



Budget 2019-20

Portfolio Budget Statements 2019-20
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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The Hon Dan Tehan MP
Minister for Education

Senator the Hon Michaelia Cash
Minister for Small and Family Business,
Skills and Vocational Education

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

The Hon Tony Smith MP
Speaker
Parliament House
CANBERRA ACT 2600

Dear Mr President and Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2019–20 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 blue ink signature of Dan Tehan, consisting of stylized, overlapping loops and lines.

DAN TEHAN

A blue ink signature of Michaelia Cash, featuring a series of connected, somewhat horizontal strokes.

MICHAELIA CASH

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nfp	not for publication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 2019–20 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) 2019–20. 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 (April) *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, international education and skills and training.

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.*

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

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

* 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>The Hon Dan Tehan MP Minister for Education</p>	<p>Senator the Hon Michaelia Cash Minister for Small and Family Business, Skills and Vocational Education</p>
<p>Department of Education and Training Dr Michele Bruniges AM—Secretary</p> <p>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.</p> <p>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 David de Carvalho—Chief Executive Officer</p> <p>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 Edmund Misson—Acting Chief Executive Officer</p> <p>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</p> <p>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</p> <p>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</p> <p>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 INSTITUTE FOR TEACHING AND SCHOOL LEADERSHIP	93
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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, higher education and research, international education and skills and training.

The department's priorities in 2019-20 include progressing the implementation of major reforms previously announced, as well as new 2019-20 Budget measures.

The major elements of the Government's child care reforms commenced on 2 July 2018 with the new Child Care Subsidy, which is providing an estimated \$8.3 billion in 2019-20 and an estimated \$35.7 billion over four years from 2019-20 to support approximately one million families to balance their work, training and caring responsibilities.

The Government is committing a further \$453.1 million to extend the National Partnership on Universal Access to Early Childhood Education until the end of 2020, and to undertake the related National Early Childhood Education and Care Collection. This will benefit approximately 350,000 children and builds on the previous decision to provide Commonwealth support for preschool until the end of 2019. A further \$1.4 million over two years from 2019-20 will be invested to fund work by The Smith Family to work with state and territory governments and disadvantaged communities to develop strategies to further improve preschool participation.

The Government's Quality Schools reforms provide consistent, transparent and needs-based school funding arrangements. The department continues to work collaboratively with states and territories to deliver the Quality Schools Package, with a focus on targeting support in education where it is needed most, and through reforms that help ensure schools funding is invested in programs that have the biggest impact on improving educational outcomes for students.

Additional priorities to support quality schooling in 2019-20 include:

- \$30.2 million in 2019-20 for the Local School Community Fund to assist students through the provision of equipment, upgrades or programs at the local school level.
- \$9.5 million over four years from 2019-20 for Online Teaching and Learning Courses, to strengthen the capacity of teachers across Australia to teach

mathematics and phonics through freely available, nationally coordinated, high quality professional learning and resources.

- A further \$5.0 million over three years from 2019–20 for Life Education Australia to develop a new range of free training resources to help teachers better support the social and emotional needs of school students.
- \$3.3 million over four years from 2019–20 to improve access to school-based arts education programs, particularly schools in regional, remote or low socio-economic areas, with funding to support: Music Australia's *Music Count Us In*, the Song Room's *Transformational Learning through Creativity*, and Bell Shakespeare's *National Education Program*.
- \$4.0 million in 2018–19 to provide support for North Queensland flood-affected schools, to help schools address unforeseen challenges and remain financially viable as they provide support to students, their families and teachers.
- \$2.0 million over two years from 2019–20 for the Australian Constitution Centre to support the establishment of a wide reaching educational outreach program, which will enable more Australian school students to obtain a greater understanding of Australia's constitutional framework.
- \$2.8 million over three years from 2019–20 to support student education on respectful relationships, with a focus on addressing domestic, family and sexual violence, with funding to support the development and delivery of educational resources through the Respect Matters program.

The Government is committed to a sustainable and accessible higher education system that delivers the best outcomes for students and the community. The department is progressing implementation of the measures announced in the 2018–19 Mid-Year Economic and Fiscal Outlook.

Additional priorities to support students and the sector in 2019–20 include:

- \$93.7 million over four years from 2019–20 to establish a new scholarship program to increase the number of domestic and international students studying in regional locations. This will provide students with opportunities to live and study in a regional community, and help share economic and other benefits of Australia's tertiary education sector to more regional communities.
- As part of the Government's commitment to Closing the Gap, the Government will remit Higher Education Loan Program (HELP) debts for teachers in very remote areas of Australia. This recognises the geographic, social, cultural and economic challenges that are unique to delivering education in such locations, as well as the much higher level of relative need.
- An increase to the combined HELP loan limit to \$150,000 for eligible students undertaking aviation courses at a VET Student Loans approved provider from 1 January 2020. The increase will improve accessibility to courses to better support students and the commercial aviation sector.

Department of Education and Training Budget Statements

- \$5.0 million over two years from 2018–19 to the University of Melbourne to commence construction of the Stawell Underground Physics Laboratory. As the only such facility in the Southern Hemisphere, the Stawell laboratory will be part of a global research effort.

The Australian Government commissioned the *Expert Review of Australia's Vocational Education and Training (VET) System* in late 2018. In response to the Review, conducted by the former New Zealand Minister for Skills and Employment, the Hon. Steven Joyce, the Government is providing a comprehensive package of VET initiatives, totalling \$525.3 million over five years from 2018–19.

The Australian Government's *Skills Package – delivering skills for today and tomorrow* seeks to reposition the sector to deliver the skills needed for Australia's future prosperity and address issues faced by today's workforce, including low literacy and numeracy, and a lack of digital skills, while tackling priority areas of skills shortage. The Government's response to the review includes targeted initiatives to respond to immediate priorities and position the VET system for the future:

- \$36.3 million over four years from 2019–20 to establish a new *National Careers Institute* and appoint a *National Careers Ambassador* to work with industry, governments, schools and tertiary providers to ensure every working age Australian has access to high-quality, evidence-based career advice to support and inform their study and career choices.
- \$6.1 million over four years from 2019–20 to continue the *VET Information Strategy* to raise the profile of VET and promote career opportunities available through VET pathways, including addressing skill shortages.
- Establishment of a new language, literacy, numeracy and digital literacy (LLND) program, including:
 - \$52.5 million over four years from 2019–20 to upskill at-risk workers by supporting more than 11,000 workers with low-level language, literacy, numeracy and digital skills.
 - \$9.9 million over three years from 2019–20 to establish a new Indigenous delivery pilot of an LLND program to provide project-based delivery of LLND skills to individuals in remote Indigenous communities in four pilot areas.
- \$48.3 million over four years from 2019–20 for the establishment of a *National Skills Commission* that will develop efficient pricing for training, informed by the work of the Productivity Commission. The Skills Commission will also oversee Skills Organisations to ensure industry is leading the development of VET qualifications and training products.
- \$41.7 million over four years from 2019–20 for a national pilot of two *Skills Organisations* in the areas of digital technologies and the human services workforce. The organisations will trial new, industry-led methods of qualification

development and assessment, and develop standards for industry to accredit Registered Training Organisations.

- \$67.5 million over five years from 2018–19 to establish ten *Industry Training Hubs* supporting school-based vocational education in regions with high youth unemployment, with an aim of creating better linkages between schools and local industry, and other skills development measures.
- \$44.0 million over four years from 2019–20 for a new *Streamlined Incentives Program* to make it simpler and easier for employers to take on an apprentice or trainee. The Program will be responsive to industry and national skills needs with a streamlined payment structure and eligibility criteria, underpinned by a forward-looking National Skills Priority List.
- \$156.3 million over four years from 2019–20 (and \$108.0 million from 2023–24) for a new *Additional Identified Skills Shortage Payment* for employers and apprentices in the top 10 occupations where there is a demonstrated need for increased apprenticeship commencements and where the primary entry pathway into the occupation is through an apprenticeship. This specifically targets new workers to grow the number of apprentices in training to meet future workforce needs and the new payment is expected to support up to 80,000 new commencements over five years of operation.
- \$8.2 million through an expanded *Commonwealth Scholarships Program for Young Australians* to provide up to 400 scholarships across more trial areas and to support people in selected regions experiencing high youth unemployment to participate in vocational education and training with strong pathways to jobs in areas of skills needs.
- \$15.8 million over four years from 2019–20 to extend the Unique Student Identifier (USI) service – currently available only to VET students – to all higher education students. This will be supplemented by \$2.2 million in 2019–20 to develop the first stage of a tertiary learning repository in 2020 to record an individual’s higher education and training records.
- \$1.8 million over two years from 2019–20 to continue *the Jobs and Education Data Infrastructure Project*. The third phase of this project will develop a prototype tool to assist education providers respond to the skills needs of employers and industry.
- \$350,000 in 2019–20 to support the National Rugby League’s (NRL) VET Apprenticeship Awareness Program. The funding will help the NRL provide ongoing player and community education.

The Government is also providing \$34.2 million of additional funding in 2019–20 to the six signatory states and territories of the *Skilling Australians Fund (SAF)* National Partnership Agreement in response to an expected drop in SAF levy revenue.

For further information on the resourcing impact of the Budget and other measures, refer to Table 1.2: Department of Education and Training 2019–20 Budget measures on page 17.

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 2019–20 as at Budget April 2019

	<i>2018–19 (a)</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	2019–20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	50,378	-
Departmental appropriation (c)	344,269	393,028
s74 External Revenue (d)	17,027	17,027
Departmental capital budget (e) (f)	14,996	23,732
Annual appropriations - other services - non-operating (g)		
Prior year appropriations available (f)	8,769	-
Equity injection	8,519	17,104
Total departmental annual appropriations	443,958	450,891
Special accounts (h)		
Opening balance	4,089	4,089
Appropriation receipts (i)	-	-
Appropriation receipts from other entities	-	-
Non-appropriation receipts	6,281	6,152
Total special accounts	10,370	10,241
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	-	-
Total departmental resourcing	454,328	461,132

Table 1.1: Department of Education and Training resource statement — Budget estimates for 2019–20 as at Budget April 2019 (continued)

	2018–19 (a) Estimated actual \$'000	2019–20 Estimate \$'000
Administered		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	-	-
Outcome 1 (f)	461,202	525,936
Outcome 2 (f)	1,328,952	1,346,244
Annual appropriations - other services - specific payments to States, ACT, NT and local government (g)		
Prior year appropriations available	-	-
Outcome 1 (j)	62,514	66,043
Total administered annual appropriations	1,852,668	1,938,223
Total administered special appropriations	44,458,055	46,473,544
Special accounts (h)		
Opening balance	88,705	78,442
Appropriation receipts (i)	5,054	19,058
Non-appropriation receipts	11,875	5,875
Total special account receipts	105,634	103,375
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	5,054	19,058
Total administered resourcing	46,411,303	48,496,084
Total resourcing for Department of Education and Training	46,865,631	48,957,216
	2018–19	2019–20
Average staffing level (number)	1,786	1,753

Third party payments from and on behalf of other entities

	2018–19 Estimated actual \$'000	2019–20 Estimate \$'000
Payments made by other entities on behalf of Education and Training (disclosed above)		
Department of Human Services	7,703,913	8,174,386
Payments made to other entities for the provision of services (disclosed above)		
Department of Social Services	6,709	6,709
Payments made to corporate entities within the Portfolio		
Australian Curriculum, Assessment and Reporting Authority (Annual Appropriation Bill No.1) (k)	16,986	15,376
Australian Institute for Teaching and School Leadership (Annual Appropriation Bill No.1) (k)	17,747	13,644

- (a) Annual appropriation amounts appearing for 2018–19 exclude amounts in Appropriation Bills (No. 3) and (No. 4), which are yet to receive Royal Assent.
- (b) Appropriation Bill (No. 1) 2019–20.
- (c) Excludes Departmental Capital Budget.
- (d) Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (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) Excludes \$40.447 million subject to administrative quarantine by Finance or withheld under section 51 of the PGPA Act.

Department of Education and Training Budget Statements

- (g) Appropriation Bill (No. 2) 2019–20.
 - (h) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on 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.
 - (i) Amounts credited to the special accounts from Education and Training's annual and special appropriations.
 - (j) For the 2019–20 Portfolio Budget Statements, the Government continues to grow its investment in Australian Schools. This includes \$66.043 million for payments to states and territories in Appropriation Bill (No. 2), 2019–20 under Outcome 1, for Program 1.3 - Additional Support for Northern Territory Schools (\$8.575 million), for Program 1.4 - Adjustment Assistance (\$12.458 million); Non-Government Representative Bodies (\$40.013 million); and Special Circumstances funding (\$2.997 million), and for Program 1.5 - Literacy Support for Tasmanian Students (\$2.000 million). Funding for the Additional Support for Northern Territory Schools is for Northern Territory only. The distribution of the funding under the Non-Government Representative Bodies program is based on advice from the Independent Schools Council of Australia and the National Catholic Education Commission. The distribution of the Adjustment Assistance program 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 the Special Circumstances funding program is for short term emergency assistance and is determined following consideration of applications from schools as events occur. Funding under the Literacy Support for Tasmanian Students is for Tasmania only. Terms and conditions are made under the authority from the *Australian Education Act 2013* and the Australian Education Regulation.
 - (k) Paid as a grant from Outcome 1 annual appropriations.
- All figures shown above are GST exclusive - these may not match figures in the cash flow statement.
Prepared on a resourcing (i.e. appropriations available) basis.

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 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Revenue measures					
Closing the Gap refresh — Indigenous Youth Education Package (a)	2.4				
Administered revenues	-	(47)	(88)	(128)	(202)
Departmental revenues	-	-	-	-	-
Total	-	(47)	(88)	(128)	(202)
Higher Education Loan Program — partial cost recovery delay	2.4				
Administered revenues	(45)	(3,505)	-	-	-
Departmental revenues	-	-	-	-	-
Total	(45)	(3,505)	-	-	-
VET Student Loans — increase in loan limit for aviation courses	2.4				
Administered revenues	-	4,341	9,535	11,081	12,972
Departmental revenues	-	-	-	-	-
Total	-	4,341	9,535	11,081	12,972
Total revenue measures					
Administered	(45)	789	9,447	10,953	12,770
Departmental	-	-	-	-	-
Total	(45)	789	9,447	10,953	12,770
Expense measures					
Child Care System Improvements	1				
Administered expenses	-	-	-	-	-
Departmental expenses	-	4,000	-	-	-
Total	-	4,000	-	-	-
North Queensland Flood Recovery Package	1.4				
Administered expenses	3,000	-	-	-	-
Departmental expenses	-	-	-	-	-
Total	3,000	-	-	-	-
Fourth Action Plan (2019-22) to reduce violence against women and their children	1.5				
Administered expenses	-	1,500	500	500	-
Departmental expenses	-	157	79	79	-
Total	-	1,657	579	579	-
Local School Community Fund	1.5				
Administered expenses	-	30,200	-	-	-
Departmental expenses	-	-	-	-	-
Total	-	30,200	-	-	-

Department of Education and Training Budget Statements

Table 1.2: Department of Education and Training 2019–20 Budget measures (continued)

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
National Partnership Agreement on Universal Access to Early Childhood Education — further extension (b)	1.5					
Administered expenses		-	942	3,555	-	-
Departmental expenses		-	363	88	-	-
Total		-	1,305	3,643	-	-
School Funding — initiatives to support students and teachers	1.5					
Administered expenses		-	6,191	4,977	4,095	3,144
Departmental expenses		-	645	360	201	195
Total		-	6,836	5,337	4,296	3,339
Closing the Gap refresh — Indigenous Youth Education Package (a)	2.4					
Administered expenses		1,676	1,437	1,309	1,337	63,383
Departmental expenses		-	241	243	244	246
Total		1,676	1,678	1,552	1,581	63,629
VET Student Loans — increase in loan limit for aviation courses	2.4					
Administered expenses		-	1,136	2,301	2,500	2,541
Departmental expenses		-	31	-	-	-
Total		-	1,167	2,301	2,500	2,541
Stawell Underground Physics Laboratory — establishment	2.6					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Population Package	2.7					
Administered expenses		-	(1,145)	(5,689)	(1,512)	(3,254)
Departmental expenses		-	2,228	3,134	2,775	2,794
Total		-	1,083	(2,555)	1,263	(460)
Skills Package — delivering skills for today and tomorrow (b)(c)	2.8					
Administered expenses		(4,192)	30,926	76,971	118,492	159,046
Departmental expenses		188	15,476	18,196	18,891	17,522
Total		(4,004)	46,402	95,167	137,383	176,568
Immigration Reform (d)	2.8					
Administered expenses		-	(18,657)	(22,780)	(25,890)	(27,122)
Departmental expenses		(157)	(470)	(315)	(317)	(320)
Total		(157)	(19,127)	(23,095)	(26,207)	(27,442)

