



**Australian Government**

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

## **Annual Report 2010–11**



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

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

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## Distribution

This report is available in print and digital form (CD or PDF) from the Department of Education, Employment and Workplace Relations and is on the department's website at [www.deewr.gov.au/annualreport](http://www.deewr.gov.au/annualreport).

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

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

Telephone: 1300 363 079  
Email: [planningandperformance@deewr.gov.au](mailto:planningandperformance@deewr.gov.au)

## Acknowledgments

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Australian Government

Department of Education, Employment and Workplace Relations

Secretary  
Lisa Paul AO PSM

Senator the Hon Christopher Evans  
Minister for Tertiary Education, Skills, Jobs  
and Workplace Relations  
Parliament House  
CANBERRA ACT 2600

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

Dear Ministers

It gives me great pleasure to present to you the Department of Education, Employment and Workplace Relations' Annual Report for 2010–11.

This report has been prepared under section 63 of the *Public Service Act 1999*, which requires me to provide you with a report to present to the Parliament.

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

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

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

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

Yours sincerely



Lisa Paul

23 September 2011

50 Marcus Clarke Street, Canberra ACT 2601  
GPO Box 9880, Canberra ACT 2601 | Phone (02) 6121 6000  
[www.deewr.gov.au](http://www.deewr.gov.au) | ABN 63 578 775 294



## Contents

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<b>Part 1—Overview</b>	<b>1</b>
The Secretary's overview	2
Departmental overview	5
DEEWR Executive and departmental and portfolio structures	5
<hr/>	
<b>Part 2—Our outcomes</b>	<b>15</b>
Outcome 1	16
Outcome 2	26
Outcome 3	54
Outcome 4	90
Outcome 5	118
<hr/>	
<b>Part 3—Supporting social and economic participation</b>	<b>133</b>
Social policy	134
Geospatial and regional performance monitoring	136
Economic analysis	136
Engagement with international organisations	137
Social inclusion	137
Research and evaluation	139
<hr/>	
<b>Part 4—DEEWR's commitment to reconciliation</b>	<b>141</b>
RAP communications	142
Growing and learning	143
Creating space for reconciliation	143
Commemorating and celebrating days of significance	144
The future of reconciliation in DEEWR	146

<b>Part 5—Managing our business</b>	<b>147</b>
Strategic plan	148
Business planning	148
Governance	148
Implementing the Government's initiatives	149
Risk management	149
Internal audit	149
Fraud control	150
Ministerial and parliamentary services	150
Service charter	151
Information technology management	151
Our people	151
State network	158
Financial management	159
External scrutiny and liaison	161
<b>Part 6—Financial statements</b>	<b>165</b>
Independent Auditor's Report	166
Financial statements	169
Notes	183
<b>Part 7—Appendixes</b>	<b>263</b>
Commonwealth Disability Strategy	264
Ecologically sustainable development	267
Freedom of information	269
Social inclusion measurement framework	271
Tripartite consultation on International Labour Organization matters	280
Commonwealth involvement in proceedings before courts and tribunals	283
Advertising and market research	284
Errors in the 2009–10 annual report	286
Agency resource statements and resources for Outcomes	288

## Reader's guide

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

## Structure

### Part 1—Overview

Part 1 introduces readers to the department with the Secretary's overview and the departmental overview. This details the role of the department, its Executive and portfolio structure.

### Part 2—Our outcomes

Part 2 details the department's performance against the indicators detailed in the Portfolio Budget Statements 2010–11 and the Portfolio Additional Estimates Statements 2010–11.

### Part 3—Supporting social and economic participation

Part 3 provides information about the social and economic change the Government is implementing through the department.

### Part 4—DEEWR's commitment to reconciliation

Part 4 describes DEEWR's activities that contribute towards reconciliation between Aboriginal and Torres Strait Islander peoples and other Australians.

### Part 5—Managing our business

Part 5 provides information about the operations of the department.

### Part 6—Financial statements

Part 6 includes the Independent Auditor's Report, departmental financial statements and the notes that refer to these.

### Part 7—Appendixes

Part 7 details additional information regarding the department's operations, such as Freedom of Information, Ecologically sustainable development and Commonwealth involvement in proceedings before courts and tribunals.

# 1 Overview



The Secretary's overview	2
Departmental overview	5
DEEWR Executive and departmental and portfolio structures	5

## Secretary's overview

### A year of challenge and change

Well, what an intense year it has been! After recent years playing a critical role in the Government's response to the global financial crisis, the 2010–11 annual report reflects the restrengthening of the Australian economy. This year saw the winding down of the economic stimulus package, while new pressures from skills shortages and natural disasters emerged.

In December 2010 and January 2011, many parts of the country were struck by some type of natural disaster. The department's resilience was tested and I am pleased to say that DEEWR responded with energy and enthusiasm, deploying critical assistance to those in our community enduring loss, dislocation and hardship.

As you read this report you will understand the challenges facing the department and see the breadth of initiatives being implemented to tackle them. Many of these programs and initiatives included a focus on improved quality and transparency in the delivery of services.

Increasing national prosperity through improvements to productivity, participation and social inclusion lies at the heart of the work the department does. We are servicing the long-term needs of the nation by overseeing the enhancement of major investments by the Government in education – from early childhood through to Year 12, further education and training, and labour market programs and services, while also supporting fair workplaces and working with communities and businesses to ensure all Australians, including the most disadvantaged, are included and able to access the services they need.

### A new ministerial team

Following the 2010 federal election and the extended caretaker period, the 43rd Parliament was sworn in during September. At that time we farewelled the Hon Simon Crean MP as Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion and the Hon Jason Clare MP as Parliamentary Secretary for Employment. We welcomed Senator the Hon Chris Evans as the new Minister for Tertiary Education, Skills, Jobs and Workplace Relations; the Hon Peter Garrett AM MP as the new Minister for School Education, Early Childhood and Youth; and Senator the Hon Jacinta Collins as the new Parliamentary Secretary for School Education and Workplace Relations.

Likewise, we were pleased to welcome back, albeit in slightly different roles, Senator the Hon Mark Arbib as the Minister for Indigenous Employment and Economic Development, and the Hon Kate Ellis MP as Minister for Employment Participation and Childcare.

The department and our Ministers' offices quickly formed the strong relationships we needed to deliver the Government's ambitious reform agenda.

### High-quality child care

2010–11 saw some significant advances in the quality of child care services in Australia. The Education and Care Services Law is now enacted and states and territories are passing laws to adopt it; the National Regulations are due to be considered by the Ministerial Council for Education, Early Childhood Development and Youth Affairs in September 2011. Progress also continued on the establishment of the new Australian Children's Education and Care Quality Authority.

All state and territory governments are making progress towards the commitment to universal access to early childhood education in the year before full-time schooling by 2013. There has been especially strong performance in lifting the number of hours provided, and enrolment rates have also improved.



Throughout the year, 15 new Home Interaction Program for Parents and Youngsters centres were established and the first of 38 Children and Family Centres, funded through the National Partnership Agreement on Indigenous Early Childhood Development, was officially opened.

### A nationally consistent and transparent school system

The National School Reform Plan announced in the 2010 federal election aims to make every school a great school with a significant investment in our schools and teachers. The new commitments build on a substantial reform agenda already underway.

The Australian Curriculum for English, science, mathematics and history for Foundation to Year 10 was endorsed during the year, with substantial implementation to be achieved by the end of 2013.

In addition, the Aboriginal and Torres Strait Islander Education Action Plan was launched in June 2011. The plan commits all governments in Australia to a unified approach to closing the gap in education outcomes between Aboriginal and Torres Strait Islander students and other Australian students.

The MySchool website also gained improved reporting and functionality throughout the year, providing parents with even more information to help them make the right decisions about their children's education.

On 15 April 2010, the former Minister for Education, the Hon Julia Gillard MP, announced a review of school funding arrangements, the first review of funding arrangements for all schools since 1973, to be conducted by a panel of eminent Australians led by Mr David Gonski AC. The panel has conducted an inclusive and transparent review process, including an open submission process during 2011, release of commissioned research at the end of August 2011, and is due to report to the Government by the end of 2011.

### Skills for the Future

The department has been busy investing in the quality of further education and training. A new National Vocational Education and Training Regulator was established during the year to monitor VET providers, and we have moved to strengthen the Australian Quality Teaching Framework to provide greater protections for our international students. Work is well advanced toward the establishment of the Tertiary Education Quality and Standards Agency, Australia's new regulatory and quality agency for higher education.

These bodies will further help drive quality outcomes through programs such as Commonwealth-supported undergraduate university places, which saw a 10 per cent increase in 2010 on 2009 numbers, and the Enterprise Based Productivity Places Program, which delivered over 13 800 qualifications, in partnership with industry, to help workers meet the needs of their employers.

The Government's commitment to providing increased access to higher education will continue to be achieved through the funding of all Commonwealth-supported undergraduate places (with the exception of medicine) from 2012; and increased funding to universities to provide better access for Aboriginal and Torres Strait Islander peoples and students from low socioeconomic backgrounds.

The Government's \$3 billion Building Australia's Future Workforce package was unveiled through the 2011–12 Budget. The package aims to reward work and provide new opportunities to get people into work through training, education, and improved child care and employment services; introduces new requirements for very long-term unemployed people, Disability Support pensioners, teenage parents, jobless families and young people; and takes a new approach to address entrenched disadvantage in targeted locations. Increased skills will boost productivity and workforce participation rates so that all Australians, including those in disadvantaged regions, can take advantage of new opportunities.

## Record employment outcomes

The department's contracted employment service providers have had a very busy year in 2010–11, a reflection of recent reforms. Job placement numbers were up by almost 30 per cent on the previous year for Job Services Australia. More importantly, job placement numbers were up for many of the most disadvantaged groups of job seekers, including Aboriginal and Torres Strait Islander Australians, homeless people or those at risk of homelessness, the very long-term unemployed, and also for people with disability.

In addition to this, the Queensland Natural Disasters Jobs and Skills Package was successfully rolled out and the Jobs Fund, which funds employment related projects in disadvantaged areas, also exceeded expectations, creating 8900 jobs, more than 2300 traineeships/apprenticeships, and over 5000 work experience opportunities.

## Fair Work—one year on

2010–11 marked one year of effective implementation and operation of the Fair Work framework, which is now well embedded. Complementing the provisions of the *Fair Work Act*, the commencement of Paid Parental Leave is also providing real options for women of child-bearing age to stay connected to the workforce and to their careers.

The department supported more than 15 000 workers who lost their jobs due to their employer's insolvency through the General Employee Entitlements and Redundancy Scheme.

The department also worked closely with Safe Work Australia on the development of nationally consistent workplace health and safety regulations and on finalising the Commonwealth Work Health and Safety Bill, which was introduced into Parliament in July 2011.

## A more efficient DEEWR

2010–11 was the first time in over a decade that the department faced downsizing. This was the result of major policy funding ceasing and government savings decisions that had impacts across the department. The department reduced in size by more than 500 people and we met the challenge of restructuring and reviewing our business.

In my address to staff in March 2011, I spoke about making the most of DEEWR for the benefit of our clients, given it is such a large and diverse department. We have a strong focus on Aboriginal and Torres Strait Islander Australians through our policies, programs and services, and in DEEWR, Indigenous business is everyone's business. To support DEEWR staff well, I have introduced a number of new initiatives such as a staff blog where questions can be asked and an inbox that allows them to ask questions in a less public way. My aim is that DEEWR stands for creating a productive and inclusive Australia. It is great to work in a department that helps Australia's future and has a positive impact on the lives of all Australians.

As we move into the new financial year, change management and business improvement remain key priorities. We have been working across the department to ensure our staffing policies are responsive to business needs, ensuring we have the skills and capabilities required to fully achieve our business goals for 2011–12, and ensuring our business systems continue to drive further improvements and efficiencies across DEEWR.

DEEWR has continued to rationalise its property portfolio into fewer, more energy-efficient buildings. A key part of the strategy was the opening of our new headquarters at 50 Marcus Clarke Street in Canberra by the Prime Minister, Julia Gillard, in December 2010.

The department significantly reduced its energy intensity and reached the government target of 7500 megajoules per person per year in the first half of 2011. Achieving this target was assisted through significant reductions in the number of desktop computers, computer monitors and printers, which also helped reduce paper usage by 33 per cent.

There was also a 15 per cent reduction in air travel from 2009–10.

## 2011–12—a year of delivery

Over the coming year, the department will be implementing key budget measures, including the Building Australia's Future Workforce budget package. The package includes a range of new measures that will improve opportunities for workforce participation. They include providing greater incentives and more services to get disadvantaged job seekers into work, measures that will provide greater opportunities for skills and training such as through the National Workforce Development Fund, and the Regional Education, Skills and Jobs Plans to help the development of regional centres.

We will also continue to strive to make every school a great school. This includes implementing National Rewards for Great Teachers; creating new pathways into teaching careers for professionals; giving schools a greater say in their own management; and providing more immediate support for students with disability.

Importantly, across all of our areas of business, there will be an underlying focus on helping the most vulnerable Australians realise their potential. A key part of this will be to continue our role in helping close the gap in outcomes between Aboriginal and Torres Strait Islander peoples and other Australians.

I am confident that DEEWR is well placed and ready for the challenges that lie ahead in 2011–12.

**Lisa Paul**  
Secretary

## Departmental overview

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

DEEWR plays a critical role in the Government's efforts to improve Australia's productivity and enhance the economic and social wellbeing of all Australians.

The quality of education and training across the lifecycle, including early childhood, schooling, vocational education and training and higher education, contributes to the development of a highly skilled and world-class workforce and to an engaged and prosperous population. Effective arrangements to assist unemployed people into jobs and meet skills needs, together with a fair and balanced workplace relations system, ensure that the economy operates to meet the needs of employees, industry and Australia as a nation.

During the reporting year, the department played a significant part in the Government's response to the natural disasters that occurred, as well as the ongoing global economic situation. The department rapidly implemented programs to address unemployment issues and to skill people in anticipation of the opportunities presented by economic recovery. In addition, DEEWR was involved in complex coordination processes with a range of other departments, to ensure maximum effectiveness of government policy and delivery.

DEEWR has a significant and continuing role in the Government's actions to consolidate recovery and ensure long-term growth and prosperity.

