National University is not part of the general government sector or included in the Commonwealth general government sector fiscal estimates and does not have a chapter in the PBS.

Figure 1: Education and Training portfolio structure and outcomes

<p>Senator the Hon Simon Birmingham Minister for Education and Training</p>	
<p>The Hon Karen Andrews MP Assistant Minister for Vocational Education and Skills</p>	
	<p>Department of Education and Training Dr Michele Bruniges AM—Secretary Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments. Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.</p>
	<p>Australian Curriculum, Assessment and Reporting Authority Robert Randall—Chief Executive Officer Outcome: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.</p>
	<p>Australian Institute for Teaching and School Leadership Lisa Rodgers—Chief Executive Officer Outcome: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities, and supporting the teaching profession.</p>
	<p>Australian Research Council Professor Sue Thomas—Chief Executive Officer Outcome: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.</p>
	<p>Australian Skills Quality Authority Mark Paterson AO—Chief Commissioner and Chief Executive Officer Outcome: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.</p>
	<p>Tertiary Education Quality and Standards Agency Anthony McClaran—Chief Executive Officer Outcome: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.</p>
	<p>Australian National University Professor Brian P. Schmidt AC—Vice-Chancellor, President and Chief Executive Officer</p>

ENTITY RESOURCES AND PLANNED PERFORMANCE

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AUSTRALIAN RESEARCH COUNCIL	111
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**DEPARTMENT OF EDUCATION AND
TRAINING**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

DEPARTMENT OF EDUCATION AND TRAINING

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DEPARTMENT OF EDUCATION AND TRAINING

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of Education and Training's purpose is maximising opportunity and prosperity through national leadership on education and training. The department pursues its purpose as the Australian Government's lead agency responsible for national policy and programs that create and strengthen access to quality early childhood education and child care, preschool education, schooling, skills and training, higher education and research, and international education.

The department's priorities in 2018–19 include progressing the implementation of major reforms previously announced, as well as new 2018–19 Budget measures and priorities.

The Government's new Child Care Package will be fully implemented in 2018–19:

- The Child Care Subsidy (CCS) will replace the Child Care Benefit and Child Care Rebate from 2 July 2018 and will be paid directly to child care services to reduce the fees that eligible families pay.
- The \$1.2 billion Child Care Safety Net will ensure that vulnerable and disadvantaged children are supported through access to quality early learning and child care. This includes the Additional Child Care Subsidy, the Community Child Care Fund and the Inclusion Support Program.

The department is continuing its focus on ensuring the integrity of child care payments.

In the 2018–19 Budget, the Government is maintaining funding to the Australian Children's Education and Care Quality Authority (ACECQA) for two years to support quality and drive continuous improvement in the sector.

The department is working collaboratively with states and territories to improve educational outcomes in Australian preschools. A further extension of the National Partnership on Universal Access to Early Childhood Education in the 2018–19 Budget will support preschool programs for a further calendar year (2019).

The Government's Quality Schools reform package provides consistent, transparent and needs-based school funding arrangements. The department is working collaboratively with states and territories to develop and implement a new national schooling reform agreement, informed by the *Review to Achieve Educational Excellence in Australian Schools* and the *Independent Review into Regional, Rural and Remote Education*. The recommendations of these reviews aim to help lift student performance and maximise outcomes from the Australian Government's record level of school funding.

Additional priorities in quality schooling in 2018–19 include:

- A High Achieving Teachers Program, which will increase the number and availability of quality teachers in Australian secondary schools by funding programs that offer alternative pathways into teaching.
- An extension of the Early Learning Languages Australia (ELLA) program (until 30 June 2021). ELLA will continue to be available for preschool services and will be expanded through a trial in schools for Foundation to Year 2 students.
- An extension of the National School Chaplaincy Programme to support the wellbeing of students and school communities through the provision of pastoral care and other support services.

The Government is committed to a sustainable, transparent and accountable Australian higher education system that delivers the best outcomes for students. The department is progressing implementation of the higher education measures announced in the 2017–18 Mid-Year Economic and Fiscal Outlook to help secure the long-term sustainability of the higher education system. In addition, as announced in the 2018–19 Budget:

- The Government has responded to the *Independent Review into Regional, Rural and Remote Education* by committing \$28 million to expand the availability of sub-bachelor and enabling places in regional areas, and \$14 million for additional Commonwealth-supported bachelor places in regional study hubs, providing 185 additional places annually from 1 January 2019, growing to around 500 places by 2022.
- New charges on higher education providers from 1 January 2019 will maintain the affordability of the Higher Education Loan Program (HELP), including a flat-rate application fee to apply to offer FEE-HELP loans and an annual charge applied to all HECS-HELP and FEE-HELP approved higher education course providers.

The Government is strengthening Australia's research system and its ability to improve the lives of Australians by announcing the Research Infrastructure Investment Plan (RIIP) and investing an additional \$1.9 billion (over 12 years) in the National Collaborative Research Infrastructure Strategy (NCRIS) to direct investment into priority areas.

The Government is committed to working in partnership with state and territory governments to create an effective and efficient skills and training system. This commitment includes the Skilling Australians Fund that will support increasing in apprenticeships and traineeships, including through a national partnership agreement.

The Government has decided that the Unique Student Identifiers function will move from Canberra to Adelaide, with the relocation to commence in 2019. This is part of the Government's decentralisation of the Australian Public Service.

Department of Education and Training Budget Statements

For further information on the resourcing impact of the Budget and other measures, refer to *Table 1.2: Department of Education and Training 2018–19 Budget measures* on page 16 and *Table 1.1: Department of Education and Training 2017–18 supplementary additional estimates measures* in the Education and Training Portfolio Supplementary Additional Estimates Statements 2017–18, published separately.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Department of Education and Training resource statement — Budget estimates for 2018–19 as at Budget May 2018

	2017–18 <i>Estimated actual</i> \$'000	2018–19 Estimate \$ 000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	56,612	-
Departmental appropriation (c)	356,479	344,269
s74 Retained revenue receipts (d)	14,070	12,027
Departmental capital budget (e)	10,187	22,671
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	6,716	-
Equity injection	15,779	8,519
Total departmental annual appropriations	459,843	387,486
Special accounts (g)		
Opening balance	4,089	4,089
Appropriation receipts (h)	-	-
Non-appropriation receipts	1,721	6,281
Total special accounts	5,810	10,370
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	-	-
Total departmental resourcing	465,653	397,856
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	-	-
Outcome 1	479,002	469,678
Outcome 2	1,431,822	1,344,495
Payments to corporate entities (i)	16,318	-

Table 1.1: Department of Education and Training resource statement — Budget estimates for 2018–19 as at Budget May 2018 (continued)

	2017–18 <i>Estimated actual</i> \$'000	2018–19 Estimate \$ 000
Annual appropriations - other services - specific payments to States, ACT, NT and local government (f)		
Prior year appropriations available	-	-
Outcome 1 (j)	40,221	62,514
Total administered annual appropriations	1,967,363	1,876,687
Total administered special appropriations	42,284,335	44,560,746
Special accounts (g)		
Opening balance	83,215	68,579
Appropriation receipts (h)	5,249	9,151
Non-appropriation receipts	13,144	9,623
<i>Total special account receipts</i>	101,608	87,353
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	5,249	9,151
<i>less payments to corporate entities from annual/special appropriations</i>	16,318	-
Total administered resourcing	44,331,739	46,515,635
Total resourcing for the Department of Education and Training	44,797,392	46,913,491
	2017–18	2018–19
Average staffing level (number)	1,817	1,759

Third party payments from and on behalf of other entities

	2017–18 <i>Estimated actual</i> \$'000	2018–19 Estimate \$ 000
Payments made by other entities on behalf of Education and Training (disclosed above)		
Department of Human Services (k)	1,332,910	7,928,652
Payments made to other entities for the provision of services (disclosed above)		
Department of Social Services	6,709	6,709
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)		
Department of Human Services	4,000	-
Payments made to corporate entities within the Portfolio		
Australian Curriculum, Assessment and Reporting Authority (Annual Appropriation Bill No.1) (l)	15,291	15,216
Australian Institute for Teaching and School Leadership (Annual Appropriation Bill No.1) (l)	12,661	11,761

Prepared on a resourcing (i.e. appropriations available) basis.

Note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2018–19.
- (b) Excludes amounts in Appropriation Bills No. 5, which is yet to receive Royal Assent - for further information, please see Education and Training 2017–18 Portfolio Supplementary Additional Estimates Statements.
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated retained revenue receipts under s74 of the PGPA Act.

Department of Education and Training Budget Statements

- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a contribution by owner .
- (f) Appropriation Bill (No. 2) 2018–19.
- (g) Excludes trust money and 'other CRF money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Moneys accounts (SOETM)). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) Amounts credited to the special accounts from Education and Training's annual and special appropriations.
- (i) Corporate entities are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act. For the Australian Institute of Aboriginal and Torres Strait Islander Studies only a part year effect is shown, as it was transferred to Prime Minister and Cabinet Portfolio as part of an Administrative Arrangement Order on 19 April 2018.
- (j) For the 2018–19 Portfolio Budget Statements, the Government has committed funding for Quality Schools. This includes \$62.514 million for payments to states and territories in Appropriation Bill (No. 2), 2018–19 Outcome 1, for Program 1.5 - Additional Support for Northern Territory Schools (\$4.987 million), for Program 1.6 - Adjustment Assistance (\$12.172 million), Non-Government Representative Bodies (\$41.794 million), Special Circumstances funding (\$1.561 million) and for Program 1.7 - Literacy Support for Tasmanian Students (\$2.000 million). The distribution of the funding under 1.6 - Non-Government Representative Bodies is based on advice from the Independent Schools Council of Australia and the National Catholic Education Commission. The distribution of Program 1.6 - Adjustment Assistance will be determined following consideration of applications from eligible schools for national adjustment assistance funding and based on advice from the ACT Catholic system and ACT Association of Independent Schools for assistance to the ACT non-government sector. Funding under Program 1.6 - Special Circumstances funding is funding for short term emergency assistance and is determined following consideration of applications from schools as events occur. Funding under Program 1.6 - Additional Support for Northern Territory Schools is for Northern Territory only. Funding under Program 1.7 - Literacy Support for Tasmanian Students is for Tasmania only.
- (k) 2018–19 reflects the payment arrangements that will apply under the new Child Care Package commencing on 2 July 2018. The new Child Care Subsidy will be paid directly to child care services by the Department of Human Services. Services will pass on the benefit to families in the form of a fee reduction. Families will be required to make a co-contribution, which will be the difference between the fee charged and the subsidy amount.
- (l) Paid by a grant from Outcome 1 annual appropriations.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Department of Education and Training are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Department of Education and Training 2018–19 Budget measures

Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Revenue measures						
Combined Lifetime Limit for Tuition Fee Assistance — amendment						
	2.4					
		-	230	681	1,142	2,038
		-	-	-	-	-
		-	230	681	1,142	2,038
Higher Education Loan Program — partial cost recovery						
	2.4					
		-	31	9,806	10,230	10,665
		-	-	-	-	-
		-	31	9,806	10,230	10,665
Investment in Regional University Campuses — additional study places						
	2.4					
		-	31	159	328	622
		-	-	-	-	-
		-	31	159	328	622
Response to the Independent Review into Regional, Rural and Remote Education — additional support for students (a)						
	2.4					
		-	-	74	254	573
		-	-	-	-	-
		-	-	74	254	573
Total revenue measures						
		-	292	10,720	11,954	13,898
		-	-	-	-	-
		-	292	10,720	11,954	13,898
Expense measures						
Delivering Australia's Digital Future — data sharing and release arrangements						
	All					
		-	-	-	-	-
		-	(415)	(355)	(342)	(345)
		-	(415)	(355)	(342)	(345)
Child Care Early Learning Projects — efficiencies						
	1.1					
		-	-	(2,000)	(2,000)	(2,000)
		-	-	-	-	-
		-	-	(2,000)	(2,000)	(2,000)

Table 1.2: Department of Education and Training 2018–19 Budget measures (continued)

	Program	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Australian Children's Education and Care Quality Authority — additional funding(b)	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Non-Government Reform Support Fund — additional funding (c)	1.6, 1.7					
Administered expenses		-	1,000	-	-	(958)
Departmental expenses		-	-	-	-	-
Total		-	1,000	-	-	(958)
National School Chaplaincy Programme — continuation (d)	1.7					
Administered expenses		-	-	-	-	-
Departmental expenses		-	303	303	305	307
Total		-	303	303	305	307
National Partnership Agreement on Universal Access to Early Childhood Education — extension (b) (d)	1.7					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Quality Schools — communication campaign (c)	1.7					
Administered expenses		-	2,350	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	2,350	-	-	-
Early Learning Languages Australia — expansion	1.7					
Administered expenses		-	4,177	5,021	1,470	-
Departmental expenses		-	559	419	141	-
Total		-	4,736	5,440	1,611	-
High Achieving Teachers Program (e)	1.7					
Administered expenses		nfp	nfp	nfp	nfp	nfp
Departmental expenses		nfp	nfp	nfp	nfp	nfp
Total		nfp	nfp	nfp	nfp	nfp
Australian Technology and Science Growth Plan — building Australia's Artificial Intelligence capability to support business (f)	1.7					
Administered expenses		-	220	310	350	300
Departmental expenses		-	78	78	79	79
Total		-	298	388	429	379
IT System to Support VET Student Loans — implementation (g)	2					
Administered expenses		-	-	-	-	-
Departmental expenses		-	3,550	5,157	1,696	(1,178)
Total		-	3,550	5,157	1,696	(1,178)

Table 1.2: Department of Education and Training 2018–19 Budget measures (continued)

	Program	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Delivering Australia's Digital Future — Welfare Payment Infrastructure Transformation — Tranche Three	2					
Administered expenses		-	-	-	-	-
Departmental expenses		-	1,768	-	-	-
Total		-	1,768	-	-	-
Education Services for Overseas Students - review of the annual registration charge	2					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Combined Lifetime Limit for Tuition Fee Assistance — amendment	2.4					
Administered expenses		-	409	812	832	900
Departmental expenses		-	619	1,080	1,163	1,107
Total		-	1,028	1,892	1,995	2,007
Investment in Regional University Campuses — additional study places	2.1, 2.4					
Administered expenses		2,546	8,575	20,544	37,888	55,170
Departmental expenses		-	-	-	-	-
Total		2,546	8,575	20,544	37,888	55,170
Response to the Independent Review into Regional, Rural and Remote Education — additional support for students (a)	2.1, 2.4					
Administered expenses		-	4,327	10,621	13,364	14,780
Departmental expenses		-	-	-	-	-
Total		-	4,327	10,621	13,364	14,780
National Research Infrastructure Investment Plan - implementation of Government response (c)	2.6					
Administered expenses		-	5,454	25,628	76,392	86,648
Departmental expenses		-	-	-	-	-
Total		-	5,454	25,628	76,392	86,648
Endeavour Leadership Program — efficiencies	2.7					
Administered expenses		-	(8,391)	(16,418)	(18,494)	(24,578)
Departmental expenses		-	445	551	555	566
Total		-	(7,946)	(15,867)	(17,939)	(24,012)
Industry Workforce Training program — efficiencies	2.8					
Administered expenses		-	(4,009)	(5,497)	(5,843)	(5,929)
Departmental expenses		-	-	-	-	-
Total		-	(4,009)	(5,497)	(5,843)	(5,929)
National Training System — Commonwealth Own Purpose Expenses program — efficiencies	2.8					
Administered expenses		-	(1,067)	(2,075)	(1,884)	(3,219)
Departmental expenses		-	-	-	-	-
Total		-	(1,067)	(2,075)	(1,884)	(3,219)

Table 1.2: Department of Education and Training 2018–19 Budget measures (continued)

	Program	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Unique Student Identifier Initiative — additional funding	2.8					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
More Choices for a Longer Life — skills checkpoint for older workers program — establishment	2.8					
Administered expenses		-	3,875	3,929	3,988	4,044
Departmental expenses		-	475	344	346	348
Total		-	4,350	4,273	4,334	4,392
Trades Recognition Australia — additional funding	2.8					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
VET Student Loans Ombudsman — additional resources (h)	2.8					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Adult Migrant English Program- aligning access for migrants aged under 18 years	2.8					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Managing the Skilling Australians Fund — revised implementation arrangements (i)	2.8					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Total expense measures						
Administered		2,546	16,920	40,875	106,063	125,158
Departmental		-	7,382	7,577	3,943	884
Total		2,546	24,302	48,452	110,006	126,042

Table 1.2: Department of Education and Training 2018–19 Budget measures (continued)

	Program	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Capital measures						
Trades Recognition Australia — additional funding	2					
Administered capital		-	-	-	-	-
Departmental capital		-	1,180	-	-	-
Total		-	1,180	-	-	-
Combined Lifetime Limit for Tuition Fee Assistance — amendment	2.4					
Administered capital		-	-	-	-	-
Departmental capital		-	280	-	608	-
Total		-	280	-	608	-
Endeavour Leadership Program — efficiencies	2.7					
Administered capital		-	-	-	-	-
Departmental capital		-	700	701	705	709
Total		-	700	701	705	709
Total capital measures						
Administered		-	-	-	-	-
Departmental		-	2,160	701	1,313	709
Total		-	2,160	701	1,313	709

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed in brackets are negative and represent a decrease in funds. Non-bracketed figures are positive and represent an increase in funds.

- (a) This measure has financial impacts for the Department of Social Services and Department of Human Services. Refer to the Social Services and Human Services 2018–19 Portfolio Budget Statements respectively.
- (b) This measure is reported as having a nil financial impact in the 2018–19 Budget Paper No. 2 as the funding has already been provided for by the Government.
- (c) Refer to the Education and Training 2017–18 Portfolio Supplementary Additional Estimates Statements for the 2017–18 financial year impact and to the 2018–19 Budget Paper No. 2 for the full measure impact.
- (d) The Department of the Treasury will administered payments to states and territories for this measure. Refer to the Treasury 2018–19 Portfolio Budget Statements.
- (e) The financial impact is not for publication (nfp).
- (f) The lead entity for Australian Technology and Science Growth Plan — building Australia's Artificial Intelligence capability to support business is the Department of Industry, Innovation and Science. The full measure description and package details appear in the 2018–19 Budget Paper No. 2 under the Industry, Innovation and Science portfolio.
- (g) This measure has financial impacts for the Department of Human Services. Refer to the Human Services 2018–19 Portfolio Budget Statements.
- (h) This measure has financial impacts for the Office of the Commonwealth Ombudsman. Refer to the Prime Minister and Cabinet 2018–19 Portfolio Budget Statements.
- (i) This measure has financial impacts for the Department of the Treasury. Refer to the Treasury 2018–19 Portfolio Budget Statements.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. Detailed information on expenses for each outcome and program is also provided, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for the Department of Education and Training can be found at: education.gov.au/corporate-plan

The most recent annual performance statement can be found in the Department of Education and Training Annual Report at: education.gov.au/annual-reports

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.

Programs contributing to Outcome 1

- Program 1.1: Support for the Child Care System
- Program 1.2: Child Care Benefit
- Program 1.3: Child Care Rebate
- Program 1.4: Child Care Subsidy
- Program 1.5: Government Schools National Support
- Program 1.6: Non-Government Schools National Support
- Program 1.7: Early Learning and Schools Support

The previously published 'Program 1.8: Youth Support' has ceased and does not appear in these Portfolio Budget Statements.

Linked programs

Department of Human Services
Programs
<ul style="list-style-type: none"> • Program 1.1 - Services to the Community - Social Security and Welfare
Contribution to Outcome 1 made by linked programs
The linked program contributes to Outcome 1 by administering child care payments to eligible families.
Department of the Prime Minister and Cabinet
Programs
<ul style="list-style-type: none"> • Program 2.1 - Jobs, Land and Economy • Program 2.2 - Children and Schooling
Contribution to Outcome 1 made by linked programs
The linked programs contributes to Outcome 1 by supporting school attendance, improved educational outcomes and access to further education, training and employment for Indigenous students.
Department of the Treasury
Programs
<ul style="list-style-type: none"> • Program 1.9 - National Partnership Payments to the States
Contribution to Outcome 1 made by linked programs
The linked program contributes to Outcome 1 by making National Partnership Payments to the States.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.					
Program 1.1: Support for the Child Care System					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	354,082	339,737	342,216	340,770	348,101
Total expenses for program 1.1	354,082	339,737	342,216	340,770	348,101
Program 1.2: Child Care Benefit					
Administered expenses					
Special appropriations					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	3,418,101	-	-	-	-
Total expenses for program 1.2	3,418,101	-	-	-	-
Program 1.3: Child Care Rebate					
Special appropriations					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	3,764,078	-	-	-	-
Total expenses for program 1.3	3,764,078	-	-	-	-
Program 1.4: Child Care Subsidy					
Special appropriations					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	-	7,999,545	8,679,449	9,025,259	9,533,537
Total expenses for program 1.4	-	7,999,545	8,679,449	9,025,259	9,533,537
Program 1.5: Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	1,629	4,987	8,575	12,804	14,242
Special appropriations					
<i>Australian Education Act 2013</i>	7,115,876	7,681,910	8,334,570	9,023,681	9,714,774
Total expenses for program 1.5	7,117,505	7,686,897	8,343,145	9,036,485	9,729,016

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Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$ 000	2018-19 Budget \$ 000	2019-20 Forward estimate \$ 000	2020-21 Forward estimate \$ 000	2021-22 Forward estimate \$ 000
Program 1.6: Non-Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	37,592	55,527	54,214	55,057	53,829
Special appropriations					
<i>Australian Education Act 2013</i>	11,191,698	11,773,654	12,398,605	13,090,270	13,766,736
Total expenses for program 1.6	11,229,290	11,829,181	12,452,819	13,145,327	13,820,565
Program 1.7: Early Learning and Schools Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	125,736	129,941	113,953	83,630	72,944
Other services (Appropriation Bill No. 2)	1,000	2,000	2,000	2,000	2,000
Special accounts					
SOETM - Students with Disabilities	578	-	-	-	-
Total expenses for program 1.7	127,314	131,941	115,953	85,630	74,944
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	479,818	469,678	456,169	424,400	421,045
Other services (Appropriation Bill No. 2)	40,221	62,514	64,789	69,861	70,071
Special appropriations	25,489,753	27,455,109	29,412,624	31,139,210	33,015,047
Special accounts	578	-	-	-	-
Administered total	26,010,370	27,987,301	29,933,582	31,633,471	33,506,163
Departmental expenses					
Departmental appropriation	173,440	168,914	154,582	145,932	146,274
s74 Retained revenue receipts (a)	6,415	5,532	5,532	5,532	5,532
Expenses not requiring appropriation in the Budget year (b)	13,259	13,466	13,778	14,988	14,988
Departmental total	193,114	187,912	173,892	166,452	166,794
Total expenses for Outcome 1	26,203,484	28,175,213	30,107,474	31,799,923	33,672,957

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Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$ 000	2018-19 Budget \$ 000	2019-20 Forward estimate \$ 000	2020-21 Forward estimate \$ 000	2021-22 Forward estimate \$ 000
Movement of administered (c) funds between years					
Outcome 1:					
Program 1.7 Early Learning and Schools Support	-	2,000	(2,000)	-	-
Total movement of administered funds	(1,200)	3,200	(2,000)	-	-

	2017-18	2018-19
Average staffing level (number)	890	862

- (a) Estimated expenses incurred in relation to receipts retained under s74 of the PGPA Act.
- (b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees.
- (c) Figures displayed in brackets are negative and represent a decrease in funds. Non-bracketed figures are positive and represent an increase in funds.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018–19 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.