Table 1.2: Department of Education and Training 2019–20 Budget measures (continued)

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Total expense measures						
Administered		484	52,530	61,144	99,522	197,738
Departmental		31	22,671	21,785	21,873	20,437
Total		515	75,201	82,929	121,395	218,175
Capital measures						
Child Care System Improvements	1					
Administered capital		-	-	-	-	-
Departmental capital		(8,753)	-	-	-	-
Total		(8,753)	-	-	-	-
VET Student Loans — increase in loan limit for aviation courses	2					
Administered capital		-	-	-	-	-
Departmental capital		-	155	-	-	-
Total		-	155	-	-	-
Population Package	2					
Administered capital		-	-	-	-	-
Departmental capital		-	(701)	(705)	(709)	(715)
Total		-	(701)	(705)	(709)	(715)
Skills Package — delivering skills for today and tomorrow (b)(c)	2					
Administered capital		-	-	-	-	-
Departmental capital		-	10,532	3,547	787	534
Total		-	10,532	3,547	787	534
Total capital measures						
Administered		-	-	-	-	-
Departmental		(8,753)	9,986	2,842	78	(181)
Total		(8,753)	9,986	2,842	78	(181)

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 Australian Tax Office. Refer to the Treasury 2019–20 Portfolio Budget Statements.
- (b) The Department of the Treasury will administer payments to states and territories for this measure. Refer to the Treasury 2019–20 Portfolio Budget Statements.
- (c) This measure has financial impacts for the Department of Jobs and Small Business. Refer to the Jobs and Small Business 2019–20 Portfolio Budget Statements.
- (d) The Government decided not to proceed with this measure as included in the Education and Training 2018–19 Portfolio Additional Estimates Statement.
- (e) The 2019–20 Budget Paper No. 2 includes the measure Trades Recognition Australia – full cost recovery. This measure was published in the Education and Training 2018–19 Portfolio Additional Estimates 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:

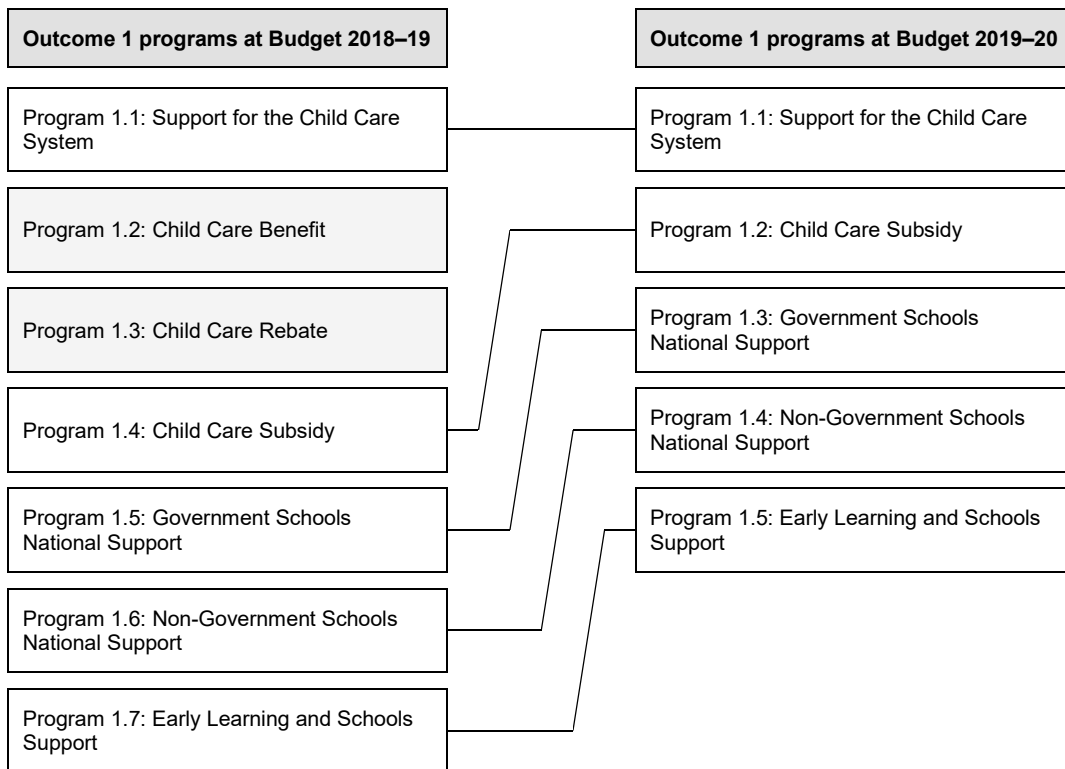
Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will 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

Figure 2: Department of Education and Training Outcome 1 changes to program numbering

The numbering of the programs of Outcome 1 has changed since the publication of the Portfolio Additional Estimates Statements 2018–19. The change reflects that the previously published ‘Program 1.2: Child Care Benefit’ and ‘Program 1.3: Child Care Rebate’ have ceased and do not appear in these Portfolio Budget Statements. There is no change to the program structure for Outcome 2.



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 Subsidy
- Program 1.3: Government Schools National Support
- Program 1.4: Non-Government Schools National Support
- Program 1.5: Early Learning and Schools Support

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 contribute 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 department 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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 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)	329,054	341,775	335,959	342,231	350,125
Total expenses for program 1.1	329,054	341,775	335,959	342,231	350,125
Program 1.2: Child Care Subsidy					
Administered expenses					
Special appropriations <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	7,725,241	8,266,710	8,642,355	9,108,223	9,645,995
Total expenses for program 1.2	7,725,241	8,266,710	8,642,355	9,108,223	9,645,995
Program 1.3: Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	4,987	8,575	12,804	14,242	12,263
Special appropriations <i>Australian Education Act 2013</i>	7,679,498	8,317,252	8,982,440	9,658,272	10,372,669
Total expenses for program 1.3	7,684,485	8,325,827	8,995,244	9,672,514	10,384,932
Program 1.4: Non-Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	58,286	55,468	206,881	151,290	127,196
Special appropriations <i>Australian Education Act 2013</i>	11,961,572	12,560,854	13,374,122	14,157,751	14,921,945
Total expenses for program 1.4	12,019,858	12,616,322	13,581,003	14,309,041	15,049,141
Program 1.5: Early Learning and Schools Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	138,515	155,033	95,674	78,143	57,134
Other services (Appropriation Bill No. 2)	2,000	2,000	2,000	2,000	2,000
Total expenses for program 1.5	140,515	157,033	97,674	80,143	59,134

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Table 2.1.1: Budgeted expenses for Outcome 1

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	467,569	496,808	431,633	420,374	407,259
Other services (Appropriation Bill No. 2)	65,273	66,043	221,685	167,532	141,459
Special appropriations	27,366,311	29,144,816	30,998,917	32,924,246	34,940,609
Administered total	27,899,153	29,707,667	31,652,235	33,512,152	35,489,327
Departmental expenses					
Departmental appropriation	176,261	178,456	168,760	164,909	154,100
s74 External Revenue (a)	7,832	7,832	7,832	7,832	7,832
Expenses not requiring appropriation in the Budget year (b)	13,347	13,659	14,869	14,869	14,869
Departmental total	197,440	199,947	191,461	187,610	176,801
Total expenses for Outcome 1	28,096,593	29,907,614	31,843,696	33,699,762	35,666,128

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Movement of administered funds between years (c)					
Outcome 1:					
English Language Learning for Indigenous Children	(1,339)	826	513	-	-
Nationally Consistent Collection of Data	(2,437)	500	1,937	-	-
Transition Assistance for Non-Government Schools	-	4,028	2,191	(2,984)	(3,235)
Community Child Care Fund	(4,700)	4,700	-	-	-
Total movement of administered funds	(8,476)	10,054	4,641	(2,984)	(3,235)

	2018–19	2019–20
Average staffing level (number)	886	860

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses and audit fees.
(c) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) 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 2019–20 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	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. Since 2 July 2018, funding is being provided directly to child care services on behalf of eligible recipients. In 2019–20, the department will continue bedding down the Child Care Safety Net, which involves: <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 (CCS).
Purpose	Department of Education and Training Corporate Plan 2018–19: Maximising opportunity and prosperity through national leadership on education and training.

Performance information 1.1 Support for the Child Care System

Year	Performance criteria	Expected achievement
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. <p>On Track</p>

Year	Performance criteria	Target
2019–20	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.
2020–21 and beyond	As per 2019–20.	As per 2019–20.

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Program expenses 1.1 Support for the Child Care System

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Child Care Services Support	328,967	341,775	335,959	342,231	350,125
Child Care Subsidy					
Communications Campaign	87	-	-	-	-
Total expenses for program 1.1	329,054	341,775	335,959	342,231	350,125

Program 1.2: 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 replaced the Child Care Benefit and Child Care Rebate from 2 July 2018. CCS is 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 2018–19: Maximising opportunity and prosperity through national leadership on education and training.

Performance information 1.2 Child Care Subsidy

Year	Performance criteria	Expected achievement
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.¹ Achieved
	Ensuring accurate child care payments.	<ul style="list-style-type: none"> At least 90% of child care payments to all services are accurate.² On Track

Year	Performance criteria	Target
2019–20	Ensuring accurate child care payments.	<ul style="list-style-type: none"> At least 90% of child care payments to all services are accurate.²
2020–21 and beyond	As per 2019–20	As per 2019–20

Program expenses 1.2 Child Care Subsidy

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999(a)</i>	7,725,241	8,266,710	8,642,355	9,108,223	9,645,995
Total expenses for program 1.2	7,725,241	8,266,710	8,642,355	9,108,223	9,645,995

(a) This program commenced 2 July 2018 and replaced the Child Care Benefit and Child Care Rebate programs.

¹ 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.

² Payment accuracy is a defined measure based on independent actuarial assessment.

Program 1.3: 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 reforms will provide consistent, transparent and needs-based school funding arrangements. Under the new arrangements, states and territories are party to the National School Reform Agreement to 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 2018–19:</p> <p>Maximising opportunity and prosperity through national leadership on education and training.</p>

Performance information 1.3 Government Schools National Support

Year	Performance criteria	Expected achievement
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>).³ <p>On Track</p>
	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).³ <p>Not achieved</p> <ul style="list-style-type: none"> • Reduce the gap in school attendance for Indigenous students (2018).⁴ <p>Not achieved</p> <ul style="list-style-type: none"> • 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>).⁴ <p>On Track</p>

³ 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.

⁴ Target source: *Prime Minister's Report on Closing the Gap*, 2019

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Year	Performance criteria	Target
2019–20	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>).⁵
	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.^{6 7}
2020–21 and beyond	As per 2019–20.	As per 2019–20.

Program expenses 1.3 Government Schools National Support

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Additional Support for Northern Territory	4,987	8,575	12,804	14,242	12,263
Special appropriations					
<i>Australian Education Act 2013</i>	7,679,498	8,317,252	8,982,440	9,658,272	10,372,669
Total expenses for program 1.3	7,684,485	8,325,827	8,995,244	9,672,514	10,384,932

⁵ 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.

⁶ Target source: *Prime Minister's Report on Closing the Gap*, 2019

⁷ Targets from 2019 and beyond are subject to agreement through COAG. Targets may be reported in the Corporate Plan.

Program 1.4: 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 reforms will provide consistent, transparent and needs-based school funding arrangements. Under the new arrangements, states and territories are party to the National School 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>The Government is introducing a new method for calculating the capacity of a school community to contribute toward the school's operating costs. The new method will be based on a direct measure of the income of the parents and/or guardians of students at a school. This replaces the current method which uses the average income in the area the student lives. This new method will be more accurate and ensure the Australian Government funding is directed to schools with the most need.</p> <p><u>Transition support</u></p> <p>The Government will provide approximately \$170.8 million in additional funding for 2019 for non-government schools. This support builds on similar provisions in 2018, allowing schools to plan with confidence for the 2019 school year while work is underway to test and refine the direct income measure and settle the new funding arrangements.</p> <p>To complement the funding arrangements, the Government will create the new Choice and Affordability Fund to commence in 2020. This fund will provide the non-government sector with a flexible means of driving other government priorities, including supporting parental choice and affordability, supporting schools during the transition and strengthening educational outcomes in schools.</p> <p><u>Non-government reform support</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. Educational authorities 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 2018–19:</p> <p>Maximising opportunity and prosperity through national leadership on education and training.</p>
<p>Measures impacting program 1.4:</p> <ul style="list-style-type: none"> • North Queensland Flood Recovery Package 	

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Performance information 1.4 Non-Government Schools National Support

Year	Performance criteria	Expected achievement
2018–19	As per Program 1.3.	As per Program 1.3.

Year	Performance criteria	Target
2019–20	As per Program 1.3.	As per Program 1.3.
2020–21 and beyond	As per Program 1.3.	As per Program 1.3.

Program Expenses 1.4 Non-Government Schools National Support

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Non-Government Representative Bodies	41,794	40,013	40,013	40,013	14,004
Special Circumstances Funding	6,000	2,997	1,608	1,634	1,662
Adjustment Assistance	10,492	12,458	9,131	1,676	-
Choice and Affordability Fund	-	-	156,129	107,967	111,530
Special appropriations					
<i>Australian Education Act 2013</i>	11,961,572	12,560,854	13,374,122	14,157,751	14,921,945
Total expenses for program 1.4	12,019,858	12,616,322	13,581,003	14,309,041	15,049,141

Program 1.5: 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 • supporting quality teachers and school leaders • supporting the implementation of National Policy Initiatives under the National School Reform Agreement.
Purpose	Department of Education and Training Corporate Plan 2018–19: Maximising opportunity and prosperity through national leadership on education and training.
<p>Measures impacting program 1.5:</p> <ul style="list-style-type: none"> • Fourth Action Plan (2019–22) to reduce violence against women and their children • Local School Community Fund • National Partnership Agreement on Universal Access to Early Childhood Education — further extension • School Funding — initiatives to support students and teachers 	

Performance information 1.5 Early Learning and Schools Support

Year	Performance criteria	Expected achievement
2018–19	<p><u>Preschool</u> Universal access to quality early childhood education.</p>	<p><u>Preschool</u></p> <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.⁸ <p>On Track</p> <ul style="list-style-type: none"> • 95% of vulnerable and disadvantaged children enrolled in the year before full-time school are enrolled for 600 hours per year.⁸ <p>Not on track - The 2018 performance result is currently sitting at approximately 94 per cent.</p>

⁸ Target as set under the National Partnership Agreement on Universal Access to Early Childhood Education.

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Year	Performance criteria	Expected achievement
2018–19	<u>School</u> As per Program 1.3.	<u>School</u> As per Program 1.3.

Year	Performance criteria	Target
2019–20	<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.⁹ • 95% of vulnerable and disadvantaged children enrolled in the year before full-time school are enrolled for 600 hours per year.⁹
	<u>School</u> As per Program 1.3.	<u>School</u> As per Program 1.3.
2020–21 and beyond	As per 2019–20.	As per 2019–20.

⁹ Target as set under the National Partnership Agreement on Universal Access to Early Childhood Education.