## DEEWR Executive and departmental and portfolio structures

The department is structured to deliver its business through the Executive and its groups. The Executive and departmental structure are shown in Chart 1 and the performance reporting and portfolio structure are shown in Chart 2.

Further information on the department's Executive can be found at [www.deewr.gov.au](http://www.deewr.gov.au).

## DEEWR Executive

**Jennifer Taylor**

Acting Deputy Secretary  
Office of Early Childhood  
Education and Child Care

**Michele Bruniges**

Associate Secretary  
Schools and Youth

**Robert Griew**

Associate Secretary  
Tertiary, Skills, International  
and Indigenous Strategy

**Lisa Paul**

Secretary  
Department of Education,  
Employment and Workplace  
Relations



**Sandra Parker**  
Deputy Secretary  
Employment

**John Kovacic**  
Deputy Secretary  
Workplace Relations and  
Economic Strategy

**Cathy Wall**  
Acting Deputy Secretary  
Schools

**Michael Manthorpe**  
Deputy Secretary  
Corporate and Network

## Chart 1

## Executive and departmental structure at 30 June 2011, by cluster, group and branch level

LISA PAUL AO PSM, SECRETARY

Department of Education, Employment and Workplace Relations

**Indigenous Leader**

Kevin Brahim

**Office of Early Childhood Education and Child Care**Jennifer Taylor  
Acting Deputy Secretary**Early Childhood Quality**David De Silva,  
Acting Group Manager  
» Early Childhood Quality  
» Framework Policy and Linkages  
» National Quality Agenda  
Governance**Indigenous Pathways and Early Childhood Development**Ngaire Hosking, Group Manager  
» Early Childhood Learning and Information  
» Indigenous Early Childhood  
» Performance and Analysis  
» Early Childhood Development and Workforce**Childhood Programs and Business Support**Robyn Shannon,  
Acting Group Manager  
» Child Care Services Policy and Program Support  
» Child Care Payments  
Compliance and Stakeholder Management  
» Child Care Assistance and Business Support**Schools and Youth**Michele Bruniges  
Associate Secretary**Schools**Catherine Wall  
Acting Deputy Secretary**National Schools and Youth Partnerships**Evan Arthur, Group Manager  
» Smarter Schools Partnerships  
» Youth Attainment and Transitions  
» Office for Youth  
» Educational Accountability and Reporting  
» Broadband and Digital Education**Curriculum, Assessment and Teaching**Janet Davy, Group Manager  
» School Improvement and Transparency  
» National Curriculum  
» Quality Teaching  
» National School Reform Support**Infrastructure and Funding**Susan Smith, Group Manager  
» Schools Vocational Pathways  
» Schools Grants and Funding Policy  
» Schools Corporate Support**Engagement and Wellbeing**Matt Davies, Acting Group Manager  
» Aboriginal and Torres Strait Islander Schooling  
» Inclusive Education and Engagement  
» Chaplaincy Program**Schools Funding Taskforce**Craig Robertson, Group Manager  
» Review of Funding for Schooling Secretariat**Tertiary, Skills, International and Indigenous Strategy**Robert Griew  
Associate Secretary

» TSIS Cluster Coordination

**Skills**Michael Maynard, Group Manager  
» Foundation Skills  
» Technology Infrastructure and Connections  
» Trades Recognition Australia  
» Tertiary Student Support  
» COAG National Licensing Taskforce**Higher Education**David Hazlehurst, Group Manager  
» Funding and Student Support  
» Higher Education Infrastructure  
» Policy and Analysis  
» Quality Indigenous and Equity  
» Higher Education Funding Review Secretariat**Skills Reform**Mary-Anne Sakkara,  
Acting Group Manager  
» Skills Quality  
» Industry Workforce  
» Productivity Places Program  
» Training Reform Taskforce  
» Australian Apprenticeships**International**Colin Walters, Group Manager  
» International Strategy  
» North Asia, Americas and Middle East  
» Strategic Engagement, Scholarships, S and SE Asia  
» International Quality  
» Education Counsellor—Beijing**Skills Australia CEO**Robin Shreeve  
» Skills Australia Secretariat**Social Innovation**Rosemary Addis, Group Manager  
» Social Innovation**Indigenous Economic Strategy**Jo Wood, Group Manager  
» Strategic Indigenous Policy  
» Program Development and Support  
» Indigenous Programs



**Chief Internal Auditor**

Robyn Kingston  
» Internal Audit

**Employment**

Sandra Parker  
Deputy Secretary

**Employment Services Management, Procurement and Evaluation**

Anthony Parsons, Group Manager  
» Business Partnerships  
» Employment Service Provider Support  
» Procurement  
» Employment Monitoring and Evaluation

**Income Support**

Marsha Milliken, Group Manager  
» Income Support Policy and Information  
» Income Support Programs  
» Job Seeker Participation

**Job Services Australia**

Margaret McKinnon, Group Manager  
» JSA Program Performance and Analysis  
» Stream Services  
» Work Experience and Programs

**Specialist Employment Services**

Fiona Buffinton, Group Manager  
» Disability Employment Services  
» Disadvantaged Job Seekers  
» Job Seeker Assessment and Referral

**Employment Systems**

Stephen Moore, Group Manager  
» Application Development  
» Employment Systems Support  
» Employment Business Intelligence and Technical Support  
» IT Business and Support  
» Jobseeker Development

**Labour Market Strategy**

Margaret Kidd, Group Manager  
» Labour Market Research and Analysis  
» Labour Market Policy  
» Regional and Place-Based Strategies  
» Skills Strategies  
» Population and Migration Policy  
» 2012 Project Office Team

**Workplace Relations and Economic Strategy**

John Kovacic PSM  
Deputy Secretary

» Strategic Priorities and Partnerships

**Workplace Relations Implementation and Safety**

Michelle Baxter, Group Manager  
» Building Industry Safety and Policy  
» Employee Entitlements  
» Safety and Compensation Policy  
» Cluster Support and Programs  
» OHS Harmonisation Project

**Workplace Relations Policy**

Susan Devereux, Acting Group Manager  
» Special Labour Adviser ILO  
» International Labour and Research  
» Wages and Conditions Policy and Analysis  
» Diversity and Flexibility  
» Strategic Policy and Industries

**Workplace Relations Legal**

Jeremy O'Sullivan, Group Manager  
» Bargaining and Coverage  
» Safety Net, Organisations and Protections  
» Institutions and Workplace Safety

**Social Policy and Economic Strategy**

Alison Morehead, Group Manager  
» Evidence and Outcomes/Economic Adviser  
» Research  
» Economics and Lifecourse  
» Social Policy  
» Minister Counsellor (Education and Employment) to the OECD, EU, UNESCO and France

» Building the Education Revolution

**Corporate and Network**

Michael Manthorpe PSM  
Deputy Secretary

**Finance and Business Services**

Craig Storen, Chief Finance Officer  
Susan Monkley, Deputy Chief Finance Officer  
» Business Improvement  
» Budget and Corporate Reporting  
» Finance  
» Procurement and Grant Policy and Services  
» Work Environment  
» Service Delivery  
» Technology

**Communication and Parliamentary**

Kylie Emery, Acting Group Manager  
» Communication Delivery  
» Communication Strategy  
» Parliamentary  
» Public Affairs

**Legal and Investigations**

George Kriz, Group Manager and Chief Lawyer  
» Child Care and Social Security Legal  
» Education Legal  
» Employment, Strategy and Workplace Relations Legal  
» Litigation and External Review Legal  
» Investigations  
» Corporate and Practice Management Legal

**Technology Solutions**

Tim Prydon, Acting Group Manager  
» Business Solutions  
» Collaboration and Engagement  
» Enterprise Solutions

**People and Organisational Development**

Vicki Rundle, Group Manager  
» People Policy and Performance  
» People Services  
» People Development  
» Organisational Strategy  
» Human Capital Strategy

**State and Regional Services Strategy**

Sue Dawson, Group Manager  
» Office of Regional Education, Skills and Jobs  
» Network Delivery

## Chart 2

### Portfolio ministers, DEEWR outcomes and program structure, and portfolio agencies at 30 June 2011

<b>Portfolio ministers</b>	
<b>Senator the Hon Chris Evans</b> Minister for Tertiary Education, Skills, Jobs and Workplace Relations	<b>The Hon Peter Garrett AM MP</b> Minister for School Education, Early Childhood and Youth
<b>Senator the Hon Mark Arbib</b> Minister for Indigenous Employment and Economic Development	<b>The Hon Kate Ellis MP</b> Minister for Employment Participation and Childcare
<b>Senator the Hon Jacinta Collins</b> Parliamentary Secretary for School Education and Workplace Relations	
<b>Department of Education, Employment and Workplace Relations</b>	
<b>Outcome 1</b> Improved access to quality services that support early childhood learning and care for children through a national quality framework, agreed national standards, investment in infrastructure, and support for parents, carers, services and the workforce	<b>Outcome 2</b> Improved learning, and literacy, numeracy and educational attainment for school students, through funding for quality teaching and learning environments, workplace learning and career advice
1.1 Support for the child care system	2.1 Government schools national support
1.2 Child care fee assistance	2.2 Non-government schools national support
1.3 Early childhood education	2.3 Schools support
	2.4 Trade training
	2.5 Digital Education Revolution
	2.6 National Action Plan on Literacy and Numeracy
	2.7 Building the Education Revolution
	2.8 Smarter Schools—Low SES School Communities National Partnership
	2.9 Smarter Schools—Improving Teacher Quality National Partnership
	2.10 Youth support
	2.11 School student assistance
<b>Outcome 3</b> A growth in skills, qualifications and productivity through funding to improve teaching quality, learning, and tertiary sector infrastructure, international promotion of Australia's education and training sectors, and partnerships with industry	<b>Outcome 4</b> Enhanced employability and acquisition of labour market skills and knowledge and participation in society through direct financial support and funding of employment and training services
3.1 Higher education support	4.1 Employment services
3.2 HELP	4.2 Indigenous employment
3.3 Tertiary student assistance	4.3 Disability employment services
3.4 Vocational education and training	4.4 Working age payments
3.5 VET national support	4.5 Compensation payments
3.6 International education support	
<b>Outcome 5</b> Safer, fairer and more productive workplaces for employers and employees by promoting and supporting the adoption of fair and flexible workplace arrangements and safer working arrangements	<b>Outcome 5</b> Safer, fairer and more productive workplaces for employers and employees by promoting and supporting the adoption of fair and flexible workplace arrangements and safer working arrangements
	5.1 Employee assistance
	5.2 Workplace assistance
<b>Portfolio agencies</b>	
Australian Curriculum, Assessment and Reporting Authority	Australian Institute for Teaching and School Leadership
	Australian Learning and Teaching Council
	Comcare
	Fair Work Australia
	Fair Work Ombudsman
	Office of the Australian Building and Construction Commissioner
	Safe Work Australia





In December 2010 the Hon Kate Ellis MP, Minister for Employment Participation and Child Care, launched an exhibition of works by emerging artists participating in the New Enterprise Incentive Scheme. Pictured with Minister Ellis is Prins Ralston from Mission Australia and DEEWR staff member Rebecca Murdoch.



The Werribee Jobs and Skills Expo was held in November 2010. Senator the Hon Jacinta Collins, Parliamentary Secretary for School Education and Workplace Relations, officially opened the expo with Joe Furlani, DEEWR Deputy Victorian State Manager and Ian Barker, Local Employment Coordinator.



## Ministers out and about



In February 2011 Senator the Hon Mark Arbib, Minister for Indigenous Employment and Economic Development, joined Linfox Australia in welcoming the company's newest recruits—12 Aboriginal and Torres Strait Islanders, part of the Linfox Indigenous recruitment strategy, funded under the Indigenous Employment Program.



The inaugural Australia–United States Education Roundtable in November 2010 marked an important milestone in the bilateral education relationship between Australia and the United States of America.



Minister for Employment Participation and Child Care, the Hon Kate Ellis MP, at the launch of the Home Interaction Program for Parents and Youngsters (HIPPY) 2011 locations at HIPPY Mansfield Park, SA on 4 November 2010. The Minister is pictured with HIPPY children: Nikita Reid, Lisa Soi and Brandon Bao (L to R).



In May 2011 Senator the Hon Mark Arbib, Minister for Indigenous Employment and Economic Development launched the Indigenous Youth Careers Pathways program, a new Indigenous school to work initiative in the Gold Coast.



Aboriginal and Torres Strait Islander students from across Australia gathered in Canberra in November 2010 to celebrate completing Year 12. They received scholarships through the Indigenous Youth Leadership Program. The Hon Peter Garrett AM MP, Minister for School Education, Early Childhood and Youth presented certificates to each of the students.

## Ministers out and about



Senator Chris Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations visited Brisbane in April 2011 and met with apprentices who received support through the Queensland Natural Disasters Jobs and Skills Package. Senator Evans, pictured with carpentry apprentices Justin McPherson, Stone Crothers and Ryan Furness.



In March 2011 Senator the Hon Jacinta Collins, Parliamentary Secretary for School Education and Workplace Relations, opened the 62-place North Ryde Early Learning and Care Centre in Sydney.



National office staff held a morning tea to raise funds for the Queensland flood appeal in January 2011.



DEEWR staff Trish Evans and Rebecca Carter at the Centrelink Jobs and Skills Expo in Mandurah WA in October 2010.



Tasmanian staff got together to brainstorm some BIG Ideas! on how to improve DEEWR.



State manager Catherine O'Sullivan, Elissa Michel from the RAP team and Leann Wilson from the Rockhampton office at the opening of the Queensland state office Journey Wall.



## DEEWR snapshots



Staff gathered in offices across the country in March 2011 to watch DEEWR 2011, the first live-streamed all staff address.



The expert panel from the first 'hypothetical' event, focused on ethics, held in December 2010.



Victorian state manager Natalie James participated in the St Vincent de Paul CEO Sleepout in June 2011, braving cold and rainy conditions to raise funds for the Vinnies cause.



Staff member Lara Norman creating a masterpiece at the National Reconciliation Week Jewellery Workshop in May 2011.





Canberra staff volunteered to visit a local nursing home as part of Social Inclusion Week activities in December 2010.



NSW state office staff competed in the JP Morgan Corporate Challenge in November 2010, raising funds to support local charity Football United who work to improve the skills of people in disadvantaged areas.



Our dedicated library team celebrating Library Week in May 2011.