Program 1.1: Support for the Child Care System

Objective	The program helps families to participate in the social and economic life of the community by promoting and supporting quality and affordable child care, and assisting services to improve access and inclusion for vulnerable or disadvantaged children and families, including children with disabilities and their families.
Delivery	<p>Support for the Child Care System incorporates a number of activities and payment types that are tailored to different types of child care in different circumstances to meet the above objective. From 2 July 2018, funding will be provided directly to child care services on behalf of eligible recipients.</p> <p>In 2018–19, the department will be focussed on the delivery of new child care arrangements, including the Child Care Safety Net, which involves:</p> <ul style="list-style-type: none"> • grant funding under the Community Child Care Fund, Connected Beginnings and Inclusion Support Programme, and • payment of the Additional Child Care Subsidy, a top up payment to eligible recipients of Child Care Subsidy.
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.
Measures impacting program 1.1:	
<ul style="list-style-type: none"> • Child Care Early Learning Projects — efficiencies • Australian Children's Education and Care Quality Authority — additional funding 	

Performance information 1.1 Support for the Child Care System

Year	Performance criteria	Expected achievement
2017–18	Prepare child care services and families to transition to new arrangements that apply from 2 July 2018, including launching the first round of the Community Child Care Fund and assisting services to reduce access barriers particularly in disadvantaged, regional and remote communities.	<p>Services and families will have successfully transitioned to the new child care arrangements.</p> <p>Closure plans have been implemented for the Community Support Program and the Budget Based Funded program, which ceases on 30 June 2018.</p> <p>Budget Based Funded services that do not primarily deliver child care have been supported to transition to alternative administrative arrangements which will commence on 2 July 2018. The remaining services will transition to the new child care arrangements, including access to the Child Care Subsidy, Additional Child Care Subsidy and the Community Child Care Fund.</p> <p>Community Child Care Fund grant agreements for successful funding recipients will be executed by 30 June 2018 to enable payments to be made from 2 July 2018.</p>

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Year	Performance criteria	Expected achievement
		Eligible families will be transitioned to the Additional Child Care Subsidy for 2 July 2018.
	Provide support for child care services and families so that more children access quality child care and early learning services.	<p>Inclusion Support Programme continued to build the capacity and capability of child care services to include children with additional needs.</p> <p>The review of the existing In Home Care and evaluation of the Interim Home Based Carer Subsidy Programme were completed and published on the department's website. The policy and program design for the reset In Home Care service type takes into account the outcomes of the reviews. The program guidelines have been published and the revised program will be implemented by 2 July 2018.</p> <p>The proportion of children attending child care has been maintained in priority groups:²</p> <ul style="list-style-type: none"> • 3% of Indigenous children • 22% of children from culturally and linguistically diverse backgrounds • 3% of children with disabilities.

Year	Performance criteria	Target
2018–19	Child care support is targeted to vulnerable and disadvantaged families and communities.	<ul style="list-style-type: none"> • 100% of the Child Care Safety Net supports vulnerable and disadvantaged families and communities.
2019–20 and beyond	As per 2018–19.	As per 2018–19.

² Expected achievement based on most recently published data in the 2016 *National Early Childhood Education and Care Workforce Census* report.

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Program expenses 1.1 Support for the Child Care System

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Child Care Services Support	301,880	339,650	342,216	340,770	348,101
Jobs Education and Training, Child Care Fee Assistance (JETCCFA)	36,335	-	-	-	-
Child Care Subsidy Communications Campaign	15,867	87	-	-	-
Total expenses for program 1.1	354,082	339,737	342,216	340,770	348,101

Program 1.2: Child Care Benefit

Objective	Child Care Benefit (CCB) reduces the cost barrier for families to access quality and flexible child care services.
Delivery	CCB funding is delivered through the Department of Human Services. CCB is usually paid directly to approved child care services to reduce the fees that eligible families pay. CCB is income tested with the level of support dependent on family income, the number of children in care, the hours of care, and the type of child care used. Low income families receive the highest rate of CCB. CCB will cease on 1 July 2018 and Child Care Subsidy will commence on 2 July 2018.
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.

Performance information 1.2: Child Care Benefit

Year	Performance criteria	Expected achievement
2017–18	Ensure accurate, efficient and effective management of child care fee assistance.	Expected that at least 90% of child care payments to all services are accurate. ³

Program expenses 1.2 Child Care Benefit

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Annual administered expenses:					
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	3,418,101	-	-	-	-
Total expenses for program 1.2	3,418,101	-	-	-	-

³ Payment accuracy is a defined measure based on independent actuarial assessment.

Program 1.3: Child Care Rebate

Objective	Child Care Rebate (CCR) aims to reduce the cost barrier for families to access quality and flexible child care services by providing additional financial assistance.
Delivery	CCR funding is delivered through the Department of Human Services. CCR may be paid fortnightly to approved child care services to reduce the fees that eligible families pay. CCR is not income tested so working families using approved child care can receive this assistance regardless of their income. CCR assists families to cover up to 50 per cent of out-of-pocket approved child care expenses, after Child Care Benefit (CCB) has been received, up to a maximum limit of \$7613 per child, per year. CCR will cease on 1 July 2018 and Child Care Subsidy will commence on 2 July 2018.
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.

Performance information 1.3 Child Care Rebate

Year	Performance criteria	Expected achievement
2017–18	Ensure accurate, efficient and effective management of child care fee assistance.	Expected that at least 90% of child care payments to all services are accurate. ⁴

Program expenses 1.3 Child Care Rebate

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Annual administered expenses:					
Special appropriations:					
<i>A New Tax System (Family Assistance Administration) Act 1999</i>	3,764,078	-	-	-	-
Total expenses for program 1.3	3,764,078	-	-	-	-

⁴ Payment accuracy is a defined measure based on independent actuarial assessment.

Program 1.4: Child Care Subsidy

Objective	The Child Care Subsidy (CCS) aims to improve access to quality child care by providing assistance to meet the cost of child care for families engaged in work, training, study or other recognised activity.
Delivery	CCS will replace the Child Care Benefit and Child Care Rebate from 2 July 2018. CCS will be paid directly to services through the Department of Human Services, to reduce the fees that eligible families pay. The rate of subsidy to which a family will be entitled will be based on family income. The number of subsidised hours per fortnight will be determined by families' level of work, training, study or other recognised activity (which can be combined). For families earning \$186,958 or less an annual subsidy cap will no longer apply.
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.

Performance information 1.4 Child Care Subsidy

Year	Performance criteria	Expected achievement
2017–18	Implement, and successfully transition families and services to the Child Care Subsidy and related IT system built for 2 July 2018 commencement.	Eligible families and services have been provided with the required information to transition to the new child care arrangements. The IT System will be ready for implementation on 2 July 2018.

Year	Performance criteria	Target
2018–19	Existing families transition to the new child care arrangements.	<ul style="list-style-type: none"> At least 90% of families transition to the new Child Care Subsidy.⁵
	Ensuring accurate child care payments.	<ul style="list-style-type: none"> At least 90% of child care payments to all services are accurate.⁶
2019–20 and beyond	Ensuring accurate child care payments.	<ul style="list-style-type: none"> At least 90% of child care payments to all services are accurate.⁶

Program expenses 1.4 Child Care Subsidy

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Annual administered expenses:					
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	-	7,999,545	8,679,449	9,025,259	9,533,537
Total expenses for program 1.4	-	7,999,545	8,679,449	9,025,259	9,533,537

⁵ This target takes into account families that no longer choose to or require access to child care payments, as well as changes to policy settings.

⁶ Payment accuracy is a defined measure based on independent actuarial assessment.

Program 1.5: Government Schools National Support

Objective	The program provides supplementary financial assistance to state and territory governments to facilitate the delivery of a quality education within government schools.
Delivery	<p>The Government's Quality Schools reform package provides consistent, transparent and needs-based school funding arrangements. Under the new arrangements, states and territories will be required to be party to a national schooling reform agreement to will help lift performance outcomes for Australian students.</p> <p><u>Recurrent grants – government schools</u></p> <p>Recurrent funding for all schools, both government and non-government, is delivered under the needs-based funding arrangements in the <i>Australian Education Act 2013</i> informed by the Schooling Resource Standard (SRS). The SRS includes a base amount for every primary and secondary school student plus additional loadings to target disadvantage, including loadings for:</p> <ul style="list-style-type: none"> • students with low socioeconomic status • students with disability • Aboriginal and Torres Strait Islander students • students with low English proficiency • school size • location.
Purpose	<p>Department of Education and Training Corporate Plan 2017–18:</p> <p>Maximising opportunity and prosperity through national leadership on education and training.</p>

Performance information 1.5 Government Schools National Support

Year	Performance criteria	Expected achievement
2017–18	Support state and territory governments to deliver quality student outcomes by providing a needs-based funding contribution for all eligible students in government schools.	Funding for all eligible students attending government schools provided to state and territory governments in accordance with the <i>Australian Education Act 2013</i> .

Year	Performance criteria	Target
2018–19	Lifting outcomes in Australian schools – student attainment.	<ul style="list-style-type: none"> • Lift the Year 12 (or equivalent) or Certificate III attainment rate to 90% by 2020 (<i>measured as trend towards target</i>).⁷
	Closing the Gap for Aboriginal and Torres Strait Islander students in schools.	<ul style="list-style-type: none"> • Halve the gap for Indigenous children in reading, writing and numeracy within a decade (2018).⁷ • Reduce the gap in school attendance for Indigenous students (2018).⁸ • Halve the gap in attainment rates in Year 12 or equivalent, for Indigenous people aged 20–24 by 2020 (<i>measured as trend towards target</i>).⁸

⁷ Target source: COAG Education Council, *Measurement Framework for Schooling in Australia*, May 2015. Targets from 2019 and beyond are subject to change or agreement through COAG.

⁸ Target source: *Prime Minister's Report on Closing the Gap*, 2017

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Year	Performance criteria	Target
2019–20	Lifting outcomes in Australian schools – student attainment.	As per 2018–19.
	Closing the Gap for Aboriginal and Torres Strait Islander students in schools.	<ul style="list-style-type: none"> Reduce the gap for Indigenous students in Year 12 or equivalent attainment rate by 2020.⁹
2020–21 and beyond	As per 2019–20.	As per 2019–20.

Program expenses 1.5 Government Schools National Support

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Additional Support for Northern Territory	1,629	4,987	8,575	12,804	14,242
Special appropriations:					
<i>Australian Education Act 2013</i>	7,115,876	7,681,910	8,334,570	9,023,681	9,714,774
Total expenses for program 1.5	7,117,505	7,686,897	8,343,145	9,036,485	9,729,016

⁹ Target source: *Prime Minister's Report on Closing the Gap, 2017*

Program 1.6: Non-Government Schools National Support

Objective	The program provides financial assistance to approved authorities for non-government schools to facilitate the delivery of a quality education within non-government schools.
Delivery	<p>The Government's Quality Schools reform package provides consistent, transparent and needs-based school funding arrangements. Under the new arrangements, states and territories will be required to be party to a national schooling reform agreement to help lift performance outcomes for Australian students.</p> <p><u>Recurrent grants – non-government schools</u></p> <p>Recurrent funding for all schools, both government and non-government, is delivered under the needs-based funding arrangements in the <i>Australian Education Act 2013</i> informed by the Schooling Resource Standard (SRS). The SRS includes a base amount for every primary and secondary school student plus additional loadings to target disadvantage, including loadings for:</p> <ul style="list-style-type: none"> • students with low socioeconomic status • students with disability • Aboriginal and Torres Strait Islander students • students with low English proficiency • school size • location. <p>Recurrent funding for non-government schools supplements funding raised by schools from other sources. The base per-student amount is discounted by the capacity of non-government school communities to contribute towards the operating costs of the school.</p> <p><u>Transition support</u></p> <p>Additional funding will be provided over 2018–2027 to ensure a smooth transition to the new arrangements. This includes additional financial assistance in 2018 for individual independent schools with low growth or reductions, support for schools with negative growth through the National Adjustment Assistance Fund and targeted support for non-government schools in the Australian Capital Territory. Additional funding will also be provided for non-government schools that had the socioeconomic status (SES) scores calculated through a system-weighted average approach in 2017 while the National School Resourcing Board reviews the methodology to calculate school SES scores.</p> <p><u>Non-government representative bodies</u></p> <p>Funding is provided to state and territory Catholic Education Commissions and Associations of Independent Schools as approved non-government representative bodies. The funding is provided to assist with implementation of national reforms in non-government schools.</p> <p><u>Capital Grants Program</u></p> <p>Capital funding is provided to assist non-government school communities to improve school capital infrastructure, particularly for the most educationally-disadvantaged students. Capital grants are supplementary to funding provided by school communities and non-government school authorities. These bodies have primary responsibility for providing, maintaining and upgrading their school facilities.</p> <p><u>Special Circumstances Funding</u></p> <p>Special circumstances funding is provided under the <i>Australian Education Act 2013</i> to provide financial assistance to schools that are experiencing unexpected circumstances causing severe, temporary financial difficulty.</p>
Purpose	<p>Department of Education and Training Corporate Plan 2017–18:</p> <p>Maximising opportunity and prosperity through national leadership on education and training.</p>
<p>Measures impacting program 1.6:</p> <ul style="list-style-type: none"> • Non-Government Reform Support Fund — additional funding 	

Performance information 1.6 Non-Government Schools National Support

Year	Performance criteria	Expected achievement
2017–18	Support non-government education authorities to deliver quality student outcomes by providing a needs-based funding contribution for all eligible students in non-government schools.	Funding for all eligible students attending non-government schools provided to approved authorities in accordance with the <i>Australian Education Act 2013</i> .

Year	Performance criteria	Target
2018–19	As per Program 1.5.	As per Program 1.5.
2019–20 and beyond	As per Program 1.5.	As per Program 1.5.

Program Expenses 1.6 Non-Government Schools National Support

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Non-Government Representative Bodies	24,228	41,794	40,013	40,013	40,013
Special Circumstances Funding (a)	1,539	1,561	1,584	1,608	1,632
Adjustment Assistance	11,825	12,172	12,617	13,436	12,184
Special appropriations					
<i>Australian Education Act 2013</i>	11,191,698	11,773,654	12,398,605	13,090,270	13,766,736
Total expenses for program 1.6	11,229,290	11,829,181	12,452,819	13,145,327	13,820,565

(a) Previously published as Short Term Emergency Assistance, known as Special Circumstances Funding as per the *Australian Education Act 2013*.

Program 1.7: Early Learning and Schools Support

Objective	This program supports initiatives that contribute to improved access to high quality teaching and learning in early learning and school education for all Australian students.
Delivery	<p>This program supports national leadership and work in partnerships with state and territory governments and non-government education authorities, the Australian Curriculum, Assessment and Reporting Authority (ACARA), the Australian Institute for Teaching and School Leadership (AITSL) and Education Services Australia (ESA) through various platforms, such as Education Council, to implement priority initiatives.</p> <p>Priority initiatives include:</p> <ul style="list-style-type: none"> • supporting early learning preschool programs to facilitate children’s transition to full-time school • measuring educational outcomes through national assessments and international benchmarking and building the national evidence base to inform decision making • supporting students to successfully transition to further education, training or work by ensuring they gain the skills required for the jobs of the future through the development of a National Career Education Strategy • implementing science, technology, engineering and mathematics (STEM) initiatives, including the Pathways in Technology (P-TECH) pilot • supporting disadvantaged students through the Learning for Life program.
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.
<p>Measures impacting program 1.7:</p> <ul style="list-style-type: none"> • National School Chaplaincy Programme — continuation • National Partnership Agreement on Universal Access to Early Childhood Education — extension • Quality Schools — communication campaign • Early Learning Languages Australia — expansion • High Achieving Teachers Program • Australian Technology and Science Growth Plan — building Australia’s Artificial Intelligence capability to support business 	

Performance information 1.7 Early Learning and Schools Support

Year	Performance criteria	Expected achievement
2017–18	<p><u>Preschool</u></p> <p>Facilitate children’s early learning and development and transition to school, by maintaining universal access to, and improving participation in, affordable, quality early childhood education programs for all children.¹⁰</p>	<p><u>Preschool</u></p> <p>100% of children were enrolled in the year before full-time school in quality early childhood education program(s).¹⁰</p> <p>100% of Indigenous children were enrolled in the year before full-time school in quality early childhood education program(s).¹⁰</p> <p>96% of enrolled children were enrolled in the year before full-time school, in quality early childhood education program(s) for 600 hours per year.¹⁰</p>

¹⁰ Targets as set, and performance calculated in accordance with, the National Partnership Agreement on Universal Access to Early Childhood Education.

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Year	Performance criteria	Expected achievement
		97% of enrolled Indigenous children were enrolled in the year before full-time school, in quality early childhood education program(s) for 600 hours per year. ¹¹
	<u>School</u> The department works collaboratively with government and non-government sectors and stakeholders to improve the quality of school education for all Australian students.	<u>School</u> Expected to demonstrate progress against the key performance indicators in the <i>Measurement Framework for Schooling in Australia 2015</i> . ¹²

Year	Performance criteria	Target
2018–19	<u>Preschool</u> Universal access to quality early childhood education.	<u>Preschool</u> <ul style="list-style-type: none"> • 95% of Indigenous children enrolled in early childhood education in the year before full-time school are enrolled for 600 hours per year.¹³ • 95% of vulnerable and disadvantaged children enrolled in the year before full-time school are enrolled for 600 hours per year.¹³
	<u>School</u> As per Program 1.5.	<u>School</u> As per Program 1.5.
2019–20 and beyond	As per 2018–19.	As per 2018–19.

¹¹ Targets as set, and performance calculated in accordance with, the National Partnership Agreement on Universal Access to Early Childhood Education.

¹² Details will be published in the *Department of Education and Training 2017–18 Annual Report*.

¹³ Target as set under the National Partnership Agreement on Universal Access to Early Childhood Education.

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Program expenses 1.7 Early Learning and Schools Support

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Early Development Census	10,381	10,581	4,408	12,180	10,309
Australian Government Response to TEMAG	4,100	3,700	-	-	-
Boost the Learning for Life Program	10,100	13,800	18,400	-	-
Early Learning Languages Australia (ELLA)	1,622	4,177	5,021	1,470	-
Educating Against Domestic Violence	2,057	-	-	-	-
English Language Learning for Indigenous Children (ELLIC)	803	3,305	1,204	571	-
Flexible Literacy Learning for Remote Primary Schools	5,420	300	-	-	-
Grants and Awards	1,353	1,353	1,373	1,394	1,415
Helping Children with Autism	5,818	5,899	5,988	6,078	6,169
Inspiring all Australians in Digital Literacy and STEM	16,496	16,343	15,350	-	-
Maths and Science Participation	1,000	-	-	-	-
National Assessment Reform	-	2,200	2,200	2,200	2,200
National Schools Reform	14,020	19,905	17,390	15,993	12,286
National School Resourcing Board	295	813	937	953	968
Quality Outcomes	35,218	34,980	37,412	40,579	39,597
Quality Schools Communication	3,650	2,350	-	-	-
Science, Technology, Engineering and Mathematics (STEM)	4,875	1,617	625	67	-
Teach for Australia	7,028	7,118	2,145	2,145	-
Universal Access	1,500	1,500	1,500	-	-
Other services (Appropriation Bill No. 2)					
Literacy Support for Tasmanian Students	1,000	2,000	2,000	2,000	2,000
Special account expenses:					
SOETM - Students with Disabilities	578	-	-	-	-
Total expenses for program 1.7	127,314	131,941	115,953	85,630	74,944

2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.

Programs contributing to Outcome 2

- Program 2.1: Commonwealth Grant Scheme
- Program 2.2: Higher Education Superannuation Program
- Program 2.3: Higher Education Support
- Program 2.4: Higher Education Loan Program
- Program 2.5: Investment in Higher Education Research
- Program 2.6: Research Capacity
- Program 2.7: International Education Support
- Program 2.8: Building Skills and Capability

Linked programs

<p>Australian Trade and Investment Commission (Austrade)</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Promotion of Australia's export and other international economic interests
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by promoting the Australian education and training sector in international markets.</p>
<p>Department of Foreign Affairs and Trade</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.6 - New Colombo Plan - Transforming Regional Relationships • Program 1.7 - Public Information Services and Public Diplomacy
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked programs contribute to Outcome 2 by promoting international education through advocacy and coordination roles at overseas missions.</p>
<p>Department of Home Affairs</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 2.3 - Visas
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by supporting a sustainable international education sector through administering student visas.</p>

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Department of Human Services
Programs <ul style="list-style-type: none">• Program 1.1 - Services to the Community - Social Security and Welfare
Contribution to Outcome 2 made by linked programs <p>The linked program contributes to Outcome 2 by making payments to eligible job seekers and recent migrants participating in foundation skills programs.</p>
Department of Social Services
Programs <ul style="list-style-type: none">• Program 1.11 - Student Payments
Contribution to Outcome 2 made by linked programs <p>The linked program contributes to Outcome 2 by providing financial support to individuals and families to undertake further education and training. This also includes enhancing educational outcomes for Australian Indigenous students by increasing their access and participation in further education.</p>
Department of the Prime Minister and Cabinet
Programs <ul style="list-style-type: none">• Program 2.1 - Jobs, Land and Economy• Program 2.2 - Children and Schooling
Contribution to Outcome 2 made by linked programs <p>The linked programs contributes to Outcome 2 by supporting school attendance, improved educational outcomes and access to further education, training and employment for Indigenous students.</p>
Department of the Treasury
Programs <ul style="list-style-type: none">• Program 1.9 - National Partnership Payments to the States
Contribution to Outcome 2 made by linked programs <p>The linked program contributes to Outcome 2 by making National Partnership Payments to the States.</p>

Budgeted expenses for Outcome 2

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 2

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.					
Program 2.1: Commonwealth Grant Scheme					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	6,992,977	7,061,901	7,170,630	7,289,541	7,406,952
Total expenses for program 2.1	6,992,977	7,061,901	7,170,630	7,289,541	7,406,952
Program 2.2: Higher Education Superannuation Program					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	245,592	238,660	230,066	220,355	209,398
Total expenses for program 2.2	245,592	238,660	230,066	220,355	209,398
Program 2.3: Higher Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	24,751	21,152	21,305	17,470	13,673
Special appropriations					
<i>Higher Education Support Act 2003</i>	393,637	429,572	389,504	512,989	459,541
Special accounts					
Education Investment Fund - Higher Education	2,000	-	-	-	-
Total expenses for program 2.3	420,388	450,724	410,809	530,459	473,214
Program 2.4: Higher Education Loan Program					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	1,204,800	1,165,259	1,195,359	1,224,875	1,246,756
<i>VET Student Loans Act 2016</i>	191,144	251,333	268,012	275,243	276,892
Total expenses for program 2.4	1,395,944	1,416,592	1,463,371	1,500,118	1,523,648

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Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Program 2.5: Investment in Higher Education Research					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	1,943,204	1,940,267	2,017,404	2,100,279	2,148,562
Total expenses for program 2.5	1,943,204	1,940,267	2,017,404	2,100,279	2,148,562
Program 2.6: Research Capacity					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	421,767	162,472	185,605	240,080	254,435
Special appropriations					
<i>Higher Education Support Act 2003</i>	5,346	5,447	5,562	5,194	5,309
Payments to corporate entities (a)(b)	16,318	-	-	-	-
Total expenses for program 2.6	443,431	167,919	191,167	245,274	259,744
Program 2.7: International Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	49,832	38,316	35,307	33,230	27,146
Special accounts					
Overseas Student Tuition Fund	9,592	8,499	8,528	8,560	8,988
Total expenses for program 2.7	59,424	46,815	43,835	41,790	36,134
Program 2.8: Building Skills and Capability					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,096,689	1,113,404	1,061,427	1,064,775	1,068,876
Special appropriations					
<i>Trade Support Loans Act 2014</i>	73,352	71,211	73,460	75,775	78,213
Special accounts					
Growth Fund Skills and Training (c)	21,436	16,486	15,521	-	-
Total expenses for program 2.8	1,191,477	1,201,101	1,150,408	1,140,550	1,147,089
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,593,039	1,335,344	1,303,644	1,355,555	1,364,130
Special appropriations	11,050,052	11,163,650	11,349,997	11,704,251	11,831,623
Special accounts	33,028	24,985	24,049	8,560	8,988
Payments to corporate entities (a)	16,318	-	-	-	-
Administered total	12,692,437	12,523,979	12,677,690	13,068,366	13,204,741

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Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Departmental expenses					
Departmental appropriation	183,039	175,355	170,366	167,824	165,238
s74 Retained revenue receipts (a)	7,531	6,495	6,495	6,495	6,495
Special appropriations					
Special accounts	521	5,981	5,837	5,279	5,195
Expenses not requiring appropriation in the Budget year (b)	30,223	21,141	20,835	22,647	22,647
Departmental total	221,314	208,972	203,533	202,245	199,575
Total expenses for Outcome 2	12,913,751	12,732,951	12,881,223	13,270,611	13,404,316

	2017–18	2018–19
Average staffing level (number)	927	897

- (a) Further information on payments to corporate entities can be found in the 'Third Party Payments' section of Table 1.1: Department of Education and Training Resource Statement.
- (b) This reflects the 19 April 2018 Administrative Arrangements Order transfer of the Australian Institute for Aboriginal and Torres Strait Islander Studies from this portfolio to the Prime Minister and Cabinet Portfolio.
- (c) This special account is funded by Annual Appropriation Bill (No. 1) and receipts from independent sources.
- (d) Estimated expenses incurred in relation to receipts retained under s74 of the PGPA Act.
- (e) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees.
- (f) Figures displayed in brackets are negative and represent a decrease in funds. Non-bracketed figures are positive and represent an increase in funds.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

Performance criteria for Outcome 2

This section details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2018–19 Budget measures have created new programs or materially changed existing programs.

Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.