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Program expenses 1.5 Early Learning and Schools Support

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Early Development Census					
	10,581	4,410	12,196	10,327	6,502
Australian Government Response to TEMAG					
	3,700	-	-	-	-
Boost the Learning for Life Program					
	13,800	18,400	-	-	-
Early Learning Languages Australia (ELLA)					
	4,177	5,021	1,470	-	-
English Language Learning for Indigenous Children (ELLIC)					
	1,966	2,030	1,084	-	-
Flexible Literacy Learning for Remote Primary Schools					
	2,300	800	-	-	-
Grants and Awards					
	1,353	1,372	1,394	1,416	1,440
Helping Children with Autism					
	5,899	5,982	6,078	6,175	6,280
Inspiring all Australians in Digital Literacy and STEM					
	16,022	15,350	-	-	-
National Assessment Reform					
	2,200	2,200	2,200	2,200	2,200
National Schools Reform					
	17,468	17,877	17,917	12,286	-
National School Resourcing Board					
	813	936	952	968	985
Quality Outcomes					
	38,001	39,597	42,634	40,196	36,353
Quality Schools Communication Science, Technology, Engineering and Mathematics (STEM)					
	1,617	625	617	550	550
Teach for Australia					
	7,118	2,145	2,145	-	-
Universal Access					
	1,500	1,800	3,280	-	-
Delivering Respect Matters					
	-	1,500	500	500	-
Life Education - Being Healthy, Being Active					
	-	3,100	1,200	700	-
Attendance Strategies For Early Learning					
	-	642	275	-	-
Local School Community Fund					
	-	30,200	-	-	-
Online Teaching and Learning Courses					
	-	1,046	1,732	2,825	2,824
Other services (Appropriation Bill No. 2)					
Literacy Support for Tasmanian Students					
	2,000	2,000	2,000	2,000	2,000
Total expenses for program 1.5	140,515	157,033	97,674	80,143	59,134

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

Australian Trade and Investment Commission (Austrade)
Programs
<ul style="list-style-type: none"> • Program 1.1 - Promotion of Australia's export and other international economic interests
Contribution to Outcome 2 made by linked programs
The linked program contributes to Outcome 2 by promoting the Australian education and training sector in international markets.
Department of Foreign Affairs and Trade
Programs
<ul style="list-style-type: none"> • Program 1.4 - New Colombo Plan - Transforming Regional Relationships • Program 1.7 - Public Information Services and Public Diplomacy
Contribution to Outcome 2 made by linked programs
The linked programs contribute to Outcome 2 by promoting international education through advocacy and coordination roles at overseas missions.
Department of Home Affairs
Programs
<ul style="list-style-type: none"> • Program 2.3 - Visas
Contribution to Outcome 2 made by linked programs
The linked program contributes to Outcome 2 by supporting a sustainable international education sector through administering student visas.

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<p>Department of Human Services</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Services to the Community - Social Security and Welfare <hr/> <p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by making payments to eligible job seekers and recent migrants participating in foundation skills programs.</p>
<p>Department of Social Services</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.11 - Student Payments <hr/> <p>Contribution to Outcome 2 made by linked programs</p> <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>
<p>Department of the Prime Minister and Cabinet</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 2.1 - Jobs, Land and Economy • Program 2.2 - Children and Schooling <hr/> <p>Contribution to Outcome 2 made by linked programs</p> <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>
<p>Department of the Treasury</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.9 - National Partnership Payments to the States <hr/> <p>Contribution to Outcome 2 made by linked programs</p> <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 department 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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 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					
Higher Education Support Act 2003	7,053,263	7,212,036	7,341,324	7,467,405	7,581,093
Total expenses for program 2.1	7,053,263	7,212,036	7,341,324	7,467,405	7,581,093
Program 2.2: Higher Education Superannuation Program					
Administered expenses					
Special appropriations					
Higher Education Support Act 2003	221,837	215,249	206,657	196,967	186,665
Total expenses for program 2.2	221,837	215,249	206,657	196,967	186,665
Program 2.3: Higher Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
	25,995	31,058	27,237	23,453	18,419
Special appropriations					
Higher Education Support Act 2003	413,886	397,358	508,848	490,121	465,198
Special accounts					
Education Investment Fund - Higher Education	2,000	-	-	-	-
Total expenses for program 2.3	441,881	428,416	536,085	513,574	483,617
Program 2.4: Higher Education Loan Program					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
	-	6,974	7,394	6,574	6,755
Special appropriations					
Higher Education Support Act 2003	1,183,110	1,213,225	1,239,109	1,263,345	1,311,316
VET Student Loans Act 2016	147,540	165,549	180,956	182,622	189,840
Total expenses for program 2.4	1,330,650	1,385,748	1,427,459	1,452,541	1,507,911

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Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 2.5: Investment in Higher Education Research					
Administered expenses					
Special appropriations <i>Higher Education Support Act 2003</i>	1,921,100	1,938,390	1,978,168	2,023,669	2,068,165
Total expenses for program 2.5	1,921,100	1,938,390	1,978,168	2,023,669	2,068,165
Program 2.6: Research Capacity					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	160,822	181,905	239,673	253,560	395,642
Special appropriations <i>Higher Education Support Act 2003</i>	7,097	8,896	5,174	5,293	5,404
Total expenses for program 2.6	167,919	190,801	244,847	258,853	401,046
Program 2.7: International Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	38,316	34,160	27,540	25,632	23,908
Special accounts Overseas Student Tuition Fund	9,256	9,323	9,394	9,864	10,357
Total expenses for program 2.7	47,572	43,483	36,934	35,496	34,265
Program 2.8: Building Skills and Capability					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,071,706	1,077,063	1,142,591	1,183,907	1,267,065
Special appropriations <i>Trade Support Loans Act 2014</i>	69,797	54,619	56,349	58,125	59,860
Special accounts Growth Fund Skills and Training (a)	15,936	22,348	-	-	-
Total expenses for program 2.8	1,157,439	1,154,030	1,198,940	1,242,032	1,326,925
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,296,839	1,331,160	1,444,435	1,493,126	1,711,789
Special appropriations	11,017,630	11,205,322	11,516,585	11,687,547	11,867,541
Special accounts	27,192	31,671	9,394	9,864	10,357
Administered total	12,341,661	12,568,153	12,970,414	13,190,537	13,589,687
Departmental expenses					
Departmental appropriations	184,815	214,384	191,525	188,800	188,497
s74 External Revenue (b)	9,195	9,195	9,195	9,195	9,195
Special accounts	5,981	5,837	5,284	5,206	5,295
Expenses not requiring appropriation in the Budget year (c)	20,347	20,041	21,853	21,853	21,853
Departmental total	220,338	249,457	227,857	225,054	224,840
Total expenses for Outcome 2	12,561,999	12,817,610	13,198,271	13,415,591	13,814,527

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Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

Movement of administered funds between years (d)	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Outcome 2:					
Building Skills and Capability – Growth Fund Skills and Training	(4,097)	4,097	-	-	-
Building Skills and Capability – National Training System – Commonwealth Own Purpose Expense	(4,600)	1,400	3,200	-	-
Building Skills and Capability – Skills for Education and Employment	(1,004)	1,004	-	-	-
Total movement of administered funds	(9,701)	6,501	3,200	-	-

Average staffing level (number)	2018–19	2019–20
	900	893

- (a) This special account is funded by Annual Appropriation Bill (No. 1) and receipts from Independent Sources.
- (b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
- (c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses and audit fees.
- (d) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) 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 2019-20 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 2018–19: Maximising opportunity and prosperity through national leadership on education and training.</p>

Performance information 2.1 Commonwealth Grant Scheme

Year	Performance criteria	Expected achievement
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. On Track • The rate of attrition for domestic bachelor students is less than 15%. On Track • At least 85% of undergraduates are employed within four months of completing degree. On Track

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Year	Performance criteria	Target
2019–20	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 a degree.
2020–21 and beyond	As per 2019–20.	As per 2019–20.

Program expenses 2.1 Commonwealth Grant Scheme

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Cluster Fund and Place Loadings	6,980,188	7,137,610	7,265,370	7,389,704	7,501,684
Regional Loading	73,075	74,426	75,954	77,701	79,409
Total program expenses	7,053,263	7,212,036	7,341,324	7,467,405	7,581,093

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 2018–19: Maximising opportunity and prosperity through national leadership on education and training.

Performance information 2.2 Higher Education Superannuation Program

Year	Performance criteria	Expected achievement
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.¹¹ On Track

Year	Performance criteria	Target
2019–20	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.¹¹
2020–21 and beyond	As per 2019–20.	As per 2019–20.

Program expenses 2.2 Higher Education Superannuation Program

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Special appropriations: <i>Higher Education Support Act 2003</i> Higher Education Superannuation Program	221,837	215,249	206,657	196,967	186,665
Total program expenses	221,837	215,249	206,657	196,967	186,665

¹¹ 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 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 assist 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 2018–19: Maximising opportunity and prosperity through national leadership on education and training.

Performance information 2.3 Higher Education Support

Year	Performance criteria	Expected achievement
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).¹² On Track • At least 16% of domestic undergraduates are from a low socioeconomic background (based on Statistical Area level 1).¹³ On Track • At least 2% of higher education students are Indigenous.¹⁴ Not on track

¹² Measured at the postcode level, as defined by the ABS.
<http://www.abs.gov.au/ausstats/abs@.nsf/mf/2033.0.55.001>

¹³ 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>

¹⁴ The target represents growth from the 2017–18 level of 1.8 per cent.

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Year	Performance criteria	Expected achievement
2018–19	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 <p>On Track</p> <ul style="list-style-type: none"> At least 85% of employers are satisfied with the skills of graduates (overall across all skills). <p>On Track</p>

Year	Performance criteria	Target
2019–20	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).¹² At least 16% of domestic undergraduates are from a low socioeconomic background (based on Statistical Area level 1).¹³ At least 2% of higher education students are Indigenous.¹⁴
	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).
2020–21 and beyond	As per 2019–20.	As per 2019–20.

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Program expenses 2.3 Higher Education Support

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
National Disability Coordination Officer	4,309	4,370	4,440	4,511	4,583
Quality Indicators for Learning and Teaching	8,843	8,935	9,044	9,189	9,336
Rural and Regional Enterprise Scholarships	12,843	17,753	13,753	9,753	4,500
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Central Coast Health and Wellbeing Precinct					
	3,750	2,500	2,500	2,500	1,250
Disability Support Program	7,572	7,712	7,870	8,051	8,228
Higher Education Partnerships and Participation Program	152,492	112,746	186,379	197,311	208,139
Improved Support for Regional Universities	10,839	4,260	4,615	4,442	4,549
Jobs and Growth in Tasmania	-	25,000	75,000	40,000	-
National Institutes	222,630	226,728	231,361	236,682	241,886
Quality Initiatives	503	512	523	535	546
Supporting more women into STEM Careers (AMSI Intern)	2,000	17,300	-	-	-
Teaching Awards - Universities Australia	600	600	600	600	600
Howard Library	13,500	-	-	-	-
Special account expenses:					
Education Investment Fund - Higher Education	2,000	-	-	-	-
Total program expenses	441,881	428,416	536,085	513,574	483,617

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 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. <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 2018–19: Maximising opportunity and prosperity through national leadership on education and training.
<p>Measures impacting program 2.4:</p> <ul style="list-style-type: none"> • Closing the Gap refresh — Indigenous Youth Education Package • Higher Education Loan Program — partial cost recovery delay • VET Student Loans — increase in loan limit for aviation courses 	

Performance information 2.4 Higher Education Loan Program

Year	Performance criteria	Expected achievement
2018–19	Tertiary education is affordable for students and the community.	<p><u>HELP</u></p> <ul style="list-style-type: none"> • The proportion of debt not expected to be repaid is stable or reduces from the previous year. <p>On Track</p>
	VET training choices are better aligned with industry needs.	<p><u>VET Student Loans</u></p> <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. <p>On Track</p>

Year	Performance criteria	Target
2019–20	Tertiary education is affordable for students and the community.	<p><u>HELP</u></p> <ul style="list-style-type: none"> • The proportion of debt not expected to be repaid is stable or reduces from the previous year.

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Year	Performance criteria	Target
2019–20	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.
2020–21 and beyond	As per 2019–20	As per 2019–20.

Program expenses 2.4 Higher Education Loan Program

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Tuition Protection Arrangements - FEE-HELP and VSL	-	6,974	7,394	6,574	6,755
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Loan Program	1,183,110	1,213,225	1,239,109	1,263,345	1,311,316
<i>VET Student Loans Act 2016</i>					
VET Student Loans	147,540	165,549	180,956	182,622	189,840
Total program expenses	1,330,650	1,385,748	1,427,459	1,452,541	1,507,911

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 2018–19: 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
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 On Track
	Research postgraduates continue to have high employability.	At least 90% of research postgraduates are employed within four months of completing their degree. On Track
	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. Not on track In 2016 there were 61 completions (0.92%) and in 2017 there were 60 completions (0.89%).

Year	Performance criteria	Target
2019–20	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.
2020–21 and beyond	As per 2019–20.	As per 2019–20.

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Program expenses 2.5 Investment in Higher Education Research

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Research Support Program	894,016	902,062	920,573	941,748	962,455
Research Training Program	1,027,084	1,036,328	1,057,595	1,081,921	1,105,710
Total program expenses	1,921,100	1,938,390	1,978,168	2,023,669	2,068,165

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 2018–19: Maximising opportunity and prosperity through national leadership on education and training.
Measures impacting program 2.6: <ul style="list-style-type: none"> • Stawell Underground Physics Laboratory — establishment 	

Performance information 2.6 Research Capacity

Year	Performance criteria	Expected achievement
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. On Track At least 90% of researchers report access to NCRIS facilities and projects improved research quality and outputs. On Track

Year	Performance criteria	Target
2019–20	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.
2020–21 and beyond	As per 2019–20.	As per 2019–20.

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Program expenses 2.6 Research Capacity

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
National Collaborative Research Infrastructure Strategy	160,822	181,905	239,673	253,560	395,642
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Academic Centres of Cyber Security Excellence	479	488	-	-	-
Higher Education Research Promotion	4,968	5,058	5,174	5,293	5,404
Stawell Underground Physics Laboratory	1,650	3,350	-	-	-
Total program expenses	167,919	190,801	244,847	258,853	401,046

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"> • Policy and project work that develop Australia's role as a global leader in education, training and research through the Enabling Growth and Innovation program • Ongoing support for individual and institutional grants for in-bound and out-bound students, researchers and professionals to undertake projects and study exchanges through the Endeavour Leadership Program, which will cease after the 2019 round • Support for institutional grants to support international and domestic students to study in regional Australia under the Destination Australia Program announced in March 2019 • 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 2018–19: Maximising opportunity and prosperity through national leadership on education and training.
Measures impacting program 2.7:	
<ul style="list-style-type: none"> • Population Package 	

Performance information 2.7 International Education Support

Year	Performance criteria	Expected achievement
2018–19	Sustainably grow Australia's international education sector by maintaining quality and increasing diversity.	<p>Average annual growth rate of 3% to 5% in international education export earnings.</p> <p>On Track</p> <p>At least 85% of international students are satisfied or very satisfied with studying and living in Australia.</p> <p>On Track</p> <p>At least 60% of international students employed or enrolled in further study after graduation.</p> <p>On Track</p> <p>Maintain positive growth in the number of students enrolled in offshore and transnational education and training delivered by Australian providers.</p> <p>On Track</p>

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Year	Performance criteria	Target
2019–20	Sustainably grow Australia's international education sector by maintaining quality and increasing diversity.	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. ¹⁵ 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.
2020–21 and beyond	As per 2019–20.	As per 2019–20.

Program expenses 2.7 International Education Support

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
International Education Support	38,316	34,160	27,540	25,632	23,908
Special account expenses:					
Overseas Student Tuition Fund	9,256	9,323	9,394	9,864	10,357
Total program expenses	47,572	43,483	36,934	35,496	34,265

¹⁵ 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>The Australian Government's Skills Package responds to the <i>Expert Review of Australia's Vocational Education and Training System</i>. The package addresses immediate priorities and lays the foundation for longer term reform.</p> <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 eligible employers and through incentives and loans to eligible individuals participating in apprenticeships. The program includes contractual arrangements with a national network of Australian Apprenticeship Support Network 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>Commonwealth Scholarships Program for Young Australians</u></p> <p>Scholarships to support undergraduate, postgraduate and vocational education and training students to undertake study or training and an industry based work placement in priority industries.</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.</p> <p>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 2018–19:</p> <p>Maximising opportunity and prosperity through national leadership on education and training.</p>

Measures impacting program 2.8:

- Skills Package — delivering skills for today and tomorrow

Performance information 2.8: Building Skills and Capability

Year	Performance criteria	Expected achievement
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. On Track
	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. Data not yet available ¹⁶ <ul style="list-style-type: none"> • At least 80% of VET graduates are employed or enrolled in further study after training. On Track
	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. On Track

Year	Performance criteria	Target
2019–20	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. • At least 53% of employers report use of the VET system.¹⁷
	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.¹⁸ • 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.
2020–21 and beyond	As per 2019–20.	As per 2019–20.