Senator the Hon Chris Evans visited DEEWR national office staff in October 2010.

## DEEWR snapshots



NT office staff celebrated Apology Day in February 2011 by forming a living Aboriginal flag.



Prime Minister the Hon Julia Gillard MP officially opened DEEWR's new national office building in Canberra on 26 November 2010.



The NSW state office choir 'Tones of Opportunity' sang up a storm in December 2010 to raise funds for the Smith Family Christmas Appeal.



DEEWR's Christmas giving tree—staff donated money, toys and books for the Smith Family Toy and Book Appeal.

# 2 Our outcomes



<b>Outcome 1</b>	<b>16</b>
Program 1.1 Support for the child care system	19
Program 1.2 Child care fee assistance	21
Program 1.3 Early childhood education	22
Departmental outputs for Outcome 1	23

## OUTCOME 1

Improved access to quality services that support early childhood learning and care for children through a national quality framework, agreed national standards, investment in infrastructure, and support for parents, carers, services and the workforce

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The Australian Government has an ambitious reform agenda to improve the quality, affordability and accessibility of early childhood education and child care.

The critical importance of a child's early years to their long-term development, health and wellbeing is well established. Early childhood is the foundation for developing the skills necessary for the future. Providing all children with access to high-quality early education programs is one of the most effective ways to help them get the best possible start in life. Having children enjoy their early childhood, be ready for school and grow up prepared for adult life is vital for their social inclusion.

There are significant social and economic returns from investing in the early childhood years through expanding and enhancing the early childhood education and care system. The Council of Australian Governments (COAG) has therefore committed that by 2013 every child will have access to a quality preschool program in the 12 months prior to full-time schooling. The Australian Government's contribution to this effort includes \$970 million in funding over five years (2008–09 to 2012–13). Delivery of the commitment will improve the quality, duration and accessibility of preschool programs for children and their families; more children will receive preschool to a better standard. To date, all states and territories have reported positive progress in this five-year reform.

It is critical that the experiences of children in care settings, particularly the most vulnerable children, positively contribute to their learning and development. The Government is providing support through initiatives such as the Children and Family Centres, which deliver integrated services including early learning, child care and family support programs through the National Partnership Agreement on Indigenous Early Childhood Development. The first such centre opened in early May 2011 in Canberra, offering access to early learning activities, playgroup and parental courses as well as other important services such as maternal and child health and allied health services.

Through COAG, all governments have committed to a number of improvements through the introduction of a National Quality Framework for Early Childhood Education and Care. From 1 January 2012 the framework will deliver a:

- » new national quality standard
- » quality ratings system
- » streamlined regulatory system
- » new national authority, the Australian Children's Education and Care Quality Authority, to guide implementation and management of the quality system.

The new national legislation is expected to come into effect on 1 January 2012, with gradual implementation of improved ratios and staff qualifications over subsequent years. To support the introduction of the National Quality Framework, the *Education and Care Services National Law Act 2010*, developed by all states and territories and passed by the Victorian Parliament in October 2010, is being enacted across jurisdictions and will come into effect on 1 January 2012.

## Key priorities

In 2010–11, the key priorities for Outcome 1 were to:

- » develop operational policies and processes for implementation of the National Quality Framework on 1 January 2012. This includes national learning frameworks (Early Years Learning Framework and Framework for School Age Care), national applied laws legislation and national regulations to ensure that the framework is supported by a valid and robust assessment and rating process
- » establish the Australian Children's Education and Care Quality Authority and wind up the National Childcare Accreditation Council
- » improve payment flexibility for families by introducing fortnightly Child Care Rebate payments from July 2011
- » progress the key COAG commitments that underpin the National Early Childhood Development Strategy, including the National Partnership Agreement on Early Childhood Education, the National Quality Framework and the National Partnership Agreement on Indigenous Early Childhood Development
- » complete the national rollout of the Home Interaction Program for Parents and Youngsters to 50 communities
- » release the final results of the Australian Early Development Index
- » commence implementation of the \$59.4 million budget measure to improve standards in Budget Based Funded child care services by delivering infrastructure improvements, increasing the number of qualified staff and improving governance capacity to some 340 services nationally. Of these services, approximately 260 are Aboriginal and Torres Strait Islander focused
- » improve the information available for parents to support their child care choices through further development of the [www.mychild.gov.au](http://www.mychild.gov.au) website and improvement of the Child Care Access Hotline.

## Key achievements

- » The cornerstone of the regulatory framework that will underpin the National Quality Framework was released in October 2010 with the passage of the *Education and Care Services National Law Act 2010* by the Victorian Parliament. The Education and Care Services National Law was developed cooperatively by the Commonwealth and all states and territories. At 30 June 2011, New South Wales had adopted the national law by enacting the *Children (Education and Care Services National Law Application) Act 2010*, with other states and territories to follow.
- » The National Childcare Accreditation Council completed its final validation visits at the end of June 2011.
- » The Australian Government continued to work towards establishing the Australian Children's Education and Care Quality Authority, the new national body that will oversee the National Quality Framework, in consultation with all states and territories.
- » Good progress towards universal access was achieved on a number of indicators specified in the National Partnership Agreement on Early Childhood Education over the 2010 calendar year as reported by state and territory governments in their 2010 annual reports.
- » Fifteen new centres for the Home Interaction Program for Parents and Youngsters were established and funding continued for 35 existing sites across Australia.
- » The latest data from the first national implementation of the Australian Early Development Index was released in April 2011, giving 96 per cent of Australian communities access to community profiles and maps that show the health and wellbeing of their children.
- » Infrastructure upgrade needs were assessed for 63 Budget Based Funded child care services and arrangements were advanced to facilitate delivery of the upgrades and new builds required.

- » The *Educators' Guide to the Early Years Learning Framework* was published on the department's website in December 2010. The guide includes a useful section that illustrates the framework in action through written and photographic reports from practitioners. By February 2011, more than 16 000 copies of the guide had been disseminated to early childhood services.
- » The Framework for School Age Care was developed for endorsement by the Ministerial Council for Education, Early Childhood Development and Youth Affairs.
- » An information paper on the Education and Care Services National Law and proposed national regulations was released on 22 December 2010, followed by an exposure draft of the regulations on 7 March 2011. Like the development of the national law, the Education and Care Services National Regulations is a cooperative effort between the Australian Government and states and territories. The release of the exposure draft was followed by national consultation forums and a public submission process. All jurisdictions are working together to finalise the regulations.
- » Improvements were made to the [www.mychild.gov.au](http://www.mychild.gov.au) website to include vacancy information for two additional age groups, permanent and casual vacancies, enhanced search capabilities, improved navigation, usability and accessibility, and a funded kindergarten program indicator for Victorian long day care services. These enhancements help to ensure that the department's Child Care Access Hotline operators have access to the latest information when they are answering queries from the public.
- » The first of 38 Children and Family Centres funded through the National Partnership Agreement on Indigenous Early Childhood Development was officially opened at West Belconnen in Canberra in May 2011.



### First of 38 Children and Family Centres opened at West Belconnen, Canberra

In May 2011, a new centre for children and families funded through the National Partnership Agreement on Indigenous Early Childhood Development opened in Canberra.

The West Belconnen Child and Family Centre offers a range of services to families to support their children's health, learning and development, with a particular focus on Aboriginal and Torres Strait Islander families with children from birth to eight years old. The centre offers access to early learning activities, play groups and parenting courses, as well as other child and family services such as maternal and child health and allied health services.

Trained professionals are available at the centre to assist families with questions about parenting, health, education and child development. Ongoing support from a child and family worker is also available when needed. The centre works closely with local primary schools, providing a range of outreach services and wellbeing clinics that tackle issues which may impede children's learning.



The Minister for Early Childhood, the Hon Peter Garrett AM MP, with a family at the opening of the multipurpose children and family centre in West Belconnen on 2 May 2011.

The West Belconnen Child and Family Centre is the product of partnerships between the Australian Government, the ACT Government and the local community. Working through these partnerships, the centre is making a real difference to the lives of Aboriginal and Torres Strait Islander children and their families by setting children on the path to ongoing success in school and later life.

Through the National Partnership Agreement on Indigenous Early Childhood Development, the Australian Government is providing \$292.62 million in funding to establish a total of 38 Children and Family Centres across Australia by June 2014. The West Belconnen centre is the first to be opened and fully operational.

### Program 1.1 Support for the child care system

The objective of this program is to support child care services so that more families can access quality early childhood education and child care services. The program helps families to participate in the social and economic life of the community by:

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

## Child care services support

Sustainability Assistance is aimed at improving and supporting access to child care services for families in areas where the provision of child care may not otherwise be financially viable.

Establishment Assistance provides set-up assistance—a payment aimed at improving access to child care in areas of need determined by the department, especially in regional and remote areas. Set-up assistance is only available for new Child Care Benefit approved child care services in their first year of operation.

Budget Based Funding provides operational funding to support the delivery of non-mainstream early childhood education and care services in locations where the market would otherwise fail to deliver child care or would have difficulty delivering culturally competent programs for Aboriginal and Torres Strait Islander families and children.

While COAG has determined that Budget Based Funded early childhood services will not initially be covered under the new National Quality Framework, additional funding from 2010–11 is enabling centre-based Budget Based Funded early childhood services to move towards meeting standards identified under the framework. The funding is targeted at improving the facilities these services operate from, the qualifications of staff working in these services, and their governance and administrative capacity.

The support for the child care system program will also provide funding to complete 38 early learning and care centres funded in the 2008–09 Budget.

Sustainability Assistance and Establishment Assistance are demand-driven programs. A count of the same service types eligible for Sustainability Assistance indicates that 243 additional services were eligible for Sustainability Assistance in 2010–11, compared to 2009–10.

The number of Budget Based Funded services has not substantially changed. One service is temporarily closed pending appointment of a new provider, two services have merged and three services have been approved for the purposes of administering the Child Care Benefit.

## Jobs Education and Training Child Care Fee Assistance

Jobs Education and Training Child Care Fee Assistance (JETCCFA) provides eligible parents with additional help with the cost of approved child care while they are working, studying or job searching to help them to enter or re-enter the workforce. JETCCFA is paid to an approved child care service on behalf of a family to offset the family's child care fees.

In 2010–11, the Australian Government expended \$65.3 million on JETCCFA.

From 1 July 2008, eligibility for JETCCFA was extended from 12 months of study to 24 months, regardless of the course duration. This change enables parents to choose to receive the additional support at the time that is best for them. Where parents are undertaking a course part-time, funding can be extended to the part-time equivalent of the full-time duration. This extension is directed at parents improving their skills through education and training, providing opportunities for sustained employment.

## Key performance indicators

<b>Table 1: Key performance indicators for program 1.1</b>		
	<b>Estimate</b>	<b>Actual</b>
<b>Child care services support</b>		
Number of child care services receiving Sustainability Assistance	1200	2275 <sup>a</sup>
Number of child care services receiving Establishment Assistance	250	243
Number of Budget Based Funded services	344	339
<b>Jobs Education and Training Child Care Fee Assistance</b>		
Number of children in child care	45 000	43 600
Number of parents assisted	30 000	28 600

<sup>a</sup> This indicator includes family day care and in-home care schemes eligible for Sustainability Assistance. This is a more comprehensive measure of services assisted.

## Effectiveness indicators

Table 2: Effectiveness indicators for program 1.1	Estimate	Actual
Trend in the number of children with additional needs using government-approved child care services—by target group:		
» Children with disability	3%	3%
» Aboriginal, Torres Strait and Australian South Sea Islander children	2%	2%
» Children from non-English speaking backgrounds	13%	14%

The proportion of children from a non-English speaking background increased from 13 per cent in 2008–09 to 14 per cent in 2010–11. This is not a substantial change and is in line with normal variations in the population.

## Program 1.2 Child care fee assistance

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

### Child Care Benefit

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

### Child Care Rebate

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

Actual expenditure for the Child Care Benefit and Child Care Rebate in 2010–11 was \$3.77 billion.

## Key performance indicators

Table 3: Key performance indicators for program 1.2	Estimate	Actual
<b>Child Care Benefit</b>		
Number of children using approved child care places	1 172 000	1 210 000
Number of eligible approved services	14 100	14 300
Number of eligible families using approved child care services—full year	820 000	841 000
Percentage of families using approved child care services and receiving Child Care Benefit	80%	76%
Percentage of families claiming maximum rate Child Care Benefit	33%	36%
<b>Child Care Rebate</b>		
Number of families receiving Child Care Rebate	714 000	745 000

Note: The actual figures are a revised estimate for 2010–11 using the actual data for the first two quarters as no further data is available at the time of preparing the annual report.

Source: DEEWR and Centrelink administrative data collections.

## Effectiveness indicator

Table 4: Effectiveness indicators for program 1.2	Estimate	Actual
Percentage of child care out-of-pocket expenses as a proportion of weekly disposable income after child care subsidies	8–12%	7–8%

The percentage of child care out-of-pocket expenses as a proportion of weekly disposable income for one child using full-time long day care continues to be at the low end of the estimate. The large improvement in affordability in 2008–09 that was achieved through the increase in the Child Care Rebate to 50 per cent was further supported by changes to the tax thresholds and rates in 2009–10 that produced increases in disposable income for some families.

### Program 1.3 Early childhood education

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

#### Universal access to early childhood education

The 2011 *Report on government services* reported the percentage of all children enrolled in state and territory government funded and/or provided services in 2009–10 (68.4 per cent) and 2008–09 (69.5 per cent). The majority of the data for 2009–10 was collected in August 2009, which was shortly after the first funds under the National Partnership Agreement on Early Childhood Education began flowing to states and territories. The 2009–10 results may reflect more accurate information becoming available in some jurisdictions.

The impact of the national partnership on preschool participation will not be fully realised until 2013. States and territories are undertaking a range of actions to achieve universal access to early childhood education in 2013, including increasing hours at existing services, reducing the cost where it is a barrier to participation, building and refurbishing infrastructure, and attracting and developing staff.

The percentages of preschool participation rates for all children and Aboriginal and Torres Strait Islander children are not strictly comparable as they are sourced from different collections.