Program 2.1: Commonwealth Grant Scheme

Objective	<p>A highly skilled workforce and educated community is important for economic productivity and social wellbeing. The Commonwealth Grant Scheme (CGS) contributes to achieving this objective through:</p> <ul style="list-style-type: none"> • making a direct contribution to the cost of educating Commonwealth supported students enrolled in undergraduate and postgraduate degrees • increasing the number of regional students participating in higher education by providing additional funding to regional universities to meet the higher costs associated with delivery of higher education in regional locations • supporting educationally disadvantaged students to prepare for and successfully complete higher education through funding for enabling courses • meeting medical workforce training needs through the provision of targeted support for initial-entry medical programs.
Delivery	<p>The CGS subsidises the tuition costs for higher education students enrolled in undergraduate and selected postgraduate degrees at public universities. CGS funding also supports a limited number of student places in designated national priority areas at other higher education providers.</p> <p>The Government provides funding to universities, in instalments, for domestic students enrolled in a bachelor degree at a public university. This funding reduces the direct cost to students in Commonwealth supported places.</p> <p>Limited funding is also provided for students enrolled in a sub-degree and postgraduate degree programs based on an agreed amount in Funding Agreements with public universities.</p>
Purpose	<p>Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.</p>
<p>Measures impacting program 2.1:</p> <ul style="list-style-type: none"> • Investment in Regional University Campuses — additional study places • Response to the Independent Review into Regional, Rural and Remote Education — additional support for students 	

Performance information 2.1 Commonwealth Grant Scheme

Year	Performance criteria	Expected achievement
2017–18	Government makes a direct contribution to the cost of higher education to provide equitable access and support Australia's intellectual and economic development.	All domestic students accepted into bachelor programs at public universities were able to access Commonwealth supported places.

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Year	Performance criteria	Target
2018–19	Creating a highly skilled workforce and educated community.	<ul style="list-style-type: none"> The proportion of the 20–34 year old population with a tertiary qualification is stable or increases from previous year. The rate of attrition for domestic bachelor students is less than 15%. At least 85% of undergraduates are employed within four months of completing degree.
2019–20 and beyond	As per 2018–19.	As per 2018–19.

Program expenses 2.1 Commonwealth Grant Scheme

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Cluster Fund and Place Loadings	6,921,125	6,988,826	7,096,093	7,213,326	7,328,985
Regional Loading	71,852	73,075	74,537	76,215	77,967
Total expenses for program 2.1	6,992,977	7,061,901	7,170,630	7,289,541	7,406,952

Program 2.2: Higher Education Superannuation Program

Objective	The program provides supplementary funding to assist eligible universities to meet certain superannuation expenses for eligible current and former university employees who are members of identified state government emerging cost superannuation schemes. Cost-share arrangements are in place with relevant state governments and a proportion of Higher Education Superannuation Program (HESP) funding is recovered from these states as a result of their historical responsibilities for funding higher education. These schemes have been closed to new members for some time but are still active for existing members.
Delivery	The program is demand driven. Funding is paid to eligible universities in instalments based on verified annual claims for payment. University claims are based on the emerging costs charged by the identified state government emerging cost superannuation funds for payments to eligible retirees. Funding is administered in accordance with the <i>Higher Education Support Act 2003 Other Grants Guidelines (Education) 2012</i> .
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.

Performance information 2.2 Higher Education Superannuation Program

Year	Performance criteria	Expected achievement
2017–18	The department works with eligible universities to provide payments to meet certain superannuation expenses for eligible current and former university employees.	Superannuation payments to all eligible universities were paid and processed in a timely manner.

Year	Performance criteria	Target
2018–19	Eligible current and former university employees receive support for certain superannuation expenses.	<ul style="list-style-type: none"> All 27 eligible universities are able to meet specified superannuation expenses.¹⁴
2019–20 and beyond	As per 2018–19.	As per 2018–19.

Program expenses 2.2 Higher Education Superannuation Program

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Superannuation Program	245,592	238,660	230,066	220,355	209,398
Total expenses for program 2.2	245,592	238,660	230,066	220,355	209,398

¹⁴ To be eligible to receive a grant for superannuation liabilities under the program, the university must be a Table A provider under the *Higher Education Support Act 2003* and have staff who are members of one of the emerging cost schemes identified in the guidelines.

Program 2.3: Higher Education Support

Objective	The program aims to ensure the quality of our higher education system is maintained and improved, including improving the quality of training for teachers of mathematics and science. The program also aims to improve access to, and the education outcomes for, students from disadvantaged backgrounds.
Delivery	<p><u>Quality in learning and teaching</u></p> <p>The program includes a range of activities that focus on quality, promote the enhancement of learning and teaching, and provide better information for student choice, including:</p> <ul style="list-style-type: none"> • administering the Quality Indicators for Learning and Teaching (QILT), which is delivered through the QILT website and captures and publishes data on the student life-cycle from commencement to employment • supporting for the ongoing operations of quality National Institutes • supporting the quality and teaching of mathematics and science through grants • improving the quality of PhD student research training, and supporting more women into STEM careers, through research based industry internships. <p><u>Access and participation in higher education</u></p> <p>The program includes a range of activities to improve access to and participation in higher education, including:</p> <ul style="list-style-type: none"> • improving access to, and participation and success in higher education for, students from low socioeconomic status backgrounds through the Higher Education Participation and Partnerships Program • removing barriers to access and participation by students with disability by providing specialised equipment (Higher Education Disability Support Program) and providing a national network of regionally based officers to assisting in the transition from school to tertiary education and employment (National Disability Coordination Officer Program) • supporting regional and remote access to higher education, by establishing Regional Study Hubs and offering Rural and Regional Enterprise Scholarships in STEM studies.
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.

Performance information 2.3 Higher Education Support

Year	Performance criteria	Expected achievement
2017–18	A focus on quality and informed student choice is maintained in the higher education system.	In 2017, 80% of undergraduate students rated the teaching quality at their institution positively. Future earnings data will be made available on the Quality Indicators for Learning and Teaching website in 2018.
	Increase student participation in higher education, including by previously under-represented groups.	In 2017, there will be at least 127,000 undergraduate students from low socioeconomic backgrounds, up from 125,000 in 2016 and representing 16.1% of all students (16.0% in 2016). ¹⁵ Indigenous students will increase to 19,400 in 2017, up from 17,800 in 2016 and representing 1.8% of all students (1.7% in 2016).

¹⁵ Measured at the Statistical Area Level 1, as defined by the ABS.
<http://www.abs.gov.au/ausstats/abs@.nsf/mf/1270.0.55.001>

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Year	Performance criteria	Expected achievement
	Rural and Regional Enterprise Scholarships support participation in higher education by regional and remote students.	In 2017–18, 574 scholarships accepted. On track to reach cumulative total of 1200 awarded by 2020–21.

Year	Performance criteria	Target
2018–19	Improving participation in higher education for students from previously disadvantaged groups.	<ul style="list-style-type: none"> • At least 18% of domestic undergraduates are from a low socioeconomic background (based on postcode).¹⁶ • At least 16% of domestic undergraduates are from a low socioeconomic background (based on Statistical Area level 1).¹⁵ • At least 2% of higher education students are Indigenous.¹⁷
	Maintaining the quality of higher education	<ul style="list-style-type: none"> • At least 80% of undergraduate students rate the teaching quality at their institution positively • At least 85% of employers are satisfied with the skills of graduates (overall across all skills).
2019–20 and beyond	As per 2018–19.	As per 2018–19.

¹⁶ Measured at the postcode level, as defined by the ABS.
<http://www.abs.gov.au/ausstats/abs@.nsf/mf/2033.0.55.001>

¹⁷ The target represents growth from the 2017–18 level of 1.8 per cent.

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Program expenses 2.3 Higher Education Support

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
National Disability Coordination Officer	4,309	4,309	4,370	4,435	4,502
Quality Indicators for Learning and Teaching	8,842	8,843	8,935	9,035	9,171
Rural and Regional Enterprise Scholarships	4,000	8,000	8,000	4,000	-
Teaching Awards - Universities Australia	600	-	-	-	-
Menzies Institute and Library	7,000	-	-	-	-
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Central Coast Health and Wellbeing Precinct	1,250	2,500	2,500	2,500	2,500
Disability Support Program	7,445	7,572	7,724	7,897	8,079
Diversity and Structural Reform	7,000	-	-	-	-
Higher Education Partnerships and Participation Program	138,321	156,593	108,783	187,021	197,989
Improved Support for Regional Universities	-	9,974	2,199	2,249	2,301
Jobs and Growth in Tasmania	10,000	20,000	30,000	80,000	10,000
National Institutes	218,905	222,630	227,085	232,197	237,535
Promotion of Excellence in Learning and Teaching in Higher Education	3,621	-	-	-	-
Quality Initiatives	495	503	513	525	537
Supporting more women into STEM Careers (AMSI Intern)	6,600	9,200	10,100	-	-
Teaching Awards - Universities Australia	-	600	600	600	600
Special account expenses:					
Education Investment Fund - Higher Education	2,000	-	-	-	-
Total expenses for program 2.3	420,388	450,724	410,809	530,459	473,214

Program 2.4: Higher Education Loan Program

Objective	The program aims to remove the up-front cost barriers to tertiary education and training in order to increase access and participation. This is achieved through the provision of income contingent loans for students undertaking higher education courses and in certain higher level vocational education and training (VET) courses.
Delivery	<p>The program is delivered through the following activities:</p> <ul style="list-style-type: none"> • HECS-HELP—provides loans to eligible Commonwealth supported higher education students to pay their student contributions • FEE-HELP—provides loans to eligible fee-paying higher education students to pay all or part of their tuition fees • OS-HELP—provides loans to eligible Commonwealth supported higher education students who wish to undertake some of their Australian course of study overseas • SA-HELP—provides loans to eligible higher education students to pay Student Services and Amenities Fees charged by their higher education providers • VET-FEE-HELP—provides loans to eligible students to pay all or part of their tuition fees for VET accredited diploma, advanced diploma, graduate certificate and graduate diploma courses. The VET-FEE-HELP scheme closed to new students on 31 December 2016 and is only accessible to students who are grandfathered within the scheme to complete their studies • VET Student Loans—provides loans to eligible students to pay for all or part of tuition fees for eligible higher level VET courses, subject to loan caps for each eligible course and fee limits for approved providers. VET Student Loans commenced on 1 January 2017, replacing VET-FEE-HELP. <p>Student HELP loan amounts are paid by the Government directly, in instalments, to approved providers on a demand-driven basis for all domestic students who have accessed a HELP loan.</p> <p>Repayment of debt commences once an individual's HELP repayment income reaches a prescribed level. Repayments are made to the Australian Taxation Office through the taxation system.</p>
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.
<p>Measures impacting program 2.4:</p> <ul style="list-style-type: none"> • Combined Lifetime Limit for Tuition Fee Assistance — amendment • Investment in Regional University Campuses — additional study places • Response to the Independent Review into Regional, Rural and Remote Education — additional support for students 	

Performance information 2.4 Higher Education Loan Program

Year	Performance criteria	Expected achievement
2017–18	Growth in access to higher education and eligible VET courses for students who may have been otherwise deterred by upfront costs – as evidenced by growth in HELP loans.	<p>The expected number of Australians accessing HELP loans:</p> <ul style="list-style-type: none"> • 555,200 Commonwealth supported places for which HECS-HELP loans paid • 83,500 fee paying places for which FEE-HELP loans paid • 15,900 OS-HELP loans to assist students to undertake some of their course overseas • 492,000 SA-HELP loans to assist students to pay their services and amenities fees.

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Year	Performance criteria	Expected achievement
	HELP debts are affordable for both students and the community.	Average amount of outstanding HELP debt expected: \$21,500. Average number of years to repay HELP debt expected: 8.2 years. Debt not expected to be repaid: 17%.
	VET students have improved employment prospects as training choices are better aligned with industry needs.	Proportion of VET Student Loans students studying for job or business-related reasons expected to be 60% (against target of 80%). ¹⁸

Year	Performance criteria	Target
2018–19	Tertiary education is affordable for students and the community.	<u>HELP</u> <ul style="list-style-type: none"> The proportion of debt not expected to be repaid is stable or reduces from the previous year.
	VET training choices are better aligned with industry needs.	<u>VET Student Loans</u> <ul style="list-style-type: none"> The proportion of students surveyed that report studying for business or job related reasons remains stable or increases from the previous year.
2019–20 and beyond	As per 2018–19	As per 2018–19.

Program expenses 2.4 Higher Education Loan Program

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Loan Program	1,204,800	1,165,259	1,195,359	1,224,875	1,246,756
<i>VET Student Loans Act 2016</i>					
VET Student Loans	191,144	251,333	268,012	275,243	276,892
Total expenses for program 2.4	1,395,944	1,416,592	1,463,371	1,500,118	1,523,648

¹⁸ This is the result of a shift from students studying for job-related reasons to students studying to get into another course of study (approximately 20 per cent), consistent with the high volume of VET Student Loan students in courses with a direct pathway to a degree level course. This shift is accompanied by a reduction in students studying for personal reasons.

Program 2.5: Investment in Higher Education Research

Objective	The Australian Government is committed to a world-class research system, that encourages innovation and economic growth. Quality collaboration, engagement, diversity, impact and sustainability are the key priorities for the Government and drive its investment in Australian research and research capacity.
Delivery	The program is delivered through annual research block grants to eligible Australian higher education providers to support: <ul style="list-style-type: none"> • their research activities and ensure the delivery of a world-class research system • the research training of higher degree by domestic and international research students and meet the skills needs of the Australian and international research community. Together with competitive research grants and world-class infrastructure, research block grants will support Australia's high performing research system.
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.

Performance information 2.5 Investment in Higher Education Research

Year	Performance criteria	Expected achievement
2017–18	The performance of the block grants in supporting the university research system will be measured in terms of capacity, quality, collaboration, student completions and student employability.	Australian universities continue to be ranked highly in measures such as research outputs and international research rankings. In 2017, 84.4% of higher degree by research students were satisfied with their degree, and 90.6% were employed within four months of completing their degree and earned a median annual salary of \$87,800.

Year	Performance criteria	Target
2018–19	Australian universities continue to rank highly in research excellence.	Australia's share of the world's top 10% most highly-cited research publications remains above the OECD average
	Research postgraduates continue to have high employability.	At least 90% of research postgraduates are employed within four months of completing their degree.
	More Indigenous Australians attain higher degrees by research.	Indigenous higher degree by research (HDR) completions, as a proportion of all domestic HDR completions, increases from the previous year.
2019–20 and beyond	As per 2018–19.	As per 2018–19.

Program expenses 2.5 Investment in Higher Education Research

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Special appropriations:					
Higher Education Support Act 2003					
Research Support Program	923,709	903,425	959,816	1,018,879	1,042,302
Research Training Program	1,019,495	1,036,842	1,057,588	1,081,400	1,106,260
Total expenses for program 2.5	1,943,204	1,940,267	2,017,404	2,100,279	2,148,562

Program 2.6: Research Capacity

Objective	Research advances our knowledge and drives our potential for innovation, economic competitiveness and social change. The program aims to increase the production, use and awareness of research knowledge and to improve collaboration between government, industry and the research sector in the production of research knowledge.
Delivery	The program invests in Australia's research capacity by providing financial support to organisations, including universities, learned academies and other research organisations. Activities under this program include: <ul style="list-style-type: none"> • supporting the costs of operating capabilities, and updating associated research infrastructure, funded through grants under the National Collaborative Research Infrastructure Strategy (NCRIS) • supporting training of specialised cyber security professionals in Academic Centres of Cyber Security Excellence (ACCSE) in Australian universities • promoting the central role of research, science and technology, including through funding provided to Australia's learned academies and other organisations under the Higher Education Research Promotion (HERP) scheme • improved measurement of educational outcomes through creation of the National Education Evidence Base (NEEB) to inform decision making.
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.
Measures impacting program 2.6:	
<ul style="list-style-type: none"> • National Research Infrastructure Investment Plan — implementation of Government response 	

Performance information 2.6 Research Capacity

Year	Performance criteria	Expected achievement
2017–18	Australia's learned academies provide the Government and the Australian community with access to quality, independent advice informed by the latest research and scientific evidence on national and international matters.	Australia's learned academies delivered a range of submissions and reports that provided cutting edge research and advice to the government and private sector. In addition, over 54,000 attendees participated in research based awareness activities delivered by Australia's learned academies.
	NCRIS network research infrastructure provides services to researchers from the public and private sectors.	NCRIS network is used by 36,000 researchers.

Year	Performance criteria	Target
2018–19	Investments are prioritised to ensure researchers have access to the resources needed to undertake world-class research.	At least 85% of research conducted by Australian universities and related to priority investment areas is rated as world standard or above. At least 90% of researchers report access to NCRIS facilities and projects improved research quality and outputs.
2019–20 and beyond	As per 2018–19.	As per 2018–19.

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Program expenses 2.6 Research Capacity

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Commonwealth - ANU Strategic Relationships	500	-	-	-	-
National Collaborative Research Infrastructure Strategy	421,267	162,472	185,605	240,080	254,435
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Academic Centres of Cyber Security Excellence	470	479	489	-	-
Higher Education Research Promotion	4,876	4,968	5,073	5,194	5,309
Payments to Corporate Entities (a)					
AIATSIS (b)	16,318	-	-	-	-
Total expenses for program 2.6	443,431	167,919	191,167	245,274	259,744

- (a) Further information on payments to corporate entities can be found in the 'Third Party Payments' section of Table 1.1: Department of Education and Training Resource Statement.
- (b) This reflects the 19 April 2018 Administrative Arrangements Order transfer of the Australian Institute for Aboriginal and Torres Strait Islander Studies from this portfolio to the Prime Minister and Cabinet Portfolio.

Program 2.7: International Education Support

Objective	International education is increasingly important to Australia's prosperity and our engagement with the world. The program aims to support the sustainable growth of Australia's high quality international education, training and research through strong government-to-government engagement, international mobility, strategic policy and legislation.
Delivery	<p>The <i>National Strategy for International Education 2025</i> sets a ten-year vision for Australian international education and provides a framework of priorities to sustainably grow the sector, while maintaining Australia's reputation for high quality. The program delivers this vision through the following activities:</p> <ul style="list-style-type: none"> • big picture projects that develop Australia's role as a global leader in education, training and research through the Enabling Growth and Innovation program • individual and institutional grants to support in-bound and out-bound students, researchers and professionals to undertake projects and study exchanges through the Endeavour program • government-to-government engagement including bilateral working groups and multilateral agreements to facilitate institutional relationships, student and researcher mobility, and strengthen Australia's position in the highly competitive global international education marketplace • policy and legislation for international students to receive an effective, risk-based, quality assured education, including consumer protection underpinned by the <i>Education Services for Overseas Students Act 2000</i>.
Purpose	Department of Education and Training Corporate Plan 2017–18: Maximising opportunity and prosperity through national leadership on education and training.
Measures impacting program 2.7:	
<ul style="list-style-type: none"> • Endeavour Leadership Program — efficiencies 	

Performance information 2.7 International Education Support

Year	Performance criteria	Expected achievement
2017–18	Build strategic connections that benefit both international and Australian students and lead to enduring relationships with other nations to support world-class education and research.	The department's International Counsellor Network has been re-positioned to focus on key priority markets, including by establishing a new post in Mexico City.
	National Strategy for International Education supports a range of activities to enhance international education's contribution to Australia's economic prosperity and social well-being.	Eight projects to advance the objectives of the National Strategy will have been rolled out in 2017–18.

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Year	Performance criteria	Target
2018–19	Sustainably grow Australia's international education sector by maintaining quality and increasing diversity.	<ul style="list-style-type: none"> • Average annual growth rate of 3% to 5% in international education export earnings. • At least 85% of international students are satisfied or very satisfied with studying and living in Australia.¹⁹ • At least 60% of international students employed or enrolled in further study after graduation • Maintain positive growth in the number of students enrolled in offshore and transnational education and training delivered by Australian providers.
2019–20 and beyond	As per 2018–19.	As per 2018–19.

Program expenses 2.7 International Education Support

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
International Education Support	49,832	38,316	35,307	33,230	27,146
Special account expenses:					
Overseas Student Tuition Fund	9,592	8,499	8,528	8,560	8,988
Total expenses for program 2.7	59,424	46,815	43,835	41,790	36,134

¹⁹ Target applies in 2018–19 and 2020–21 (biennial survey).

Program 2.8: Building Skills and Capability

Objective	The Australian Government is working to create an effective and efficient skills and training system that is industry led and delivers the skills Australian employers need. Building skills and capabilities is central to Australia's economic growth, competitiveness, and business productivity. The national training system provides employees or potential employees with the skills and capabilities required for a job or pathway into a job.
Delivery	<p>Industry competitiveness</p> <p>This program component facilitates training to ensure Australian businesses' competitiveness in domestic and global markets. The Industry Skills Fund (ISF) provided employers with training grants in priority areas and in other industries that are focused on growth opportunities. The ISF is a co-contribution reimbursement funding model.</p> <p>The ISF closed to new applications on 31 December 2016. The ISF will continue to deliver assistance to businesses already participating until 30 June 2019.</p> <p>Skills development</p> <p>This program component is designed to develop the skills of the Australian workforce through support for skills-based training, including:</p> <p><u>Australian Apprenticeships</u></p> <p>Assistance is provided in the form of financial incentives to employers and through allowances and loans to individuals participating in apprenticeships. The program includes contractual arrangements with a national network of Australian Apprenticeship Support providers who administer incentives, loans and support apprentices and their employers through to completion of the apprenticeship.</p> <p><u>Industry Specialist Mentoring for Australian Apprentices</u></p> <p>The Industry Specialist Mentoring for Australian Apprentices program aims to increase apprentice retention rates in the first two years of training in order to improve completion rates and support the supply of skilled workers in industries undergoing structural change. The program was launched on 31 January 2018 and will finish on 31 December 2019.</p> <p><u>South Australian Enterprise Scholarships</u></p> <p>Scholarships will be provided to support undergraduate, postgraduate and vocational education and training students to undertake study or training and an industry based work placement in priority industries in South Australia.</p> <p>Access to training</p> <p>This program component is designed to provide clearer pathways and improved access to training which allows Australians to obtain jobs and progress to better career opportunities. Funding is provided through the Adult Migrant English Program and the Skills for Education and Employment Program to organisations to deliver foundation skills training to eligible individuals, including job seekers and recent migrants. Improved foundation skills enable people to access further training, or gain employment, and better participate in Australian society.</p> <p>Support for the national training system</p> <p>This program component is designed to develop an effective and efficient national training system that meets the needs of Australia's current and emerging industries. It is delivered in collaboration with industry, business and state and territory governments. Activities include:</p> <ul style="list-style-type: none"> • developing and reviewing nationally recognised training packages • enhancing the transparency and performance of the system through data collection and research • promoting the system to potential participants locally and internationally • ensuring the ongoing operation of key functions to support the effective operation of national training arrangements.
Purpose	<p>Department of Education and Training Corporate Plan 2017–18:</p> <p>Maximising opportunity and prosperity through national leadership on education and training.</p>

Measures impacting program 2.8:

- Industry Workforce Training program — efficiencies
- National Training System — Commonwealth Own Purpose Expenses program — efficiencies
- Unique Student Identifier Initiative — additional funding
- More Choices for a Longer Life — skills checkpoint for older workers program — establishment
- Trades Recognition Australia — additional funding
- VET Student Loans Ombudsman — additional resources
- Adult Migrant English Program — aligning access for migrants aged under 18 years
- Managing the Skilling Australians Fund — revised implementation arrangements

Performance information 2.8: Building Skills and Capability

Year	Performance criteria	Expected achievement
2017–18	Increase the completion rates of Australian Apprentices.	Completion rates of Australian Apprentices will be compared to the prior reporting period. The data is not yet available. ²⁰
	Scholarships are awarded in priority industries in South Australia.	More than 800 (of up to 1200) scholarships have been offered to date.
	Improvement in LLN skills through the Skills for Education and Employment Program training enabling more effective participation in further training or the labour force.	17,100 job seekers expected to commence training under the Skills for Education and Employment Program.
	Improved English language skills through participation in Adult Migrant English Program training.	At least 54,590 eligible migrants and humanitarian entrants (against a target of 63,671) are expected to be supported by the Adult Migrant English Program.
	Ongoing operation of programs and systems, including data collections, continue to support the national training system. Further reforms will be implemented as needed.	The department continued to support the Australian Industry and Skills Committee (AISC) in transitioning training products to meet the updated standards for nationally accredited, industry-focused training. 100% of Industry Reference Committees were refreshed to ensure training is fit-for-industry.
		Training.gov.au was maintained as the authoritative source for regulatory decisions and other relevant information on RTOs, training packages and accredited courses. Training.gov.au received 7 million visitors in 2017–18.
		My Skills received 2 million visitors from 1.4 million unique users in 2017–18.
Data on 2017 fee for service and government supported training activity was collected and will be published by the National Centre for Vocational Education Research in July 2018.		