¹⁶ 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 2019.

¹⁷ Target applies in 2019–20 and 2021–22 (biennial survey).

¹⁸ As it can take up to four years for apprentices to complete, the 2019–20 reporting year will compare completion rates between the 2015 and 2014 commencing cohorts.

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Program expenses 2.8 Building Skills and Capability

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Sub-program 2.8.1: Industry Competitiveness					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Industry Skills Fund	1,994	-	-	-	-
Sub-program 2.8.2: Skills Development					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Apprenticeship Support Network	189,447	189,447	189,447	189,447	189,447
Incentives for Australian Apprenticeships	392,083	393,195	424,757	472,170	519,393
Industry Specialist Mentoring for Australian Apprentices	39,038	-	-	-	-
Trades Recognition Australia	12,628	27,861	31,344	35,351	35,351
South Australian Enterprise Scholarships	4,365	2,482	4,213	-	-
Rollout Skills Checkpoint for Older Workers Program	3,875	3,929	3,992	4,052	4,117
Commonwealth Scholarships Program for Young Australians	-	2,882	2,648	2,648	-
VET Information Strategy	-	1,606	1,638	963	877
Industry Training Hubs	-	1,282	12,818	12,818	14,818
National Rugby League's VET Apprenticeship Awareness Program	-	350	-	-	-
Special appropriations:					
<i>Trade Support Loans Act 2014</i>					
Trade Support Loans	69,797	54,619	56,349	58,125	59,860
Special account expenses:					
Growth Fund Skills and Training(a)	15,936	22,348	-	-	-
Sub-program 2.8.3: Access to Training					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Adult Migrant English Program	258,418	259,011	256,065	254,358	257,541
Skills for Education and Employment Program	93,153	88,964	91,092	93,960	124,815
Foundation Skills for Your Future	-	7,139	14,283	14,283	14,283
Remote Communities Pilots - Foundation Skills for Your Future	-	1,622	3,290	3,336	-

Department of Education and Training Budget Statements

Program expenses 2.8 Building Skills and Capability (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
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	1,490	1,512	1,535	1,560	1,585
Industry Workforce Training	40,891	39,218	39,698	40,329	49,361
My Skills Website	562	569	578	588	597
National Centre for Vocational Education Research	686	696	707	719	730
National Training System COPE	31,823	34,907	38,667	34,703	34,037
Licensing of International Vocational Education and Training (VET) courses	1,253	1,193	1,193	1,193	1,193
Integrated Information Service	-	1,774	1,803	1,832	1,861
National Career Institute and Ambassador	-	1,429	5,940	6,077	5,955
National Skills Commission	-	4,065	3,985	3,700	4,065
Skills Organisation Pilots	-	11,930	12,898	9,820	7,039
Total program expenses	1,157,439	1,154,030	1,198,940	1,242,032	1,326,925

(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 the department's finances for the 2019–20 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 3 and Bill 4 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 2018–19 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 attributed to depreciation and amortisation expenses. Expenses for 2019–20 are estimated to be \$449.4 million and reflects changes in departmental resourcing from 2019–20 measures in Table 1.2. This is an increase of \$31.7 million from the estimated actual expense for 2018–19.

Budget departmental balance sheet

The budgeted net asset position of \$71.0 million for 2019–20 represents an increase of \$15.9 million from the 2018–19 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 2018-19 '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 \$50.1 billion to \$59.6 billion over the period 2018-19 to 2022-23, 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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	220,695	215,683	205,574	204,149	202,204
Suppliers	171,811	208,443	185,444	180,215	171,137
Depreciation and amortisation (a)	25,272	25,278	28,300	28,300	28,300
Total expenses	417,778	449,404	419,318	412,664	401,641
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	8,400	8,400	8,400	8,400	8,400
Rental income	8,627	8,627	8,627	8,627	8,627
Other	14,703	14,574	14,040	13,983	14,072
Total own-source revenue	31,730	31,601	31,067	31,010	31,099
Total own-source income	31,730	31,601	31,067	31,010	31,099
Net (cost of)/contribution by services	(386,048)	(417,803)	(388,251)	(381,654)	(370,542)
Revenue from Government	361,076	392,840	360,285	353,709	342,597
Surplus/(deficit) attributable to the Australian Government	(24,972)	(24,963)	(27,966)	(27,945)	(27,945)
Total comprehensive income/(loss)	(24,972)	(24,963)	(27,966)	(27,945)	(27,945)
Total comprehensive income/(loss) attributable to the Australian Government	(24,972)	(24,963)	(27,966)	(27,945)	(27,945)
Note: Impact of net cash appropriation arrangements					
	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	300	315	334	355	355
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	25,272	25,278	28,300	28,300	28,300
Total comprehensive income/(loss) - as per the statement of comprehensive income	(24,972)	(24,963)	(27,966)	(27,945)	(27,945)

Prepared on Australian Accounting Standards basis.

(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) 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.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	6,193	6,381	6,381	6,381	6,381
Trade and other receivables	59,146	57,961	57,937	57,941	57,946
Other financial assets	199	199	199	199	199
Total financial assets	65,538	64,541	64,517	64,521	64,526
Non-financial assets					
Land and buildings	30,698	29,331	26,830	26,319	23,058
Property, plant and equipment	748	7,902	15,033	22,487	28,438
Intangibles	55,875	66,859	64,637	54,592	48,711
Other non-financial assets	3,273	3,273	3,273	3,273	3,273
Total non-financial assets	90,594	107,365	109,773	106,671	103,480
Total assets	156,132	171,906	174,290	171,192	168,006
LIABILITIES					
Payables					
Suppliers	17,541	17,541	17,541	17,541	17,541
Other payables	18,444	18,419	18,417	18,421	18,425
Total payables	35,985	35,960	35,958	35,962	35,966
Provisions					
Employee provisions	64,137	64,063	64,041	64,041	64,042
Other provisions	877	877	877	877	877
Total provisions	65,014	64,940	64,918	64,918	64,919
Total liabilities	100,999	100,900	100,876	100,880	100,885
Net assets	55,133	71,006	73,414	70,312	67,121
EQUITY*					
Parent entity interest					
Contributed equity	200,954	241,790	272,164	297,007	321,761
Reserves	1,244	1,244	1,244	1,244	1,244
Retained surplus (accumulated deficit)	(147,065)	(172,028)	(199,994)	(227,939)	(255,884)
Total parent entity interest	55,133	71,006	73,414	70,312	67,121
Total equity	55,133	71,006	73,414	70,312	67,121

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019					
Balance carried forward from previous period	(147,065)	1,244	-	200,954	55,133
Adjusted opening balance	(147,065)	1,244	-	200,954	55,133
Comprehensive income					
Other comprehensive income					
Surplus/(deficit) for the period	(24,963)	-	-	-	(24,963)
Total comprehensive income	(24,963)	-	-	-	(24,963)
of which:					
Attributable to the Australian Government	(24,963)	-	-	-	(24,963)
Transactions with owners					
Distributions to owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	17,104	17,104
Departmental Capital Budget (DCB)	-	-	-	23,732	23,732
Sub-total transactions with owners	-	-	-	40,836	40,836
Estimated closing balance as at 30 June 2020	(172,028)	1,244	-	241,790	71,006
Closing balance attributable to the Australian Government	(172,028)	1,244	-	241,790	71,006

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	365,988	394,025	360,309	353,705	342,592
Sale of goods and rendering of services	17,027	17,027	17,027	17,027	17,027
Net GST received	13,879	13,398	13,290	12,606	11,912
Other	6,281	6,152	5,618	5,561	5,650
Total cash received	403,175	430,602	396,244	388,899	377,181
Cash used					
Employees	220,680	215,782	205,598	204,145	202,199
Suppliers	177,268	213,419	190,312	184,399	174,627
Total cash used	397,948	429,201	395,910	388,544	376,826
Net cash from/(used by) operating activities	5,227	1,401	334	355	355
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	29,621	42,049	30,708	25,198	25,109
Total cash used	29,621	42,049	30,708	25,198	25,109
Net cash from/(used by) investing activities	(29,621)	(42,049)	(30,708)	(25,198)	(25,109)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	24,206	40,836	30,374	24,843	24,754
Total cash received	24,206	40,836	30,374	24,843	24,754
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	24,206	40,836	30,374	24,843	24,754
Net increase/(decrease) in cash held	(188)	188	-	-	-
Cash and cash equivalents at the beginning of the reporting period	6,381	6,193	6,381	6,381	6,381
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	6,193	6,381	6,381	6,381	6,381

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	14,996	23,732	23,893	24,056	24,220
Equity injections - Bill 2	9,210	17,104	6,481	787	534
Total new capital appropriations	24,206	40,836	30,374	24,843	24,754
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>24,206</i>	<i>40,836</i>	<i>30,374</i>	<i>24,843</i>	<i>24,754</i>
Total items	24,206	40,836	30,374	24,843	24,754
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	12,031	18,002	6,481	787	534
Funded by capital appropriation - DCB (b)	17,290	23,732	23,893	24,056	24,220
Funded internally from departmental resources (c)	300	315	334	355	355
TOTAL	29,621	42,049	30,708	25,198	25,109
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	29,621	42,049	30,708	25,198	25,109
Total cash used to acquire assets	29,621	42,049	30,708	25,198	25,109

Prepared on Australian Accounting Standards basis.

- (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.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	39,335	2,424	136,495	178,254
Accumulated depreciation/ amortisation and impairment	(8,637)	(1,676)	(80,620)	(90,933)
Opening net book balance	30,698	748	55,875	87,321
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	847	-	17,155	18,002
By purchase - appropriation ordinary annual services (b)	2,000	8,812	12,920	23,732
By purchase - other	-	-	315	315
Total additions	2,847	8,812	30,390	42,049
Other movements				
Depreciation/amortisation expense	(4,214)	(1,658)	(19,406)	(25,278)
Total other movements	(4,214)	(1,658)	(19,406)	(25,278)
As at 30 June 2020				
Gross book value	42,182	11,236	166,885	220,303
Accumulated depreciation/ amortisation and impairment	(12,851)	(3,334)	(100,026)	(116,211)
Closing net book balance	29,331	7,902	66,859	104,092

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2), including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Suppliers	707,008	706,738	729,174	718,839	721,832
Subsidies	398,321	443,718	426,115	473,623	520,948
Personal benefits	7,824,881	8,363,595	8,744,464	9,216,027	9,760,720
Grants	29,724,353	31,141,324	33,068,915	34,623,148	36,358,736
Finance costs	555,906	543,119	531,987	540,820	530,691
Write-down and impairment of assets	1,030,345	1,077,326	1,121,994	1,130,232	1,186,087
Total expenses administered on behalf of Government	40,240,814	42,275,820	44,622,649	46,702,689	49,079,014
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	5,875	11,232	11,676	12,093	12,367
Total taxation revenue	5,875	11,232	11,676	12,093	12,367
Non-taxation revenue					
Interest	1,214,189	1,315,052	1,397,357	1,471,136	1,828,988
Other revenue	247,751	248,654	265,601	275,743	282,276
Total non-taxation revenue	1,461,940	1,563,706	1,662,958	1,746,879	2,111,264
Total own-source revenue administered on behalf of Government	1,467,815	1,574,938	1,674,634	1,758,972	2,123,631
Gains					
Other gains	2,965,287	-	-	-	-
Total gains administered on behalf of Government	2,965,287	-	-	-	-
Total own-sourced income administered on behalf of Government	4,433,102	1,574,938	1,674,634	1,758,972	2,123,631
Net (cost of)/contribution by services	35,807,712	40,700,882	42,948,015	44,943,717	46,955,383
Surplus/(deficit) before income tax	(35,807,712)	(40,700,882)	(42,948,015)	(44,943,717)	(46,955,383)
Surplus/(deficit) after income tax	(35,807,712)	(40,700,882)	(42,948,015)	(44,943,717)	(46,955,383)
Total comprehensive income/(loss)	(35,807,712)	(40,700,882)	(42,948,015)	(44,943,717)	(46,955,383)

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	80,474	73,736	69,141	64,138	58,705
Trade and other receivables	635,473	600,805	588,638	594,299	607,645
Other investments	2,683,466	2,683,466	2,683,466	2,683,466	2,683,466
Other financial assets	46,703,754	49,430,284	51,915,606	54,098,605	56,246,532
Total financial assets	50,103,167	52,788,291	55,256,851	57,440,508	59,596,348
Total assets administered on behalf of Government	50,103,167	52,788,291	55,256,851	57,440,508	59,596,348
LIABILITIES					
Payables					
Suppliers	133,121	133,121	133,121	133,121	133,121
Personal benefits	105,881	193,260	243,427	256,001	271,439
Grants	4,600	4,600	4,600	4,600	4,600
Other payables	18,706	18,706	18,706	18,706	18,706
Total payables	262,308	349,687	399,854	412,428	427,866
Provisions					
Personal benefits provisions	793,273	779,810	805,104	856,951	919,918
Provisions for grants	6,385,097	6,170,900	5,916,302	5,631,524	5,334,210
Total provisions	7,178,370	6,950,710	6,721,406	6,488,475	6,254,128
Total liabilities administered on behalf of Government	7,440,678	7,300,397	7,121,260	6,900,903	6,681,994
Net assets/(liabilities)	42,662,489	45,487,894	48,135,591	50,539,605	52,914,354

Prepared on Australian Accounting Standards basis.

Department of Education and Training Budget Statements

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	1,059,314	1,317,344	1,457,292	1,617,739	1,760,354
Taxes	5,875	11,232	11,676	12,093	12,367
Net GST received	1,183,943	1,235,861	1,335,208	1,407,936	1,484,050
Other	99,418	112,163	119,984	124,765	125,867
Total cash received	2,348,550	2,676,600	2,924,160	3,162,533	3,382,638
Cash used					
Grant	31,262,036	32,806,631	34,865,378	36,512,829	38,326,765
Subsidies paid	398,321	443,718	426,115	473,623	520,948
Personal benefits	7,912,476	8,271,272	8,673,536	9,174,418	9,713,275
Suppliers	707,007	706,738	729,174	718,839	721,832
Total cash used	40,279,840	42,228,359	44,694,203	46,879,709	49,282,820
Net cash from/(used by) operating activities	(37,931,290)	(39,551,759)	(41,770,043)	(43,717,176)	(45,900,182)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	2,712,754	3,426,515	3,853,246	4,331,472	4,794,918
Total cash received	2,712,754	3,426,515	3,853,246	4,331,472	4,794,918
Cash used					
Advances and loans made	7,217,641	7,405,988	7,681,507	7,964,800	8,227,819
Total cash used	7,217,641	7,405,988	7,681,507	7,964,800	8,227,819
Net cash from/(used by) investing activities	(4,504,887)	(3,979,473)	(3,828,261)	(3,633,328)	(3,432,901)
Net increase/(decrease) in cash held	(42,436,177)	(43,531,232)	(45,598,304)	(47,350,504)	(49,333,083)
Cash and cash equivalents at beginning of reporting period	90,736	80,474	73,736	69,141	64,138
Cash from Official Public Account for:					
- Appropriations	46,291,521	48,382,018	51,026,834	53,422,255	56,011,478
Total cash from Official Public Account	46,291,521	48,382,018	51,026,834	53,422,255	56,011,478
Cash to Official Public Account for:					
- Appropriations	(3,865,606)	(4,857,524)	(5,433,125)	(6,076,754)	(6,683,828)
Total cash to Official Public Account	(3,865,606)	(4,857,524)	(5,433,125)	(6,076,754)	(6,683,828)
Cash and cash equivalents at end of reporting period	80,474	73,736	69,141	64,138	58,705

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 2019–20)

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 2017-18 to 2020-21 work plan and budget was endorsed by the Council in January 2018. ACARA's high-level 2019-20 to 2022-23 work plan and budget will be submitted to the Council for consideration in mid-2019.