#### Effectiveness indicators

Table 5: Effectiveness indicators for program 1.3 <sup>a</sup>	Estimate	Actual
<b>Universal access to early childhood education (national partnership)</b>		
Percentage of preschool participation rates for all children <sup>b</sup>	75%	68.4%
Percentage of Indigenous children preschool participation rates <sup>c</sup>	66%	66.7%

a The figures in this table are based on data collected in 2009, which is the latest available information.

b Source: *Report on government services 2011*. Please see this publication for further details and caveats.

c Source: DEEWR estimate based on 2010 National Preschool Census (released 2011) and ABS cat no. 3238.0, Experimental Estimates and Projections, Aboriginal and Torres Strait Islander Australians, 1991 to 2021, special request. The ABS advises caution in the use of single year of age Indigenous population projection data when calculating indicators such as rates, due to the inherent uncertainty in single year of age estimates as a result of quality issues associated with the source data assumptions used to derive estimates, and issues associated with modelling small numbers. Despite this, the ABS recommends that the Indigenous population projections are the best source of data for calculating and reporting Indigenous preschool enrolment rates, including by remoteness.

## Departmental outputs for Outcome 1

DEEWR's bilateral management arrangement with Centrelink and the Department of Human Services provides a framework for all three agencies to deliver outcomes, including payments, in relation to employment, education and child care. The arrangement contains a confidence framework to monitor the strength and success of the relationship between agencies and assure the parties that policy and program outcomes are being achieved. Centrelink's performance against the confidence framework in relation to its service delivery responsibilities for child care was satisfactory during 2010–11.

The results of the annual reconciliation of Child Care Benefit payments met DEEWR's expectations, with over 700 000 reconciliations completed.

**Table 6: Departmental outputs performance information**

Performance indicator	Estimate	Actual
<i>Program management</i>		
Services provided by Australian Government agencies (including Centrelink) satisfy performance requirements	DEEWR requirements met	Centrelink met the agreed standards as stated in the bilateral management arrangement



## 2 Our outcomes



<b>Outcome 2</b>	<b>26</b>
Program 2.1 Government schools national support	31
Program 2.2 Non-government schools national support	32
Program 2.3 Schools support	34
Program 2.4 Trade training	37
Program 2.5 Digital Education Revolution	39
Program 2.6 National Action Plan on Literacy and Numeracy	40
Program 2.7 Education infrastructure	43
Program 2.8 Smarter Schools—Low Socio-economic Status School Communities National Partnership	45
Program 2.9 Smarter Schools—Improving Teacher Quality National Partnership	46
Program 2.10 Youth support	47
Program 2.11 School student assistance	50
Departmental outputs for Outcome 2	51

## OUTCOME 2

Improved learning and literacy, numeracy and educational attainment for school students, through funding for quality teaching and learning environments, workplace learning and career advice

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The Australian Government's Education Revolution aims to ensure that all young Australians have the opportunity to acquire the knowledge and skills to enable them to reach their full potential as confident learners and effective citizens.

The Government provides educational leadership and works in partnership with state and territory governments and non-government school authorities, parents, educators and other organisations so that teaching and learning for all Australian school-age children is of the highest quality.

Building on advances that have already been made, the Government is addressing educational disadvantage and investing in priority areas such as supporting quality teaching and school leadership, standards, assessment and reporting, and national curriculum.

New initiatives to support and recognise teacher quality, increase school autonomy, reward school improvement and enhance student pathways, announced in 2010, will increase and reinforce investment and effort to improve schooling.

To ensure that schools are funded in the best way possible and that all children in our schools are supported, a review of funding for schools is being conducted by a panel of eminent Australians, led by Chairman David Gonski AC. Its aim is to identify funding arrangements that are transparent, fair, financially sustainable and effective in promoting excellent educational outcomes for all Australian students.

The panel was given the task of conducting an open and transparent review that is consultative, wide-ranging and comprehensive. Throughout the review, panel members have undertaken a range of consultative processes including stakeholder meetings, receipt of submissions and school visits to inform their deliberations. The panel has commissioned a comprehensive program of research to establish a solid evidence base for its recommendations.

The review is due to report to the Government by the end of 2011.

The Government's focus on targets directed at lifting educational outcomes and meeting the Closing the Gap targets for Aboriginal and Torres Strait Islander students continued as a priority. These targets are to:

- » halve the gap between Indigenous and non-Indigenous students in reading, writing and numeracy within a decade (by 2018)
- » at least halve the gap between Indigenous and non-Indigenous students' Year 12 or equivalent attainment rates by 2020.

To improve the quality of education and provide greater transparency and accountability of school performance, the release of *My School 2.0* by the Australian Curriculum, Assessment and Reporting Authority (ACARA) in March 2011, provided an even more comprehensive range of nationally comparable information about schools. For the first time, *My School 2.0* published data about National Assessment Program—Literacy and Numeracy (NAPLAN) gains in student achievement over time and school financial data, which included information on each school's recurrent income and capital expenditure.

The development of a rigorous and world-class Australian Curriculum from Foundation to Year 12 continued. It will be one of the first in the world to be delivered in an online environment, ensuring it is dynamic and can be both readily updated and linked to high-quality curriculum resources.



The Office for Youth builds on the Government's significant investment and effort in ensuring that young people are safe, healthy, happy and resilient and have the opportunities, skills and capabilities to learn, work and engage in community life and to influence decisions that affect them.

### Outcome 2 key priorities

The key priorities for 2010–11 were to:

- » progress the review of funding for schooling to report to the Government by the end of 2011
- » progress the following national partnerships under Outcome 2:
  - Digital Education Revolution (\$2.4 billion)
  - Building the Education Revolution (\$16.2 billion over three years)
  - Smarter Schools—Literacy and Numeracy (\$540 million)
  - Smarter Schools—Low Socio-economic Status School Communities (\$1.5 billion over seven years)
  - Smarter Schools—Improving Teacher Quality (\$550 million)
  - Youth Attainment and Transitions (\$624 million over four years)
- » continue the rollout of \$2.5 billion over 10 years for the Trade Training Centres in Schools program
- » support ACARA's development of the Foundation to Year 12 national curriculum in the phase one learning areas of English, mathematics, science and history, including trials in 150 schools
- » support improvements in educational outcomes between Aboriginal and Torres Strait Islander students and other Australian students through the *Aboriginal and Torres Strait Islander Education Action Plan 2010–2014*. The plan provides an important platform for all governments to improve the educational outcomes and economic participation of Aboriginal and Torres Strait Islander students over the coming years
- » support the operation of the Building the Education Revolution Implementation Taskforce, including implementation of recommendations outlined in the taskforce's reports.

### Outcome 2 key achievements

The key achievements for 2010–11 were:

- » All Australian education ministers endorsed Australia's first national curriculum from Foundation to Year 10 in the learning areas of English, mathematics, science and history.
- » State and territory education ministers agreed to work toward substantial implementation of the Foundation to Year 10 national curriculum in the first four learning areas by the end of 2013.
- » The *Aboriginal and Torres Strait Islander Education Action Plan 2010–2014* was launched on 9 June 2011 by education ministers on behalf of the Ministerial Council for Education, Early Childhood Development and Youth Affairs.
- » *My School 2.0* was released in March 2011, providing a more comprehensive range of nationally comparable information about schools including financial information for each school.
- » All Australian education ministers endorsed the National Professional Standards for Teachers and agreed to a national approach to the accreditation of initial teacher education programs.
- » There were 107 Trade Training Centres built (out of a total of 288 approved) benefiting 256 schools at 30 June 2011.
- » Ninety-six per cent of all Building the Education Revolution projects had been completed at 30 June 2011, delivering 22 587 projects across 9498 schools.
- » At 31 March 2011, over 430 000 computers had been installed since the commencement of the National Secondary School Computer Fund. The aim of the fund is to deliver a computer to student ratio of 1:1 for students in Years 9 to 12 in Australian secondary schools by the end of 2011. Over 786 000 computers will have been delivered to Australian schools through this program.

## Literacy and numeracy—national minimum standards

### National Assessment Program

The National Assessment Program encompasses the set of assessments of student performance endorsed by the Ministerial Council for Education, Early Childhood Development and Youth Affairs. It includes national full-cohort literacy and numeracy assessments in Year 3, 5, 7 and 9, three-yearly sample assessments in science literacy, civics and citizenship, and ICT literacy, and Australia's participation in international assessments.

### National Assessment Program—Literacy and Numeracy

The National Assessment Program—Literacy and Numeracy (NAPLAN) results reported in this section relate to meeting and improving literacy and numeracy standards in both government and non-government schools.

Following the introduction of NAPLAN in 2008, all students in years 3, 5, 7 and 9 are assessed in May each year in the domains of reading, writing, language conventions (spelling, punctuation and grammar) and numeracy. Reporting from 2010 NAPLAN provided comparative data for 2008, 2009 and 2010 as well as, for the first time, student gain, by tracking the increase in achievement in 2010 for the same cohort of students tested in 2008.

The greatest gain in mean scale score for the same cohort of students was in grammar and punctuation by students in Year 3 in 2008 and Year 5 in 2010, and the least gain was in writing by students in Year 7 in 2008 and Year 9 in 2010. In comparing the domains, the greatest gains were made in numeracy and the least gains were made in writing.

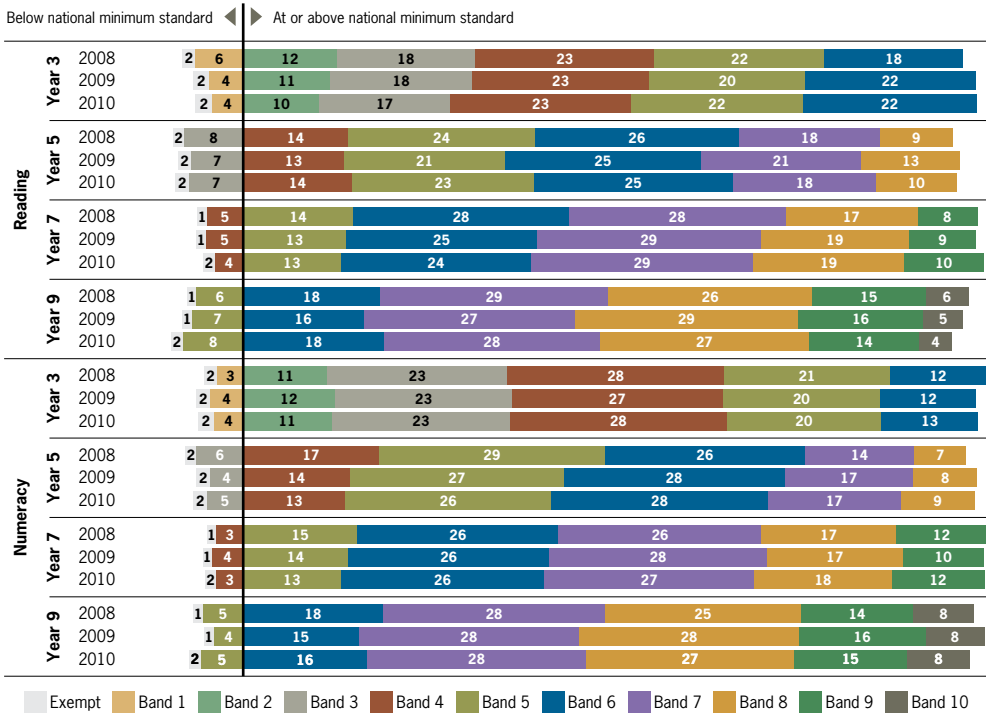
Results are reported using five national achievement scales which cover the full range of achievement from Year 3 to Year 9 in each domain. Each scale consists of 10 bands which represent the increasing complexity of the skills and knowledge assessed by NAPLAN. Six of these bands are used for reporting student performance in each year level. The national minimum standards are represented by a range of scores aligned with the second achievement band for each year level in each domain. The national minimum standard for Year 3 is band 2, Year 5 is band 4, Year 7 is band 5 and Year 9 is band 6.

In 2010, more than 90 per cent of students were at or above the national minimum standard across year levels and domains (with the exception of Year 9 writing and spelling):

- » 91.0 per cent (spelling) to 95.5 per cent (writing) for Year 3 students
- » 91.3 per cent (reading) to 93.6 per cent (numeracy) for Year 5 students
- » 91.7 per cent (grammar and punctuation) to 95.1 per cent (numeracy) for Year 7 students
- » 87.2 per cent (writing) to 93.2 per cent (numeracy) for Year 9 students.

**Chart 3**

**Percentage of Year 3, 5, 7 and 9 students in achievement bands—reading and numeracy, NAPLAN 2008, 2009 and 2010**



Source: Australian Curriculum, Assessment and Reporting Authority 2010, *National Report for 2010, National Assessment Program—Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy*.

**National Assessment Program—sample assessments**

Selected groups of students in years 6 and 10 participated in the national sample assessments, which are held on a rolling three-yearly basis. Students’ achievement is measured against nationally agreed proficiency standards in science literacy (Year 6), civics and citizenship (Year 6 and Year 10) and ICT literacy (Year 6 and Year 10). The cyclical conduct of the sample assessments using comparable datasets allows trends in student performance to be monitored over time.

Samples of Year 6 and Year 10 students participated in civics and citizenship assessments in 2004, 2007 and October 2010. The *2010 National Assessment Program—Civics and Citizenship Years 6 and 10 Report* will be published in late 2011.

Samples of Year 6 students participated in science literacy assessments in 2003, 2006, and 2009. The *National Assessment Program—Science Literacy Year 6 Report 2009* was released online in November 2010. The results from the 2009 assessment showed that nationally 52 per cent of Year 6 students achieved or bettered the Year 6 proficiency standard compared to 54 per cent of Year 6 students in 2006, although the difference is not statistically significant. An analysis of the student survey showed that 74 per cent of students were interested in learning more about science.

Samples of Year 6 and Year 10 students participated in the ICT literacy assessments in 2005 and 2008. Students will participate in the next ICT literacy assessments in October 2011.

### *National Assessment Program—international assessments*

Participation in international assessments provides information on the progress of Australian school students relative to other countries and assists education systems and schools to identify strengths and weaknesses in policy and practice.

Australia currently participates in three international student assessments: the Programme for International Student Assessment, Trends in International Mathematics and Science Study and for the first time in 2010 the Progress in International Reading Literacy Study.

Results from the most recent cycle of the Programme for International Student Assessment 2009 were released in December 2010. Australian students performed well (as they have done in previous cycles), achieving mean scores significantly above the OECD average in the three assessment areas of reading, mathematical and scientific literacy.