²⁰ Data is sourced from the National Centre for Vocational Education Research, National Apprentice and Trainee Collection. This is due to be released in the second half of 2018.

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Year	Performance criteria	Target
2018–19	Maintaining the quality of vocational education and training (VET).	<ul style="list-style-type: none"> • At least 85% of graduates are satisfied with the overall quality of the training.
	Responding to industry and employers through access to VET graduates with the required skills.	<ul style="list-style-type: none"> • Positive growth in the apprenticeship completion rate from the previous year.²¹ • At least 80% of VET graduates are employed or enrolled in further study after training.
	Improving language, literacy and numeracy for target groups.	<ul style="list-style-type: none"> • At least 80% of participants in targeted programs increase one or more levels on the Australian Core Skills Framework.
2019–20 and beyond	Maintaining the quality of vocational education and training (VET).	As per 2018–19, with the additional target: <ul style="list-style-type: none"> • At least 53% of employers report use of the VET system.
	Responding to industry and employers through access to VET graduates with the required skills	As per 2018–19.
	Improving language, literacy and numeracy for target groups.	As per 2018–19.

²¹ As it can take up to four years for apprentices to complete, the 2018–19 reporting year will compare completion rates between the 2014 and 2013 commencing cohorts.

Department of Education and Training Budget Statements

Program expenses 2.8 Building Skills and Capability

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Sub-program 2.8.1: Industry Competitiveness					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Industry Skills Fund	15,316	1,994	-	-	-
National Workforce Development Fund	702	-	-	-	-
Sub-program 2.8.2: Skills Development					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Apprenticeship Support Network	189,473	189,447	189,447	189,447	189,447
Australian Apprenticeships Incentives Program	392,083	392,083	392,083	392,083	392,083
Industry Specialist Mentoring for Australian Apprentices	19,375	39,038	-	-	-
Job Ready Program - Trades Recognition Australia	4,634	4,634	4,634	4,634	4,634
South Australian Enterprise Scholarships	8,180	8,557	4,973	2,290	-
Rollout Skills Checkpoint for Older Workers Program	-	3,875	3,929	3,988	4,044
Special appropriations:					
<i>Trade Support Loans Act 2014</i>					
Trade Support Loans	73,352	71,211	73,460	75,775	78,213
Special account expenses:					
Growth Fund Skills and Training (a)	21,436	16,486	15,521	-	-
Sub-program 2.8.3: Access to Training					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Adult Migrant English Program	275,037	303,568	303,481	308,033	311,786
National Foundation Skills Strategy	50	-	-	-	-
Skills for Education and Employment Program	103,642	93,153	87,960	88,198	90,971
Sub-program 2.8.4: Support for the National Training System					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Industry and Skills Committee	1,489	1,490	1,512	1,534	1,557
Industry Workforce Training	49,880	39,041	37,443	37,857	38,421
My Skills Website	552	562	569	578	587
National Centre for Vocational Education Research	686	686	696	707	718
National Training System COPE	34,607	34,023	33,507	34,233	33,435
Licensing of International Vocational Education and Training (VET) courses	983	1,253	1,193	1,193	1,193
Total expenses for program 2.8	1,191,477	1,201,101	1,150,408	1,140,550	1,147,089

(a) This special account is funded by Annual Appropriation Bill (No. 1) and receipts from independent sources.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and Financial Statements

The difference between the entity resources table and the budgeted financial statements are due to amounts in Bill 5 not being included in the resource table, as they are yet to receive Royal Assent.

3.1.2 Explanatory notes and analysis of Budgeted Financial Statements

An analysis of the department's budgeted financial statements, which consists of the budgeted departmental statements and administered schedules, is provided below. The 2017–18 estimated actual is used as the comparative year.

Budgeted departmental comprehensive income statement

The department's income statement reflects a deficit across the forward estimates. These deficits are predominately attributed to depreciation expenses. The estimated deficit in 2017–18 also accounts for the write down of intangibles to reflect their useful life. Expenses for 2018–19 are estimated to be \$396.9 million. This reflects a decrease of \$17.5 million from the estimated actual expense for 2017–18.

Budget departmental balance sheet

The budgeted net asset position of \$60.7 million for 2018–19 represents an increase of \$6.2 million from the 2017–18 estimated actual. The accumulated deficit apparent in the balance sheet predominately represents the accounting treatment applicable to depreciation expense.

The structure of the balance sheet reflects the nature of the organisation. Key assets are office fit-out (included in land and buildings), computer and office machines (included in property, plant and equipment), and computer software (included in intangibles). The most significant liability relates to employees and the leave provisions that are accrued as a result of their employment.

Schedule of budgeted income and expenses administered on behalf of Government

The schedule reflects the revenues / gains and expenses relating to the programs administered by the department on behalf of Government.

The administered revenue estimates predominately relate to the loan programs administered by the department, including Higher Education Loan Program (HELP)

and Trade Support Loans. The 2017–18 ‘other gain’ reflects the fair value gain as a result of reducing the HELP repayment threshold.

Schedule of budgeted assets and liabilities administered on behalf of Government

Total administered assets are projected to increase from \$46.2 billion to \$58.2 billion over the period 2017–18 to 2021–22, mainly attributable to HELP. The total administered liabilities predominately relate to the unfunded superannuation provision for Australian Universities.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
EXPENSES					
Employee benefits	224,145	219,491	214,682	204,994	203,323
Suppliers	156,136	152,121	137,465	135,403	134,746
Depreciation and amortisation (a)	24,454	25,272	25,278	28,300	28,300
Write-down and impairment of assets	9,693	-	-	-	-
Total expenses	414,428	396,884	377,425	368,697	366,369
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	5,387	3,468	3,468	3,468	3,468
Rental income	8,559	8,559	8,559	8,559	8,559
Other	1,721	6,281	6,152	5,613	5,550
Total own-source revenue	15,667	18,308	18,179	17,640	17,577
Gains					
Sale of assets	14	-	-	-	-
Other	9,335	9,335	9,335	9,335	9,335
Total gains	9,349	9,335	9,335	9,335	9,335
Total own-source income	25,016	27,643	27,514	26,975	26,912
Net (cost of)/contribution by services	(389,412)	(369,241)	(349,911)	(341,722)	(339,457)
Revenue from Government	356,479	344,269	324,948	313,756	311,512
Surplus/(deficit) attributable to the Australian Government	(32,933)	(24,972)	(24,963)	(27,966)	(27,945)
Total comprehensive income/(loss) attributable to the Australian Government	(32,933)	(24,972)	(24,963)	(27,966)	(27,945)

Note: Impact of net cash appropriation arrangements

	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(8,479)	300	315	334	355
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	24,454	25,272	25,278	28,300	28,300
Total comprehensive income/(loss) - as per the statement of comprehensive income	(32,933)	(24,972)	(24,963)	(27,966)	(27,945)

(a) From 2010–11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Department of Education and Training Budget Statements

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
ASSETS					
Financial assets					
Cash and cash equivalents	5,956	5,956	5,956	5,956	5,956
Trade and other receivables	70,103	58,953	58,859	58,847	58,841
Other financial assets	4,183	4,183	4,183	4,183	4,183
Total financial assets	80,242	69,092	68,998	68,986	68,980
Non-financial assets					
Land and buildings	34,354	30,767	27,129	25,055	21,370
Property, plant and equipment	1,034	8,741	15,975	24,691	30,722
Intangibles	51,410	64,640	65,423	56,045	50,519
Other non-financial assets	2,765	2,765	2,765	2,765	2,765
Total non-financial assets	89,563	106,913	111,292	108,556	105,376
Assets held for sale					
Total assets	169,805	176,005	180,290	177,542	174,356
LIABILITIES					
Payables					
Suppliers	29,677	29,677	29,677	29,677	29,677
Other payables	14,315	14,325	14,302	14,300	14,299
Total payables	43,992	44,002	43,979	43,977	43,976
Provisions					
Employee provisions	70,760	70,732	70,661	70,651	70,646
Other provisions	532	532	532	532	532
Total provisions	71,292	71,264	71,193	71,183	71,178
Total liabilities	115,284	115,266	115,172	115,160	115,154
Net assets	54,521	60,739	65,118	62,382	59,202
EQUITY*					
Parent entity interest					
Contributed equity	178,239	209,429	238,771	264,001	288,766
Reserves	1,244	1,244	1,244	1,244	1,244
Retained surplus (accumulated deficit)	(124,962)	(149,934)	(174,897)	(202,863)	(230,808)
Total parent entity interest	54,521	60,739	65,118	62,382	59,202
Total non-controlling interest	-	-	-	-	-
Total equity	54,521	60,739	65,118	62,382	59,202

* Equity is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018–19)

	Retained earnings \$ 000	Asset revaluation reserve \$ 000	Contributed equity/ capital \$ 000	Total equity \$ 000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(124,962)	1,244	178,239	54,521
Adjusted opening balance	(124,962)	1,244	178,239	54,521
Comprehensive income				
Other comprehensive income				
Surplus/(deficit) for the period	(24,972)	-	-	(24,972)
Total comprehensive income	(24,972)	-	-	(24,972)
of which:				
Attributable to the Australian Government	(24,972)	-	-	(24,972)
Transactions with owners				
Distributions to owners				
Returns on capital:				
Other	-	-	-	-
Contributions by owners				
Equity injection - Appropriation	-	-	8,519	8,519
Departmental Capital Budget (DCB)	-	-	22,671	22,671
Sub-total transactions with owners	-	-	31,190	31,190
Estimated closing balance as at 30 June 2019	(149,934)	1,244	209,429	60,739
Closing balance attributable to the Australian Government	(149,934)	1,244	209,429	60,739

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OPERATING ACTIVITIES					
Cash received					
Appropriations	352,642	355,419	325,042	313,768	311,518
Sale of goods and rendering of services	13,946	12,027	12,027	12,027	12,027
Other	1,721	6,281	6,152	5,613	5,550
Total cash received	368,309	373,727	343,221	331,408	329,095
Cash used					
Employees	223,840	219,509	214,776	205,006	203,329
Suppliers	146,801	142,786	128,130	126,068	125,411
Total cash used	370,641	362,295	342,906	331,074	328,740
Net cash from/(used by) operating activities	(2,332)	11,432	315	334	355
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	124	-	-	-	-
Total cash received	124	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	23,634	42,622	29,657	25,564	25,120
Total cash used	23,634	42,622	29,657	25,564	25,120
Net cash from/(used by) investing activities	(23,510)	(42,622)	(29,657)	(25,564)	(25,120)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	25,966	31,190	29,342	25,230	24,765
Total cash received	25,966	31,190	29,342	25,230	24,765
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	25,966	31,190	29,342	25,230	24,765
Net increase/(decrease) in cash held	124	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	5,832	5,956	5,956	5,956	5,956
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	5,956	5,956	5,956	5,956	5,956

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	10,187	22,671	23,755	23,917	24,056
Equity injections - Bill 2	15,779	8,519	5,587	1,313	709
Total new capital appropriations	25,966	31,190	29,342	25,230	24,765
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>25,966</i>	<i>31,190</i>	<i>29,342</i>	<i>25,230</i>	<i>24,765</i>
Total items	25,966	31,190	29,342	25,230	24,765
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	9,147	19,651	5,587	1,313	709
Funded by capital appropriation - DCB (b)	13,287	22,671	23,755	23,917	24,056
Funded internally from departmental resources (c)	1,200	300	315	334	355
TOTAL	23,634	42,622	29,657	25,564	25,120
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	23,634	42,622	29,657	25,564	25,120
Total cash used to acquire assets	23,634	42,622	29,657	25,564	25,120

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Include purchases from current and previous years Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding: internally developed assets.

Prepared on Australian Accounting Standards basis.

Department of Education and Training Budget Statements

Table 3.6: Statement of asset movements (Budget year 2018–19)

	Buildings \$ 000	Other property, plant and equipment \$ 000	Computer software and intangibles \$ 000	Total \$ 000
As at 1 July 2018				
Gross book value	43,054	3,076	126,448	172,578
Accumulated depreciation/ amortisation and impairment	(8,700)	(2,042)	(75,038)	(85,780)
Opening net book balance	34,354	1,034	51,410	86,798
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	19,651	19,651
By purchase - appropriation ordinary annual services (b)	576	8,724	13,371	22,671
By purchase - other	-	-	300	300
Total additions	576	8,724	33,322	42,622
Other movements				
Depreciation/amortisation expense	(4,163)	(1,017)	(20,092)	(25,272)
Total other movements	(4,163)	(1,017)	(20,092)	(25,272)
As at 30 June 2019				
Gross book value	43,630	11,800	159,770	215,200
Accumulated depreciation/ amortisation and impairment	(12,863)	(3,059)	(95,130)	(111,052)
Closing net book balance	30,767	8,741	64,640	104,148

(a) Appropriation equity refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017–18, including CDABs.

(b) Appropriation ordinary annual services refers to funding provided through Appropriation Bill (No. 1) 2017–18 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
EXPENSES					
Suppliers	720,620	732,773	669,904	664,986	666,512
Subsidies	398,515	402,418	408,314	393,441	393,530
Personal benefits	7,250,005	8,097,406	8,784,219	9,135,067	9,649,934
Grants	28,874,969	29,817,010	31,238,960	32,960,255	34,427,767
Finance costs	312,682	318,360	315,065	312,802	330,006
Write-down and impairment of assets	1,129,698	1,143,313	1,194,810	1,235,286	1,243,155
Payments to corporate entities	16,318	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses administered on behalf of Government	38,702,807	40,511,280	42,611,272	44,701,837	46,710,904
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	6,574	6,123	5,649	5,087	5,153
Total taxation revenue	6,574	6,123	5,649	5,087	5,153
Non-taxation revenue					
Interest	701,649	857,633	1,106,916	1,132,792	1,199,336
Other revenue	551,253	490,902	338,647	402,786	882,123
Total non-taxation revenue	1,252,902	1,348,535	1,445,563	1,535,578	2,081,459
Total own-source revenue administered on behalf of Government	1,259,476	1,354,658	1,451,212	1,540,665	2,086,612
Gains					
Other gains	2,766,000	-	-	-	-
Total gains administered on behalf of Government	2,766,000	-	-	-	-
Total own-sourced income administered on behalf of Government	4,025,476	1,354,658	1,451,212	1,540,665	2,086,612
Net (cost of)/contribution by services	(34,677,331)	(39,156,622)	(41,160,060)	(43,161,172)	(44,624,292)
Surplus/(deficit) before income tax	(34,677,331)	(39,156,622)	(41,160,060)	(43,161,172)	(44,624,292)
Income tax expense					
Surplus/(deficit) after income tax	(34,677,331)	(39,156,622)	(41,160,060)	(43,161,172)	(44,624,292)
Total comprehensive income/(loss)	(34,677,331)	(39,156,622)	(41,160,060)	(43,161,172)	(44,624,292)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
ASSETS					
Financial assets					
Cash and cash equivalents	70,263	64,052	60,613	57,140	53,305
Trade and other receivables	924,625	748,708	718,936	707,266	711,548
Other investments	2,301,628	2,301,628	2,301,628	2,301,628	2,301,628
Other financial assets	42,860,946	46,098,509	49,190,739	52,071,267	55,155,455
Total financial assets	46,157,462	49,212,897	52,271,916	55,137,301	58,221,936
Total assets administered on behalf of Government	46,157,462	49,212,897	52,271,916	55,137,301	58,221,936
LIABILITIES					
Payables					
Suppliers	95,137	95,137	95,137	95,137	95,137
Personal benefits	115,722	123,128	219,800	226,722	239,083
Grants	13,744	13,744	13,744	13,744	13,744
Other payables	15,194	15,194	15,194	15,194	15,194
Total payables	239,797	247,203	343,875	350,797	363,158
Provisions					
Personal benefits provision	981,241	843,128	986,660	1,065,697	1,152,661
Provision for grants	6,345,437	6,149,880	5,934,239	5,672,995	5,384,478
Total provisions	7,326,678	6,993,008	6,920,899	6,738,692	6,537,139
Total liabilities administered on behalf of Government	7,566,475	7,240,211	7,264,774	7,089,489	6,900,297
Net assets/(liabilities)	38,590,987	41,972,686	45,007,142	48,047,812	51,321,639

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OPERATING ACTIVITIES					
Cash received					
Interest	858,707	1,110,323	1,229,076	1,368,276	1,525,417
Taxes	6,574	6,123	5,649	5,087	5,153
Net GST received	1,102,103	1,161,752	1,223,475	1,291,608	1,358,221
Other	92,124	94,736	102,550	103,898	104,332
Total cash received	2,059,508	2,372,934	2,560,750	2,768,869	2,993,123
Cash used					
Grant	28,996,532	30,012,567	31,454,601	33,221,499	34,716,284
Subsidies paid	398,515	402,418	408,314	393,441	393,530
Personal benefits	7,226,947	8,067,883	8,530,401	9,054,080	9,572,033
Suppliers	720,620	732,773	669,904	664,986	666,512
Net GST paid	1,102,103	1,161,752	1,223,475	1,291,608	1,358,221
Payments to corporate entities	16,318	-	-	-	-
Total cash used	38,461,035	40,377,393	42,286,695	44,625,614	46,706,580
Net cash from/(used by) operating activities	(36,401,527)	(38,004,459)	(39,725,945)	(41,856,745)	(43,713,457)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	2,065,994	2,697,921	3,016,283	3,407,454	3,846,476
Total cash received	2,065,994	2,697,921	3,016,283	3,407,454	3,846,476
Cash used					
Advances and loans made	7,085,681	7,236,237	7,486,334	7,753,826	8,032,514
Other	74	-	-	-	-
Total cash used	7,085,755	7,236,237	7,486,334	7,753,826	8,032,514
Net cash from/(used by) investing activities	(5,019,761)	(4,538,316)	(4,470,051)	(4,346,372)	(4,186,038)
FINANCING ACTIVITIES					
Net increase/(decrease) in cash held					
	(41,421,288)	(42,542,775)	(44,195,996)	(46,203,117)	(47,899,495)
Cash and cash equivalents at beginning of reporting period	85,476	70,263	64,052	60,613	57,140
Cash from Official Public Account for:					
- Appropriations	44,416,450	46,436,164	48,540,586	51,079,392	53,372,005
Total cash from Official Public Account	44,416,450	46,436,164	48,540,586	51,079,392	53,372,005
Cash to Official Public Account for:					
- Appropriations	(3,010,375)	(3,899,600)	(4,348,029)	(4,879,748)	(5,476,345)
Total cash to Official Public Account	(3,010,375)	(3,899,600)	(4,348,029)	(4,879,748)	(5,476,345)
Cash and cash equivalents at end of reporting period	70,263	64,052	60,613	57,140	53,305

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

The department has no administered capital budget therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018–19)

The department has no administered asset movements therefore Table 3.11 is not presented.

**AUSTRALIAN CURRICULUM,
ASSESSMENT AND REPORTING
AUTHORITY**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

AUSTRALIAN CURRICULUM, ASSESSMENT AND REPORTING AUTHORITY

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AUSTRALIAN CURRICULUM, ASSESSMENT AND REPORTING AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Curriculum, Assessment and Reporting Authority (ACARA) was established under the *Australian Curriculum, Assessment and Reporting Authority Act 2008* of the Parliament of the Commonwealth of Australia. ACARA's mission is to improve the learning of all young Australians through world-class school curriculum, assessment and reporting.

ACARA's strategic directions are set through its Charter, issued by the Council of Australian Government's (COAG) Education Council (Council). The Charter reflects ACARA's role as an independent statutory authority and provides guidance about the nature of the activities ACARA is expected to undertake in fulfilling its functions and executing the policy directions set by the Council.

ACARA's budget is agreed to by Council and provided in accordance with the Council's agreed funding formula. ACARA's high-level 2017-18 to 2020-21 work plan and budget was endorsed by the Council in January 2018. ACARA's high-level 2021-22 work plan and budget will be submitted to the Council for consideration early in 2019 as part of its 2018-19 to 2021-22 rolling quadrennial plan.

A priority for ACARA during 2018-19 is to work in collaboration with Education Services Australia (ESA) and all Australian governments to ensure the successful transition to online assessment, with the goal to move the National Assessment Program - Literacy and Numeracy (NAPLAN) online by 2020. During this period, ACARA will also continue to assemble the necessary data and information needed to provide for future evidence based policy and curriculum development.

ACARA's strategic directions, endorsed by the Council in November 2016, are:

National Curriculum

- provide a world-class curriculum from Foundation to Year 12 in specified learning areas agreed to by Council
- assemble the evidence base required to review, develop and refine curriculum

National Assessment

- provide a quality, comprehensive and cohesive suite of assessments (including NAPLAN and NAP Sample)

National Data and Reporting

- provide and apply a comprehensive and reliable national measurement framework
- facilitate the use and dissemination of data for research and policy development in accordance with agreed protocols
- present detailed, accessible, timely and meaningful school education performance information

National Collaboration and Leadership

- provide effective national leadership in curriculum development, educational assessment and national reporting
- closely collaborate with jurisdictions, the non-government education sector and relevant stakeholders in pursuing the national education agenda

ACARA works collaboratively with a wide range of stakeholders including teachers, principals, government, state and territory education authorities, professional education associations, business and industry, community groups and the broader public in undertaking its work.

The management of risk is fundamental in supporting ACARA to achieve its strategic directions in a complex stakeholder environment. ACARA's Board, Audit and Risk Committee and executive, as well as staff, are actively involved in risk management for ACARA. This work is supported by an internal audit program that tests ACARA's compliance framework and controls.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to ACARA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ACARA resource statement — Budget estimates for 2018–19 as at Budget May 2018

	<i>2017–18 Estimated actual \$'000</i>	2018–19 Estimate \$ 000
Opening balance/cash reserves at 1 July	6,779	4,912
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	15,291	15,216
Total amounts received from related entities	15,291	15,216
Total funds from Government	15,291	15,216
Funds from other sources		
Interest	195	180
Other	13,057	13,082
Total funds from other sources	13,252	13,262
Total net resourcing for Australian Curriculum, Assessment and Reporting Authority	35,322	33,390
	<i>2017–18</i>	2018–19
Average staffing level (number)	93	93

Prepared on a resourcing (i.e. appropriations available) basis.

Note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to that corporate entity (for example, a grant awarded to a corporate entity from one of its portfolio department's administered programs).

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for ACARA can be found at acara.edu.au

The most recent annual performance statement can be found in the ACARA Annual Report at acara.edu.au

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.

Budgeted expenses for Outcome 1

This table shows how much ACARA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Outcome 1: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection and performance reporting system					
Program 1.1: National Curriculum					
Revenue from Government					
Payment from related entities	4,863	4,701	4,825	2,680	-
Revenues from other independent sources	2,121	2,520	2,514	2,716	-
Total expenses for Program 1.1	6,984	7,221	7,339	5,396	-
Program 1.2: National Assessment					
Revenue from Government					
Payment from related entities	8,212	7,789	7,816	7,772	-
Revenues from other independent sources	8,746	7,957	7,938	7,876	-
Total expenses for Program 1.2	16,958	15,746	15,754	15,648	-
Program 1.3: National Data Collection and Reporting					
Revenue from Government					
Payment from related entities	1,695	2,077	2,084	2,278	-
Revenues from other independent sources	1,855	2,122	2,117	2,309	-
Total expenses for Program 1.3	3,550	4,199	4,201	4,587	-
Program 1.4: National Collaboration and Leadership					
Revenue from Government					
Payment from related entities	521	649	651	670	-
Revenues from other independent sources	530	663	662	679	-
Total expenses for Program 1.4	1,051	1,312	1,313	1,349	-
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	15,291	15,216	15,376	13,400	-
Revenues from other independent sources	13,252	13,262	13,230	13,580	-
Total expenses for Outcome 1	28,543	28,478	28,606	26,980	-
	2017–18	2018–19			
Average staffing level (number)	93	93			

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2018–19 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.

Program 1.1 – National Curriculum

Objective	The program aims to improve the quality, equity and transparency of Australia's education system. A national curriculum ensures that every child in Australia, regardless of where they live or the school they attend, has access to a world-class curriculum.
Delivery	<ul style="list-style-type: none"> • Delivering the Foundation – Year 10 and senior secondary Australian Curriculum. • Strengthening assessment of student learning of the Australian Curriculum through provision of student work samples, NAP development and data analysis. • Providing authoritative curriculum advice to stakeholders and facilitate information-sharing and collaboration in support of the Australian Curriculum. • Monitoring the effectiveness of the Australian Curriculum by collecting, analysing and reporting annually on feedback. • Reviewing, and reporting on, recent developments in research and international curriculum practice to inform national policy and practice and to further improve the Australian Curriculum.
Purposes	Program 1.1 contributes to the following purposes of ACARA: <ul style="list-style-type: none"> • provide a world-class curriculum from Foundation to Year 12 in specified learning areas agreed to by Council • assemble the evidence base required to review, develop and refine curriculum.