A priority for ACARA during 2019-20 is continuing to ensure the successful transition to online assessment in collaboration with Education Services Australia and all Australian governments, with the goal to move the National Assessment Program – Literacy and Numeracy (NAPLAN) online by 2020. During this period, ACARA will also maintain research into international curriculum developments and trends to inform advice and agreed refinements to the Australian Curriculum.

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 ACARA's 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 ACARA'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 2019–20 as at Budget April 2019

	<i>2018–19 Estimated actual \$'000</i>	2019–20 Estimate \$'000
Opening balance/cash reserves at 1 July	7,352	7,950
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	16,986	15,376
Amounts from other entities	40	-
Total amounts received from related entities	17,026	15,376
Total funds from Government	17,026	15,376
Funds from industry sources		
Funds from other sources		
Interest	180	180
Other	12,862	12,050
Total funds from other sources	13,042	12,230
Total net resourcing for Australian, Curriculum, Assessment and Reporting Authority	37,420	35,556
	<i>2018–19</i>	2019–20
Average staffing level (number)	90	93

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 the 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 ACARA Budget Statements will be read with broader information provided in ACARA's corporate plans and annual performance statements – included in Annual Reports - to provide ACARA's complete performance story.

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

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

Outcome 1: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.					
	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: National Curriculum					
Revenue from Government					
Payment from related entities	5,089	4,937	2,531	-	-
Revenues from other independent sources	2,499	2,628	2,575	-	-
Total expenses for Program 1.1	7,588	7,565	5,106	-	-
Program 1.2: National Assessment					
Revenue from Government					
Payment from related entities	7,882	7,817	7,798	-	-
Revenues from other independent sources	7,930	7,767	7,935	-	-
Total expenses for Program 1.2	15,813	15,585	15,733	-	-
Program 1.3: National Data Collection and Reporting					
Revenue from Government					
Payment from related entities	2,052	1,886	2,055	-	-
Revenues from other independent sources	2,141	1,915	2,091	-	-
Total expenses for Program 1.3	4,193	3,801	4,147	-	-
Program 1.4: National Collaboration and Leadership					
Revenue from Government					
Payment from related entities	932	906	989	-	-
Revenues from other independent sources	972	920	1,006	-	-
Total expenses for Program 1.4	1,905	1,826	1,994	-	-
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	15,956	15,546	13,373	-	-
Revenues from other independent sources	13,542	13,230	13,607	-	-
Total expenses for Outcome 1	29,498	28,776	26,980	-	-
	2018–19	2019–20			
Average staffing level (number)	90	93			

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 summarises how each program is delivered and where 2019–20 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
2018–19	<ul style="list-style-type: none"> • Activities relating to monitoring the national curriculum, international comparisons and research on developments in 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 curriculum design published by the end of the third quarter of the reporting year • Portfolios of new work samples for Languages, History 7-10 and HASS F-6 published by end of reporting year.

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Year	Performance criteria	Targets
2019–20	<ul style="list-style-type: none"> • Activities relating to monitoring the national curriculum, international comparisons and research on developments in curriculum design undertaken • 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. 	<ul style="list-style-type: none"> • Reports on national curriculum monitoring and any research on international developments in curriculum design published by the end 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.
2020–21 and beyond	<ul style="list-style-type: none"> • Agreed refinements to the Australian Curriculum commenced • Refinements to the Australian Curriculum in progress in collaboration with partners and stakeholders. 	<ul style="list-style-type: none"> • Actions for refinements to the Australian Curriculum are agreed to by jurisdictions and work on refinements undertaken.

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	<p>Program 1.2 contributes to the following purposes of ACARA:</p> <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
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. 	<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 Tailored Test Design and test content specifications updated and significant improvements to Online accessibility adjustments • Testing and certification completed before any NAPLAN Online event to provide assurances to stakeholders that test content, platform functionality relating to ACARA's functions, data analysis and psychometric components, and national policy guidance materials are fit for purpose.

Year	Performance criteria	Targets
2019–20	<ul style="list-style-type: none"> • NAP for information and communication technology literacy (ICTL) revised, relative to the Australian Curriculum: Digital Technologies and ICT General Capability. 	<ul style="list-style-type: none"> • In accordance with the National STEM School Education Strategy, the pilot study and trial of NAP-ICTL successfully undertaken in line with the revised definition of ICTL, relative to the Australian Curriculum: Digital Technologies and ICT General Capability.
2020–21 and beyond	<ul style="list-style-type: none"> • Level of stakeholder satisfaction with online assessment • Advice on NAP enhancements developed. 	<ul style="list-style-type: none"> • Strong level of satisfaction with NAP online assessment recorded • Advice on NAP enhancements considered by the ACARA Board, AESOC and Education Council by end of June 2022.

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
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 • Revisions to the Measurement Framework for Schooling in Australia scoped. 	<ul style="list-style-type: none"> • The 2017 National Report on Schooling drafted and approved by the ACARA Board in December 2018 and published on 28 February 2019 • 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 • The scope of revisions required to be made to the Measurement Framework for Schooling in Australia considered by jurisdictions.

Year	Performance criteria	Targets
2019–20	<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 progressed. 	<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 to My School consulted on with key stakeholders and implemented as agreed.

Year	Performance criteria	Targets
2020–21 and beyond	<ul style="list-style-type: none"> The presentation of national reports (e.g. NAP reports) revised and any related proposal for change presented to the ACARA Board, AESOC and Council as required Level of stakeholder satisfaction with the My School website. 	<ul style="list-style-type: none"> Proposal(s) relating to the presentation of data/national reports developed and presented to the ACARA Board, AESOC and Council, as required, for consideration Strong level of satisfaction with the My School website recorded.

Program 1.4 – National Collaboration and Leadership

Objective	<p>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.</p> <p>ACARA will share its proposals and work with a range of advisory groups to enable all stakeholders to provide input.</p>
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	<p>Program 1.4 contributes to the following purpose of ACARA:</p> <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
2018–19	<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"> A revised advisory structure published on ACARA’s website and strong level of satisfaction received as measured through surveys in the second half of 2018–19 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.

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Year	Performance criteria	Targets
2019–20	<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 • 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.
2020–21 and beyond	As per 2019–20.	As per 2019–20.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ACARA's finances for the 2019-20 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 2019-20 to 2020-21 work plan and budget was endorsed by the Council in January 2018. ACARA's high level 2021-22 to 2022-23 work plan and budget has yet to be endorsed by Council as part of ACARA's 2019-20 to 2022-23 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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	15,517	15,827	14,819	-	-
Suppliers	13,273	12,284	11,453	-	-
Depreciation and amortisation	708	665	708	-	-
Total expenses	29,498	28,776	26,980	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	180	180	180	-	-
Other	29,318	28,596	26,800	-	-
Total own-source revenue	29,498	28,776	26,980	-	-
Total gains	-	-	-	-	-
Total own-source income	29,498	28,776	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)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	7,950	7,065	6,195	-	-
Trade and other receivables	8,844	9,019	9,169	-	-
Other financial assets	36	36	36	-	-
Total financial assets	16,830	16,120	15,400	-	-
Non-financial assets					
Property, plant and equipment	878	663	713	-	-
Other non-financial assets	280	280	280	-	-
Total non-financial assets	1,158	943	993	-	-
Total assets	17,988	17,063	16,393	-	-
LIABILITIES					
Payables					
Suppliers	1,907	1,907	1,957	-	-
Grants	11,463	10,468	9,718	-	-
Total payables	13,370	12,375	11,675	-	-
Provisions					
Employee provisions	2,319	2,389	2,419	-	-
Other provisions	364	364	364	-	-
Total provisions	2,683	2,753	2,783	-	-
Total liabilities	16,053	15,128	14,458	-	-
Net assets	1,935	1,935	1,935	-	-
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	1,935	1,935	1,935	-	-
Total parent entity interest	1,935	1,935	1,935	-	-
Total equity	1,935	1,935	1,935	-	-

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019					
Balance carried forward from previous period	1,935	-	-	-	1,935
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	1,935	-	-	-	1,935
Comprehensive income					
Surplus/(deficit) for the period	-	-	-	-	-
Estimated closing balance as at 30 June 2020	1,935	-	-	-	1,935
Closing balance attributable to the Australian Government	1,935	-	-	-	1,935

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	29,888	27,426	25,900	-	-
Interest	180	180	180	-	-
Total cash received	30,068	27,606	26,080	-	-
Cash used					
Employees	15,447	15,757	14,789	-	-
Suppliers	13,773	12,284	11,403	-	-
Total cash used	29,220	28,041	26,192	-	-
Net cash from/(used by) operating activities	848	(435)	(112)	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	250	450	758	-	-
Total cash used	250	450	758	-	-
Net cash from/(used by) investing activities	(250)	(450)	(758)	-	-
Net increase/(decrease) in cash held	598	(885)	(870)	-	-
Cash and cash equivalents at the beginning of the reporting period	7,352	7,950	7,065	-	-
Cash and cash equivalents at the end of the reporting period	7,950	7,065	6,195	-	-

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 2019–20)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	2,885	8	2,893
Accumulated depreciation/ amortisation and impairment	(2,007)	(8)	(2,015)
Opening net book balance	878	-	878
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - other	450	-	450
Total additions	450	-	450
Other movements			
Depreciation/amortisation expense	(665)	-	(665)
Total other movements	(665)	-	(665)
As at 30 June 2020			
Gross book value	3,335	8	3,343
Accumulated depreciation/ amortisation and impairment	(2,672)	(8)	(2,680)
Closing net book balance	663	-	663

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 2019–20)

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 is the owner and sole member of the company. AITSL operates under its own constitution, with priorities set through instruction from the Minister. 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, 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; Quality Teaching; and School Leadership.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to AITSL 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 AITSL'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 2019–20 as at Budget April 2019

	<i>2018–19 Estimated actual \$'000</i>	2019–20 Estimate \$'000
Opening balance/cash reserves at 1 July	5,979	3,376
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	17,747	13,644
Total amounts received from related entities	17,747	13,644
Total funds from Government	17,747	13,644
Funds from other sources		
Interest	75	230
Sale of goods and services	2,666	2,475
Other	100	-
Total funds from other sources	2,841	2,705
Total net resourcing for AITSL	26,567	19,725
	<i>2018–19</i>	2019–20
Average staffing level (number)	72	69

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 AITSL 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.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Assistance for Quality Teaching and Learning					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	-	-	-	-	-
Payment from related entities	13,725	15,618	16,482	12,723	-
Revenues from other independent sources	2,795	2,706	2,680	1,460	-
Total expenses for Program 1.1	16,520	18,324	19,162	14,183	-
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	-	-	-	-	-
Payment from related entities	13,725	15,618	16,482	12,723	-
Revenues from other independent sources	2,795	2,706	2,680	1,460	-
Total expenses for Outcome 1	16,520	18,324	19,162	14,183	-
	2018–19	2019–20			
Average staffing level (number)	72	69			

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 2019-20 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 School 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	AITSL plays a key role in leading significant national educational reform for the Australian, state and territory governments to promote excellence in initial teacher education, teaching and school leadership to achieve maximum impact on student learning in all Australian schools.

Performance information 1.1 – Assistance for Quality Teaching and Learning

Year	Performance criteria	Expected achievement
2018–19	AITSL continues to promote excellence in the profession of teaching and school leadership.	<p>Initial Teacher Education (ITE) Programs in Australia–On Track</p> <p>Implemented relevant elements of the Government response to the recommendations of Teacher Education Ministerial Advisory Group (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 Standard for Principals–On Track</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–On Track</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>

Year	Performance criteria	Targets
2019–20	As per 2018–19	<p>Initial Teacher Education Programs in Australia</p> <p>Implement Education Council decisions on national quality assurance, consistency and transparency of initial teacher education.</p> <p>Monitor and evaluate the implementation of the strengthened approach to the Accreditation of Initial Teacher Education programs and implement the Australian Teacher Workforce Data collection.</p> <p>Quality Teaching</p> <p>Improve access to high quality professional learning aligned to the <i>Australian Professional Standards for Teachers</i> (Teacher Standards).</p> <p>Improve consistency in the implementation of the national teacher registration framework and Teacher Standards.</p> <p>Support and promote the National Certification of Highly Accomplished and Lead Teachers.</p> <p>Evaluate teacher effectiveness.</p> <p>School Leadership</p> <p>Support improvements to the quality of preparation and professional learning of school leaders aligned to the <i>Australian Professional Standard for Principals</i>, and promote access to key tools and resources.</p> <p>Undertake and engage with national and international research and innovation developments in best practice</p> <p>Strengthen the evidence base for AITSL's work through enhanced research and involvement with national and international agencies and experts.</p> <p>Assessment for Migration</p> <p>Perform 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>
2020–21 and beyond	As per 2019–20.	As per 2019–20.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of AITSL finances for the 2019–20 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 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. 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 December 2018 the Department agreed to provide further funds of \$0.54 million for expanded work in cultural competency and professional learning.

In February 2019 the Department of Education and Training provided AITSL with a funding agreement of \$44.896 million for the financial years 2018–19 to 2021–22. The purpose of the funding is to enable AITSL to continue to pursue its objectives in teaching and school leadership.

The funding for the 2019–20 budget year will be \$13.644 million. The comparative funding in the 2018–19 year will be \$17.747 million. In the 2019–20 year the income from Overseas Skills Assessment is estimated to be \$1.1 million. Income for AITSL to create a national data platform for the teaching workforce is budgeted to be \$1.2 million and income for other services provided to third parties is estimated to be \$0.2 million.

AITSL is budgeting for a surplus of \$4.0 million in the financial year 2018–19. The surplus will arise as a result of revenue recognised in regard to work and expenses that will be incurred in subsequent years. The budgeted result for the 2019–20 financial year is a deficit of \$2.0 million.

The net asset position of \$6.3 million as at 30 June 2018 is expected to increase to \$10.3 million at 30 June 2019. Total assets at 30 June 2019 are estimated to be \$12.4 million, comprising \$11.5 million of financial assets and \$0.9 million of non-financial assets.

Total liabilities at 30 June 2019 are estimated to be \$2.1 million, of which \$0.8 million will be accrued employee provisions, \$1.0 million being supplier payables and \$0.3 million of other provisions.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	8,559	10,215	10,470	7,756	-
Suppliers	7,758	7,801	8,405	6,172	-
Depreciation and amortisation	203	308	287	255	-
Total expenses	16,520	18,324	19,162	14,183	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,666	2,476	2,530	1,360	-
Interest	75	230	150	100	-
Rental income	54	-	-	-	-
Other	17,747	13,644	12,782	12,723	-
Total own-source revenue	20,542	16,350	15,462	14,183	-
Total own-source income	20,542	16,350	15,462	14,183	-
Net (cost of)/contribution by services	4,022	(1,974)	(3,700)	-	-
Revenue from Government					
Surplus/(deficit) attributable to the Australian Government	4,022	(1,974)	(3,700)	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	4,022	(1,974)	(3,700)	-	-
Total comprehensive income/(loss) attributable to the Australian Government	4,022	(1,974)	(3,700)	-	-

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,376	3,744	3,526	3,343	-
Trade and other receivables	149	152	160	139	-
Other investments	7,987	6,000	3,000	3,000	-
Total financial assets	11,512	9,896	6,686	6,482	-
Non-financial assets					
Property, plant and equipment	783	678	446	221	-
Intangibles	138	85	31	-	-
Total non-financial assets	921	763	477	221	-
Total assets	12,433	10,659	7,163	6,703	-
LIABILITIES					
Payables					
Suppliers	974	1,045	1,158	895	-
Total payables	974	1,045	1,158	895	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employee provisions	793	923	1,013	816	-
Other provisions	344	344	344	344	-
Total provisions	1,137	1,267	1,357	1,160	-
Total liabilities	2,111	2,312	2,515	2,055	-
Net assets	10,322	8,347	4,648	4,648	-
EQUITY*					
Parent entity interest					
Contributed equity	-	-	-	-	-
Retained surplus (accumulated deficit)	10,322	8,348	4,648	4,648	-
Total parent entity interest	10,322	8,348	4,648	4,648	-
Total non-controlling interest	-	-	-	-	-
Total equity	10,322	8,348	4,648	4,648	-

* 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 2019–20)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019					
Balance carried forward from previous period	10,322	-	-	-	10,322
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	10,322	-	-	-	10,322
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(1,974)	-	-	-	(1,974)
Total comprehensive income	(1,974)	-	-	-	(1,974)
Estimated closing balance as at 30 June 2020	8,348	-	-	-	8,348
Less: non-controlling interests	-	-	-	-	-
Closing balance attributable to the Australian Government	8,348	-	-	-	8,348

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	-	-	-	-	-
Receipts from Government	17,747	13,644	12,782	12,723	-
Sale of goods and rendering of services	2,824	2,612	2,668	1,378	-
Interest	75	230	150	100	-
Net GST received	639	594	636	604	-
Other	97	-	-	-	-
Total cash received	21,382	17,080	16,236	14,805	-
Cash used					
Employees	8,451	9,993	10,330	7,974	-
Suppliers	8,551	8,556	9,124	7,014	-
Total cash used	17,002	18,549	19,454	14,988	-
Net cash from/(used by) operating activities	4,380	(1,469)	(3,218)	(183)	-
INVESTING ACTIVITIES					
Cash received					
Investments	-	1,987	3,000	-	-
Other	-	-	-	-	-
Total cash received	-	1,987	3,000	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	332	150	-	-	-
Investments	6,651	-	-	-	-
Other	-	-	-	-	-
Total cash used	6,983	150	-	-	-
Net cash from/(used by) investing activities	(6,983)	1,837	3,000	-	-
FINANCING ACTIVITIES					
Net cash from/(used by) financing activities	-	-	-	-	-
Net increase/(decrease) in cash held	(2,603)	368	(218)	(183)	-
Cash and cash equivalents at the beginning of the reporting period	5,979	3,376	3,744	3,526	-
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	3,376	3,744	3,526	3,343	-

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 2019–20)

	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	2,105	12	160	2,277
Accumulated depreciation/ amortisation and impairment	(1,334)	-	(22)	(1,356)
Opening net book balance	771	12	138	921
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	150	-	-	150
Total additions	150	-	-	150
Other movements				
Depreciation/amortisation expense	(255)	-	(53)	(308)
Total other movements	(255)	-	(53)	(308)
As at 30 June 2020				
Gross book value	2,255	12	160	2,427
Accumulated depreciation/ amortisation and impairment	(1,589)	-	(75)	(1,664)
Closing net book balance	666	12	85	763

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 2019–20)

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 administering the Engagement and Impact (EI) assessment, which assesses the engagement of researchers with end-users, and shows how universities are translating their research into economic, social, environmental and other impacts.