The performance of Australian students in the Programme for International Student Assessment has fallen in recent times relative to that of other countries in the OECD. In the period between 2003 and 2006, Australia declined in both its absolute and relative performance in reading literacy. The 2009 results show that no further decline has occurred but the lost ground has not yet been regained.

In Australia there is a link between low performance and disadvantage, particularly for Aboriginal and Torres Strait Islander students. The Programme for International Student Assessment results indicate that over the last nine years the percentage of students who are less than proficient at reading or maths has not reduced. The results also show that the reading performance of Australian students at the high end of the achievement scale has declined between 2003 and 2006 and again between 2006 and 2009.

Results from the 2011 Progress in International Reading Literacy Study are expected to be released in December 2012. This study assesses progress in developing literacy at the stage when students move from learning to read to reading to learn and will provide an international benchmark for reading literacy at Year 4.

### **Effectiveness indicators for programs 2.1, 2.2 and 2.3**

Table 7 shows the number of full-time student enrolments across Australia. The data is broken down by government and non-government primary and secondary school enrolments, and Aboriginal and Torres Strait Islander enrolments by government and non-government schools.

<b>Table 7: Effectiveness indicators for programs 2.1, 2.2 and 2.3</b>	<b>Estimate</b>	<b>Actual</b>
<b>Enrolment trends—government</b>		
Trend in full-time student enrolments in Australian schools:		
» Primary	1 397 000	1 389 263
» Secondary	892 000	893 094
» Aboriginal and Torres Strait Islander	136 000	138 012
<b>Enrolment trends—non-government</b>		
Trend in full-time student enrolments in Australian schools:		
» Primary	620 000	621 064
» Secondary	585 000	583 458
» Aboriginal and Torres Strait Islander	23 000	23 768

Note: These indicators were previously reported separately under programs 2.2 and 2.3. To avoid duplication, they are reported here and have not been included in the respective programs.

## Program 2.1 Government schools national support

The objective of this program is to contribute to boosting participation and Australia's productivity by providing supplementary funding to government schools that contributes to the achievement of the five outcomes articulated in the National Education Agreement. These are:

- » all children are engaged in and benefiting from schooling
- » young people are meeting basic literacy and numeracy standards, and overall levels of literacy and numeracy achievement are improving
- » Australian students excel by international standards
- » schooling promotes social inclusion and reduces the educational disadvantage of children, especially Indigenous children
- » young people make a successful transition from school to work and further study.

### Government Schools Specific Purpose Payment

The National Education Agreement, which began on 1 January 2009, sits within the framework of the Intergovernmental Agreement on Federal Financial Relations. The Australian Government's financial support to the states and territories for the delivery of government school services is administered by the Department of the Treasury, which makes payments to the states and territories under the National Schools Specific Purpose Payment (government schools component) in accordance with the arrangements specified in the intergovernmental agreement.

Under the intergovernmental agreement, an estimated \$14.1 billion in funding associated with the National Education Agreement is being provided by the Commonwealth for government schools over four years from 2009 to 2012. This funding is supplementary to the funding provided by states and territories, which have primary responsibility for funding government schools.

The Australian and state and territory governments' roles and responsibilities, objectives, outcomes, performance benchmarks and indicators are defined in the National Education Agreement. These governments have committed, through the agreement, to the objective that all Australian school students acquire the knowledge and skills to participate effectively in society and employment in a globalised economy. States and territories are responsible for working with the non-government school sector in their state or territory to ensure their participation in relevant aspects of the agreement.

All parties to the National Education Agreement are accountable to the community for their progress against the agreed outcomes through the performance reporting framework detailed in the intergovernmental agreement. The National Education Agreement and agreements with non-government schools and school systems incorporate the Council of Australian Governments (COAG) targets set for schooling. These targets apply across all Australian schools regardless of sector (government or non-government).

### Key performance indicator

Table 8: Key performance indicator for program 2.1	Estimate	Actual
<b>Government Schools Specific Purpose Payment</b>		
Number of full-time equivalent students funded (enrolment projections)	2 278 218	2 278 218

The figures in Table 8 reflect the full-time equivalent number of students in government schools funded under the intergovernmental funding framework associated with the National Education Agreement in the 2010 school year. The number of full-time equivalent students increased by 8941 (0.4 per cent) between 2009 (2 269 277 students) and 2010. This increase is consistent with the increase between 2008 and 2009 school years.

## Program 2.2 Non-government schools national support

Fulfilling its election commitments to non-government schools, the Government will provide an estimated \$36.8 billion for non-government schooling for 2009–2013 under the *Schools Assistance Act 2008*. Funding appropriated under the Act supports the capital costs, which runs from 2009 to 2014 under the Act and provides an estimated \$837.5 million in funding over that period, and operating costs of non-government primary and secondary schools and education systems. Government funding to non-government schools supplements funding raised by the schools from other sources.

### Key performance indicators

Table 9: Key performance indicators for program 2.2	Estimate	Actual
<b>Recurrent Grants—Non-government</b>		
Number of full-time equivalent students funded (enrolment projections)	1 192 252	1 205 766
<b>Capital Grants—Non-government</b>		
Number of schools assisted with capital support	250	246
<b>English as a Second Language—New Arrivals—Non-government</b>		
Number of new arrivals assisted	940	940

Note: Figures are for the 2010 calendar year.

### Recurrent Grants—Non-government

The objective of the Recurrent Grants program is to assist non-government schools with the recurrent costs of school education so they can offer students educational programs directed towards the achievement of the Australian Government's priorities for schooling. Funding is provided under the *Schools Assistance Act 2008*.

During the 2010 calendar year, \$6.35 billion in grants was paid to non-government schools on a per student basis.

To support the delivery of educational services to Aboriginal and Torres Strait Islander students, a further \$63.9 million was provided under the Indigenous Supplementary Assistance program and \$1.8 million under the Indigenous Funding Guarantee.

The Recurrent Grants program also provides a remoteness loading to eligible non-government schools in recognition of the higher cost of delivering education services in regional and remote area of Australia. In 2010 this amounted to \$31 million. Non-government schools also received \$5 million for the provision of distance education.

The Recurrent Grants performance indicator in Table 9 refers to the number of full-time equivalent students in non-government schools during the 2010 school year. The number of full-time equivalent students increased by 31 341 between 2009 and 2010 (2.6 per cent).

### Capital Grants—Non-government

The Australian Government also provides capital grants funding under the *Schools Assistance Act 2008*. Funding for new and upgraded capital infrastructure is provided to non-government schools that would not otherwise have access to sufficient capital resources.

There was a small decrease in the number of non-government schools assisted as a result of the withdrawal of a few projects submitted by schools for capital funding. In general, the schools assisted were of lower socioeconomic status.

In 2010, \$125.2 million was allocated to non-government schools for capital projects.

### Short Term Emergency Assistance—Non-government

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

In 2010, \$165 250 was paid to eligible non-government schools under the program.

### **English as a Second Language—New Arrivals—Non-government**

The English as a Second Language—New Arrivals program provides Australian Government funding to state and territory non-government education authorities to assist with the cost of delivering intensive English language tuition to eligible newly arrived migrant primary and secondary schools students. The program is demand-driven. In the 2010 program year, there was a small decrease in the number (compared to the previous year) of student new arrivals assisted. The department accepts claims made for any eligible student, but it is the responsibility of education authorities to claim on behalf of these students.

During 2010, \$7.9 million in grants was paid to non-government schools under the program.

### **School Languages Program**

Under the *Schools Assistance Act 2008*, the School Languages Program provided \$14.4 million in 2010–11 to non-government schools and after-hours community languages schools to support the teaching and learning of Asian, European, Aboriginal and Torres Strait Islander and Auslan languages from Kindergarten to Year 12.

### **Literacy, Numeracy and Special Learning Needs Program**

The Literacy, Numeracy and Special Learning Needs Program assists non-government education authorities to improve the learning outcomes of educationally disadvantaged students by contributing funding for additional teaching and learning assistance. The program has a particular focus on literacy and numeracy and includes students with disability. The program is only one source of funding available to non-government schools to meet the needs of educationally disadvantaged students.

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

The program consists of two components: the school grants (recurrent) component and the students with disability (per capita) component. Funding for the recurrent component is determined using a composite allocative mechanism. Funding for the students with disability (per capita) component is determined by using a rate per eligible student. In 2010 the rate per student was \$947.

During 2010 grants totalling \$32.4 million for students with disability and \$163.4 million for educationally disadvantaged students were paid to non-government schools.

### **Country Areas Program**

The Country Areas Program aims to improve the access of non-government school students in rural and geographically isolated area to quality education by providing enhanced learning opportunities and additional educational activities. The program also assists students to achieve outcomes and participation rates that match those of students in urban centres and less isolated areas.

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

In 2010, \$5.8 million was provided to eligible non-government schools under the program.

## Program 2.3 Schools support

In its national leadership role, the Government funds initiatives that aim to improve the quality of educational outcomes for all Australian students. In 2010–11, the department delivered a range of programs designed to achieve this goal.

### Key performance indicators

Table 10: Key performance indicators for program 2.3	Estimate	Actual
<b>Helping Children with Autism Package</b>		
Number of teachers and other school staff attending professional development courses	366	454
Number of parents and carers attending workshops and information sessions	1816	2044
<b>Parliament and Civics Education Rebate</b>		
Number of schools receiving the rebate	1540	1888
<b>Indigenous Youth Mobility Program</b>		
Number of participants in the Indigenous Youth Mobility Program	364	483
<b>Indigenous Youth Leadership Program</b>		
Number of participants in the Indigenous Youth Leadership Program (secondary and tertiary)	491	756
<b>National School Chaplaincy Program</b>		
Number of schools with a school chaplain	2674	2674
<b>Sporting Chance Academies</b>		
Number of students attending Sporting Chance Academies	4300	4267

### Helping Children with Autism Package

In response to the increasing prevalence of children with an autism spectrum disorder in Australia, the Government is providing targeted support for these children, their parents, carers, teachers and other professionals through the Helping Children with Autism Package. The package is being delivered by DEEWR, the Department of Families, Housing, Community Services and Indigenous Affairs, and the Department of Health and Ageing.

DEEWR is responsible for delivering the Positive Partnerships initiative under the package, which aims to build partnerships between schools and families to improve the educational outcomes of children with an autism spectrum disorder. Through this initiative the department provides professional development for teachers, school leaders and other school staff to build their understanding, skills and expertise in working with children with an autism spectrum disorder. The department also delivers workshops and information sessions for parents and carers of school-aged children with autism to help them work more effectively with their children's schools.

The targets for the period 2008 to 2012 are for 2200 teachers and 5800 parents and carers to participate in positive partnerships workshops. In 2010–11, 454 teachers and 2044 parents and carers took part in training. A total of 18 facilitator training workshops were held during 2010–11 for state and territory government and non-government education authorities. Participants were able to use the workshop materials to extend their schools' capacity to support students with autism. The initiative is ongoing and workshops will continue to be delivered over 2012 to 2015.

### Parliament and Civics Education Rebate

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



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

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

In 2010–11, \$4.38 million was paid or committed to 1888 schools in respect of 97 744 students. These figures will decrease if any approved schools fail to acquit their application for the rebate.

### **Civics and Citizenship Education**

The Civics and Citizenship Education program provides assistance to schools for civics and citizenship education and supports the teaching of history through initiatives such as the National Schools Constitutional Convention, the Simpson Prize, the National History Challenge and a national civics and citizenship website.

The 16th National Schools Constitutional Convention considered the topic ‘Should Australia become a republic?’ on 22–24 March 2011 at Old Parliament House. A communiqué composed by the 127 student delegates, selected from conventions in states and territories, was presented to the President of the Senate. The eight state and territory 2011 Simpson Prize winners attended Anzac Day commemorations at Gallipoli in April 2011. More than 600 students in years 9 and 10 participated in the 2011 Simpson Prize. Over 4700 Year 5 to Year 12 students took part in the 2010 National History Challenge. The Hon Peter Garrett AM MP, Minister for School Education, Early Childhood and Youth, presented awards to the challenge winners on 23 November 2010. The 2010 challenge topic was ‘Celebrations, memories and history’.

### **Indigenous Youth Mobility Program**

The Indigenous Youth Mobility Program provides post secondary pathways for young people aged 16–24 years who are mostly from remote and regional areas. Participants are supported through accommodation, education and training placements, mentoring and other practical support to take up vocational education and training, apprenticeships or university in 16 cities across Australia. Six providers deliver the program in the 16 locations: Career Employment Australia (four), Aboriginal Hostels (seven), Nyaarla Projects (two), AUSWIDE Projects (one), Yarrteen (one) and Goulburn Ovens Institute of TAFE (one).

The program helps each participant to commence study at the level that best meets their current circumstances (pre-vocational through to degree) but aims to help as many participants as possible to achieve at least a Certificate III level qualification in recognition that this level of qualification has the greatest impact on sustainability of future employment.

In 2010–11, the program’s 483 participants achieved 133 course completions which is 27.5 course completions per 100 participants during that period. This compares very positively with annual course completions per Aboriginal and Torres Strait Islander participant in higher education and vocational education and training nationally. The program supported Australia’s first Indigenous Rhodes Scholar who completed her degree in Adelaide in 2010.

### **Indigenous Youth Leadership Program**

In 2010–11 the Indigenous Youth Leadership Program continued to help to close the gaps in Aboriginal and Torres Strait Islander educational disadvantage through supporting 756 Aboriginal and Torres Strait Islander students (mostly from remote and regional areas) to attend high performing secondary schools (government and non-government, day and boarding) and/or universities to complete Year 12 and/or an undergraduate degree.

Practical leadership experiences are provided for students to help them to obtain a greater level of self esteem and confidence to complete Year 12 and or a degree and to become positive role models for others and future leaders for their communities and the wider Australian society.

The program is delivered through eight Partnership Brokers that work with schools, students and families to support the education and leadership develop aims. The brokers are Cape York Institute for Policy and Leadership, Yalari Limited, Catholic Education Office Diocese of Townsville, Dubbo College Senior Campus, the Smith Family, MADEC Australia, Presbyterian Ladies' College Perth and MADALAH Limited.

In 2010, 75 of the 76 students who commenced Year 12 successfully completed. The Hon Peter Garrett AM MP, Minister for School Education, Early Childhood and Youth, presented certificates to these graduates in November 2010.