Performance information 1.1 – National Curriculum

Year	Performance criteria	Expected achievement
2017–18	<ul style="list-style-type: none"> • Activities relating to monitoring the national curriculum, international comparisons and research on developments in school curriculum design undertaken. • Level of satisfaction with the Australian Curriculum website. 	<ul style="list-style-type: none"> • 2017 Monitoring Report published by end of January 2018. The 2017 Monitoring Report was published in January 2018. <ul style="list-style-type: none"> • Strong satisfaction with the ACARA website recorded by end of June 2018. It is anticipated that an overall rating of 'satisfied' will be recorded by the end of June 2018.

Year	Performance criteria	Targets
2018–19	<ul style="list-style-type: none"> • Activities relating to monitoring the national curriculum, international comparisons and research on developments in school curriculum design undertaken. • Portfolios of work samples for all published curriculum available. 	<ul style="list-style-type: none"> • Reports on national curriculum monitoring, international comparison(s) and research on developments in school curriculum design published by the end of the third quarter of the reporting year. • Portfolios of work samples that exemplify the curriculum finalised and published by end 2018–19.

ACARA Budget Statements

Year	Performance criteria	Targets
2019–20 and beyond	<ul style="list-style-type: none"> Activities relating to monitoring the national curriculum, international comparisons and research on developments in school curriculum design activities completed and the scope of the refinement of the Australian Curriculum ready for approval by the ACARA Board. Commence refinements to the Australian Curriculum. 	<ul style="list-style-type: none"> Reports on national curriculum monitoring, international comparisons and research on developments in school curriculum design submitted to the Board by the end of the third quarter of the reporting year. The scope for refinement of the Australian Curriculum, (informed by analysis of monitoring, comparative and research activities 2016–17 to 2019–20) approved by the ACARA Board and agreed to by jurisdictions. Agreed actions being addressed in the drafting of refinements to the Australian Curriculum.

Program 1.2 – National Assessment

Objective	The program aims to provide school education leaders, teachers and parents with the means to periodically assess students against previous performance, national benchmarks and their peers using an objective measure.
Delivery	<ul style="list-style-type: none"> Researching, developing and supporting activities required for online assessment. Managing the planning and development and oversee the delivery and reporting for the National Assessment Program Literacy and Numeracy (NAPLAN), managing the transition from pen and paper form to online delivery. Managing the development and overseeing the delivery of assessments and reporting for the National Assessment Program (NAP) sample assessments.
Purposes	Program 1.2 contributes to the following purposes of ACARA: <ul style="list-style-type: none"> provide a quality, comprehensive and cohesive suite of national assessments.

Performance information 1.2 – National Assessment

Year	Performance criteria	Expected achievement
2017–18	<ul style="list-style-type: none"> National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered. ACARA research relating to online assessment completed. 	<ul style="list-style-type: none"> NAP successfully delivered, reported on (including delivery of NAPLAN online in 2018 to schools, as determined by state and territory authorities) and successfully and fully transitioned online in the timeframe agreed by ministers. <p>2017 NAP Information and Communication Technology Literacy successfully delivered in the second quarter of 2017–18.</p> <p>2017 NAPLAN National Report published in December 2017, following Council endorsement.</p> <p>2018 NAPLAN expected to be delivered online in May 2018 to approximately 20% of students across Australia with remaining schools undertaking paper and pencil NAPLAN assessment.</p> <ul style="list-style-type: none"> Research relating to online assessment completed and findings communicated and implemented. <p>Research on Automated Essay Scoring published in early 2018.</p> <p>Roadmap to maximise participation of Students with Disability online was reviewed by the ACARA's National Testing Working Group and endorsed by the Online Assessment Working Group and being implemented.</p>

Year	Performance criteria	Targets
2018–19	<ul style="list-style-type: none"> National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered. Evaluation of NAPLAN online processes undertaken and potential enhancements identified (including the potential addition of gain scores to individual student reports (ISRs)). 	<ul style="list-style-type: none"> NAP successfully delivered, reported on (including delivery of NAPLAN online in 2019 to schools, as determined by state and territory authorities). NAPLAN online processes reviewed with enhancements prioritised for future implementation.
2019–20 and beyond	<ul style="list-style-type: none"> National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered. NAP sample assessments available to schools participating voluntarily. Level of stakeholder satisfaction with online assessment. 	<ul style="list-style-type: none"> NAP successfully delivered, reported on (including delivery of NAPLAN online in 2020). Schools beyond the sample cohort participate voluntarily in NAP sample assessment. Strong level of satisfaction with online assessment recorded.

Program 1.3 – National Data and Reporting

Objective	The program aims to provide public reporting to promote accountability and engagement in school education. Provision of quality information on schooling is important for schools and their students, for parents and their families and for the community and governments.
Delivery	<ul style="list-style-type: none"> • Monitoring and where necessary reviewing the existing national key performance measures for schools. • Producing a comprehensive and authoritative national report on schooling in Australia related to national key performance measures. • Managing the collection and quality assurance of data and providing national school information through the My School website and national reports. • Managing the sharing and dissemination of data with government and non-government school authorities and with other applicants in accordance with agreed protocols.
Purposes	<p>Program 1.3 contributes to the following purpose of ACARA:</p> <ul style="list-style-type: none"> • provide and apply a comprehensive and reliable national measurement framework • facilitate the use and dissemination of data for research and policy development in accordance with agreed protocols • present detailed, accessible, timely and meaningful school education performance information.

Performance information 1.3 – National Data and Reporting

Year	Performance criteria	Expected achievement
2017–18	<ul style="list-style-type: none"> • The National Report on Schooling in Australia is approved by the ACARA Board before the end of the subsequent calendar year. • A review and revision of the Measurement Framework for Schooling in Australia, in consultation with stakeholders and advisory groups undertaken. 	<ul style="list-style-type: none"> • The National Report on Schooling drafted and approved by the ACARA Board by the end of December of the following year; the data portal updated in December and March with the most up-to-date available data, allowing public access to the various agreed national data sets for schooling. <p>It is expected that the 2016 National Report on Schooling will be published before the end of 2017–18. The Data Portal was updated in December 2017 and in April 2018.</p> <ul style="list-style-type: none"> • Scope of the review of the Measurement Framework for Schooling in Australia agreed to, with review underway in consultation with advisory groups and stakeholders. <p>Discussion around the review of the Measurement Framework will commence in the last quarter of 2017–18, taking into account consideration by AESOC of a performance framework.</p>

Year	Performance criteria	Targets
2018–19	<ul style="list-style-type: none"> The National Report on Schooling in Australia is approved by the ACARA Board before the end of the subsequent calendar year. Level of stakeholder satisfaction with the My School website. 	<ul style="list-style-type: none"> The National Report on Schooling drafted and approved by the ACARA Board by the end of December of the following year; the data portal updated in December and March with the most up-to-date available data, allowing public access to the various agreed national data sets for schooling. Strong level of satisfaction with the revamped My School website recorded.
2019–20 and beyond	<ul style="list-style-type: none"> The National Report on Schooling in Australia is approved by the ACARA Board before the end of the subsequent calendar year. Enhancements to My School considered and agreed to by the Education Council in September 2015 progressed. The presentation of data / reports (e.g. NAP reports) revised to reflect best practice. 	<ul style="list-style-type: none"> The National Report on Schooling drafted and approved by the ACARA Board by the end of December of the following year; the data portal updated in December and March with the most up-to-date available data, allowing public access to the various agreed national data sets for schooling. All enhancements (My School) consulted on with key stakeholders and implemented as agreed. Data/reports developed and presented in line with proposal agreed to by jurisdictions.

Program 1.4 – National Collaboration and Leadership

Objective	The program aims to ensure ACARA works in a transparent and collaborative manner with Commonwealth/state/territory departments of education and government and, non-government school authorities. ACARA will share its proposals and work with a range of advisory groups to enable all stakeholders to provide input.
Delivery	<ul style="list-style-type: none"> Communicating information about ACARA's work and achievements to partners, stakeholders and the broader community. Providing national leadership in curriculum, assessment, data collection and reporting directly and in collaboration with the Commonwealth, states, territories, non-government sector, AITSL, ESA and other stakeholder groups and ensure liaison with key stakeholders across all matters relating to curriculum, assessment and reporting. Collaborating with international education bodies to ensure ACARA's work and advice to ministers is informed by leading research and better practice and provide support services internationally where this aligns with ACARA's core areas of work.
Purposes	Program 1.4 contributes to the following purpose of ACARA: <ul style="list-style-type: none"> provide effective national leadership in curriculum development, educational assessment and national reporting. closely collaborate with jurisdictions, the non-government education sector and relevant stakeholders in pursuing the national education agenda.

Performance information 1.4 National Collaboration and Leadership

Year	Performance criteria	Expected achievement
2017–18	<ul style="list-style-type: none"> • An advisory structure that is fit for purpose is in place. • A transparent and timely reporting process and structure is maintained. • Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies clearly maintained. 	<ul style="list-style-type: none"> • Advisory structure published. <p>A revised advisory structure was published in February on ACARA's website in the second half of 2017–18.</p> <ul style="list-style-type: none"> • Progress reports against the annual work plan submitted to the Council and/or AESOC each year and at each meeting of the ACARA Board and all advice provided on time and of high quality. <p>Progress reports have been submitted to at each meeting of the ACARA Board and to the Council in April 2018. All advice provided on time and of high quality.</p> <ul style="list-style-type: none"> • Evidence of collaboration through scheduled meetings of ACARA's key advisory groups, ACARA's attendance at key working groups and peak body opportunities, and evidence of communication with international education bodies. <p>ACARA has maintained all scheduled meetings of ACARA's key advisory groups to date and has attended key working group meetings and peak body opportunities. It is expected that communication with international bodies (e.g. OECD) will continue through 2017–18.</p>

Year	Performance criteria	Targets
2018–19	As per 2017–18.	<ul style="list-style-type: none"> • Advisory structure published (strong level of satisfaction received as measured through surveys in 2019 and 2021). • Progress reports against the annual work plan submitted to the Council and/or AESOC each year and at each meeting of the ACARA Board and all advice provided on time and of high quality. • Evidence of collaboration through scheduled meetings of ACARA's key advisory groups, ACARA's attendance at key working groups and peak body opportunities, and evidence of communication with international education bodies.
2019–20 and beyond	As per 2017–18.	As per 2018–19.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material variances between the entity resources table and the budgeted financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

ACARA's work is undertaken through agreement by the COAG Education Council (the Council) and set through its Charter, its rolling quadrennial plan and any other written instructions from the Council. ACARA's budget is agreed to by the Council and provided in accordance with the Council's agreed funding formula. ACARA's high level 2017–18 to 2020–21 work plan and budget was endorsed by the Council in January 2018. ACARA's high level 2021–22 work plan and budget has yet to be endorsed by Council as part of ACARA's 2018–19 to 2021–22 rolling quadrennial plan.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
EXPENSES					
Employee benefits	14,630	15,517	15,827	14,819	-
Suppliers	13,191	12,253	12,114	11,453	-
Depreciation and amortisation	722	708	665	708	-
Total expenses	28,543	28,478	28,606	26,980	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	195	180	180	180	-
Other	28,348	28,298	28,426	26,800	-
Total own-source revenue	28,543	28,478	28,606	26,980	-
Total own-source income	28,543	28,478	28,606	26,980	-
Net (cost of)/contribution by services	-	-	-	-	-
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
ASSETS					
Financial assets					
Cash and cash equivalents	4,912	4,940	4,225	4,255	-
Trade and other receivables	6,715	6,740	6,915	7,065	-
Total financial assets	11,627	11,680	11,140	11,320	-
Non-financial assets					
Property, plant and equipment	1,154	696	481	531	-
Other non-financial assets	61	61	61	61	-
Total non-financial assets	1,215	757	542	592	-
Assets held for sale					
Total assets	12,842	12,437	11,682	11,912	-
LIABILITIES					
Payables					
Suppliers	850	850	850	900	-
Grants	8,000	7,525	6,700	6,850	-
Total payables	8,850	8,375	7,550	7,750	-
Provisions					
Employee provisions	1,930	2,000	2,070	2,100	-
Other provisions	355	355	355	355	-
Total provisions	2,285	2,355	2,425	2,455	-
Total liabilities	11,135	10,730	9,975	10,205	-
Net assets	1,707	1,707	1,707	1,707	-
EQUITY*					
Retained surplus (accumulated deficit)	1,707	1,707	1,707	1,707	-
Total parent entity interest	1,707	1,707	1,707	1,707	-
Total equity	1,707	1,707	1,707	1,707	-

* Equity is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018–19)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	1,784	(77)	-	-	1,707
Adjusted opening balance	1,784	(77)	-	-	1,707
Comprehensive income					
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Estimated closing balance as at 30 June 2019	1,784	(77)	-	-	1,707
Closing balance attributable to the Australian Government	1,784	(77)	-	-	1,707

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	28,252	27,798	27,426	26,800	-
Interest	170	180	180	180	-
Net GST received	65	-	-	-	-
Total cash received	28,487	27,978	27,606	26,980	-
Cash used					
Employees	14,935	14,998	15,450	15,042	-
Suppliers	15,404	12,702	12,421	11,458	-
Total cash used	30,339	27,700	27,871	26,500	-
Net cash from/(used by) operating activities	(1,852)	278	(265)	480	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	15	250	450	450	-
Total cash used	15	250	450	450	-
Net cash from/(used by) investing activities	(15)	(250)	(450)	(450)	-
Net increase/(decrease) in cash held	(1,867)	28	(715)	30	-
Cash and cash equivalents at the beginning of the reporting period	6,779	4,912	4,940	4,225	-
Cash and cash equivalents at the end of the reporting period	4,912	4,940	4,225	4,255	-

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

ACARA does not have a departmental capital budget therefore Table 3.5 is not presented.

Table 3.6: Statement of asset movements (Budget year 2018–19)

	Other property, plant and equipment \$ 000	Computer software and intangibles \$ 000	Other \$ 000	Total \$ 000
As at 1 July 2018				
Gross book value	2,594	-	-	2,594
Accumulated depreciation/ amortisation and impairment	(1,440)	-	-	(1,440)
Opening net book balance	1,154	-	-	1,154
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	250	-	-	250
Total additions	250	-	-	250
Other movements				
Depreciation/amortisation expense	(708)	-	-	(708)
Total other movements	(708)	-	-	(708)
As at 30 June 2019				
Gross book value	2,844	-	-	2,844
Accumulated depreciation/ amortisation and impairment	(2,148)	-	-	(2,148)
Closing net book balance	696	-	-	696

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

ACARA has no income and expenses administered on behalf of Government therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

ACARA has no assets and liabilities administered on behalf of Government therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

ACARA has no administered cash flows therefore Table 3.9 is not presented.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

ACARA has no administered capital budget statement therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018–19)

ACARA has no administered asset movements therefore Table 3.11 is not presented.

**AUSTRALIAN INSTITUTE FOR
TEACHING AND SCHOOL
LEADERSHIP**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

AUSTRALIAN INSTITUTE FOR TEACHING AND SCHOOL LEADERSHIP

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AUSTRALIAN INSTITUTE FOR TEACHING AND SCHOOL LEADERSHIP

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Institute for Teaching and School Leadership (AITSL) commenced operations on 1 January 2010. AITSL is a public company limited by guarantee under the *Corporations Act 2001* and is subject to the *Public Governance, Performance and Accountability Act 2013*. The Minister for Education and Training is the owner and sole member of the company. AITSL operates under its own constitution, with priorities set through letters from the Minister from time to time. Its primary purpose is to promote excellence in the profession of teaching and school leadership.

The eleven-member Board, appointed by the Minister for Education and Training, includes a Chair and Deputy Chair and nine further Directors nominated by the Australian Government for their educational expertise.

AITSL plays a key role in leading significant national educational reform so that teachers and school leaders have the maximum impact on student learning in all Australian schools.

AITSL's policy direction and work priorities give particular attention to three key areas: Initial Teacher Education; School Leadership; and Quality Teaching.

The Teacher Education Ministerial Advisory Group reported to the Australian Government early in 2015. The Government response set out a major role for AITSL in actioning the recommendations accepted by Government, which remains a focus for the final year of work in 2018-19.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: AITSL resource statement — Budget estimates for 2018–19 as at Budget May 2018

	<i>2017–18 Estimated actual \$'000</i>	2018–19 Estimate \$ 000
Opening balance/cash reserves at 1 July	4,235	4,267
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	12,661	11,761
Total amounts received from related entities	12,661	11,761
Total funds from Government	12,661	11,761
Funds from other sources		
Interest	60	60
Sale of goods and services	2,472	2,756
Other	104	108
Total funds from other sources	2,636	2,924
Total net resourcing for AITSL	19,532	18,952
	<i>2017–18</i>	2018–19
Average staffing level (number)	64	66

Prepared on a resourcing (i.e. appropriations available) basis.

Note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to that corporate entity (for example, a grant awarded to a corporate entity from one of its portfolio department's administered programs).

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for AITSL can be found at: www.aitsl.edu.au

The most recent performance reporting for AITSL can be found in the Annual Report at: www.aitsl.edu.au

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities, and supporting the teaching profession.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Program 1.1: Assistance for Quality Teaching and Learning					
Revenue from Government					
Payment from related entities	12,661	11,761	7,823	7,886	7,950
Revenues from other independent sources	2,636	2,924	2,591	2,610	1,410
Total expenses for Program 1.1	15,297	14,685	10,414	10,496	9,360
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	12,661	11,761	7,823	7,886	7,950
Revenues from other independent sources	2,636	2,924	2,591	2,610	1,410
Total expenses for Outcome 1	15,297	14,685	10,414	10,496	9,360
	2017–18	2018–19			
Average staffing level (number)	64	66			

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities, and supporting the teaching profession.

Program 1.1 – Assistance for Quality Teaching and Learning

Objective	This program enables AITSL to work collaboratively with the eight state and territory education departments and their Ministers, the Catholic and independent school sectors, teacher educators, teacher regulatory authorities, teacher unions, professional and community organisations and teachers and principals throughout Australia to strengthen the profession.
Delivery	The program includes a range of targeted initiatives which lead, shape and complement the work of other education agencies, to enhance the quality of initial teacher education, teaching and school leadership.
Purposes	<p>AITSL Corporate Plan 2017–2018</p> <p>AITSL plays a key role in leading significant educational reform across Australian governments, and its work program is set in accordance with directions received from the Minister for Education and Training. Our key areas of focus include:</p> <ul style="list-style-type: none"> • Placing impact of initial teacher education, teaching and leadership at the centre of our work. • Building, enhancing and sustaining effective teaching and leadership at every level. • Advocating for quality and rigour in the design and implementation of national policies, tools and resources. • Supporting the professional education community to make evidence-based decisions. • Affirming the status of the profession.

Performance information 1.1 – Assistance for Quality Teaching and Learning

Year	Performance criteria	Expected achievement
2017–18	AITSL continues to promote excellence in the profession of teaching and school leadership.	<p>Initial Teacher Education (ITE) Programs in Australia</p> <p>Implemented relevant elements of the Government response to the recommendations of TEMAG including monitoring and maintaining the agreed strengthened approach to the Accreditation of Initial Teacher Education programs and implementing National Initial Teacher Education and Teacher Workforce Data Strategy.</p> <p>Australian Professional Standards for Teachers</p> <p>Developed standards and support materials/research, including for Australian Teacher Performance and Development Framework and the Australian Charter for the Professional Learning of Teachers and School Leaders, certification of Highly Accomplished and Lead teachers and teacher registration, promulgated effectively.</p>

Year	Performance criteria	Targets
2018–19 and beyond	As per 2017–18	<p>Initial Teacher Education (ITE) Programs in Australia</p> <p>Continue to implement relevant elements of the Government response to the recommendations of TEMAG including monitoring and maintaining the agreed strengthened approach to the Accreditation of Initial Teacher Education programs and implementing Australian Teacher Workforce Data Strategy.</p> <p>Australian Professional Standards for Teachers</p> <p>Standards and support materials/research, including for Australian Teacher Performance and Development Framework and the Australian Charter for the Professional Learning of Teachers and School Leaders, certification of Highly Accomplished and Lead teachers and teacher registration, promulgated effectively and a national review of teacher registration.</p> <p>Australian Professional Standard for Principals</p> <p>Standard and support materials/ research, including Leadership Development Guidelines and Principal Profiles, promulgated effectively. Development of a process for pre-appointment certification of principals.</p> <p>Assessment for Migration</p> <p>The role of assessing authority under the Migration Regulations 1994 for the purpose of skilled migration to Australia, or special education school teacher successfully fulfilled.</p>

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material variances between the entity resources table and the budgeted financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

In November 2015 the Department of Education and Training agreed to a funding arrangement for the three year period 2015–16 to 2017–18. The agreement provided committed funding of \$35.8 million for the three years, including \$12.7 million to enable AITSL to implement the government’s response to the recommendation of the Teacher Education Ministerial Advisory Group (TEMAG). The TEMAG funding was in addition to AITSL’s core funding. In February 2017, the Department of Education and Training agreed to provide additional funding of \$11.46 million to enable AITSL to continue to pursue its work through the 2018–19 year.

In February 2018 the Department of Education and Training agreed to provide further funding of \$0.6 million to enable AITSL to deliver Australian guidelines for school leadership development and \$0.5 million to enable AITSL to undertake a national review of teacher registration. Funding of \$0.8 million was provided in the year ending 30 June 2018 and \$0.3 million will be provided in the year ending 30 June 2019.

The funding for the 2018–19 budget year will be \$11.761 million, a slight decrease from the 2017–18 year of \$12.661 million. In the same year the income from Overseas Skills Assessment is estimated to be \$1.2 million. Income for AITSL to create a national data platform for the teaching workforce is budgeted to be \$1.4 million and income earned for other services provided to third parties is estimated to be \$0.2 million.

AITSL is budgeting for a break even result in the financial year 2017–18. The budget for the 2018–19 financial year is a break even result.

The net asset position of \$4.7 million as at 30 June 2017 is expected to be unchanged at 30 June 2018. Total assets at 30 June 2018 are estimated to be \$6.3 million, comprising \$5.8 million of financial assets and \$0.5 million of non-financial assets.

Total liabilities at 30 June 2018 are estimated to be \$1.6 million of which \$0.6 million will be accrued employee entitlements, \$0.7 million being supplier payables and \$0.3 million of other provisions.

AITSL Budget Statements

Additional funding of \$7.823 million for 2019–20, \$7.886 million for 2020–21 and \$7.950 million for 2021–22 is provided to AITSL predominantly for operational purposes and continued implementation of national frameworks. It does not include funding for any future work which may be directed by the Minister for Education and Training.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
EXPENSES					
Employee benefits	7,335	7,930	8,088	8,250	8,168
Suppliers	7,653	6,407	2,176	2,125	1,167
Depreciation and amortisation	309	348	150	121	25
Total expenses	15,297	14,685	10,414	10,496	9,360
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,472	2,756	2,531	2,550	1,350
Fees and fines					
Interest	60	60	60	60	60
Rental income	104	108	-	-	-
Other	12,661	11,761	7,823	7,886	7,950
Total own-source revenue	15,297	14,685	10,414	10,496	9,360
Total own-source income	15,297	14,685	10,414	10,496	9,360
Net (cost of)/contribution by services	-	-	-	-	-
Revenue from Government					
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
ASSETS					
Financial assets					
Cash and cash equivalents	4,267	4,466	4,029	4,161	4,137
Trade and other receivables	235	238	138	136	116
Other financial assets	1,316	1,316	1,316	1,316	1,316
Total financial assets	5,818	6,020	5,483	5,613	5,569
Non-financial assets					
Property, plant and equipment	506	183	83	12	12
Intangibles	-	125	75	25	-
Total non-financial assets	506	308	158	37	12
Assets held for sale					
Total assets	6,324	6,328	5,641	5,650	5,581
LIABILITIES					
Payables					
Suppliers	658	560	190	185	102
Total payables	658	560	190	185	102
Provisions					
Employee provisions	640	742	756	770	784
Other provisions	331	331	-	-	-
Total provisions	971	1,073	756	770	784
Total liabilities	1,629	1,633	946	955	886
Net assets	4,695	4,695	4,695	4,695	4,695
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	4,695	4,695	4,695	4,695	4,695
Total parent entity interest	4,695	4,695	4,695	4,695	4,695
Total equity	4,695	4,695	4,695	4,695	4,695

* Equity is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018–19)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	4,695	-	-	-	4,695
Adjusted opening balance	4,695	-	-	-	4,695
Comprehensive income					
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Estimated closing balance as at 30 June 2019	4,695	-	-	-	4,695
Less: non-controlling interests	-	-	-	-	-
Closing balance attributable to the Australian Government	4,695	-	-	-	4,695

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OPERATING ACTIVITIES					
Cash received					
Grants received	13,927	12,937	8,605	8,675	8,745
Sale of goods and rendering of services	2,622	2,912	2,667	2,690	1,368
Interest	60	60	60	60	60
Other	114	119	-	-	-
Total cash received	16,723	16,028	11,332	11,425	10,173
Cash used					
Employees	7,290	7,826	8,074	8,236	8,154
Suppliers	8,687	7,120	2,982	2,330	1,340
Net GST paid	657	733	713	727	703
Total cash used	16,634	15,679	11,769	11,293	10,197
Net cash from/(used by) operating activities	89	349	(437)	132	(24)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	3	-	-	-	-
Total cash received	3	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	60	150	-	-	-
Total cash used	60	150	-	-	-
Net cash from/(used by) investing activities	(57)	(150)	-	-	-
Net increase/(decrease) in cash held	32	199	(437)	132	(24)
Cash and cash equivalents at the beginning of the reporting period	4,235	4,267	4,466	4,029	4,161
Cash and cash equivalents at the end of the reporting period	4,267	4,466	4,029	4,161	4,137

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

AITSL does not have a departmental capital budget therefore Table 3.5 is not presented.