The ARC's priorities for 2019-20 include:

- delivering the NCGP effectively and efficiently, including responding to any recommendations from the Australian National Audit Office audit into the administration of the NCGP
- 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)
- analysing and disseminating data and insights arising from the ERA and EI exercises for the benefit of Government, universities, and other stakeholders
- reviewing the ERA and EI exercises
- 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 2019–20 as at Budget April 2019

	<i>2018–19 Estimated actual \$'000</i>	2019–20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	19,560	18,478
Departmental appropriation (b)	21,440	21,226
Departmental capital budget (c)	1,228	1,228
Annual appropriations - other services - non-operating (d)		
Prior year appropriations available	1,820	1,182
Total departmental annual appropriations	44,048	42,114
Total departmental resourcing	44,048	42,114
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	225	2,570
Outcome 1	14,145	10,903
Total administered annual appropriations	14,370	13,473
Special Appropriation - <i>Australian Research Council Act 2001</i> (e)	759,925	786,212
Total administered special appropriations	759,925	786,212
Special accounts (f)		
Opening balance	-	-
Appropriation receipts (g)	4,180	5,130
<i>Total special account receipts</i>	4,180	5,130
<i>less administered appropriations drawn from annual appropriations and credited to special accounts</i>	4,180	5,130
Total administered resourcing	774,295	799,685
Total resourcing for the ARC	818,343	841,799
	<i>2018–19</i>	2019–20
Average staffing level (number)	133	136

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

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

- (a) Appropriation Bill (No. 1).
- (b) Excludes departmental capital budget (DCB).
- (c) 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'.
- (d) Appropriation Bill (No. 2).
- (e) Special Appropriation funded under *Australian Research Council Act 2001*.
- (f) ARC Research Endowment Account - s80 PGPA Act 2013 [s62 *Australian Research Council Act 2001*]. Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on 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) Administered appropriations drawn from annual appropriations and credited to special account.

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> News> Publications> Corporate Plan

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

Budgeted expenses for Outcome 1

This table shows how much the ARC 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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Discovery - research and research training					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,148	1,170	1,196	1,221	1,252
Special appropriations <i>Australian Research Council Act 2001</i>	493,951	507,044	513,542	525,537	537,098
Administered total	495,099	508,214	514,738	526,758	538,350
Total expenses for program 1.1	495,099	508,214	514,738	526,758	538,350
Program 1.2: Linkage - cross-sector research partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1) (a)	1,491	1,522	1,558	1,590	1,630
Special appropriations <i>Australian Research Council Act 2001</i>	265,974	279,168	288,788	295,246	301,741
Special accounts <i>ARC Research Endowment Account - s80 PGPA Act 2013 [s62 Australian Research Council Act 2001]</i>	4,180	5,130	2,916	774	-
Administered total	271,645	285,820	293,262	297,610	303,371
Total expenses for program 1.2	271,645	285,820	293,262	297,610	303,371
Program 1.3: Excellence in Research for Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	5,135	3,556	3,152	3,218	3,298
Administered total	5,135	3,556	3,152	3,218	3,298
Total expenses for program 1.3	5,135	3,556	3,152	3,218	3,298

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1) (a)	7,774	6,248	5,906	6,029	6,180
Special appropriations	759,925	786,212	802,330	820,783	838,839
Special accounts	4,180	5,130	2,916	774	-
Administered total	771,879	797,590	811,152	827,586	845,019
Departmental expenses					
Departmental appropriation	21,440	21,226	21,363	21,503	21,642
Expenses not requiring appropriation in the Budget year (b)	3,879	3,327	3,247	2,827	2,699
Departmental total	25,319	24,553	24,610	24,330	24,341
Total expenses for Outcome 1	797,198	822,143	835,762	851,916	869,360
	2018–19	2019–20			
Average staffing level (number)	133	136			

Prepared on Australian Accounting Standards basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) 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) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, audit fees and estimated expenses incurred in relation to revenue received under section 74 of the PGPA Act 2013 in 2017–18.

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 2019–20 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
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>Final reporting data for targets will be available at the end of 2018–19 and compared against baseline data in the annual report. To date:</p> <ul style="list-style-type: none"> • 16% of Discovery program funding allocated for commencement in 2018–19 was allocated under the DECRA scheme • 84% of Discovery program research projects commencing in 2018–19 involve international collaboration • 57% of Discovery program research projects commencing in 2018–19 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 and <i>Making a Difference</i> publication.</p>

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Year	Performance criteria	Targets
2019–20	<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>
2020–21 and beyond	As per 2019–20.	As per 2019–20.

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>

Performance information 1.2 Linkage – Cross Sector Research Partnerships

Year	Performance criteria	Expected achievement
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>Final reporting data for targets will be available at the end of 2018–19 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 \$1.91 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 • 82% of Linkage program research projects commencing in 2018–19 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 application submission • 64% of Linkage program research projects commencing in 2018–19 involve international collaboration.

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Year	Performance criteria	Expected achievement
2018–19		<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 2019 has not been finalised.</p> <p>Case studies demonstrating the benefits arising from Linkage research will be provided in the ARC annual report and <i>Making a Difference</i> publication.</p>

Year	Performance criteria	Targets
2019–20	<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 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 application submission].</p> <p>Target: Maintain proportion of Linkage program funding to support industrial research training under the Industrial Transformation Training Centres scheme.</p>
2020–21 and beyond	As per 2019–20.	As per 2019–20.

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 the Engagement and Impact (EI) assessment framework, which assesses the engagement of researchers with end-users, and shows 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
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. 	<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.

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Year	Performance criteria	Targets
2019–20	<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. 	<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.
2020–21 and beyond	As per 2019–20.	As per 2019–20.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 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 ARC have not had any measures announced since the 2018–19 Budget.

Budgeted departmental comprehensive income statement

The ARC's income statement reflects a deficit across the forward estimates. These deficits are predominantly attributable to the depreciation and amortisation expense for the year. Total expenses for 2019–20 are estimated to be \$24.6 million.

Budgeted departmental balance sheet

The budgeted net asset position of \$22.2 million for 2019–20 represents a decrease of \$2.0 million from 2018–19.

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 (NCGP).

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	15,866	16,376	16,694	17,019	17,349
Suppliers	5,903	5,213	4,965	4,410	4,250
Depreciation and amortisation (a)	3,319	2,767	2,787	2,767	2,639
Finance costs	231	197	164	134	103
Total expenses	25,319	24,553	24,610	24,330	24,341
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	60	60	60	60	60
Total own-source revenue	60	60	60	60	60
Total own-source income	60	60	60	60	60
Net (cost of)/contribution by services	(25,259)	(24,493)	(24,550)	(24,270)	(24,281)
Revenue from Government	21,440	21,226	21,363	21,503	21,642
Surplus/(deficit) attributable to the Australian Government	(3,819)	(3,267)	(3,187)	(2,767)	(2,639)
Total comprehensive income/(loss)	(3,819)	(3,267)	(3,187)	(2,767)	(2,639)
Total comprehensive income/(loss) attributable to the Australian Government	(3,819)	(3,267)	(3,187)	(2,767)	(2,639)

Note: Impact of net cash appropriation arrangements

	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(500)	(500)	(400)	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	3,319	2,767	2,787	2,767	2,639
Total comprehensive income/(loss) - as per the statement of comprehensive income	(3,819)	(3,267)	(3,187)	(2,767)	(2,639)

Prepared on Australian Accounting Standards basis.

- (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.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	281	281	281	281	281
Trade and other receivables	19,404	18,432	17,783	17,586	17,292
Total financial assets	19,685	18,713	18,064	17,867	17,573
Non-financial assets					
Buildings	1,391	1,236	1,069	882	670
Property, plant and equipment	658	1,070	934	886	852
Intangibles	9,977	8,424	7,176	5,889	4,750
Other non-financial assets	421	421	421	421	421
Total non-financial assets	12,447	11,151	9,600	8,078	6,693
Total assets	32,132	29,864	27,664	25,945	24,266
LIABILITIES					
Payables					
Suppliers	591	591	591	591	591
Other payables	129	248	312	379	379
Total payables	720	839	903	970	970
Interest bearing liabilities					
Leases	2,009	1,661	1,348	1,084	790
Total interest bearing liabilities	2,009	1,661	1,348	1,084	790
Provisions					
Employee provisions	4,826	4,826	4,826	4,826	4,826
Other provisions	362	362	362	362	362
Total provisions	5,188	5,188	5,188	5,188	5,188
Total liabilities	7,917	7,688	7,439	7,242	6,948
Net assets	24,215	22,176	20,225	18,703	17,318
EQUITY*					
Parent entity interest					
Contributed equity	37,511	38,739	39,975	41,220	42,474
Reserves	42	42	42	42	42
Retained surplus (accumulated deficit)	(13,338)	(16,605)	(19,792)	(22,559)	(25,198)
Total parent entity interest	24,215	22,176	20,225	18,703	17,318
Total equity	24,215	22,176	20,225	18,703	17,318

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(13,338)	42	37,511	24,215
Adjusted opening balance	(13,338)	42	37,511	24,215
Comprehensive income				
Surplus/(deficit) for the period	(3,267)	-	-	(3,267)
Total comprehensive income	(3,267)	-	-	(3,267)
of which:				
Attributable to the Australian Government	(3,267)	-	-	(3,267)
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 2020	(16,605)	42	38,739	22,176
Closing balance attributable to the Australian Government	(16,605)	42	38,739	22,176

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	23,521	22,198	22,012	21,700	21,936
Net GST received	836	704	652	593	581
Total cash received	24,357	22,902	22,664	22,293	22,517
Cash used					
Employees	15,860	16,257	16,630	16,952	17,349
Suppliers	5,843	5,153	4,905	4,350	4,190
Borrowing costs	231	197	164	134	103
Net GST paid	836	704	652	593	581
Total cash used	22,770	22,311	22,351	22,029	22,223
Net cash from/(used by) operating activities	1,587	591	313	264	294
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,448	1,471	1,236	1,245	1,254
Total cash used	2,448	1,471	1,236	1,245	1,254
Net cash from/(used by) investing activities	(2,448)	(1,471)	(1,236)	(1,245)	(1,254)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,228	1,228	1,236	1,245	1,254
Total cash received	1,228	1,228	1,236	1,245	1,254
Cash used					
Repayments of finance leases	367	348	313	264	294
Total cash used	367	348	313	264	294
Net cash from/(used by) financing activities	861	880	923	981	960
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	281	281	281	281	281
Cash and cash equivalents at the end of the reporting period	281	281	281	281	281

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,228	1,228	1,236	1,245	1,254
Total new capital appropriations	1,228	1,228	1,236	1,245	1,254
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,228	1,228	1,236	1,245	1,254
Total items	1,228	1,228	1,236	1,245	1,254
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	1,228	1,228	1,236	1,245	1,254
Funded internally from departmental resources (b)	1,220	243	-	-	-
TOTAL	2,448	1,471	1,236	1,245	1,254
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,448	1,471	1,236	1,245	1,254
Total cash used to acquire assets	2,448	1,471	1,236	1,245	1,254

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	3,035	1,814	28,409	33,258
Accumulated depreciation/ amortisation and impairment	(1,644)	(1,156)	(18,432)	(21,232)
Opening net book balance	1,391	658	9,977	12,026
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	100	750	621	1,471
Total additions	100	750	621	1,471
Other movements				
Depreciation/amortisation expense	(255)	(338)	(2,174)	(2,767)
Total other movements	(255)	(338)	(2,174)	(2,767)
As at 30 June 2020				
Gross book value	3,135	2,564	29,030	34,729
Accumulated depreciation/ amortisation and impairment	(1,899)	(1,494)	(20,606)	(23,999)
Closing net book balance	1,236	1,070	8,424	10,730

Prepared on Australian Accounting Standards basis.

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

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Suppliers	7,774	6,248	5,906	6,029	6,180
Grants	764,105	791,342	805,246	821,557	838,839
Total expenses administered on behalf of Government	771,879	797,590	811,152	827,586	845,019
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue (a)	9,500	9,500	9,500	9,500	9,500
Total non-taxation revenue	9,500	9,500	9,500	9,500	9,500
Total own-source revenue administered on behalf of Government	9,500	9,500	9,500	9,500	9,500
Total own-sourced income administered on behalf of Government	9,500	9,500	9,500	9,500	9,500
Net (cost of)/contribution by services	(762,379)	(788,090)	(801,652)	(818,086)	(835,519)
Total comprehensive income/(loss)	(762,379)	(788,090)	(801,652)	(818,086)	(835,519)

Prepared on Australian Accounting Standards basis.

- (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.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Taxation receivables	289	289	289	289	289
Total financial assets	289	289	289	289	289
Non-financial assets					
Other non-financial assets	553	78	78	78	78
Total non-financial assets	553	78	78	78	78
Total assets administered on behalf of Government	842	367	367	367	367
LIABILITIES					
Payables					
Suppliers	225	225	225	225	225
Grants	239,057	239,057	239,057	239,057	239,057
Total payables	239,282	239,282	239,282	239,282	239,282
Total liabilities administered on behalf of Government	239,282	239,282	239,282	239,282	239,282
Net assets/(liabilities)	(238,440)	(238,915)	(238,915)	(238,915)	(238,915)

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	2,000	1,809	1,846	1,882	1,924
Other	9,500	9,500	9,500	9,500	9,500
Total cash received	11,500	11,309	11,346	11,382	11,424
Cash used					
Grant	764,105	791,342	805,246	821,557	838,839
Suppliers	7,620	5,773	5,906	6,029	6,180
Net GST paid	2,000	1,809	1,846	1,882	1,924
Total cash used	773,725	798,924	812,998	829,468	846,943
Net cash from/(used by) operating activities	(762,225)	(787,615)	(801,652)	(818,086)	(835,519)
Net increase/(decrease) in cash held	(762,225)	(787,615)	(801,652)	(818,086)	(835,519)
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	771,725	797,115	811,152	827,586	845,019
- Administered GST appropriations	2,000	1,809	1,846	1,882	1,924
Total cash from Official Public Account	773,725	798,924	812,998	829,468	846,943
Cash to Official Public Account for:					
- Other operating payments	9,500	9,500	9,500	9,500	9,500
- Return of GST Appropriation to OPA	2,000	1,809	1,846	1,882	1,924
Total cash to Official Public Account	11,500	11,309	11,346	11,382	11,424
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 has no administered capital budget therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2019–20)

ARC has no administered asset movements 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:

- proportionate, 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 2019–20 ASQA will focus on:

- Addressing the target areas, and progressing the strategic initiatives, detailed in the Authority's *Regulatory Strategy 2018–20*:
 - Target areas:
 - Australia's international education sector (this will include the finalisation of ASQA's strategic review into international education)
 - Trainer and assessor capability
 - Strategic initiatives:
 - Recognising and supporting quality in the VET sector
 - Strengthening registration requirements
 - Training products of concern
 - CHC30113 Certificate III in Early Childhood Education and Care
 - TAE40116 Certificate IV in Training and Assessment
 - CHC33015 Certificate III in Individual Support
 - CHC50113 Diploma of Early Childhood Education and Care
- progressing ASQA's move to full cost recovery by 1 July 2020
- addressing recommendations emanating from the review of the *National Vocational Education and Training Regulator Act 2011* that relate to ASQA.