### **National Asian Languages and Studies in Schools Program**

In 2010–11, the National Asian Languages and Studies in Schools Program continued to support the study of the languages and cultures of China, Japan, Indonesia and Korea. The states and territories continued to implement 172 projects as outlined in their strategic plans for the three-year period. On 9 November 2010, Minister Garrett announced 10 projects for Round 2 of the Strategic Collaboration and Partnership Fund and 122 projects for Round 2 of Becoming Asia Literate: Grants to Schools. Projects funded through the Strategic Collaboration and Partnership Fund will continue into 2012. Under the National Projects Element, Education Services Australia collected digital resources from National Asian Languages and Studies in Schools Program projects and made them accessible to schools nationally.

### **Asia Education Foundation**

In 2010–11, the Asia Education Foundation received \$1.45 million under the Grants and Awards Program. During 2010–11 the foundation supported the study of Asia in Australian schools by working collaboratively with state and territory education authorities, businesses and community organisations. To support the development of the national curriculum, the foundation provided advice to ACARA on Asian studies content through the crosscurriculum priority of Asia and Australia's engagement with Asia. The foundation conducted Round 3 of the Leading 21st Century Schools Program.

### **National School Chaplaincy Program**

The National School Chaplaincy Program is a voluntary program that supports schools and their communities by providing pastoral care support. The program provides up to \$20 000 per year per school to schools to establish a new chaplaincy service, or to expand an existing service. During 2010–11, the program provided ongoing support to 2674 government and non-government schools across Australia.

### **Sporting Chance Program**

The Sporting Chance Program is an Australian Government initiative that uses sport and recreation as a vehicle to increase the level of engagement of Aboriginal and Torres Strait Islander students in their schooling to improve their education, training and employment outcomes. The program is implemented with providers working together with schools, education authorities, sporting bodies, businesses and community groups. The two elements of the program are:

- » School-based sports academies—innovative, intensive and high-quality, sports-focused learning and development. The academies are targeted at secondary students only.
- » Education engagement strategies—a range of sport and recreation-based activities to engage students in education in remote communities. The education engagement strategies are targeted at remote primary and secondary students.

Currently there are 22 providers operating 68 projects across Western Australia, Northern Territory, South Australia, Queensland, Victoria and New South Wales.

### Effectiveness indicators

Table 11: Effectiveness indicators for program 2.3	Estimate	Actual
Apparent retention rate of full-time students from Year 7/8 to Year 12	78%	78%
<i>Indigenous trends</i>		
Percentage of young people who commence on the Indigenous Youth Mobility Program who exit the program after achieving a vocational education and training or higher education qualification or to take up full-time employment	60%	42%
Percentage of eligible Indigenous students in receipt of Indigenous Youth Leadership Program scholarships who complete Year 12	98.7%	98.7%

Indigenous Youth Mobility Program providers are not set up with systems to track all participants who leave. The employment outcomes data in Table 11 therefore relates only to immediate exits of participants. In addition to the 42 per cent identified in the table, 6 per cent of participants who exited in 2010–11 were reported as studying but without the assistance of the program (for example, back in their home community). Of all those who participated in 2010–11, 66.6 per cent either completed courses or were still studying at 30 June 2011.

### Program 2.4 Trade training

The Trade Training Centres in Schools Program is an important element of the Government's workforce development agenda. The program helps to address national skills shortages in traditional trades and other eligible occupation areas by improving the relevance and responsiveness of trade training programs in secondary schools.

Trade training will also contribute to increasing the proportion of students achieving at least a Year 12 or equivalent qualification to 90 per cent by 2015 as agreed by COAG in April 2009. Trade Training Centres provide students with access to high-quality, relevant education and training opportunities that continue to engage and encourage them to complete their studies.

The program will be evaluated in 2012–13.

### Key performance indicators

Table 12: Key performance indicators for program 2.4	Estimate	Actual
<b>Trade Training Centres in Schools Program</b>		
Number of schools funded	195	194
Number of projects funded	58	58

Table 12 reflects the estimated and actual number of schools and projects funded from the government and non-government components of the Trade Training Centres in Schools Program under Round Three in 2010–11. Funding has been provided through an annual national competitive process to build or upgrade training facilities for secondary school students. In Round Three of the program, \$219.6 million was approved for 58 projects involving 194 schools (one school was funded in a previous round).

### Trade training goes mobile

The Outback Hospitality Trade Training Centre is a mobile hospitality trailer providing Certificate III level training in hospitality to six schools in outback Queensland.

The schools involved in the project are Longreach State High School, Blackall State School, Aramac State School, Winton State School, Barcardine State School and Longreach School of Distance Education.

The lead school, Longreach State High School, received more than \$2.7 million under the Trade Training Centres in Schools Program for this project to address current skill shortages in hospitality in the region and increase employment opportunities for participating students. The funding was also used to construct facilities at four of the cluster schools to connect to the mobile hospitality trailer and for refurbishment of a kitchen at Barcardine State School.



The mobile trade training centre in outback Queensland is a real showstopper.

### Effectiveness indicators

The impact of the Trade Training Centres in Schools Program will be measured using the following indicators:

- » trend in number of students participating in vocational and technical education in schools
- » trend in Year 12 or equivalent attainment
- » trend in retention rates for Year 11 and 12 students
- » trend in Indigenous and non-Indigenous students' Year 12 or equivalent attainment rates.

The data for these indicators is available from official statistical agencies and is affected by a wide range of factors including the impact of the department's programs. The department will report on them as data becomes available.

Trade Training Centres report on student activity in the calendar year following their first enrolments. Only a few centres were operational in 2010 and submitted activity reports as part of their reporting obligations. Activity reports include data on student enrolments, student outcomes and site usage and are available on the department's website.

## Program 2.5 Digital Education Revolution

The aim of the Digital Education Revolution is to contribute sustainable and meaningful change to teaching and learning in Australian schools that will prepare students for further education, training and to live and work in a digital world. In this context, the Australian Government is investing over \$2.4 billion to support the effective integration of ICT in Australian schools in line with the Government's broader education initiatives.

Through the Digital Education Revolution, the Government has continued to work with government and non-government school systems and higher education sectors to support the deployment of technology-enriched learning environments. All state and territory governments have agreed to a national, coordinated and collaborative partnership approach to developing and implementing the Digital Education Revolution.

The National Secondary School Computer Fund continued to be the major funding element under the Digital Education Revolution, providing new ICT equipment for secondary schools with students in years 9 to 12.

Funding under the Digital Education Revolution has also supported professional learning for teachers and school leaders and access to high-quality digital tools, resources and infrastructure.

The progressive rollout of the National Broadband Network will support the Digital Education Revolution by providing Australian school students, parents and teachers with access to similar bandwidth capabilities anywhere and at any time, enhancing access to learning resources and opportunities for communication and collaboration. The department has continued to work closely with the Department of Broadband, Communications and the Digital Economy, National Broadband Network Co Ltd and school authorities to ensure that the needs of schools are considered throughout the progressive broadband network rollout process.

The Australian Information and Communications Technology in Education Committee provided ongoing advice on the implementation of the Digital Education Revolution to the Ministerial Council for Education, Early Childhood Development and Youth Affairs and the Ministerial Council for Tertiary Education and Employment.

### Key performance indicator

Table 13: Key performance indicator for program 2.5	Estimate	Actual
<b>National Secondary School Student Computer Fund</b>		
Number of schools assisted	2900	2833

### National Secondary School Student Computer Fund

The fund continues to assist schools and schools systems to provide new computers and other ICT equipment for students in years 9 to 12. The fund is on track to deliver a computer to student ratio of 1:1 for students in years 9 to 12 by 31 December 2011. At 31 March 2011, 434 000 computers had been installed in Australian secondary schools through the program.

## Program 2.6 National Action Plan on Literacy and Numeracy

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

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

### Key performance indicators

Table 14: Key performance indicators for program 2.6	Estimate	Actual
<b>National Action Plan on Literacy and Numeracy—literacy and numeracy pilots</b>		
Number of literacy and numeracy pilots successfully implemented under the National Action Plan for Literacy and Numeracy	30	30
<b>National Partnership for Literacy and Numeracy</b>		
Number of schools/students assisted	Over 400 000 students in approx. 1100 schools (2009–10 to 2011–12)	Over 400 000 students in 1069 schools (at 30 June 2011)

Note the schools and students numbers include aggregates for 147 schools that participate in both the Low Socio-economic Status School Communities and Literacy and Numeracy National Partnerships.

### National Partnership Agreement on Literacy and Numeracy

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

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

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

In June 2011 states and territories received reward funding based on achievement of agreed 2010–11 literacy and numeracy targets and local measures. Second-year targets are currently being negotiated with states and territories.

The national partnership is achieving significant reforms at the national, state and local school levels. The 2010 state and territory annual reports provided many local examples of reform activity, including widespread adoption of in-classroom support for teachers by specialist coaches; increased teacher skill and confidence in using data to better address individual student learning needs; and the delivery of targeted literacy and numeracy programs to raise levels of student achievement. The COAG Reform Council's performance report for the national partnership indicated that in 2010 all states and territories made progress in improving students' literacy and numeracy skills.

## Smarter Schools National Partnerships

The Smarter Schools National Partnerships are into their fourth year and are having a significant impact on improving outcomes for students. The Literacy and Numeracy National Partnership reward funding has been a highlight for this year. Over \$138 million was paid to states and territories for their progress in lifting educational outcomes in participating schools. This is the first time that states and territories are being measured against targets they set for themselves, and rewarded for delivering improved literacy and numeracy results. Queensland and South Australia in particular achieved outstanding results, earning 100 per cent of available reward funding.

It is exciting to see the reforms being achieved at the school level. At Maroochydore State School in Queensland, a national partnership-funded literacy coach has implemented whole-school strategies to improve literacy teaching and the use of student diagnostics and data. The school demonstrated its success through achievements in NAPLAN reading results, showing an increase of 151 points in the mean scale score achieved by the Year 3 2008 cohort to the Year 5 2010 cohort, which is a substantial improvement compared to statistically similar schools.



Working hard at school.

Ramingining School in the Northern Territory, supported by Closing the Gap and the Low Socio-economic Status School Communities National Partnership, celebrated the outstanding achievement of five of its assistant teachers in 2010. These assistant teachers completed their Diploma in Education Support to become the first Aboriginal and Torres Strait Islander assistant teachers in the Northern Territory to receive a diploma qualification.

## Effectiveness indicators

**Table 15: Achievement in NAPLAN for Indigenous and non-Indigenous students 2009–10**

	2009 NAPLAN results								2010 NAPLAN results							
	Year 3		Year 5		Year 7		Year 9		Year 3		Year 5		Year 7		Year 9	
	R	N	R	N	R	N	R	N	R	N	R	N	R	N	R	N
Percentage of all students at or above the reading and numeracy national minimum standards	93.7	94.0	91.7	94.2	94.0	94.8	92.2	95.0	93.9	94.3	91.3	93.7	94.9	95.1	90.8	93.1
Percentage of Indigenous students at or above the reading and numeracy national minimum standards	75.1	74.0	66.7	74.2	73.2	75.8	67.0	75.0	75.1	76.6	66.2	71.4	76.6	77.0	64.2	70.4
Percentage of non-Indigenous students at or above the reading and numeracy national minimum standards	94.8	95.2	93.1	95.3	95.0	95.8	93.5	96.0	95.0	95.3	92.7	95.0	95.9	96.1	92.2	94.3

R = reading; N = numeracy.

Note: Confidence intervals are not included.

Sources: 2009 and 2010 NAPLAN Achievement in Reading and Numeracy; Ministerial Council for Education, Early Childhood Development and Youth Affairs 2009; Australian Curriculum, Assessment and Reporting Authority 2010, *National report for 2010, National Assessment Program—Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy*.



Three key observations emerge from this data:

- » In 2010 for each domain, more than 90 per cent of Australian students are estimated to be working at or above the national minimum standard.
- » Since 2009 there have been some small decreases in the gaps between the percentages of Aboriginal and Torres Strait Islander and other Australian students at or above the national minimum standard.
- » There were also increases in the gaps between the percentages of Aboriginal and Torres Strait Islander and other Australian students at or above the national minimum standard in some areas.

**Table 16: Comparison of gap in Indigenous reading, writing and numeracy**

2010 NAPLAN	Indigenous reading %	Gap %	Change on 2009 gap %	Indigenous writing %	Gap %	Change on 2009 gap %	Indigenous numeracy %	Gap %	Change on 2009 gap %
Year 3	75.1	19.9	+0.2	79.0	17.6	+0.9	76.6	18.7	-2.5
Year 5	66.2	26.5	+0.1	70.5	23.9	-0.2	71.4	23.6	+2.5
Year 7	76.6	19.3	-2.5	69.8	24.1	+0.3	77.0	19.1	-0.9
Year 9	64.2	28.0	+1.5	59.0	29.7	-0.5	70.4	23.9	+2.9

Source: 2010 National Assessment Program—Literacy and Numeracy, Achievement in Reading, Writing Conventions and Numeracy—Proportion of Indigenous students at or above the national minimum standard.

Under the partnership accelerated improvement in literacy and numeracy outcomes for Indigenous students is a priority. The results of Australia's 2010 NAPLAN show that although some gains have been made, Aboriginal and Torres Strait Islander students are still achieving at levels below their other Australian counterparts. The gap is not the same across all geographic locations: it is similar for students in metropolitan and provincial locations across all year levels and areas assessed, but greater for remote and greater still for very remote students.

Lower literacy and numeracy skills in Year 9 have been associated with lower engagement in school, lower retention to Year 12, and less successful transitions from school. Census data show that in 2006, 41.5 per cent of Aboriginal and Torres Strait Islander 20–24-year-olds had completed Year 12 or at least a Certificate II qualification (this was made up of 32.2 per cent completing Year 12 and 9.3 per cent who did not complete Year 12 but completed a Certificate II or higher).

It should be noted that these tables include NAPLAN performance information for all Australian schools, not just those participating in the Literacy and Numeracy National Partnership, and therefore represent an indicator of the collective efforts of Commonwealth and state and territory governments to improve literacy and numeracy outcomes for Australian students.