Table 3.6: Statement of asset movements (Budget year 2018–19)

	Other property, plant and equipment \$ 000	Heritage and cultural \$ 000	Computer software and intangibles \$ 000	Total \$ 000
As at 1 July 2018				
Gross book value	1,837	12	-	1,849
Accumulated depreciation/ amortisation and impairment	(1,343)	-	-	(1,343)
Opening net book balance	494	12	-	506
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	-	150	150
Total additions	-	-	150	150
Other movements				
Depreciation/amortisation expense	(323)	-	(25)	(348)
Total other movements	(323)	-	(25)	(348)
As at 30 June 2019				
Gross book value	1,837	12	150	1,999
Accumulated depreciation/ amortisation and impairment	(1,666)	-	(25)	(1,691)
Closing net book balance	171	12	125	308

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

AITSL has no income and expenses administered on behalf of Government therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

AITSL has no assets and liabilities administered on behalf of Government therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

AITSL has no administered cash flows therefore Table 3.9 is not presented.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

AITSL has no administered capital budget therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018–19)

AITSL has no administered asset movements therefore Table 3.11 is not presented.

AUSTRALIAN RESEARCH COUNCIL

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN RESEARCH COUNCIL

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AUSTRALIAN RESEARCH COUNCIL

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Research Council (ARC) is a non-corporate Commonwealth entity established under the *Australian Research Council Act 2001*. The ARC is responsible for administering the National Competitive Grants Program (NCGP), assessing the quality, engagement and impact of research and providing advice on research matters.

Through the NCGP, the ARC supports excellent research and research training across all disciplines, awarding funding based on a competitive peer review process. The NCGP comprises two programs, Discovery and Linkage, which fund a range of complementary schemes that provide funding for basic and applied research, research training, research collaboration and infrastructure.

The ARC administers Excellence in Research for Australia (ERA), which assesses research quality by research discipline at eligible Australian higher education institutions. ERA is an established evaluation framework that reflects the Government's commitment to a transparent and streamlined approach to research evaluation. The ARC is also responsible for implementing an Engagement and Impact (EI) assessment, announced by the Australian Government in December 2015 as part of the National Science and Innovation Agenda (NISA).

The ARC's priorities for 2018–19 include:

- delivering the NCGP effectively and efficiently
- conducting the ERA 2018 evaluation
- continuing to support the Government's NISA by:
 - conducting a continuous application process under the Linkage Projects scheme
 - conducting an EI assessment as a companion to ERA
 - contributing to other NISA initiatives as required
- continuing to provide high quality advice to the Minister on research matters including in areas of Government focus (for example, strengthening linkages between research and business)
- working with stakeholders in delivering program and policy responsibilities, including through consultations and in raising awareness of research funded by the ARC

- continuing to monitor the performance of selected NCGP schemes through scheduled reviews and evaluations
- ensuring that the NCGP supports participation by all researchers, including Aboriginal and Torres Strait Islander researchers, women researchers and early and mid-career researchers
- maintaining a strong governance framework to support delivery against legislative requirements as well as the Government's expectations for the agency as articulated in the ARC outcome statement.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ARC resource statement — Budget estimates for 2018–19 as at Budget May 2018

	2017–18 Estimated actual \$'000	2018–19 Estimate \$ 000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	15,824	17,829
Departmental appropriation (b)	21,186	21,440
s74 Retained receipts (c)	2,005	-
Departmental capital budget (d)	1,235	1,228
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available	3,480	2,389
Equity injection	674	-
Total departmental annual appropriations	44,404	42,886
Total departmental resourcing	44,404	42,886
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	1,260	1,260
Outcome 1	6,521	14,145
Total administered annual appropriations	7,781	15,405
Special Appropriation - <i>Australian Research Council Act 2001</i> (f)	758,055	759,925
Total administered special appropriations	758,055	759,925
Special accounts (g)		
Opening balance	-	-
Appropriation receipts (h)	-	6,525
Total special account receipts	-	6,525
less administered appropriations drawn from annual appropriations and credited to special accounts	-	6,525
Total administered resourcing	765,836	775,330
Total resourcing for the ARC	810,240	818,216
<hr/>		
Average staffing level (number)	2017–18 133	2018–19 136

Prepared on a resourcing (i.e. appropriations available) basis.

Note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2018–19.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated retained revenue receipts under s74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a contribution by owner.
- (e) Appropriation Bill (No. 2) 2018–19.
- (f) Excludes trust money and 'other CRF money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM)). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (g) ARC Research Endowment Account - s80 PGPA Act [s62 *Australian Research Council Act 2001*].
- (h) Administered appropriations drawn from annual appropriations and credited to special account.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Australian Research Council are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: ARC 2018–19 Budget measures

Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Expense measures						
Australian Antarctic Science	1.1, 1.2					
Administered expenses		-	-	-	-	-
Total		-	-	-	-	-
Per- and Poly-Fluorinated Alkyl Substances — research and associated activities	1.2					
Administered expenses		-	6,525	4,325	2,150	-
Total		-	6,525	4,325	2,150	-
Total expense measures						
Administered		-	6,525	4,325	2,150	-
Total		-	6,525	4,325	2,150	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed in brackets are negative and represent a decrease in funds. Non-bracketed figures are positive and represent an increase in funds.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for ARC can be found at: www.arc.gov.au > About Us > Publications > Corporate Plan

The most recent annual performance statement can be found in the Australian Research Council Annual Report at: www.arc.gov.au > About Us > Publications > Annual Report

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.

Linked programs

Department of Environment and Energy
Programs
<ul style="list-style-type: none"> • Program 3.1 – Antarctic Science Policy and Presence
Contribution to Outcome 1 made by linked programs
The ARC is responsible for the management of the Special Research Initiative in Excellence in Antarctic Science. The Department of the Environment and Energy is responsible for the Australian Antarctic Program. As these two programs support the Australian Antarctic Science Strategic Plan 2011–12 to 2020–21, the ARC and the Department will work together to ensure effective delivery of these initiatives.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice					
	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Program 1.1: Discovery - research and research training					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,122	1,148	1,174	1,200	1,230
Special appropriations <i>Australian Research Council Act 2001</i>	492,736	493,951	507,791	515,306	527,342
Administered total	493,858	495,099	508,965	516,506	528,572
Total expenses for program 1.1	493,858	495,099	508,965	516,506	528,572

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Program 1.2: Linkage - cross-sector research partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1) (a)	1,449	1,491	1,528	1,562	1,601
Special appropriations <i>Australian Research Council Act 2001</i>	265,319	265,974	279,579	289,780	296,261
Special accounts <i>ARC Research Endowment Account - s80 PGPA Act [s62 Australian Research Council Act 2001]</i>	-	6,525	4,325	2,150	-
Administered total	266,768	273,990	285,432	293,492	297,862
Total expenses for program 1.2	266,768	273,990	285,432	293,492	297,862
Program 1.3: Excellence in Research for Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,950	4,981	3,093	3,161	3,240
Administered total	3,950	4,981	3,093	3,161	3,240
Total expenses for program 1.3	3,950	4,981	3,093	3,161	3,240
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1) (a)	6,521	7,620	5,795	5,923	6,071
Special appropriations	758,055	759,925	787,370	805,086	823,603
Special accounts	-	6,525	4,325	2,150	-
Administered total	764,576	774,070	797,490	813,159	829,674
Departmental expenses					
Departmental appropriation	21,186	21,440	21,247	21,384	21,503
s74 Retained revenue receipts (b)	600	500	500	400	-
Expenses not requiring appropriation in the Budget year (c)	3,802	3,167	2,903	2,568	2,505
Departmental total	25,588	25,107	24,650	24,352	24,008
Total expenses for Outcome 1	790,164	799,177	822,140	837,511	853,682

	2017–18	2018–19
Average staffing level (number)	133	136

Prepared on Australian Accounting Standards basis. Figures displayed in brackets are negative and represent a decrease in funds. Non-bracketed figures are positive and represent an increase in funds.

- (a) Figures displayed are expenses only. This does not align to resourcing because appropriations credited to special account are not recognised as expense.
- (b) Estimated expenses incurred in relation to receipts retained under s74 of the PGPA Act.
- (c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2018–19 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.

Program 1.1: Discovery – Research and Research Training

Objective	Through the Discovery program, the ARC aims to build Australia’s research capacity by supporting excellent, internationally competitive research projects, fellowships and awards. This contributes to Outcome 1 by: providing training and career opportunities for current and emerging researchers; fostering international engagement; and encouraging research that will strengthen Australia’s capacity in areas of priority.
Delivery	The Discovery program is delivered through the following activities: <ul style="list-style-type: none"> • administering the Discovery funding schemes—Australian Laureate Fellowships, Discovery Early Career Researcher Award (DECRA), Discovery Indigenous, Discovery Projects and Future Fellowships—which provide funding to eligible administering organisations for excellent, internationally competitive research projects, fellowships and awards • informing policy on research and research training.
Purposes	The ARC’s purpose is to grow knowledge and innovation for the benefit of the Australian community through funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.

Performance information 1.1 Discovery – Research and Research Training

Year	Performance criteria	Expected achievement
2017–18	<p>The Discovery program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent research and researchers • research training and career development • international collaboration • research in areas of priority. <p>The Discovery program produces outcomes that improve our fundamental understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits to Australia.</p>	<p>Final reporting data for targets will be available at the end of 2017–18 and compared against baseline data in the annual report. To date:</p> <ul style="list-style-type: none"> • 17% of Discovery program funding allocated for commencement in 2017–18 was allocated under the DECRA scheme • 80% of Discovery program research projects commencing in 2017–18 involve international collaboration • 56% of Discovery program research projects commencing in 2017–18 address an Australian Government Science and Research Priority area. <p>Case studies demonstrating the benefits arising from Discovery research will be provided in the ARC annual report.</p>

Year	Performance criteria	Targets
2018–19	<p>The Discovery program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent research and researchers • research training and career development • international collaboration • research in areas of priority. <p>The Discovery program produces outcomes that improve our fundamental understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits to Australia.</p>	<p>Target: Maintain proportion of Discovery program funding allocated to support early career researchers under the DECRA scheme.</p> <p>Target: Maintain or increase the proportion of Discovery research projects, fellowships and awards that support international collaboration.</p> <p>Target: Maintain the proportion of Discovery research projects, fellowships and awards that involve research in one of the Australian Government's Science and Research Priority areas.</p> <p>Target: Evidence of outcomes arising from Discovery research projects, fellowships and awards improving our fundamental understanding of the world and/or providing economic, environmental, social, health and/or cultural benefits to Australia.</p>
2019–20 and beyond	As per 2018–19	As per 2018–19

Program 1.2: Linkage – Cross Sector Research Partnerships

Objective	<p>Through the Linkage program, the ARC aims to build Australia’s research and innovation capacity by supporting excellent, internationally competitive research projects, infrastructure, hubs and centres that involve collaboration among researchers within and beyond the research sector.</p> <p>This contributes to Outcome 1 by: providing training and career opportunities for current and emerging researchers; fostering industry and other end-user engagement; supporting international collaboration; and encouraging research that will strengthen Australia’s capacity in areas of priority.</p>
Delivery	<p>The Linkage program is delivered through the following activities:</p> <ul style="list-style-type: none"> • Administering the Linkage funding schemes—ARC Centres of Excellence, Industrial Transformation Research Hubs, Industrial Transformation Training Centres, Linkage Infrastructure, Equipment and Facilities, Linkage Learned Academies Special Projects, Linkage Projects and Special Research Initiatives—which provide funding to eligible administering organisations for excellent, internationally competitive research projects, infrastructure, hubs and centres • informing policy on cross sector research partnerships.
Purposes	<p>The ARC’s purpose is to grow knowledge and innovation for the benefit of the Australian community through funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.</p>
<p>Budget measures impacting program 1.2</p> <ul style="list-style-type: none"> • Australian Antarctic Science • Per- and Poly-Fluorinated Alkyl Substances — research and associated activities 	

Performance information 1.2 Linkage – Cross Sector Research Partnerships

Year	Performance criteria	Expected achievement
2017–18	<p>The Linkage program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent collaborative research and researchers • industrial research training and career development • partnerships between universities and research end-users • research in areas of priority. 	<p>Final reporting data for targets will be available at the end of 2017–18 and compared against baseline data in the annual report. To date:</p> <ul style="list-style-type: none"> • partner organisations involved in Linkage Projects have pledged \$1.76 for every dollar awarded by the ARC • results indicate the Linkage Projects scheme is on track to maintain the level of stakeholder satisfaction with the research partnerships supported through the scheme • 78% of Linkage program research projects commencing in 2017–18 address an Australian Government Science and Research Priority area • 100% of recommendations to the Minister under the Linkage Projects scheme have been made within six months of submission. <p>In relation to the target for expenditure on the Industrial Transformation Training Centres scheme as a proportion of Linkage program funding the selection round for Industrial Transformation Training Centres 2018 has not been finalised.</p>

Year	Performance criteria	Targets
2018–19	<p>The Linkage program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent collaborative research and researchers • industrial research training and career development • partnerships between universities and research end-users • research in areas of priority. 	<p>Target: Maintain proportion of Linkage program funding to support industrial research training under the Industrial Transformation Training Centres scheme.</p> <p>Target: Maintain or increase the level of co-funding from partner organisations under the Linkage Projects scheme [\geq\$1 for every ARC dollar].</p> <p>Target: Maintain stakeholder satisfaction with the research partnerships supported through Linkage research projects, infrastructure, hubs and centres [with baseline based on 4 year rolling average].</p> <p>Target: Maintain or increase the proportion of Linkage research projects, infrastructure, hubs and centres that involve research in one of the Australian Government’s Science and Research Priority areas.</p> <p>Target: Linkage Projects scheme is delivered efficiently [100% of recommendations are made to the Minister within six months of submission].</p>
2019–20 and beyond	As per 2018–19	As per 2018–19

Program 1.3: Excellence in Research for Australia

Objective	<p>Through the Excellence in Research for Australia (ERA) program the ARC aims to improve Australia’s research capacity by evaluating research at eligible Australian higher education institutions against international benchmarks and identifying excellence across the full spectrum of research activities. The program includes both the research quality evaluation framework, Excellence in Research for Australia, and an Engagement and Impact (EI) assessment framework, which will assess the engagement of researchers with end-users, and show how universities are translating their research into economic, social, environmental and other impacts.</p> <p>This contributes to Outcome 1 by: providing a unique, evidence-based resource to inform Australian government research policy and the strategic direction of higher education institutions; and encouraging researchers to produce high-quality and impactful research with real world benefits.</p>
Delivery	<p>The program is delivered through the following activities:</p> <ul style="list-style-type: none"> • administering an evaluation framework to measure and report on the quality of research conducted at Australia’s higher education institutions • administering a framework to assess engagement and show how universities are translating their research into economic, social, environmental and other impacts • informing strategic policy advice on research quality, engagement and impact.
Purposes	<p>The ARC’s purpose is to grow knowledge and innovation for the benefit of the Australian community through funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.</p>

Performance information 1.3 Excellence in Research for Australia

Year	Performance criteria	Expected achievement
2017–18	<p>The ERA program, including the research quality evaluation framework and the development and implementation of the EI assessment framework, contributes to the growth of knowledge and innovation in Australia by:</p> <ul style="list-style-type: none"> • providing assurance of the quality of research in Australia • encouraging excellent, internationally competitive research • encouraging impactful engagement within and beyond the research sector. 	<p>Reporting information for the following targets will be in the ARC annual report: ²²</p> <ul style="list-style-type: none"> • ERA program reports and activities inform Australian Government policy • ERA program reports and activities inform strategic planning at eligible Australian higher education institutions.

²² The 2017–18 PBS included two targets (1. engagement within and beyond the research sector is benchmarked and 2. impact studies submitted for the EI assessment publicly demonstrate how universities are translating their research into economic, social, environmental and other impacts) that will not be reported against for 2017–18 due to the triennial cycle of the EI Assessment—commencing in the 2018 calendar year. As stated in the *ARC Corporate Plan – 2017–18*, these targets rely on indicators that will be collected for the first time in 2018–19. Therefore the targets are included in the 2018–19 period.

Year	Performance criteria	Targets
2018–19	<p>The ERA program, including the research quality evaluation framework and EI assessment framework, contributes to the growth of knowledge and innovation in Australia by:</p> <ul style="list-style-type: none"> • providing assurance of the quality of research in Australia • encouraging excellent, internationally competitive research • encouraging impactful engagement within and beyond the research sector. 	<p>Reporting information for the following targets will be in the ARC annual report:</p> <ul style="list-style-type: none"> • ERA program reports and activities inform Australian Government policy • ERA program reports and activities inform strategic planning at eligible Australian higher education institutions • engagement within and beyond the research sector is benchmarked • impact studies submitted for the EI assessment publicly demonstrate how universities are translating their research into economic, social, environmental and other impacts • Research performance of Australian higher education institutions improves.
2019–20 and beyond	As per 2018–19	<p>ERA program reports and activities inform Australian Government policy.</p> <p>ERA program reports and activities inform strategic planning at eligible Australian higher education institutions.</p> <p>The following targets will not be measured in 2019–20, as ERA and EI are triennial exercises, with the next evaluations to be conducted in 2021:</p> <ul style="list-style-type: none"> • improvements to the research performance of Australian higher education institutions • engagement within and beyond the research sector is benchmarked • impact studies submitted for the EI assessment publicly demonstrate how universities are translating their research into economic, social, environmental and other impacts.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material variances between the entity resources table and the budgeted financial statements. There is a minor variance between resourcing and expenses, which reflects the administered annual appropriation being credited to the ARC Research Endowment Special Account.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The budgeted financial statements have been updated to reflect measures announced and other variations since the 2017–18 MYEFO/Portfolio Additional Estimates Statements 2017–18 - Education and Training Portfolio.

Budgeted departmental comprehensive income statement

The ARC's income statement reflects a deficit across the forward estimates. These deficits are solely attributable to the depreciation expense for the year. Expenses for 2018–19 are estimated to be \$25.1 million.

Budgeted departmental balance sheet

The budgeted net asset position of \$22.6 million for 2018–19 represents a decrease of \$1.9 million from 2017–18. This is mainly attributable to the estimated decrease in financial assets resulting from the estimated capital purchase in 2018–19 using prior year appropriations and the expenditure of funds received for the administration of PFAS.

Schedule of budgeted income and expenses administered on behalf of Government

The schedule of budgeted income and expenses reflects the revenues and expense relating to programs administered by the ARC on behalf of Government.

The majority of the expenditure is on grants as provided under the National Competitive Grants Program.

Schedules of budgeted assets and liabilities administered on behalf of government

The ARC recognises grant liabilities to the extent that the grant eligibility criteria or reporting requirements have been satisfied. The closing liability reflects the remaining commitment, as at 30 June, for the relevant calendar year.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
EXPENSES					
Employee benefits	15,884	16,553	16,873	17,201	17,534
Suppliers	5,698	5,216	4,737	4,479	3,895
Depreciation and amortisation (a)	3,742	3,107	2,843	2,508	2,445
Finance costs	264	231	197	164	134
Total expenses	25,588	25,107	24,650	24,352	24,008
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	600	500	500	400	-
Other	60	60	60	60	60
Total own-source revenue	660	560	560	460	60
Total own-source income	660	560	560	460	60
Net (cost of)/contribution by services	(24,928)	(24,547)	(24,090)	(23,892)	(23,948)
Revenue from Government	21,186	21,440	21,247	21,384	21,503
Surplus/(deficit) attributable to the Australian Government	(3,742)	(3,107)	(2,843)	(2,508)	(2,445)
Total comprehensive income/(loss)	(3,742)	(3,107)	(2,843)	(2,508)	(2,445)
Total comprehensive income/(loss) attributable to the Australian Government	(3,742)	(3,107)	(2,843)	(2,508)	(2,445)

Note: Impact of net cash appropriation arrangements

	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	3,742	3,107	2,843	2,508	2,445
Total comprehensive income/(loss) - as per the statement of comprehensive income	(3,742)	(3,107)	(2,843)	(2,508)	(2,445)

(a) From 2010–11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental capital budget statement.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
ASSETS					
Financial assets					
Cash and cash equivalents	467	467	467	467	467
Trade and other receivables	19,400	17,191	16,462	15,813	15,616
Total financial assets	19,867	17,658	16,929	16,280	16,083
Non-financial assets					
Land and buildings	1,647	1,500	1,343	1,180	1,008
Property, plant and equipment	789	565	361	254	214
Intangibles	10,467	10,307	9,054	8,053	7,065
Other non-financial assets	360	360	360	360	360
Total non-financial assets	13,263	12,732	11,118	9,847	8,647
Total assets	33,130	30,390	28,047	26,127	24,730
LIABILITIES					
Payables					
Suppliers	457	457	457	457	457
Other payables	1,509	1,015	634	298	365
Total payables	1,966	1,472	1,091	755	822
Interest bearing liabilities					
Leases	2,376	2,009	1,661	1,348	1,084
Total interest bearing liabilities	2,376	2,009	1,661	1,348	1,084
Provisions					
Employee provisions	3,979	3,979	3,979	3,979	3,979
Other provisions	324	324	324	324	324
Total provisions	4,303	4,303	4,303	4,303	4,303
Total liabilities	8,645	7,784	7,055	6,406	6,209
Net assets	24,485	22,606	20,992	19,721	18,521
EQUITY*					
Parent entity interest					
Contributed equity	36,283	37,511	38,740	39,977	41,222
Reserves	58	58	58	58	58
Retained surplus (accumulated deficit)	(11,856)	(14,963)	(17,806)	(20,314)	(22,759)
Total parent entity interest	24,485	22,606	20,992	19,721	18,521
Total equity	24,485	22,606	20,992	19,721	18,521

* Equity is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018–19)

	Retained earnings \$ 000	Asset revaluation reserve \$ 000	Contributed equity/ capital \$ 000	Total equity \$ 000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(11,856)	58	36,283	24,485
Adjusted opening balance	(11,856)	58	36,283	24,485
Comprehensive income				
Surplus/(deficit) for the period	(3,107)	-	-	(3,107)
Total comprehensive income	(3,107)	-	-	(3,107)
of which:				
Attributable to the Australian Government	(3,107)	-	-	(3,107)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	1,228	1,228
Sub-total transactions with owners	-	-	1,228	1,228
Estimated closing balance as at 30 June 2019	(14,963)	58	37,511	22,606
Closing balance attributable to the Australian Government	(14,963)	58	37,511	22,606

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OPERATING ACTIVITIES					
Cash received					
Appropriations	22,616	23,649	21,976	22,033	21,700
Sale of goods and rendering of services	2,005	-	-	-	-
Net GST received	550	550	550	550	550
Total cash received	25,171	24,199	22,526	22,583	22,250
Cash used					
Employees	15,884	16,547	16,754	17,137	17,467
Suppliers	5,638	5,156	4,677	4,419	3,835
Borrowing costs	264	231	197	164	134
Net GST paid	550	550	550	550	550
s74 Retained revenue receipts transferred to OPA	1,405	-	-	-	-
Total cash used	23,741	22,484	22,178	22,270	21,986
Net cash from/(used by) operating activities	1,430	1,715	348	313	264
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	3,000	2,576	1,229	1,237	1,245
Total cash used	3,000	2,576	1,229	1,237	1,245
Net cash from/(used by) investing activities	(3,000)	(2,576)	(1,229)	(1,237)	(1,245)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,909	1,228	1,229	1,237	1,245
Total cash received	1,909	1,228	1,229	1,237	1,245
Cash used					
Repayments of finance leases	339	367	348	313	264
Total cash used	339	367	348	313	264
Net cash from/(used by) financing activities	1,570	861	881	924	981
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	467	467	467	467	467
Cash and cash equivalents at the end of the reporting period	467	467	467	467	467

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,235	1,228	1,229	1,237	1,245
Equity injections - Bill 2	674	-	-	-	-
Total new capital appropriations	1,909	1,228	1,229	1,237	1,245
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,909	1,228	1,229	1,237	1,245
Total items	1,909	1,228	1,229	1,237	1,245
PURCHASE OF NON-FINANCIAL ASSETS					
ASSETS					
Funded by capital appropriations (a)	674	-	-	-	-
Funded by capital appropriation - DCB (b)	1,235	1,228	1,229	1,237	1,245
Funded internally from departmental resources (c)	1,091	1,348	-	-	-
TOTAL	3,000	2,576	1,229	1,237	1,245
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	3,000	2,576	1,229	1,237	1,245
Total cash used to acquire assets	3,000	2,576	1,229	1,237	1,245

(a) Current year's Appropriation Bill (No. 2).