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 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 2019–20 as at Budget April 2019

	<i>2018–19 Estimated actual \$'000</i>	2019–20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	14,190	13,899
Departmental appropriation (b)	36,102	36,454
s74 External Revenue (c)	264	264
Departmental capital budget (d)	1,212	1,211
Equity injection (e)	1,845	3,013
Total departmental annual appropriations	53,613	54,841
Total departmental resourcing	53,613	54,841
Administered		
Total administered special appropriations (f)	683	357
Total administered resourcing	683	357
Total resourcing for ASQA	54,296	55,198
	<i>2018–19</i>	2019–20
Average staffing level (number)	199	199

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

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

- (a) Appropriation Bill (No. 1) 2019–20.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated External Revenue receipts under section 74 of the Public Governance, Performance and Accountability Act 2013 (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) 2019–20.
- (f) This is Special Appropriation - PGPA Act - s77 Repayments NVETR.

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.

ASQA's outcome is described below together with its related programs. The following provides detailed information on ASQA's expenses, 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.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Regulation and advice					
Departmental expenses					
Departmental appropriations ⁷⁴ External Revenue (a)	36,102 264	36,454 264	36,155 132	36,344 -	36,593 -
Expenses not requiring appropriation in the Budget year (b)	2,435	3,464	3,480	3,360	3,702
Departmental total	38,801	40,182	39,767	39,704	40,295
Total expenses for program 1.1	38,801	40,182	39,767	39,704	40,295
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriations ⁷⁴ External Revenue (a)	36,102 264	36,454 264	36,155 132	36,344 -	36,593 -
Expenses not requiring appropriation in the Budget year (b)	2,435	3,464	3,480	3,360	3,702
Departmental total	38,801	40,182	39,767	39,704	40,295
Total expenses for Outcome 1	38,801	40,182	39,767	39,704	40,295
	2018–19	2019–20			
Average staffing level (number)	199	199			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

(b) Departmental expenses not requiring appropriation are depreciation expenses and amortisation expenses.

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	The mechanisms through which Program 1.1 is delivered are: <ul style="list-style-type: none"> • identifying the risks to quality VET in Australia and taking regulatory action to reduce the most serious risks • undertaking risk-based regulation to support quality VET delivery • undertaking risk based regulation to respond to non-compliance and remove poor quality providers from the sector • engaging with stakeholders to inform our understanding of the risks to the VET sector • supporting the VET sector by providing accurate information to support stakeholder understanding of VET sector compliance • providing input and advice on strategies to improve VET regulation and the VET sector.
Purpose	Program 1.1 contributes to ASQA's purposes which are to: <ul style="list-style-type: none"> • provide consistent risk based regulation of vocational education training (VET) that contributes to a VET system that meets Australia's needs and provides quality VET to students.

Performance information 1.1 Regulation and Advice

Year	Performance criteria	Expected achievement
2018–19	Stakeholders indicate they believe ASQA is improving the quality of VET outcomes in Australia.	Application of risk based regulation demonstrated by percentage of non-application based audits to application based audits. As at 31 December 2018: 72.1% of completed audits are non-application based audits. Providers and stakeholders indicate they are satisfied with ASQA's engagement with the regulated community. Most recent survey results indicated:¹ 73.2.0% provider satisfaction 60.9% stakeholder satisfaction.

¹ 2017–18. Results for 2018–19 will not be available until early 2019–20.

ASQA Budget Statements

Year	Performance criteria	Planned measurement
2019–20	<p>Identify and develop understanding of the risks to VET and take regulatory action to address the most serious identified risks.</p> <p>Effectively manage risk based registration of quality RTOs and accreditation of courses that meet Australia’s vocation education needs.</p> <p>Delivery of standards-based auditing based on risk and appropriate and proportionate regulatory decisions.</p> <p>Effectively seek information to inform understanding of risks in the VET sector.</p> <p>Provide clear, targeted and effective provision of information and support to stakeholders about the VET sector and compliance with standards.</p> <p>Provide input and advice on strategies to improve VET regulation and the VET sector.</p>	<p>ASQA collects qualitative and quantitative performance data to form an overall assessment against the performance criteria. ASQA monitors and analyses trends in quantitative data against relevant performance criteria, where appropriate, which includes:</p> <ul style="list-style-type: none"> • Demonstrated performance in identifying and taking action on serious risks to VET • Comparative statistics on management of applications, regulatory processes and applied sanctions and conditions • Levels and types of activities to effectively communicate with and support the sector • Performance against published service standards across multiple activities • Annual stakeholder/provider survey results relevant to specific performance criteria (<70% satisfaction).
2020–21 and beyond	As per 2019–20.	As per 2019–20.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ASQA's finances for the 2019-20 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 differences between entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

Expenses for 2019-20 are estimated to be \$40.2 million. This reflects an increase from 2018-19 of \$1.4 million. ASQA is budgeting for a technical operating loss in 2019-20 reflecting the value of unfunded depreciation and amortisation expense of \$3.5 million.

Budgeted departmental balance sheet

ASQA's asset and liability forecasts are mostly in line with amounts advised in the 2018-19 Budget. An exception is the increase in non-financial assets based on estimated capital purchases.

Capital acquisitions in 2019-20 (as shown in Tables 3.4 and 3.5) are planned to be \$2.7 million for enhancement of IT systems and \$1.3 million in leasehold improvements.

Administered

Revenue estimates for 2019-20 are \$24.1 million. This is an increase from 2018-19 of \$0.8 million. ASQA continues partial cost recovery arrangements for 2019-20.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	23,594	23,578	23,713	23,913	22,849
Suppliers	12,772	13,140	12,574	12,431	13,744
Depreciation and amortisation (a)	2,435	3,464	3,480	3,360	3,702
Total expenses	38,801	40,182	39,767	39,704	40,295
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	264	264	132	-	-
Total own-source revenue	264	264	132	-	-
Total own-source income	264	264	132	-	-
Net (cost of)/contribution by services	(38,537)	(39,918)	(39,635)	(39,704)	(40,295)
Revenue from Government	36,102	36,454	36,155	36,344	36,593
Surplus/(deficit) attributable to the Australian Government	(2,435)	(3,464)	(3,480)	(3,360)	(3,702)
Total comprehensive income/(loss)	(2,435)	(3,464)	(3,480)	(3,360)	(3,702)
Total comprehensive income/(loss) attributable to the Australian Government	(2,435)	(3,464)	(3,480)	(3,360)	(3,702)

Note: Impact of net cash appropriation arrangements

	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	(2,435)	(3,464)	(3,480)	(3,360)	(3,702)
Total comprehensive income/(loss) - as per the statement of comprehensive income	(2,435)	(3,464)	(3,480)	(3,360)	(3,702)

Prepared on Australian Accounting Standards basis.

- (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) 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.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	287	287	287	287	287
Trade and other receivables	17,256	17,256	17,256	17,256	17,256
Total financial assets	17,543	17,543	17,543	17,543	17,543
Non-financial assets					
Land and buildings	3,600	3,449	2,578	2,162	1,717
Property, plant and equipment	146	317	458	205	-
Intangibles	12,826	13,566	13,505	12,387	10,573
Other non-financial assets	345	345	345	345	345
Total non-financial assets	16,917	17,677	16,886	15,099	12,635
Total assets	34,460	35,220	34,429	32,642	30,178
LIABILITIES					
Payables					
Suppliers	4,204	4,368	4,368	4,368	4,368
Other payables	5	5	5	5	5
Total payables	4,209	4,373	4,373	4,373	4,373
Provisions					
Employee provisions	4,765	4,765	4,765	4,765	4,765
Other provisions	493	329	329	329	329
Total provisions	5,258	5,094	5,094	5,094	5,094
Total liabilities	9,467	9,467	9,467	9,467	9,467
Net assets	24,993	25,753	24,962	23,175	20,711
EQUITY*					
Parent entity interest					
Contributed equity	27,758	31,982	34,671	36,244	37,482
Reserves	1,472	1,472	1,472	1,472	1,472
Retained surplus (accumulated deficit)	(4,237)	(7,701)	(11,181)	(14,541)	(18,243)
Total parent entity interest	24,993	25,753	24,962	23,175	20,711
Total equity	24,993	25,753	24,962	23,175	20,711

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019					
Balance carried forward from previous period	(4,237)	1,432	40	27,758	24,993
Adjusted opening balance	(4,237)	1,432	40	27,758	24,993
Comprehensive income					
Other comprehensive income	(3,464)	-	-	-	(3,464)
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income	(7,701)	1,432	40	27,758	21,529
of which:					
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	3,013	3,013
Departmental Capital Budget (DCB)	-	-	-	1,211	1,211
Sub-total transactions with owners	-	-	-	4,224	4,224
Estimated closing balance as at 30 June 2020	(7,701)	1,432	40	31,982	25,753
Closing balance attributable to the Australian Government	(7,701)	1,432	40	31,982	25,753

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	36,071	36,454	36,155	36,344	36,593
Receipts from Government	264	264	132	-	-
Total cash received	36,335	36,718	36,287	36,344	36,593
Cash used					
Employees	23,563	23,578	23,713	23,913	22,849
Suppliers	12,775	13,140	12,574	12,431	13,744
Total cash used	36,338	36,718	36,287	36,344	36,593
Net cash from/(used by) operating activities	(3)	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	3,054	4,224	2,689	1,573	1,238
Total cash used	3,054	4,224	2,689	1,573	1,238
Net cash from/(used by) investing activities	(3,054)	(4,224)	(2,689)	(1,573)	(1,238)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	3,057	4,224	2,689	1,573	1,238
Total cash received	3,057	4,224	2,689	1,573	1,238
Net cash from/(used by) financing activities	3,057	4,224	2,689	1,573	1,238
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	287	287	287	287	287
Cash and cash equivalents at the end of the reporting period	287	287	287	287	287

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,212	1,211	1,220	1,229	1,238
Equity injections - Bill 2	1,845	3,013	1,469	344	-
Total new capital appropriations	3,057	4,224	2,689	1,573	1,238
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	3,057	4,224	2,689	1,573	1,238
Total items	3,057	4,224	2,689	1,573	1,238
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	1,212	1,211	1,220	1,229	1,238
Funded by capital appropriation - DCB (b)	1,845	3,013	1,469	344	-
TOTAL	3,057	4,224	2,689	1,573	1,238
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	3,054	4,224	2,689	1,573	1,238
plus borrowing/finance costs	3	-	-	-	-
Total cash used to acquire assets	3,057	4,224	2,689	1,573	1,238

Prepared on Australian Accounting Standards basis.

(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).

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	4,735	523	20,850	26,108
Accumulated depreciation/ amortisation and impairment	(1,135)	(377)	(8,024)	(9,536)
Opening net book balance	3,600	146	12,826	16,572
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	1,120	-	1,893	3,013
By purchase - appropriation ordinary annual services (b)	-	407	804	1,211
Total additions	1,120	407	2,697	4,224
Other movements				
Depreciation/amortisation expense	(1,271)	(236)	(1,957)	(3,464)
Total other movements	(1,271)	(236)	(1,957)	(3,464)
As at 30 June 2020				
Gross book value	5,855	930	23,547	30,332
Accumulated depreciation/ amortisation and impairment	(2,406)	(613)	(9,981)	(13,000)
Closing net book balance	3,449	317	13,566	17,332

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2), including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	23,281	24,109	39,767	39,704	40,295
Total non-taxation revenue	23,281	24,109	39,767	39,704	40,295
Total own-source revenue administered on behalf of Government	23,281	24,109	39,767	39,704	40,295
Total own-sourced income administered on behalf of Government	23,281	24,109	39,767	39,704	40,295
Net (cost of)/contribution by services	23,281	24,109	39,767	39,704	40,295
Total comprehensive income/(loss)	23,281	24,109	39,767	39,704	40,295

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	319	319	319	319	319
Total financial assets	319	319	319	319	319
Total assets administered on behalf of Government	319	319	319	319	319
Provisions					
Other provisions	427	427	427	427	427
Total provisions	427	427	427	427	427
Total liabilities administered on behalf of Government	427	427	427	427	427
Net assets/(liabilities)	(108)	(108)	(108)	(108)	(108)

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	23,964	24,466	40,124	40,061	40,295
Total cash received	23,964	24,466	40,124	40,061	40,295
Cash used					
Other	683	357	357	357	-
Total cash used	683	357	357	357	-
Net cash from/(used by) operating activities	23,281	24,109	39,767	39,704	40,295
Net increase/(decrease) in cash held					
	23,281	24,109	39,767	39,704	40,295
Cash from Official Public Account for:					
- Appropriations	683	357	357	357	-
Total cash from Official Public Account	683	357	357	357	-
Cash to Official Public Account for:					
- Appropriations	(23,964)	(24,466)	(40,124)	(40,061)	(40,295)
Total cash to Official Public Account	(23,964)	(24,466)	(40,124)	(40,061)	(40,295)
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 2019–20)

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 independent national quality assurance and regulatory agency for higher education. All providers that offer higher education qualifications in or from Australia must be registered by TEQSA. Providers that have not been granted self-accrediting authority must also have their courses accredited by TEQSA.

TEQSA's guiding legislation is 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 accredited courses developed by providers without self-accrediting authority
- provide advice and make recommendations to the Commonwealth Minister responsible for higher education on matters relating to the quality or 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.

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, providers delivering Foundation programs, and also providers delivering English Language Intensive Courses for Overseas Students (ELICOS) (where they have an entry arrangement 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 2019–20 as at Budget April 2019

	<i>2018–19 Estimated actual \$'000</i>	2019–20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	5,879	7,878
Departmental appropriation (c)	17,938	17,539
s74 External Revenue (d)	277	323
Departmental capital budget (e)	1,646	846
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	100	100
Total departmental annual appropriations	<u>25,840</u>	<u>26,686</u>
Total departmental resourcing	25,840	26,686
Administered		
Total administered special appropriations	<u>200</u>	<u>200</u>
Total administered resourcing	200	200
Total resourcing for TEQSA	26,040	26,886
	<u>2018–19</u>	<u>2019–20</u>
Average staffing level (number)	67	95

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

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

- (a) Appropriation Bill (No. 1) 2019–20.
- (b) Excludes \$0m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated External Revenue receipts under section 74 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) 2019–20.

1.3 BUDGET MEASURES

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

**Table 1.2: Entity 2019–20 Budget measures
Part 2: Other measures not previously reported in a portfolio statement**

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Measures (if applicable)						
Tertiary Education Quality and Standards Agency - delayed transition to full cost recovery						
	1.1					
Administered revenues		(1,675)	(2,730)	(1,232)	(2,082)	-
Total		(1,675)	(2,730)	(1,232)	(2,082)	-
Total measures						
Administered		(1,675)	(2,730)	(1,232)	(2,082)	-
Total		(1,675)	(2,730)	(1,232)	(2,082)	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) The lead entity for measure titled 'Delayed transition to full cost recovery' is Department of Education and Training. The full measure description and package details appeared in the 2018–19 Mid-Year Economic and Fiscal Outlook (page 114) under the Education and Training portfolio.