The national partnership has been implemented in different ways in each state and territory, and performance measures and targets have been negotiated bilaterally with each jurisdiction. Performance under the Literacy and Numeracy National Partnership is assessed by the COAG Reform Council. The council's role is to assess the extent to which targets negotiated between each jurisdiction and the Commonwealth under the national partnership have been met. The council's first report on the national partnership was published on 19 April 2011 and is available at [www.coagreformcouncil.gov.au](http://www.coagreformcouncil.gov.au).

### Literacy and numeracy pilots

The Australian Government invested \$41 million in 30 literacy and numeracy pilot projects which operated in around 400 schools nationally. These pilots trialed new approaches aimed at improving literacy and numeracy teaching strategies in schools. A national evaluation of the pilots is being carried out and its findings will assist all educational authorities and the Government to further the literacy and numeracy reform agenda, in addition to informing the evidence base of effective practices.

## Program 2.7 Education infrastructure

As part of the Government's \$42 billion Nation Building—Economic Stimulus Plan, \$16.2 billion is being invested over four years through the Building the Education Revolution (BER) program. The program is made up of three elements: Primary Schools for the 21st Century, Science and Language Centres for 21st Century Secondary Schools and the National School Pride program.

The BER was an important part of the Government's response to the global financial crisis. It has provided economic stimulus through the rapid construction and refurbishment of school infrastructure, and building learning environments to help children, families and communities participate in activities that will support achievement, develop learning potential and bring communities together. The BER is underpinned by a strong partnership between the Australian, state and territory governments and non-government education authorities.

The BER program is delivering 23 649 projects in 9498 schools across Australia and is providing much-needed infrastructure to Australia's schools and their communities.

At 30 June 2011, 96 per cent of all BER projects had been completed. Of the \$15.9 billion allocated in project funding, \$15.5 billion had been paid by the Commonwealth to the education authorities. The remaining project funds have been allocated to projects by the education authorities to ensure project completion, and are being monitored closely by the department.

The BER Implementation Taskforce, in its December 2010 first report, stated: 'The vast majority of the BER projects across the country in the government and non-government systems are being successfully and competently delivered, which has resulted in quality and, from our own observations, generally much-needed new school infrastructure, while achieving the primary goal of stimulating economic activity.'

Independent research commissioned by the taskforce for the report suggests that the BER has made a material contribution to economic growth and is projected to support around 120 000 jobs over the full life of the program. The report also confirms that the program assisted in the maintenance of skills in the economy and saved Australian jobs during the global financial crisis.

During 2010–11, the taskforce received and investigated a total of 332 complaints and undertook 137 detailed value for money assessments. The number of complaints received represents 3.5 per cent of all schools involved in the program. Of those projects selected for a detailed value for money assessment, 86 per cent were selected as a result of a complaint being lodged. For the 58 schools that the taskforce identified as not meeting or only partially meeting its value for money assessment and requiring some form of rectification work, defect resolution plans have been put in place with the responsible education authority. The department is working closely with education authorities to ensure the implementation of these plans.

The department appeared before the Senate Standing Committee on Education, Employment and Workplace Relations relating to the inquiry into the BER Primary Schools for the 21st Century element on 4 February 2011. The committee's final report, which was tabled on 27 March 2011, made seven recommendations. The Government is currently considering its response to the report.

### BER Implementation Taskforce recommendations

The taskforce, which commenced operations in May 2010, is responsible for:

- » receiving, investigating and responding to complaints regarding the full operation of the BER, including individual school projects
- » reporting publicly on the nature, progress and results of investigations and informing the Australian Government of recommendations for changes to policy, contracts or projects required to ensure the objectives of the BER are realised.

On 6 August 2010 the taskforce released its interim report into the BER program and on 15 December 2010 released its first report. The taskforce made 14 recommendations in its

interim report and a further three recommendations in its first report. The Government agreed to all 17 recommendations.

The department has made substantial progress in the implementation of the taskforce's recommendations.

Consistent with recommendation 1 from the interim report, consensus was reached with all 22 education authorities to develop and publish the Primary Schools for the 21st Century National Common Reporting Structure with consistent definitions. Cost and project information data against the agreed structure has been published on the department's website since January 2011. The project information dataset will continue to grow as projects reach completion and costs are finalised.

The taskforce recommendations also included the establishment of an ongoing unit in the department to review, share and transfer lessons learnt from the BER program and to fund a suitable custodian for the BER Cost Analysis Model database. A suitable custodian for the database will be identified 2011–12. The database, which has been developed by the taskforce, includes detailed cost data on over 3700 BER projects under the Primary Schools for the 21st Century element and is a valuable benchmarking tool.

In its first report, the taskforce proposed a rectification plan for those NSW government schools that failed to meet, or only partially met, its value for money test. The rectification plan formed the basis for the progressive payment of \$75 million in BER funds withheld from the NSW Government in June 2010. Progress against the rectification plan was monitored by the taskforce and the department.

### Program assurance

The department has developed a program assurance framework to monitor the implementation of the BER to effectively achieve the BER objectives. The department's program assurance activities complement the work being undertaken by the taskforce.

The range of activities includes:

- » monthly reporting by education authorities of project progress across the three BER elements
- » onsite education authority monitoring visits, including site visits to a sample of schools, to monitor project progress within each education authority
- » desktop monitoring and audits to ensure compliance with program guidelines and funding agreements
- » investigation of complaints that are outside the scope of the taskforce terms of reference.

The department has made significant progress on these activities. Every education authority has had at least one comprehensive assurance visit. In addition:

- » 207 schools across the country, in every state and territory, have been visited by or on behalf of the department
- » approximately 800 desktop audits of project financial records have been conducted.

### Primary Schools for the 21st Century

At 30 June 2011, 9450 projects had been completed from the total of 10 473 approved projects. The majority of the remaining projects have been re-phased into the 2011–12 financial year following the Government's decision to re-phase a portion of the Primary Schools for the 21st Century funding.

### Science and Language Centres for 21st Century Secondary Schools

At 30 June 2011, 502 projects had been completed from the 537 approved projects. The remaining projects are expected to be completed by December 2011.

### National School Pride program

At 30 June 2011, 12 635 projects had been completed from the 12 639 approved projects. The remaining projects are expected to be completed early in 2011–12.

Table 17: Key performance indicators for program 2.7	Estimate	Actual
<b>Government</b>		
Percentage of eligible schools receiving funding through Primary Schools for the 21st Century	70.07%	70.07%
<b>Non-government</b>		
Percentage of eligible schools receiving funding through Primary Schools for the 21st Century	28.4%	28.4%

### Program 2.8 Smarter Schools—Low Socio-economic Status School Communities National Partnership

The Smarter Schools—Low Socio-economic Status School Communities National Partnership provides \$1.5 billion over seven years (2008–09 to 2014–15) to facilitate a range of in-school and out-of-school reforms to address the learning needs and wellbeing of students in low socioeconomic status school communities.

This national partnership is now achieving significant reforms at the national, state and local school levels. The 2010 state and territory annual reports provide some high-impact examples of reform activity, including widespread adoption of in-classroom support for teachers by specialist coaches, increased teacher skill and confidence in using data to better address individual student learning needs, and innovative approaches to supporting the holistic needs of students and families to improve attendance and participation.

#### Key performance indicator

Table 18: Key performance indicator for program 2.8	Estimate	Actual
<b>Smarter Schools—Low Socio-economic Status School Communities National Partnership</b>		
Number of schools assisted	Approximately 1700 (over 2009–10 to 2014–15)	1587 (at 30 June 2011)

Note: The school numbers include aggregated figures for 147 schools that participate in both the Low Socio-economic School Communities and Literacy and Numeracy National Partnerships.

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

Across Australia, approximately 1700 schools (17 per cent of all schools) and approximately 456 500 students (13 per cent of all students), including 65 000 Aboriginal and/or Torres Strait Islander students (42 per cent of all Aboriginal and/or Torres Strait Islander students) will benefit from the national partnership over its seven-year term. This includes students who are also being supported by the Literacy and Numeracy National Partnership.

#### Effectiveness indicators

The effectiveness of program 2.8 will be measured by the performance indicators set out in the National Education Agreement. These include the proportion of Aboriginal and Torres Strait Islander and low socioeconomic status children enrolled in and attending school and the literacy and numeracy achievement of Year 3, 5, 7 and 9 students in national testing.

## Program 2.9 Smarter Schools—Improving Teacher Quality National Partnership

The Australian Government has committed \$550 million to the Smarter Schools—Improving Teacher Quality National Partnership, which supports ambitious, nationally significant and sustainable reforms to attract, train, place, develop and retain quality teachers and school leaders. These reforms provide a platform for raising student performance and support other schooling reforms targeting low socioeconomic status school communities and literacy and numeracy outcomes.

Bilateral agreements and implementation plans agreed to by the Commonwealth and states and territories set out strategies in each jurisdiction to implement reforms along with payments and state co-investments to be made in support of the national partnership. Summaries of the state and territory implementation plans have been published on the department's Smarter Schools website at [www.deewr.gov.au/Schooling/Programs/SmarterSchools/Pages/\\_state.aspx](http://www.deewr.gov.au/Schooling/Programs/SmarterSchools/Pages/_state.aspx).

Under the national partnership, facilitation funding is available for states and territories for implementing national reforms such as the National Professional Standards for Teachers, improving pathways into teaching, providing professional development for school leaders and improving the quality and availability of teaching workforce data.

States and territories will be eligible to receive reward funding from 2011–12 for the demonstration of achievement in reform areas that improve teacher remuneration structures, increase school-based decision-making, improve in-school support, reward teachers in 'hard-to-staff' and disadvantaged schools and increase Indigenous teachers' and schools leaders' engagement with community members. The COAG Reform Council will assess achievements against reward reforms and will report performance information to COAG.

Key national reforms continued to be led by the Australian Institute for Teaching and School Leadership in 2010–11. In early 2011, the institute finalised and gained ministerial agreement to the National Professional Standards for Teachers and a national approach to the accreditation of initial teacher education programs.

This national partnership also includes funding for the development and introduction of additional pathways into teaching.

### Key performance indicator

Table 19: Key performance indicator for program 2.9	Estimate	Actual
<b>Smarter Schools—Improving Teacher Quality National Partnership</b>		
Number of Teach for Australia associates commencing in the program in 2010–11	42	42

### Teach for Australia initiative

The Teach for Australia initiative was introduced in 2010 and provides a new pathway into teaching for high-achieving university graduates. The program offers a unique combination of university study and employment-based teacher training. Following intensive residential training, graduates undertake a two-year placement (with a reduced teaching load) at a secondary school while continuing their study to complete a Postgraduate Diploma of Teaching with the University of Melbourne. Graduates are supported throughout their placement by a clinical specialist, a training and leadership adviser and an experienced teacher mentor who are specifically trained for their roles.

In 2010 and 2011, Teach for Australia received more than 1100 applications from university graduates across Australia. In addition to the 43 graduates currently in their second year, a further 42 graduates joined the second cohort of the program in 2011. The number of schools hosting Teach for Australia graduates has expanded to include 26 Victorian schools (including one Catholic school) and four government schools in the ACT, totalling 30 schools across two cohorts.

The Australian Council for Educational Research was engaged in March 2010 to conduct a formal three-phase evaluation of the Teach for Australia initiative. The Phase 1 Summary Evaluation Report found that stakeholders consider the strengths of the program to be the rigorous selection process, the quality of the university preparation program and the high level of ongoing support provided to graduates.

### National Conversation with Principals

On 7 and 8 April 2011, the Hon Peter Garrett AM MP, Minister for School Education, Early Childhood and Youth, hosted the second National Conversation with Principals in Canberra. The forum was held over one and a half days and was attended by 140 primary and secondary school principals from all states and territories across the different school sectors. Representatives from the national principals associations, peak parent bodies, education unions, ACARA, the Australian Institute for Teaching and School Leadership and Education Services Australia were also present as observers.

The conversation was an opportunity for Minister Garrett to engage with school principals on the Australian Government's education reform agenda and listen to feedback on the impact of these policies at the school level. There were three main themes for discussion—empowering local schools, Aboriginal and Torres Strait Islander education, and quality teaching. Minister Garrett attended the entire forum, giving the keynote address and introductions to all theme

sessions as well as participating in group discussions with principals.

Feedback from principals who attended the forum was very positive. The Minister praised their input to the conversation and committed to holding a similar event in 2012. More information about the 2011 National Conversation with Principals, including vox pop interviews with principals during the forum and summaries of the feedback received, is on the DEEWR website at [www.deewr.gov.au/nationalprincipalsforum](http://www.deewr.gov.au/nationalprincipalsforum).



Prime Minister the Hon Julia Gillard MP and the Hon Peter Garrett AM MP, Minister for School Education, Early Childhood and Youth, talking with a principal at the 2011 National Conversation with Principals.

### Effectiveness indicators

The effectiveness of the national partnership in achieving the intended result of program 2.9 will be measured by the achievement of the reform milestones which are set out in the bilateral agreements and implementation plans. States and territories will report to the Commonwealth biannually on progress against the agreed reform milestones.

### Program 2.10 Youth support

The government is committed to ensuring that all young people make a successful transition from school to further education and training or work. There is a clear link between Year 12 or equivalent attainment and improved social and economic outcomes for young people.

A small proportion of young people experience extended periods of non-participation after leaving school and protracted periods of reliance on income support. A larger minority do not make smooth transitions from school and cycle through education or training courses. For both these groups, support can reduce the likelihood of disengagement and increase rates of participation, productivity and social inclusion.

The National Partnership on Youth Attainment and Transitions clarifies roles and responsibilities between the Australian Government and the states and territories for transitions arrangements and is driving longer term reform to ensure that young people stay engaged in education and training, and increase their skills and qualifications.

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

### Office for Youth

The department's responsibilities include the Australian Government's Office for Youth. The Office for Youth supports a positive and integrated agenda for young Australians that recognises and values the contribution they make to the nation now and into the future.

The office manages the Australian Youth Forum, which is a mechanism for young people and the youth sector to engage directly with the Government, giving them the opportunity to shape and influence policies on issues that matter to them. The forum engages with young people through a range of initiatives, including a website ([www.youth.gov.au/ayf](http://www.youth.gov.au/ayf)), forums and community events, and the Youth Engagement Steering Committee. The Australian Youth Forum is the principal partner of the Young Australian of the Year Award and also provides funding to Australia's youth affairs peak body, the Australian Youth Affairs Coalition.