(b) Current year's Departmental Capital Budgets (DCBs).

(c) Includes prior year Act 2 and DCB appropriations.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)

	Buildings \$ 000	Other property, plant and equipment \$ 000	Computer software and intangibles \$ 000	Total \$ 000
As at 1 July 2018				
Gross book value	3,026	1,670	26,248	30,944
Accumulated depreciation/ amortisation and impairment	(1,379)	(881)	(15,781)	(18,041)
Opening net book balance	1,647	789	10,467	12,903
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	1,348	1,348
By purchase - appropriation ordinary annual services (b)	100	150	978	1,228
Total additions	100	150	2,326	2,576
Other movements				
Depreciation/amortisation expense	(247)	(374)	(2,486)	(3,107)
Total other movements	(247)	(374)	(2,486)	(3,107)
As at 30 June 2019				
Gross book value	3,126	1,820	28,574	33,520
Accumulated depreciation/ amortisation and impairment	(1,626)	(1,255)	(18,267)	(21,148)
Closing net book balance	1,500	565	10,307	12,372

(a) Appropriation equity refers to equity injections appropriations provided through prior Appropriation Bill (No. 2).

(b) Appropriation ordinary annual services refers to funding provided through current and prior Appropriation Bill (No.1) for depreciation/amortisation expenses, DCBs.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
EXPENSES					
Suppliers	6,521	7,620	5,795	5,923	6,071
Grants	758,055	766,450	791,695	807,236	823,603
Total expenses administered on behalf of Government	764,576	774,070	797,490	813,159	829,674
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue (a)	7,000	7,000	7,000	7,000	7,000
Total non-taxation revenue	7,000	7,000	7,000	7,000	7,000
Total own-source revenue administered on behalf of Government	7,000	7,000	7,000	7,000	7,000
Total own-sourced income administered on behalf of Government	7,000	7,000	7,000	7,000	7,000
Net (cost of)/contribution by services	(757,576)	(767,070)	(790,490)	(806,159)	(822,674)
Total comprehensive income/(loss)	(757,576)	(767,070)	(790,490)	(806,159)	(822,674)

(a) Under the *Australian Research Council Act 2001*, grant recipients are required to return unspent grant money to the ARC unless otherwise approved. The ARC then returns the funding relating to prior financial years to the Official Public Account.

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
ASSETS					
Financial assets					
Taxation receivables	132	132	132	132	132
Trade and other receivables	3	3	3	3	3
Total financial assets	135	135	135	135	135
Non-financial assets					
Other non-financial assets	12	12	12	12	12
Total non-financial assets	12	12	12	12	12
Total assets administered on behalf of Government	147	147	147	147	147
LIABILITIES					
Payables					
Suppliers	1,144	1,144	1,144	1,144	1,144
Grants	308,898	308,898	308,898	308,898	308,898
Total payables	310,042	310,042	310,042	310,042	310,042
Total liabilities administered on behalf of Government	310,042	310,042	310,042	310,042	310,042
Net assets/(liabilities)	(309,895)	(309,895)	(309,895)	(309,895)	(309,895)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OPERATING ACTIVITIES					
Cash received					
Net GST received	5,300	5,300	5,300	5,300	5,300
Other	7,000	7,000	7,000	7,000	7,000
Total cash received	12,300	12,300	12,300	12,300	12,300
Cash used					
Grant	758,055	766,450	791,695	807,236	823,603
Suppliers	6,521	7,620	5,795	5,923	6,071
Net GST paid	5,300	5,300	5,300	5,300	5,300
Total cash used	769,876	779,370	802,790	818,459	834,974
Net cash from/(used by) operating activities	(757,576)	(767,070)	(790,490)	(806,159)	(822,674)
Net increase/(decrease) in cash held					
	(757,576)	(767,070)	(790,490)	(806,159)	(822,674)
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	764,576	774,070	797,490	813,159	829,674
- Administered GST appropriations	5,300	5,300	5,300	5,300	5,300
Total cash from Official Public Account	769,876	779,370	802,790	818,459	834,974
Cash to Official Public Account for:					
- Other operating payments	7,000	7,000	7,000	7,000	7,000
- Return of GST Appropriation to OPA	5,300	5,300	5,300	5,300	5,300
Total cash to Official Public Account	12,300	12,300	12,300	12,300	12,300
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

ARC does not have any administered capital budget, therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018–19)

ARC does not have any administered fixed or intangible assets, therefore Table 3.11 is not presented.

AUSTRALIAN SKILLS QUALITY AUTHORITY

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN SKILLS QUALITY AUTHORITY

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AUSTRALIAN SKILLS QUALITY AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Skills Quality Authority (ASQA) was established on 1 July 2011 by the enactment of the *National Vocational Education and Training Regulator Act 2011* (NVR Act) and supplementary legislation.

ASQA's focus is on maintaining a nationally consistent regulatory system that gives confidence to stakeholders that vocational education and training providers, and providers of English language courses to overseas students, offer quality training and assessment services. ASQA works to ensure that this training is appropriate to meet Australia's social and economic needs for a highly educated and skilled population.

Key facets of ASQA's regulatory approach include:

- targeted, risk-based regulation
- decisive action in cases of serious risk to the vocational education and training (VET) sector
- facilitating access to accurate information about VET.

ASQA's objectives (as described in the NVR Act) are:

- to provide for national consistency in the regulation of VET
- to regulate VET using:
 - a standards-based quality framework
 - risk assessments, where appropriate
- to protect and enhance:
 - quality, flexibility and innovation in VET
 - Australia's reputation for VET nationally and internationally
- to provide a regulatory framework that encourages and promotes a VET system that is appropriate to meet Australia's social and economic needs for a highly educated and skilled population
- to protect students undertaking, or proposing to undertake, Australian VET by ensuring the provision of quality vocational education and training
- to facilitate access to accurate information relating to the quality of VET.

ASQA's priorities for the year ahead

In 2018-19 ASQA will focus on:

- addressing the outcomes of the review of the *National Vocational Education and Training Regulator Act 2011*
- progressing the “Tightening scrutiny on new entrants to the VET market” initiative
- developing and releasing the Authority’s updated Regulatory Strategy
- undertaking a strategic review into International Education.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to ASQA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the ASQA's operations) classification.

For more detailed information on special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, while the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ASQA resource statement — Budget estimates for 2018–19 as at Budget May 2018

	2017–18 Estimated actual \$'000	2018–19 Estimate \$ 000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	20,496	16,355
Departmental appropriation (c)	33,099	36,102
s74 Retained revenue receipts (d)	264	264
Departmental capital budget (e)	-	1,212
Equity injection	478	-
Total departmental annual appropriations	<u>54,337</u>	<u>53,933</u>
Total departmental resourcing	54,337	53,933
Administered		
Total administered special appropriations	<u>639</u>	<u>357</u>
Total administered resourcing	639	357
Total resourcing for ASQA	54,976	54,290
	<u>2017–18</u>	<u>2018–19</u>
Average staffing level (number)	184	199

Prepared on a resourcing (i.e. appropriations available) basis.

Note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2018–19.
- (b) Excludes \$0.018m subject to quarantine by Finance or withheld under s51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act)
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated retained revenue receipts under s74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to ASQA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: ASQA 2018–19 Budget measures

Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Revenue measures						
Australian Skills Quality Authority — full cost recovery	1.1					
Administered revenues		-	5,226	5,546	20,893	21,094
Total		-	5,226	5,546	20,893	21,094
Total revenue measures						
Administered		-	5,226	5,546	20,893	21,094
Total		-	5,226	5,546	20,893	21,094
Expense measures						
Australian Skills Quality Authority — full cost recovery	1.1					
Departmental expenses		-	3,183	2,954	2,893	2,852
Total		-	3,183	2,954	2,893	2,852
Total expense measures						
Departmental		-	3,183	2,954	2,893	2,852
Total		-	3,183	2,954	2,893	2,852
Capital measures						
Australian Skills Quality Authority — full cost recovery	1.1					
Departmental capital		-	1,845	3,013	1,469	344
Total		-	1,845	3,013	1,469	344
Total capital measures						
Departmental		-	1,845	3,013	1,469	344
Total		-	1,845	3,013	1,469	344

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed in brackets are negative and represent a decrease in funds. Non-bracketed figures are positive and represent an increase in funds.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for ASQA can be found at: www.asqa.gov.au

The most recent annual performance statement can be found in the Annual Report at: www.asqa.gov.au

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.

Budgeted expenses for Outcome 1

This table shows how much ASQA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Program 1.1: Regulation and advice					
Departmental expenses					
Departmental appropriation	33,099	36,102	36,490	36,191	36,344
s74 Retained revenue receipts (a)	264	264	264	132	-
Expenses not requiring appropriation in the Budget year (b)	2,158	2,435	2,493	2,658	2,805
Departmental total	35,521	38,801	39,247	38,981	39,149
Total expenses for program 1.1	35,521	38,801	39,247	38,981	39,149
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	33,099	36,102	36,490	36,191	36,344
s74 Retained revenue receipts (a)	264	264	264	132	-
Expenses not requiring appropriation in the Budget year (b)	2,158	2,435	2,493	2,658	2,805
Departmental total	35,521	38,801	39,247	38,981	39,149
Total expenses for Outcome 1	35,521	38,801	39,247	38,981	39,149
Average staffing level (number)	2017–18 184	2018–19 199			

(a) Estimated expenses incurred in relation to receipts retained under s74 of the PGPA Act.

(b) Administered expenses not requiring appropriation are doubtful debts. Departmental expenses not requiring appropriation are depreciation, amortisation, and expenses funded by prior years appropriations.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Performance criteria for Outcome 1

This section below details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered.

Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.

Program 1.1: Regulation and Advice

Objective	To assure the quality of VET outcomes through national regulation and the communication of advice on vocational education and training.
Delivery	<p>The mechanisms through which Program 1.1 is delivered are:</p> <ul style="list-style-type: none"> • applying a risk based and standards based regulatory approach to the VET sector • taking regulatory action to remove poor quality providers from the sector • making ASQA's Regulatory Strategy and Regulatory Risk Framework publicly available • undertaking communications campaigns to address identified issues and providing stakeholders with timely and accurate advice.
Purposes	<p>Program 1.1 contributes to ASQA's purposes which are to:</p> <ul style="list-style-type: none"> • protect the quality and reputation of the vocational education training (VET) sector • regulate the VET sector utilising a contemporary, risk and standards based regulatory approach • facilitate access to accurate information about VET.

Performance information 1.1 Regulation and Advice

Year	Performance criteria	Expected achievement
2017–18	Stakeholders indicate they believe ASQA is improving the quality of VET outcomes in Australia.	<p>Application of risk based regulation demonstrated by percentage of non-application based audits to application based audits.</p> <p>As at 31 December 2017: 55.5% of completed audits are non-application based audits.</p> <p>Providers and stakeholders indicate they are satisfied with ASQA's engagement with the regulated community.</p> <p>Most recent survey results indicated:²³ 68.0% provider satisfaction 52.7% stakeholder satisfaction.</p>

²³ 2016–17. Results for 2017–18 will not be available until early 2018–19.

ASQA Budget Statements

Year	Performance criteria	Targets
2018–19	Stakeholders consider that ASQA is improving the quality of VET outcomes in Australia.	<p>Application of risk based regulation demonstrated by percentage of non-application based audits to application based audits.</p> <p>Target: 50% non-application based audits.</p> <p>Providers and stakeholders indicate they are satisfied with ASQA's engagement with the regulated community.</p> <p>Target: 70% positive feedback from providers and stakeholders (excellent or good in annual survey).</p>
2019–20 and beyond	As per 2018–19	As per 2018–19

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ASQA's finances for the 2018-19 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The resource statement (Table 1.1 in Section 1) shows a decrease of \$4.1 million in prior year appropriations available. This includes funds of \$2.8 million budgeted for use in 2017-18 for capital expenditure, as shown in Table 3.5 – Departmental capital budget statement.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

Expenses for 2018-19 are estimated to be \$38.8 million. This reflects an increase from 2017-18 of \$3.3 million as reflected in the budget measure at Table 1.2. ASQA is budgeting for a technical operating loss in 2018-19 reflecting the value of unfunded depreciation and amortisation expense of \$2.4 million.

Budgeted departmental balance sheet

ASQA's asset and liability forecasts are mostly in line with amounts advised in the 2017-18 Budget. An exception is that forecasts are higher for Suppliers, reflecting an increase in accrued expenses at year end.

Capital acquisitions in 2018-19 (as shown in Tables 3.4 and 3.5) are planned to be \$3 million for enhancement of IT systems.

Administered

Revenue estimates for 2018-19 are \$23.3 million. This decrease from 2017-18 reflects ASQA's increasing shift to risk based regulation. ASQA continues partial cost recovery arrangements for 2018-19.

Budgeted assets and liabilities represent net receivables and provisions for refunds of administered receipts.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
EXPENSES					
Employee benefits	20,583	22,150	22,163	23,139	22,603
Suppliers	12,780	14,216	14,591	13,184	13,741
Depreciation and amortisation (a)	2,158	2,435	2,493	2,658	2,805
Total expenses	35,521	38,801	39,247	38,981	39,149
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	264	264	264	132	-
Total own-source revenue	264	264	264	132	-
Total own-source income	264	264	264	132	-
Net (cost of)/contribution by services	(35,257)	(38,537)	(38,983)	(38,849)	(39,149)
Revenue from Government	33,099	36,102	36,490	36,191	36,344
Surplus/(deficit) attributable to the Australian Government	(2,158)	(2,435)	(2,493)	(2,658)	(2,805)
Total comprehensive income/(loss)	(2,158)	(2,435)	(2,493)	(2,658)	(2,805)
Total comprehensive income/(loss) attributable to the Australian Government	(2,158)	(2,435)	(2,493)	(2,658)	(2,805)

Note: Impact of net cash appropriation arrangements

	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	2,158	2,435	2,493	2,658	2,805
Total comprehensive income/(loss) - as per the statement of comprehensive income	(2,158)	(2,435)	(2,493)	(2,658)	(2,805)

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
ASSETS					
Financial assets					
Cash and cash equivalents	335	335	335	335	335
Trade and other receivables	18,528	18,559	18,559	18,559	18,559
Total financial assets	18,863	18,894	18,894	18,894	18,894
Non-financial assets					
Land and buildings	2,997	2,050	2,406	1,642	1,211
Property, plant and equipment	586	397	628	896	801
Intangibles	11,614	13,372	14,517	15,045	14,339
Other non-financial assets	178	178	178	178	178
Total non-financial assets	15,375	15,997	17,729	17,761	16,529
Assets held for sale					
Total assets	34,238	34,891	36,623	36,655	35,423
LIABILITIES					
Payables					
Suppliers	6,871	6,868	7,032	7,032	7,032
Other payables	6	11	11	11	11
Total payables	6,877	6,879	7,043	7,043	7,043
Provisions					
Employee provisions	6,753	6,779	6,779	6,779	6,779
Other provisions	261	264	100	100	100
Total provisions	7,014	7,043	6,879	6,879	6,879
Total liabilities	13,891	13,922	13,922	13,922	13,922
Net assets	20,347	20,969	22,701	22,733	21,501
EQUITY*					
Parent entity interest					
Contributed equity	24,701	27,758	31,983	34,673	36,246
Reserves	20	20	20	20	20
Retained surplus (accumulated deficit)	(4,374)	(6,809)	(9,302)	(11,960)	(14,765)
Total parent entity interest	20,347	20,969	22,701	22,733	21,501
Total equity	20,347	20,969	22,701	22,733	21,501

* Equity is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018–19)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	(4,374)	20	-	24,701	20,347
Comprehensive income					
Surplus/(deficit) for the period	(2,435)	-	-	-	(2,435)
Total comprehensive income	(6,809)	20	-	24,701	17,912
of which:					
Attributable to the Australian Government	(6,809)	20	-	24,701	17,912
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	1,846	1,846
Departmental Capital Budget (DCB)	-	-	-	1,211	1,211
Sub-total transactions with owners	-	-	-	3,057	3,057
Estimated closing balance as at 30 June 2019	(6,809)	20	-	27,758	20,969
Closing balance attributable to the Australian Government	(6,809)	20	-	27,758	20,969

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OPERATING ACTIVITIES					
Cash received					
Appropriations	38,520	36,071	36,490	36,191	36,344
Sale of goods and rendering of services	264	264	264	132	-
Total cash received	38,784	36,335	36,754	36,323	36,344
Cash used					
Employees	20,414	22,119	22,163	23,139	22,603
Suppliers	13,280	14,219	14,427	13,184	13,741
Total cash used	33,694	36,338	36,590	36,323	36,344
Net cash from/(used by) operating activities	5,090	(3)	164	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	5,568	3,054	4,389	2,690	1,573
Total cash used	5,568	3,054	4,389	2,690	1,573
Net cash from/(used by) investing activities	(5,568)	(3,054)	(4,389)	(2,690)	(1,573)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	478	3,057	4,225	2,690	1,573
Total cash received	478	3,057	4,225	2,690	1,573
Net cash from/(used by) financing activities	478	3,057	4,225	2,690	1,573
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	335	335	335	335	335
Cash and cash equivalents at the end of the reporting period	335	335	335	335	335

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	1,212	1,212	1,221	1,229
Equity injections - Bill 2	478	1,845	3,013	1,469	344
Total new capital appropriations	478	3,057	4,225	2,690	1,573
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	478	3,057	4,225	2,690	1,573
Total items	478	3,057	4,225	2,690	1,573
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	2,749	1,845	3,013	1,469	344
Funded by capital appropriation - DCB (b)	-	1,212	1,212	1,221	1,229
Funded internally from departmental resources (c)	2,822	-	-	-	-
TOTAL	5,571	3,057	4,225	2,690	1,573
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,571	3,057	4,225	2,690	1,573
Total cash used to acquire assets	5,571	3,057	4,225	2,690	1,573

- (a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.
- (b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).
- (c) Includes the following sources of funding:
- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
 - donations and contributions
 - gifts
 - internally developed assets
 - s74 Retained revenue receipts
 - proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018–19)

	Buildings \$ 000	Other property, plant and equipment \$ 000	Computer software and intangibles \$ 000	Total \$ 000
As at 1 July 2018				
Gross book value	5,908	1,166	18,180	25,254
Accumulated depreciation/ amortisation and impairment	(2,911)	(580)	(6,566)	(10,057)
Opening net book balance	2,997	586	11,614	15,197
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	3,057	3,057
Total additions	-	-	3,057	3,057
Other movements				
Depreciation/amortisation expense	(947)	(189)	(1,299)	(2,435)
Total other movements	(947)	(189)	(1,299)	(2,435)
As at 30 June 2019				
Gross book value	5,908	1,166	21,237	28,311
Accumulated depreciation/ amortisation and impairment	(3,858)	(769)	(7,865)	(12,492)
Closing net book balance	2,050	397	13,372	15,819

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018–19, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2018–19 for depreciation/amortisation expenses, DCBs or other operational expenses.

(c) Net proceeds may be returned to the OPA.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	12,919	17,946	18,166	29,932	30,178
Total taxation revenue	12,919	17,946	18,166	29,932	30,178
Non-taxation revenue					
Other revenue	15,302	5,335	5,435	9,016	8,971
Total non-taxation revenue	15,302	5,335	5,435	9,016	8,971
Total own-source revenue administered on behalf of Government	28,221	23,281	23,601	38,948	39,149
Gains					
Total own-sourced income administered on behalf of Government	28,221	23,281	23,601	38,948	39,149
Net (cost of)/contribution by services	(28,221)	(23,281)	(23,601)	(38,948)	(39,149)
Total comprehensive income/(loss)	(28,221)	(23,281)	(23,601)	(38,948)	(39,149)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
ASSETS					
Financial assets					
Trade and other receivables	368	368	368	368	368
Total financial assets	368	368	368	368	368
Total assets administered on behalf of Government	368	368	368	368	368
LIABILITIES					
Provisions					
Other provisions	117	117	117	117	117
Total provisions	117	117	117	117	117
Total liabilities administered on behalf of Government	117	117	117	117	117
Net assets/(liabilities)	251	251	251	251	251

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OPERATING ACTIVITIES					
Cash received					
Taxes	12,919	17,946	18,166	29,932	30,178
Other	15,302	5,335	5,435	9,016	8,971
Total cash received	28,221	23,281	23,601	38,948	39,149
Cash used					
Other	639	357	357	357	357
Total cash used	639	357	357	357	357
Net cash from/(used by) operating activities	27,582	22,924	23,244	38,591	38,792
Net increase/(decrease) in cash held	27,582	22,924	23,244	38,591	38,792
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations	639	357	357	357	357
Total cash from Official Public Account	639	357	357	357	357
Cash to Official Public Account for:					
- Appropriations	(28,221)	(23,281)	(23,601)	(38,948)	(39,149)
Total cash to Official Public Account	(28,221)	(23,281)	(23,601)	(38,948)	(39,149)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

ASQA does not have any administered capital budget, therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018–19)

ASQA does not have any administered assets, therefore Table 3.11 is not presented.

**TERTIARY EDUCATION QUALITY
AND STANDARDS AGENCY**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

TERTIARY EDUCATION QUALITY AND STANDARDS AGENCY

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TERTIARY EDUCATION QUALITY AND STANDARDS AGENCY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Tertiary Education Quality and Standards Agency (TEQSA) is Australia's national higher education quality assurance and regulatory agency established under the *Tertiary Education Quality and Standards Agency Act 2011* (the Act). TEQSA commenced regulatory functions on 29 January 2012.

The Act confers powers and functions on TEQSA, among other things, to:

- register regulated entities as registered higher education providers and accredit courses of study
- conduct compliance assessments and quality assessments
- conduct accreditation assessments of courses developed by providers without self-accrediting authority
- provide advice and make recommendations to the Minister on matters relating to the quality or regulation of higher education providers
- collect, analyse, interpret and disseminate information relating to quality assurance practice and quality improvement in higher education
- co-operate with similar agencies in other countries.

TEQSA also has responsibility, as an ESOS agency under the *Education Services for Overseas Students Act 2000*, for regulating all providers delivering higher education to overseas students studying in Australia, and some providers delivering English Language Intensive Course for Overseas Students (ELICOS) and Foundation programs (where they have an entry arrangement for their graduates with a registered higher education provider). Providers in all categories that wish to offer higher education courses to overseas students must be registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: TEQSA resource statement — Budget estimates for 2018–19 as at Budget May 2018

	2017–18 Estimated actual \$'000	2018–19 Estimate \$ 000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	5,628	6,814
Departmental appropriation (c)	14,072	17,938
s74 Retained revenue receipts (d)	382	263
Departmental capital budget (e)	851	1,646
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	-	100
Equity injection	100	-
Total departmental annual appropriations	21,033	26,761
Total departmental resourcing	21,033	26,761
Administered		
Total administered special appropriations	200	200
Total administered resourcing	200	200
Total resourcing for TEQSA	21,233	26,961
	2017–18	2018–19
Average staffing level (number)	51	93

Prepared on a resourcing (that is, appropriations available) basis.