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.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Regulation and Quality Assurance					
Departmental expenses					
Departmental appropriations74 External Revenue (a)	17,013 263	17,539 264	17,466 265	17,591 186	17,711 186
Expenses not requiring appropriation in the Budget year (b)	1,094	842	949	1,056	779
Departmental total	18,370	18,645	18,680	18,833	18,676
Total expenses for program 1.1	18,370	18,645	18,680	18,833	18,676
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriations74 External Revenue (a)	17,013 263	17,539 264	17,466 265	17,591 186	17,711 186
Expenses not requiring appropriation in the Budget year (b)	1,094	842	949	1,056	779
Departmental total	18,370	18,645	18,680	18,833	18,676
Total expenses for Outcome 1	18,370	18,645	18,680	18,833	18,676

	2018–19	2019–20
Average staffing level (number)	67	95

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses and audit fees.

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 2019-20 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	<p>The mechanisms through which Program 1.1 will be delivered are:</p> <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 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.
Purpose	<p>To protect student interests and the reputation of Australia’s higher education sector through a proportionate, risk reflective approach to quality assurance that supports diversity, innovation and excellence.</p> <p>We have four key objectives in delivering our purpose. We will:</p> <ol style="list-style-type: none"> 1. quality assure and regulate the sector in a timely, transparent and risk reflective manner 2. support providers to deliver high quality higher education, protect student interests and enhance the reputation and competitiveness of Australia’s higher education sector 3. provide advice and information to inform decisions about the appropriateness and quality of higher education 4. take prompt and effective action to address substantial risks to students or the sector’s reputation.

Performance information 1.1: Regulation and Quality Assurance

Year	Performance criteria	Expected achievement
2018–19	<p>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>	<p>By late 2018–19, TEQSA expects to see the benefits of recent staffing, training and process improvements reflected in increased throughput of assessments, reductions in processing times and reduced carry-over into 2019–20. This timing reflects the process improvements made in late 2018, as well as the significant increase in assessment capacity from late 2018, when new staff commenced after a rigorous recruitment process.</p> <p>In 2018–19, providers continued to be informed in accordance with legislative timeframes. Where an adverse decision was proposed, a draft summary of findings was sent to providers to allow them a reasonable opportunity to respond.</p>
	<p>TEQSA has effective mechanisms to identify, monitor and respond to risks to the quality and standards of higher education across the sector.</p>	<p>TEQSA's use of risk factors continued to be informed by the demonstrated correlation between risk rating of providers and assessment outcomes.</p> <p>In the last 12 months TEQSA further reduced the regulatory burden on low risk providers through the development and implementation of the <i>Extensions to the period of provider registration or course accreditation</i> policy, which has resulted in the extension of registration and accreditation periods for eligible providers.</p> <p>In accordance with <i>TEQSA High Risk provider</i> policy, TEQSA met with high risk providers to be assured that they have implemented effective strategies to mitigate their risk.</p>
	<p>TEQSA communication with higher education providers is clear, targeted and effective.</p>	<p>The majority of providers rated TEQSA's communication as good or excellent, and continued to utilise the TEQSA website, including the National Register of Higher Education Providers, which was recently enhanced for greater usability.</p> <p>TEQSA continued to engage proactively with providers and the sector more broadly through forums and events such as the annual TEQSA conference and the Quality Enhancement Forum Series. Additionally, TEQSA held roundtables with higher education providers and their peak bodies to receive direct feedback. TEQSA continued to build its engagement with its external experts, through the creation of an Experts Advisory Board and the development and roll out of an engagement program for TEQSA Experts.</p>

TEQSA Budget Statements

Year	Performance criteria	Expected achievement
2018–19	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 continued to be enhanced through engagement with international quality agencies. TEQSA's understanding of and effectiveness in international higher education, and contribution to development of transnational policy was facilitated through information sharing and staff exchange programs with international quality agencies enabled by Memoranda of Cooperation. TEQSA continued to be an active member of international quality assurance groups and also continued to welcome a range of international delegations to its Melbourne office to enhance their understanding of TEQSA's work.

Year	Performance criteria	Targets
2019–20	Quality assure and regulate the sector in a timely, transparent and risk-reflective manner.	<p>Decision-making is timely and transparent, and supported by an improved case management approach. Regulation of the sector is risk-reflective, with further streamlining of evidence requirements for providers that demonstrate sustained low risk of non-compliance.</p> <p>Targets:</p> <ul style="list-style-type: none"> • 90% or more of decisions about applications for re-registration from low risk providers are made within six months • 90% or more of decisions about applications for accreditation from low risk providers are made within three months • 80% of assessment reports and expert reports where adverse findings are reported are sent to applicants for consideration and response within four months of the application date • The majority of providers rate the case management approach as good or excellent.

TEQSA Budget Statements

Year	Performance criteria	Targets
2019–20	Support providers to deliver high quality higher education, protect student interests and enhance the reputation and competitiveness of Australia's higher education sector.	<p>Deliver a program of support, including guidance notes and workshops, for the sector on regulatory and quality assurance matters.</p> <p>Targets:</p> <ul style="list-style-type: none"> • Establish a program for delivery of information about quality enhancement based on identified needs and evidence of good practice • Develop additional guidance notes and communicate to providers to support compliance with the Higher Education Standards Framework • Develop and publish good practice material in relation to admissions transparency and sexual harassment and sexual assault • Deliver workshops with providers and students to address the risks of contract cheating.
	Provide advice and information to inform decisions about the appropriateness and quality of higher education.	<p>Enhance engagement with students, particularly on key areas of concern for students, and increase accessibility of TEQSA's regulatory work.</p> <p>Targets:</p> <ul style="list-style-type: none"> • Hold three meetings of the Student Expert Advisory group to discuss and identify sector wide issues for students and to develop strategies for deeper integration of students with TEQSA's regulatory work • Develop material for students to address key areas of concern to students • Publish key data used or collected by the agency • Enhance search facilities on the National Register to meet stakeholder needs.
	Take prompt and effective action to address substantial risks to students or the reputation of the sector.	<p>Undertake compliance assessments of those providers that continue to present substantial risks to students and take enforcement action against entities in cases involving extensive non-compliance with the legislation administered by TEQSA.</p> <p>Targets:</p> <ul style="list-style-type: none"> • Ensure compliance assessments involve prompt, targeted action about substantial risks to students or the reputation of the sector • Report on enforcement action taken as a result of investigations and compliance assessments.
2020–21 and beyond	As per 2019–20.	As per 2019–20.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of TEQSA's finances for the 2019–20 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 2018–19 Portfolio Budget Statements.

An analysis of TEQSA's budgeted financial statement for 2019–20 is provided below.

Budgeted departmental comprehensive income statement

TEQSA is budgeting for a balanced operating result in 2019–20 and remainder of the forward estimates, after adding back non-appropriated depreciation and amortisation expenses.

Total expenses excluding depreciation and amortisation expenses are estimated to be \$17.856 million in 2019–20. This is an increase of \$0.527 million from the 2018–19 estimated actual. The increase in expenditure reflects the full average staffing level (ASL) required to allow TEQSA to effectively undertake its regulatory and quality assurance functions as the agency transitions from partial cost recovery to full cost recovery in 2019–20.

Budgeted departmental balance sheet

The budgeted net position at the end of 2019–20 is estimated to be \$7.055 million. Net position has increased slightly since 2018–19 mainly due to the increase in employee provisions.

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 2019–20 is \$7.427 million, which is \$4.908 million higher than the estimated actual revenue for 2018–19. The increase is a result of a new fee structure, which is to commence in 2020 and anticipated increase in volume of applications.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	8,610	11,277	11,138	11,609	11,830
Suppliers	8,633	6,488	6,550	6,121	6,110
Depreciation and amortisation (a)	1,041	789	896	1,003	726
Finance costs	86	91	96	100	10
Total expenses	18,370	18,645	18,680	18,833	18,676
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	5	5	5	5	5
Rental income	258	259	260	181	181
Total own-source revenue	263	264	265	186	186
Gains					
Other	53	53	53	53	53
Total gains	53	53	53	53	53
Total own-source income	316	317	318	239	239
Net (cost of)/contribution by services	(18,054)	(18,328)	(18,362)	(18,594)	(18,437)
Revenue from Government	17,938	17,539	17,466	17,591	17,711
Surplus/(deficit) attributable to the Australian Government	(116)	(789)	(896)	(1,003)	(726)
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(116)	(789)	(896)	(1,003)	(726)
Total comprehensive income/(loss) attributable to the Australian Government	(116)	(789)	(896)	(1,003)	(726)
Note: Impact of net cash appropriation arrangements					
	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	925	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,041	789	896	1,003	726
Total comprehensive income/(loss) - as per the statement of comprehensive income	(116)	(789)	(896)	(1,003)	(726)

Prepared on Australian Accounting Standards basis.

- (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) 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.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	160	160	160	160	160
Trade and other receivables	9,248	9,762	9,267	8,739	8,588
Total financial assets	9,408	9,922	9,427	8,899	8,748
Non-financial assets					
Land and buildings	623	557	277	507	899
Property, plant and equipment	305	255	420	426	327
Intangibles	1,541	1,515	1,493	1,314	1,214
Other non-financial assets	181	174	169	169	169
Total non-financial assets	2,650	2,501	2,359	2,416	2,609
Total assets	12,058	12,423	11,786	11,315	11,357
LIABILITIES					
Payables					
Suppliers	520	314	320	295	288
Other payables	1,053	861	414	158	158
Total payables	1,573	1,175	734	453	446
Provisions					
Employee provisions	2,684	3,481	3,425	3,481	3,481
Other provisions	803	712	616	516	429
Total provisions	3,487	4,193	4,041	3,997	3,910
Total liabilities	5,060	5,368	4,775	4,450	4,356
Net assets	6,998	7,055	7,011	6,865	7,001
EQUITY*					
Parent entity interest					
Contributed equity	13,060	13,906	14,758	15,615	16,477
Retained surplus (accumulated deficit)	(6,062)	(6,851)	(7,747)	(8,750)	(9,476)
Total parent entity interest	6,998	7,055	7,011	6,865	7,001
Total equity	6,998	7,055	7,011	6,865	7,001

* '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 2019–20)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019					
Balance carried forward from previous period	(6,062)	-	-	13,060	6,998
Adjusted opening balance	(6,062)	-	-	13,060	6,998
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(789)	-	-	-	(789)
Total comprehensive income	(789)	-	-	-	(789)
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	846	846
Sub-total transactions with owners	-	-	-	846	846
Estimated closing balance as at 30 June 2020					
	(6,851)	-	-	13,906	7,055
Closing balance attributable to the Australian Government	(6,851)	-	-	13,906	7,055

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	14,924	16,966	17,834	18,095	17,837
Sale of goods and rendering of services	277	264	265	186	186
Net GST received	822	647	714	606	617
Other	51	59	65	28	14
Total cash received	16,074	17,936	18,878	18,915	18,654
Cash used					
Employees	7,384	10,357	11,252	11,549	11,830
Suppliers	8,581	6,654	6,506	6,113	6,064
Net GST paid	873	647	652	610	606
Other	333	477	561	440	97
Total cash used	17,171	18,135	18,971	18,712	18,597
Net cash from/(used by) operating activities	(1,097)	(199)	(93)	203	57
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	549	647	759	1,060	919
Total cash used	549	647	759	1,060	919
Net cash from/(used by) investing activities	(549)	(647)	(759)	(1,060)	(919)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,646	846	852	857	862
Total cash received	1,646	846	852	857	862
Net cash from/(used by) financing activities	1,646	846	852	857	862
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	160	160	160	160	160
Cash and cash equivalents at the end of the reporting period	160	160	160	160	160

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,646	846	852	857	862
Total new capital appropriations	1,646	846	852	857	862
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	549	647	759	857	862
<i>Other Items</i>	1,097	199	93	-	-
Total items	1,646	846	852	857	862
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	549	647	759	1,060	919
TOTAL	549	647	759	1,060	919
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	549	647	759	1,060	919
Total cash used to acquire assets	549	647	759	1,060	919

Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	1,168	762	3,959	5,889
Accumulated depreciation/ amortisation and impairment	(545)	(457)	(2,418)	(3,420)
Opening net book balance	623	305	1,541	2,469
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	-	-
By purchase - appropriation ordinary annual services (b)	200	97	350	647
Total additions	200	97	350	647
Other movements				
Depreciation/amortisation expense	(266)	(147)	(376)	(789)
Total other movements	(266)	(147)	(376)	(789)
As at 30 June 2020				
Gross book value	1,368	859	4,309	6,536
Accumulated depreciation/ amortisation and impairment	(811)	(604)	(2,794)	(4,209)
Closing net book balance	557	255	1,515	2,327

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019–20, including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019–20 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Total expenses administered on behalf of Government	-	-	-	-	-
Non-taxation revenue					
Fees and fines	2,519	7,427	11,718	14,390	16,472
Total non-taxation revenue	2,519	7,427	11,718	14,390	16,472
Total own-source revenue administered on behalf of Government	2,519	7,427	11,718	14,390	16,472
Total own-sourced income administered on behalf of Government	2,519	7,427	11,718	14,390	16,472
Net (cost of)/contribution by services	2,519	7,427	11,718	14,390	16,472
Surplus/(deficit) before income tax	2,519	7,427	11,718	14,390	16,472
Income tax expense					
Surplus/(deficit) after income tax	2,519	7,427	11,718	14,390	16,472
Total comprehensive income/(loss)	2,519	7,427	11,718	14,390	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)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	2,519	7,427	11,718	14,390	16,472
Total cash received	2,519	7,427	11,718	14,390	16,472
Cash used					
Total cash used	-	-	-	-	-
Net cash from/(used by) operating activities	2,519	7,427	11,718	14,390	16,472
Net increase/(decrease) in cash held	2,519	7,427	11,718	14,390	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	2,719	7,627	11,918	14,590	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 2019–20)

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 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
ABS	Australian Bureau of Statistics
AC	Companion of the Order of Australia
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACCSE	Academic Centres of Cyber Security Excellence
AESOC	Australian Education Senior Officials Committee
AITSL	Australian Institute for Teaching and School Leadership
AM	Member of the Order of Australia
AMSI	Australian Mathematical Sciences Institute
AO	Officer of the Order of Australia
ARC	Australian Research Council
ASQA	Australian Skills Quality Authority
CCS	Child Care Subsidy
CDAB	Collection Development Acquisition Budget
CGS	Commonwealth Grant Scheme
COAG	Council of Australian Governments
COPE	Commonwealth own-purpose expense
CRF	Consolidated Revenue Fund
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
DCB	Departmental Capital Budget
DECRA	Discovery Early Career Researcher Award
EI	Engagement and Impact
ELICOS	English Language Intensive Courses for Overseas Students
ELLA	Early Learning Languages Australia
ELLIC	English Language Learning for Indigenous Children
ERA	Excellence in Research for Australia
ESA	Education Services Australia
ESOS	Education Services for Overseas Students
GST	Goods and Services Tax
HASS	Humanities and Social Sciences
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
HERP	Higher Education Research Promotion
HESP	Higher Education Superannuation Program

Term	Meaning
ICT	Information and Communication Technology
ICTL	information and communication technology literacy
ISF	Industry Skills Fund
IT	Information Technology
ITE	Initial Teacher Education
LLND	Language, Literacy, Numeracy and Digital Literacy
MYEFO	Mid-Year Economic and Fiscal Outlook
NAP	National Assessment Program
NAPLAN	National Assessment Program – Literacy and Numeracy
NCGP	National Competitive Grants Program
NCRIS	National Collaborative Research Infrastructure Strategy
NEEB	National Education Evidence Base
NRL	National Rugby League
NVETR	National Vocational Education and Training Regulator
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
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
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
SAF	Skilling Australians Fund
SA-HELP	Loan scheme that assist eligible students to pay for all or part of their student services and amenities fee
SOETM	Services for Other Entities and Trust Moneys
SRS	Schooling Resource Standard
STEM	science, technology, engineering and mathematics
TEMAG	Teacher Education Ministerial Advisory Group
TEQSA	Tertiary Education Quality and Standards Authority
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
VSL	VET Student Loans