Note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2018–19.
- (b) Excludes \$0.015m subject to quarantine by Finance or withheld under s51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated retained revenue receipts under s74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2018–19.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the TEQSA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: TEQSA 2018–19 Budget measures

Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Revenue measures	1.1					
Tertiary Education Quality and Standards Agency — full cost recovery						
Administered revenues		-	1,675	5,461	8,674	12,396
Total		-	1,675	5,461	8,674	12,396
Total revenue measures						
Administered		-	1,675	5,461	8,674	12,396
Total		-	1,675	5,461	8,674	12,396
Expense measures						
Tertiary Education Quality and Standards Agency — full cost recovery	1.1					
Departmental expenses		-	6,390	5,667	5,700	5,739
Total		-	6,390	5,667	5,700	5,739
Total expense measures						
Departmental		-	6,390	5,667	5,700	5,739
Total		-	6,390	5,667	5,700	5,739
Capital measures						
Tertiary Education Quality and Standards Agency — full cost recovery	1.1					
Departmental capital		-	800	-	-	-
Total		-	800	-	-	-
Total capital measures						
Departmental		-	800	-	-	-
Total		-	800	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed in brackets are negative and represent a decrease in funds. Non-bracketed figures are positive and represent an increase in funds.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for TEQSA can be found at: www.teqsa.gov.au

The most recent annual performance statement can be found in the Annual Report at: www.teqsa.gov.au.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
Program 1.1: Regulation and Quality Assurance					
Departmental expenses					
Departmental appropriation	14,072	17,938	17,556	17,483	17,591
s74 Retained revenue receipts (a)	382	263	264	265	186
Expenses not requiring appropriation in the Budget year (b)	968	949	732	712	686
Departmental total	15,422	19,150	18,552	18,460	18,463
Total expenses for program 1.1	15,422	19,150	18,552	18,460	18,463
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	14,072	17,938	17,556	17,483	17,591
s74 Retained revenue receipts (a)	382	263	264	265	186
Expenses not requiring appropriation in the Budget year (b)	968	949	732	712	686
Departmental total	15,422	19,150	18,552	18,460	18,463
Total expenses for Outcome 1	15,422	19,150	18,552	18,460	18,463

	2017–18	2018–19
Average staffing level (number)	51	93

- (a) Estimated expenses incurred in relation to receipts retained under s74 of the PGPA Act.
 - (b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and audit fees.
 - (c) Figures displayed in brackets are negative and represent a decrease in funds. Non-bracketed figures are positive and represent an increase in funds.
- Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018–19 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.

Program 1.1: Regulation and Quality Assurance

Objective	Regulation and quality assurance ensure that quality standards are being met by all higher education providers so that the interests of students and the reputation of Australia's higher education sector are promoted and protected. This occurs by reference to the Higher Education Threshold Standards, which are determined by the Minister for Education and Training on advice from an independent Higher Education Standards Panel. A risk-based approach is used for planning and implementing assessments of provider compliance with those Standards.
Delivery	The mechanisms through which Program 1.1 will be delivered are: <ul style="list-style-type: none"> • register regulated entities as registered higher education providers and accredit courses of study • conduct compliance assessments and quality assessments • conduct re-accreditation assessments of courses developed by providers without self-accrediting authority • provide advice and make recommendations to the Commonwealth Minister responsible for Education on matters relating to the quality and regulation of higher education providers • cooperate with similar agencies in other countries • collect, analyse, interpret and disseminate information relating to quality assurance practice and quality improvement in higher education.
Purpose²⁴	To safeguard student interests and the reputation of the higher education sector by assuring the quality of Australian higher education through a proportionate, risk reflective approach to regulation which allows higher education providers to pursue their individual missions and encourages diversity, innovation and excellence. Our work is underpinned by the intention of encouraging, supporting and recognising effective internal quality assurance in providers. We have three key goals in delivering our purpose: <ul style="list-style-type: none"> • effective oversight of the quality and reputation of Australian higher education • efficient, effective, responsive, risk-based quality assurance and regulatory activities • constructive and collaborative relationships with governments, higher education providers, students and other stakeholders.

²⁴ Refers to updated purposes that will be reflected in the 2018–19 Corporate Plan.

Performance information 1.1

Year	Performance criteria	Expected achievement
2017–18	TEQSA has effective mechanisms to identify, monitor and respond to risks to higher education across the sector.	<p>New mechanisms have been implemented to manage out-of-cycle regulatory work, including responding to emerging risks to quality and the assessment of applications received from prospective entrants.</p> <p>An approach has been established on enhanced monitoring, sector intelligence gathering and analysis of risk, with a correspondingly targeted approach to assessment.</p> <p>Further integration of risk analysis and regulatory decision making is expected to be achieved, through the use of comprehensive datasets to inform risk analysis and regulatory interventions.</p>
	Enhanced levels of sector information are made readily available.	Aggregate observations of performance and risks have been published including: annual statistics on registered higher education providers, key financial metrics, assessment outcomes reporting, and the role of risk analyses in assessment outcomes.
	TEQSA engages in regular, constructive consultation with the sector, stakeholders and international agencies to achieve the agency's strategic objectives.	<p>Cross border regulatory activity has been strengthened and streamlined through engagement with international quality agencies.</p> <p>TEQSA's understanding and effectiveness in international higher education, and contribution to development of transnational policy is increased through signing or re-signing MoUs for the sharing of information with international quality agencies including provider visits and staff exchanges.</p>
	Regulation and quality assurance does not unnecessarily impede the efficient operation of higher education providers.	<p>Tailored and proportionate approaches are applied to all assessments undertaken during the year, based on risks and performance data about providers.</p> <p>TEQSA's efficient and effective administration of regulatory functions is reflected in the positive results of the 2017 survey of providers.</p>
	TEQSA's decisions clearly articulate the reasons for decisions, and all higher education providers have a reasonable opportunity to address matters relevant to a decision.	<p>Decisions continue to be made in a timely manner and providers are informed in accordance with legislative timeframes.</p> <p>Where an adverse decision is proposed, a draft summary of findings is sent to providers to allow providers a reasonable opportunity to respond.</p>

TEQSA Budget Statements

Year	Performance criteria	Expected achievement
	TEQSA's compliance and monitoring approaches are streamlined and coordinated.	<p>Collaboration with the Department of Education and Training continues to be strengthened, data collection from providers is automated and data access and sharing is enhanced.</p> <p>Collaboration with industry professional bodies to share data reduces the burden of regulatory requirements.</p> <p>Cooperation with international quality agencies is utilised where necessary for regulation of Australian providers operating internationally.</p>
	Effective implementation of regulatory responsibilities is achieved, including requirements of the TEQSA and ESOS Acts.	<p>Responded to outcomes of the review of the impact of the TEQSA Act.</p> <p>Implement changes to support transition to the revised National Code in the ESOS Framework.</p>
	TEQSA's communication with higher education providers is clear, targeted and effective. Specific dealings with higher education providers are also open, transparent and consistent.	<p>Information has been conveyed to stakeholders regularly and is readily accessible including via an improved TEQSA website.</p> <p>Issues of concern to the sector and stakeholders were included in the program of annual TEQSA Conference.</p> <p>The majority of providers surveyed rate TEQSA's communication as good or excellent.</p>
	Increased synergies developed with other agencies and contributions to collaborative goals.	<p>Information relevant to risks to quality, protection of students and reputation of the sector to be shared with Commonwealth agencies and the regulatory agencies of other countries.</p> <p>Work has been undertaken with the Higher Education Standards Panel to implement the Government response to Report on the Transparency of Admissions Processes for Higher Education, including a formative evaluation of the current position and good practice guidance on meeting the Panel's expectations in this area.</p>

Year	Performance criteria	Target
2018–19	TEQSA's decisions are provided in a timely manner, clearly articulating the reasons for decisions, and TEQSA gives all higher education providers a reasonable opportunity to address matters relevant to a decision by TEQSA before making a decision that affects the provider.	<p>Decisions are made in a timely manner and providers are informed in accordance with legislative timeframes.</p> <p>Target: 90% or more of assessments regarding low risk providers are decided within 6 months.</p>
	TEQSA has effective mechanisms to identify, monitor and respond to risks to the quality and standards of higher education across the sector.	<p>Low risk providers have regulatory burden reduced and moderate-high risk providers increase their quality assurance effort.</p> <p>Target: There is a demonstrated correlation between the risk rating of providers and assessment outcomes.</p>

TEQSA Budget Statements

Year	Performance criteria	Target
	TEQSA communication with higher education providers is clear, targeted and effective.	The majority of providers surveyed rate TEQSA's communication as good or excellent. Target: 80% or more of providers rate TEQSA's communication as good or excellent.
	TEQSA engages in regular, constructive dialogue with international quality assurance agencies to contribute to the development of effective transnational quality assurance.	Cross border regulatory activity is strengthened and streamlined through engagement with international quality agencies. Target: TEQSA undertakes two joint projects with international partner agencies in accordance with memorandum of cooperation.
2019–20 and beyond	As per 2018–19.	As per 2018–19.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the resources table and the budget financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The budgeted financial statements have been updated to reflect changes and other variations since the 2017–18 Portfolio Budget Statements (PBS).

An analysis of TEQSA's budgeted financial statement for 2018–19 is provided below:

Budgeted departmental comprehensive income statement

TEQSA is budgeting for an operating loss equal to the unappropriated depreciation and amortisation expense of \$0.896 million in 2018–19.

Total expenses excluding depreciation and amortisation expenses are estimated to be \$18.254 million in 2018–19. This is an increase of \$3.748 million from the 2017–18 estimated actual. The increase in expenditure reflects Government's decision to provide additional resources to TEQSA to enable the agency to effectively undertake regulatory functions and sector-wide activities including admissions transparency evaluation and academic integrity.

Budgeted departmental balance sheet

The budgeted net position at the end of 2018–19 is estimated to be \$5.833 million. This is \$0.750 million higher than 2017–18 and is mainly attributable to an increase in financial and non-financial assets.

Schedule of budgeted income and expenses administered on behalf of Government

The schedule of budgeted income and expenses reflects the fees and levies collected from regulatory services by TEQSA on behalf of Government.

Revenue estimated for 2018–19 is \$4.194 million which is \$0.551 million higher than the estimated actual revenue for 2017–18. The increase is a result of the new fee structure to be introduced in 2018–19 following a review of TEQSA's cost recovery arrangements.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
EXPENSES					
Employee benefits	6,469	11,656	11,810	11,859	12,096
Suppliers	7,955	6,512	5,972	5,846	5,634
Depreciation and amortisation (a)	916	896	679	659	633
Finance costs	82	86	91	96	100
Total expenses	15,422	19,150	18,552	18,460	18,463
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	125	5	5	5	5
Rental income	257	258	259	260	181
Total own-source revenue	382	263	264	265	186
Gains					
Other	52	53	53	53	53
Total gains	52	53	53	53	53
Total own-source income	434	316	317	318	239
Net (cost of)/contribution by services	(14,988)	(18,834)	(18,235)	(18,142)	(18,224)
Revenue from Government	14,072	17,938	17,556	17,483	17,591
Surplus/(deficit) attributable to the Australian Government	(916)	(896)	(679)	(659)	(633)
Total comprehensive income/(loss)	(916)	(896)	(679)	(659)	(633)
Total comprehensive income/(loss) attributable to the Australian Government	(916)	(896)	(679)	(659)	(633)

Note: Impact of net cash appropriation arrangements

	2017–18 \$ 000	2018–19 \$ 000	2019–20 \$ 000	2020–21 \$ 000	2021–22 \$ 000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	916	896	679	659	633
Total comprehensive income/(loss) - as per the statement of comprehensive income	(916)	(896)	(679)	(659)	(633)

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
ASSETS					
Financial assets					
Cash and cash equivalents	112	112	112	112	112
Trade and other receivables	6,090	7,152	7,442	7,618	7,212
Total financial assets	6,202	7,264	7,554	7,730	7,324
Non-financial assets					
Land and buildings	850	837	624	411	383
Property, plant and equipment	370	332	234	218	351
Intangibles	1,472	2,178	1,962	1,735	1,854
Other non-financial assets	181	174	169	169	169
Total non-financial assets	2,873	3,521	2,989	2,533	2,757
Assets held for sale					
Total assets	9,075	10,785	10,543	10,263	10,081
LIABILITIES					
Payables					
Suppliers	454	327	303	297	281
Other payables	1,254	1,104	814	470	151
Total payables	1,708	1,431	1,117	767	432
Provisions					
Employee provisions	1,476	2,799	2,794	2,766	2,795
Other provisions	808	722	631	535	435
Total provisions	2,284	3,521	3,425	3,301	3,230
Total liabilities	3,992	4,952	4,542	4,068	3,662
Net assets	5,083	5,833	6,001	6,195	6,419
EQUITY*					
Parent entity interest					
Contributed equity	11,414	13,060	13,907	14,760	15,617
Retained surplus (accumulated deficit)	(6,331)	(7,227)	(7,906)	(8,565)	(9,198)
Total parent entity interest	5,083	5,833	6,001	6,195	6,419
Total equity	5,083	5,833	6,001	6,195	6,419

* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018–19)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	(6,331)	-	-	11,414	5,083
Adjusted opening balance	(6,331)	-	-	11,414	5,083
Comprehensive income					
Surplus/(deficit) for the period	(896)				(896)
Total comprehensive income	(896)	-	-	-	(896)
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	1,646	1,646
Sub-total transactions with owners	-	-	-	1,646	1,646
Estimated closing balance as at 30 June 2019	(7,227)	-	-	13,060	5,833
Closing balance attributable to the Australian Government	(7,227)	-	-	13,060	5,833

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OPERATING ACTIVITIES					
Cash received					
Appropriations	13,917	16,795	17,196	17,240	17,945
Sale of goods and rendering of services	393	263	264	265	186
Net GST received	569	313	356	334	323
Other	18	51	59	65	48
Total cash received	14,897	17,422	17,875	17,904	18,502
Cash used					
Employees	6,288	10,239	11,811	11,886	12,063
Suppliers	8,003	6,599	5,958	5,819	5,617
Net GST paid	579	283	345	332	319
Other	342	396	456	517	503
Total cash used	15,212	17,517	18,570	18,554	18,502
Net cash from/(used by) operating activities	(315)	(95)	(695)	(650)	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	636	1,551	152	203	857
Total cash used	636	1,551	152	203	857
Net cash from/(used by) investing activities	(636)	(1,551)	(152)	(203)	(857)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	951	1,646	847	853	857
Total cash received	951	1,646	847	853	857
Net cash from/(used by) financing activities	951	1,646	847	853	857
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	112	112	112	112	112
Cash and cash equivalents at the end of the reporting period	112	112	112	112	112

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	851	1,646	847	853	857
Equity injections - Bill 2	100	-	-	-	-
Total new capital appropriations	951	1,646	847	853	857
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	636	1,551	152	203	857
<i>Other Items</i>	315	95	695	650	-
Total items	951	1,646	847	853	857
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	100	-	-	-	-
Funded by capital appropriation - DCB (b)	536	1,551	152	203	857
TOTAL	636	1,551	152	203	857
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	636	1,551	152	203	857
Total cash used to acquire assets	636	1,551	152	203	857

- (a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.
- (b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).
- (c) Includes the following sources of funding:
- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
 - donations and contributions
 - gifts
 - internally developed assets
 - s74 Retained revenue receipts
 - proceeds from the sale of assets.
- Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018–19)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$ 000	\$ 000	\$ 000	\$ 000
As at 1 July 2018				
Gross book value	1,182	609	3,327	5,118
Accumulated depreciation/ amortisation and impairment	(332)	(239)	(1,855)	(2,426)
Opening net book balance	850	370	1,472	2,692
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	-	-
By purchase - appropriation ordinary annual services (b)	200	90	1,261	1,551
Total additions	200	90	1,261	1,551
Other movements				
Depreciation/amortisation expense	(213)	(128)	(555)	(896)
Total other movements	(213)	(128)	(555)	(896)
As at 30 June 2019				
Gross book value	1,372	684	4,588	6,644
Accumulated depreciation/ amortisation and impairment	(535)	(352)	(2,410)	(3,297)
Closing net book balance	837	332	2,178	3,347

(a) Appropriation equity refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017–18, including CDABs.

(b) Appropriation ordinary annual services refers to funding provided through Appropriation Bill (No. 1) 2017–18 for depreciation/amortisation expenses, DCBs or other operational expenses.

(c) Net proceeds may be returned to the OPA.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
EXPENSES					
Total expenses administered on behalf of Government	-	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	3,643	4,194	10,157	12,950	16,472
Total non-taxation revenue	3,643	4,194	10,157	12,950	16,472
Total own-source revenue administered on behalf of Government	3,643	4,194	10,157	12,950	16,472
Total own-sourced income administered on behalf of Government	3,643	4,194	10,157	12,950	16,472
Net (cost of)/contribution by services	(3,643)	(4,194)	(10,157)	(12,950)	(16,472)
Surplus/(deficit) before income tax	(3,643)	(4,194)	(10,157)	(12,950)	(16,472)
Income tax expense					
Surplus/(deficit) after income tax	(3,643)	(4,194)	(10,157)	(12,950)	(16,472)
Total comprehensive income/(loss)	(3,643)	(4,194)	(10,157)	(12,950)	(16,472)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

TEQSA returns all administered revenue to the Consolidated Revenue Fund and does not have administered assets or liabilities. Therefore, Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$ 000	2018–19 Budget \$ 000	2019–20 Forward estimate \$ 000	2020–21 Forward estimate \$ 000	2021–22 Forward estimate \$ 000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	3,643	4,194	10,157	12,950	16,472
Total cash received	3,643	4,194	10,157	12,950	16,472
Cash used					
Total cash used	-	-	-	-	-
Net cash from/(used by) operating activities	3,643	4,194	10,157	12,950	16,472
Net increase/(decrease) in cash held	3,643	4,194	10,157	12,950	16,472
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations	200	200	200	200	200
Total cash from Official Public Account	200	200	200	200	200
Cash and cash equivalents at end of reporting period	3,843	4,394	10,357	13,150	16,672

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

TEQSA does not have any administered capital budget, therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018–19)

TEQSA does not have any administered assets, therefore Table 3.11 is not presented.

PORTFOLIO GLOSSARY

Term	Meaning
Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Additional Estimates Bills or Acts	These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments [Appropriations (Parliamentary Departments) Bill (No. 2)]. These Bills are introduced into Parliament sometime after the Budget Bills.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two Appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Annual performance statements	A document prepared by a Commonwealth entity's accountable authority at the end of the reporting period that acquits actual performance against the planned performance for that year described in the entity's corporate plan. Annual performance statements are included in an entity's annual report.
Assets	Assets are physical objects and legal rights it is expected will provide benefits in the future or alternatively items of value owned by an agency.
Budget measure	A decision by the Cabinet or ministers that has resulted in a cost or savings to outlays.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

Portfolio Glossary and Acronyms

Term	Meaning
Corporate plan	<p>The primary planning document of an entity that sets out its purposes, capability and intended results over a four-year horizon. The plan also describes how the achievement of results will be assessed against an entity's purpose (i.e. a description of planned performance).</p> <p>Commonwealth entities and companies are required to publish an updated corporate plan at the start of the reporting period, and provide a copy to their responsible Minister and the Minister for Finance.</p>
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expenses	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Forward estimates	A system of rolling three year financial estimates. After the budget is passed, the first year of the forward estimates becomes the base for the next year's budget bid, and another out-year is added to the forward estimates.
Liabilities	Liabilities represent amounts owing on goods or services that have been received but not yet paid for. A liability shows the future commitment of an agency's assets.
Net annotated appropriation (Section 74 Receipts)	Section 74 Receipts, also known as net annotated appropriations, are a form of appropriation which allows a department access to certain money it receives in payment of services. These monies are known as Section 74 Receipts, reflecting their authority under s74 of the PGPA Act.
Official Public Account	The Australian Government maintains a group of bank accounts at the Reserve Bank of Australia, known as the Official Public Account (OPA), the aggregate balance of which represents its daily cash position.
Operating result	Equals revenue less expenses.

Term	Meaning
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 Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
<i>Public Governance, Performance and Accountability Act 2013</i>	The <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) replaced the <i>Financial Management and Accountability (FMA) Act 1997</i> and the <i>Commonwealth Authorities and Companies (CAC) Act 1997</i> as of 1 July 2014.
Portfolio Budget Statements	Statements prepared by portfolios to explain the budget appropriations in terms of outcomes.
Receipts	The total or gross amount received by the Australian Government. Each receipt item is either revenue, an offset within outlays, or a financing transaction. Receipts include taxes, interest, charges for goods and services, borrowings and Government Business Enterprise (GBE) dividends received.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Section 74 Receipts	See net annotated appropriation.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (PGPA Act, s78 and s80). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special accounts can only be established by a written determination of the Finance Minister (s78 of the PGPA Act) or through an Act of Parliament (referred to in s80 of the PGPA Act).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.

PORTFOLIO ACRONYMS

Term	Meaning
AAIP	Australian Apprenticeships Incentives Program
AAUT	Australian Awards for University Teaching
ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACB	Administered Capital Budgets
ACCSE	Academic Centres of Cyber Security Excellence
ACECQA	Australian Children’s Education and Care Quality Authority
ACNC	Australian Charities and Not-for-profits Commission
AESOC	Australian Education Senior Officials Committee
AIATSIS	Australian Institute of Aboriginal and Torres Strait Islander Studies
AISC	Australian Industry and Skills Committee
AITSL	Australian Institute for Teaching and School Leadership
AM	Member of the Order of Australia
AMEP	Adult Migrant English Program
AMSI	Australian Mathematical Sciences Institute
ANU	Australian National University
AO	Officer of the Order of Australia
ARC	Australian Research Council
ASQA	Australian Skills Quality Authority
CCB	Child Care Benefit
CCR	Child Care Rebate
CCS	Child Care Subsidy
CDAB	Collection Development Acquisition Budget
CEO	Chief Executive Officer
CGS	Commonwealth Grant Scheme
COAG	Council of Australian Governments
COPE	Commonwealth own-purpose expense
CRF	Consolidated Revenue Fund
DCB	Departmental Capital Budget
DECRA	Discovery Early Career Researcher Award
DSP	Disability Support Program
EI	Engagement and Impact
EIF	Education Investment Fund
ELICOS	English Language Intensive Courses for Overseas Students
ELLA	Early Learning Languages Australia

Term	Meaning
ERA	Excellence in Research for Australia
ESA	Education Services Australia
ESOS	Education Services for Overseas Students
ESOS Act	<i>Education Services for Overseas Students Act 2000</i>
FDC	Family Day Care
GST	Goods and Services Tax
HDR	higher degree by research
HECS	Higher Education Contribution Scheme
HECS-HELP	Higher Education Contribution Scheme -Higher Education Loan Program
HELP	Higher Education Loan Program
HEPPP	Higher Education Participation and Partnerships Program
HERP	Higher Education Research Promotion
HESF	Higher Education Standards Framework
HESP	Higher Education Superannuation Program
ICT	Information and Communication Technology
IHC	In Home Care
IPSP	Inclusion and Professional Support Program
IRRRRE	Independent Review into Regional, Rural and Remote Education
ISF	Industry Skills Fund
ISP	Inclusion Support Programme
ISR	individual student report
IT	Information Technology
ITE	Initial Teacher Education
JETCCFA	Jobs, Education and Training Child Care Fee Assistance
LLN	Language, Literacy and Numeracy
MoU	Memorandum of Understanding
MYEFO	Mid-Year Economic and Fiscal Outlook
NAP	National Assessment Program
NAPLAN	National Assessment Program - Literacy and Numeracy
NCCD	Nationally Consistent Collection of Data on School Students with Disability
NCGP	National Competitive Grants Program
NCRIS	National Collaborative Research Infrastructure Strategy
NISA	National Science and Innovation Agenda
NVR Act	<i>National Vocational Education and Training Regulator Act 2011</i>
OECD	Organisation for Economic Co-operation and Development
OPA	Official Public Account
OS-HELP	Overseas - Higher Education Loan Program

Portfolio Glossary and Acronyms

Term	Meaning
OTM	Other Trust Monies
PAES	Portfolio Additional Estimates Statements
PAES	Portfolio Supplementary Additional Estimates Statements
PBS	Portfolio Budget Statements
PFAS	Per- And Poly-Fluoroalkyl Substances
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
P-TECH	Pathways in Technology Early College High School
QILT	Quality Indicators for Learning and Teaching
RTO	registered training organisations
SA-HELP	Loan scheme that assist eligible students to pay for all or part of their student services and amenities fee
SES	Socio-economic status
SFSS	Student Financial Supplement Scheme
SOETM	Services for Other Entities and Trust Moneys
SOG	Services for other Government and Non-agency Bodies
SRS	Schooling Resource Standard
STEM	science, technology, engineering and mathematics
TEMAG	Teacher Education Ministerial Advisory Group
TEQSA	Tertiary Education Quality and Standards Authority
TEQSA Act	<i>Tertiary Education Quality and Standards Agency Act 2011</i>
TFA	Teach for Australia
USI	Unique Student Identifier
VET	vocational education and training
VET FEE-HELP	Loan scheme for eligible students to pay for all or part of their tuition fees for a VET qualification (diploma level and above) at an approved VET provider