The Office for Youth also has a research focus and works across government at all levels, and with the youth sector, to identify gaps, emerging issues and areas of focus for the future. The office is responsible for the Longitudinal Surveys of Australian Youth, which track young people as they move from school into further study, work and other destinations. The surveys provide a rich source of information to help understand young people's transitions from school to post-school destinations, as well as exploring social outcomes, such as wellbeing. Longitudinal Surveys of Australian Youth research is used by the Australian Government, state and territory governments, and researchers and organisations that provide services to young people.

The office funds the Australian Clearinghouse for Youth Studies to provide access to a range of youth sector information, including a quarterly journal, a monthly newsletter, and a website of resources about youth studies.

The office is supporting young people in their community through a \$10 million investment in five youth centres across the country. Each youth centre has been designed in response to the needs of young people in the area. From youth enterprise to mental health to skills training, the youth centres will be a valuable addition to youth services of each region. Building on this initial investment a further three youth centres will also be established with funding support of \$7.7 million over three years commencing from 2011–12.

The Government also engages with young people through a range of events including National Youth Week, the largest celebration of young people in Australia. National Youth Week 2011 was held from 1 to 10 April 2011. An estimated 156 500 people engaged in National Youth Week events with approximately 2000 events held across the nation. Approximately 1500 young people attended the national launch event, held on 1 April 2011 in Melbourne, and around 154 000 watched the televised event on Video Hits.

### Youth Development and Support Program

The Youth Development and Support Program, a national program launched in October 2009, is designed to provide financial support to non-government, not-for-profit organisations which deliver small-scale, community-based projects. The program provides \$500 000 annually to fund initiatives that inspire and encourage young people to engage with government and community, and help them develop skills and connections within their communities.



## Transition to Independent Living Allowance

The Transition to Independent Living Allowance is available to young people aged 15–25 years who have exited, or are about to exit, state-based care and/or informal care such as juvenile justice, out-of-home care, foster care, supported care or Aboriginal and Torres Strait Islander kinship care arrangements. Under the program, assistance of up to \$1500 is available to help with the costs involved in moving to independent living. The program is administered by Southern Youth and Family Services in Wollongong, New South Wales.

The number of young people accessing the Transition to Independent Living Allowance has increased steadily since the program commenced in 2003. In 2010–11, 2297 young people accessed the payment.

### Key performance indicators

Table 20: Key performance indicators for program 2.10	Estimate	Actual
<b>National Partnership on Youth Attainment and Transitions</b>		
Progress towards 2015 COAG target of 90 per cent Year 12 or equivalent attainment	na	na <sup>a</sup>
Number of young people for whom outcomes are achieved through support provided by the Youth Connections program	15 000	14 160 <sup>b</sup>
Number of regions that School Business Community Partnership Brokers support (delivered through 31 Local Learning and Employment Networks in Victoria)	107	107 <sup>b</sup>
<b>Transition to Independent Living Allowance</b>		
Number of young people assisted	2260	2297

a Attainment data for 2010 will not be available until December 2011.

b The programs under the National Partnership on Youth Attainment and Transitions are administered on a calendar year basis and figures are from the 2010 calendar year.

Progress toward targets under the National Partnership on Youth Attainment and Transitions is expected to accelerate with the bedding down of the two program elements (Youth Connections and School Business Community Partnership Brokers) along with the implementation of state and territory initiatives. The first year of the programs in 2010 delivered an appropriate build-up of activity from the beginning of the contract period.

Results reported under the Youth Connections program reflect the outcomes achieved for young people receiving individual support services. Youth Connections also delivered group activities for the benefit of young people in their communities, and improved the coordination and capacity of services for young people at risk. The School Business Community Partnership Brokers explored partnership opportunities and created or enhanced partnerships to meet their regions' needs as the year progressed. In the 2010 calendar year, there were approximately 850 active and self-sustaining partnerships associated with Partnership Brokers nationally (excluding Victoria) involving over 5700 partner organisations. (In Victoria, the Partnership Brokers program is delivered through the Victorian Government's Local Learning and Employment Network and is managed by the Victorian Department of Education and Early Childhood Development.)

### Effectiveness indicators

The effectiveness of the Government's youth transition and support services is measured by the number of young people achieving real outcomes under the new programs (in Table 20) and with reference to their impact on the Year 12 or equivalent attainment rates once data is available in December 2011.

## Program 2.11 School student assistance

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

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

Changes to the Parental Income Test from 1 July 2010, as part of the Government's reforms to student income support, have increased the number of young students from low and middle income families eligible for assistance.

During 2010–11 the method used to allocate recipient numbers across the education sectors was changed. For consistency in comparing the 2011 performance, the 2010 figure for ABSTUDY—Secondary and Youth Allowance—Secondary in this report has been derived using the revised methodology.

A revised 2010–11 estimate was in the 2011–12 DEEWR Portfolio Budget Statements (page 81 for Outcome 2 and page 97 for Outcome 3). The estimates for 2010–11 for student numbers were revised to reflect the number of students assisted during this year and in forward years. This is a change from the June point in time figures previously estimated.

### ABSTUDY—Secondary

ABSTUDY provides a means-tested living allowance and other supplementary benefits to eligible Aboriginal and Torres Strait Islander secondary school students to enable them to participate in full-time education. The number of ABSTUDY secondary school student recipients increased 3.8 per cent from 20 401 in 2010 to 21 179 in 2011.

### Youth Allowance—Secondary

Youth Allowance (student) is a means-tested income support payment available to eligible young people aged 16 to 24 years. Certain 15-year-olds, including those who are unable to live at home, may also receive assistance. Youth Allowance (student) provides assistance for students and apprentices to participate in full-time education, training or apprenticeships.

In 2011, 120 710 secondary school students received Youth Allowance, which is an increase of 10.3 per cent from 109 479 in 2010. The continuing growth in the number of secondary school student recipients is mostly due to the changes to the Parental Income Test that have resulted in more dependent young people qualifying for Youth Allowance.

### Assistance for Isolated Children Scheme

The Assistance for Isolated Children Scheme helps the families of primary, secondary and certain tertiary students who are unable to attend an appropriate government school on a daily basis because of geographic isolation. The 2010 program year saw an increase in the number of students in receipt of funding. The scheme is demand-driven. The department works closely with Centrelink to increase awareness of the scheme among families living in regional and remote areas.

## Key performance indicators

Table 21: Key performance indicators for program 2.11		
	Estimate	Actual
<b>ABSTUDY—Secondary</b>		
Average number of school students receiving ABSTUDY during the year	20 500	21 179
<b>Youth Allowance—Secondary</b>		
Average number of secondary school students receiving Youth Allowance during the year	115 000	120 710
<b>Assistance for Isolated Children Scheme</b>		
Students in receipt of Assistance for Isolated Children funding (figures based on a calendar year)	12 500	12 489

## Departmental outputs for Outcome 2

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

Centrelink's performance against the confidence framework for education (including student payments and vocational education and training) delivered varied results during 2010–11. New claims for Youth Allowance (student), Austudy and ABSTUDY were processed within agreed timeframes. Payment accuracy as measured through the Random Sample Survey for these payments was 94.1 per cent, which is slightly below the 95 per cent target.

Service delivery performance for Youth Allowance (student), Austudy and ABSTUDY is reported in detail under Outcome 3.

Table 22: Departmental outputs performance information		
Performance indicator	Estimate	Actual
Effective reporting of student performance in nationally agreed key areas	Results agreed and published	Results agreed and published for: <ul style="list-style-type: none"> <li>» 2010 NAPLAN for students in years 3, 5, 7 and 9</li> <li>» national sample assessment in science literacy (2009)</li> </ul>
Effective use of online Schools Service Point	99% of all returns will be collected online	100% of returns were collected online
Effective use of online School Entry Point	99% of all applications for funding through the Trade Training Centres in Schools Program will be collected online	100% of applications were collected online
National Report to Parliament on Indigenous Education and Training	Seventh and eighth reports to be tabled in Parliament in 2010	Both the 2007 and 2008 reports were tabled on 20 April 2011



## 2 Our outcomes



### **Outcome 3**

**54**

Program 3.1 Higher education support

57

Program 3.2 Higher education loan program

65

Program 3.3 Tertiary student assistance

67

Program 3.4 Vocational education and training

70

Program 3.5 VET national support

71

Program 3.6 International education support

78

Departmental outputs for Outcome 3

85

## OUTCOME 3

A growth in skills, qualifications and productivity through funding to improve teaching quality, learning, and tertiary sector infrastructure, international promotion of Australia's education and training sectors, and partnerships with industry

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Outcome 3 incorporates higher education, vocational education and training (VET) and international components.

Tertiary education is a major driver for a more prosperous and cohesive nation. It grows the knowledge- and innovation-based economic wealth of Australia and contributes to the social and cultural richness of the Australian community. The Australian Government is implementing a significant suite of reforms to drive greater participation and productivity for the nation through vocational and higher education. These reforms are directed at improving student access, equity, and quality in teaching and learning outcomes.

Substantial increases in funding for Commonwealth supported undergraduate places and new indexation arrangements from 2012 are pivotal to this reform. The new arrangements are supported by mission-based compacts between the Australian Government and individual universities, which set out the public funding commitments and reciprocal institutional activities.

Growth in the sector will be complemented by a range of initiatives that will ensure that all students are assured of a high-quality education from any Australian higher education provider. In 2010–11 there continued to be a focus on supporting students from low socioeconomic status (low-SES) backgrounds to participate in higher education; additional funding provided through the Higher Education Participation and Partnerships Program built on investments in previous years.

In line with the demonstrated growth in the sector, significant infrastructure funding has been committed to support Australian universities to meet increasing student demand and undergo the renewal required to deliver quality in teaching and learning. Current and future investment in higher education will provide opportunities for students to develop and reach their full potential, irrespective of their background or socioeconomic status. This commitment also acknowledges that higher education plays a pivotal role in achieving the Government's ambitions for the nation's future. It contributes to economic development, productivity and the capacity of our country to innovate for the future.

As Australia emerges from the global recession, the Government is providing national leadership to ensure that the training system is flexible and responsive to the demands of industry to overcome skills shortfalls. This is critical to ensuring the successful management of the mining boom and transition the economy through structural adjustment. VET is a core component of Australia's post-school education and training system. VET contributes to national productivity by supporting growth in skills and qualifications to better enable Australians to enter the workforce for the first time, re-enter the workforce, retrain for a new job or upgrade from an existing job. This reflects the Government's priority of lifting the skills base by encouraging Australians to undertake VET qualifications as well as encouraging more Australians to undertake education.

Through this program, the Government provides funding for skills development, including funding to encourage the take-up of apprentices by employers, enhance foundation skills, such as language, literacy and numeracy, and encourage greater participation in training to address persistent disadvantage.

During 2010–11, the Government continued to fund programs to advance Australia as a regional and world leader in education and training excellence and a partner of choice for international collaboration. Support was provided to strengthen regional and government-to-government links; aid student and academic mobility through scholarships, fellowships and exchange programs; develop professional qualifications and skills recognition; and assist collaborative projects between Australian and overseas education institutions.

In April 2011, the Government provided its initial response to the recommendations arising from the recent review of the *Education Services for Overseas Students Act 2000*, including measures to improve risk management and enforcement approaches and ensure that all overseas students have access to a robust complaints-handling mechanism.

Four key targets drive achievement in Outcome 3 and underpin much of the work of the Government in the tertiary education sector:

- » By 2020, the proportion of Australians aged 20–64 years who do not have qualifications to at least Certificate III level will be halved, compared with the proportion in 2009.
- » By 2020, the number of higher VET qualifications (diploma and advanced diploma) will be double the 2009 figure.
- » By 2020, 20 per cent of undergraduate enrolments in higher education will be from low-SES backgrounds.
- » By 2025, 40 per cent of 25–34-year-olds will have attained at least a bachelor-level qualification.

Meeting these targets will contribute significantly to achieving the aim of Outcome 3, which is growth in skills, qualifications and productivity for Australia. Programs in Outcome 3 have supported that effort by providing funding to improve teaching quality, learning and tertiary sector infrastructure.

### Outcome 3 key priorities

The key priorities for 2010–11 were to:

- » work to establish the Tertiary Education Quality and Standards Agency (TEQSA) and develop a risk framework to inform a proportionate and risk-based approach to regulation
- » finalise arrangements for uncapping Commonwealth supported undergraduate student places at public universities from 2012 (the 'demand-driven model')
- » finalise and implement a framework for mission-based compacts to ensure that, in preparation for new funding arrangements driven by student demand, universities are clear on their distinctive missions to secure their place in a more competitive higher education market
- » instigate the Review of Base Funding as recommended by the Bradley Review
- » continue to invest in infrastructure in public universities through the allocation of \$409.762 million during the year
- » continue to implement reforms to student income support, which commenced on 1 April 2010, to give more students the opportunity to undertake higher education by targeting financial assistance to those with the greatest need
- » establish the Rural Tertiary Hardship Fund following the recommendations of the Rural and Regional Taskforce chaired by Professor Tony Vinson AM
- » support the review of student income support reforms chaired by Professor Kwong Lee Dow AM
- » address the growing skills needs of the recovering Australian economy
- » commission an expert panel to provide advice on the steps needed to sustain and grow a stronger Australian Apprenticeships system
- » establish the Critical Skills Investment Fund to provide Australian Government co-funding to projects that train and place job seekers and upskill existing workers to meet new demands
- » support students to be able to access tertiary study through effective management of the Higher Education Loan Program (HELP) and collaborative work with education providers across the tertiary sector
- » coordinate national measures to implement the 2009 Intergovernmental Agreement for a National Licensing System for Specified Occupations



- » improve access to foundation skills training for adult Australians to enable their success in education, training and work
- » improve regulation and quality assurance in VET (Australian Skills Quality Authority)
- » develop and implement international education policy incorporating the Government's response to the Baird Review of the *Education Services for Overseas Students Act 2000*
- » re-register all international education providers against tougher new registration criteria by 31 December 2010
- » support the development and implementation of the COAG International Students Strategy for Australia to support a high-quality experience for international students
- » manage multilateral and bilateral cooperation strategies to enhance Australia's influence and international reputation for quality education
- » support the internationalisation of Australian education by managing scholarship and exchange programs and overseas qualifications recognition
- » provide government assistance to small, medium and large size businesses to help tackle their skills needs.

### Outcome 3 key achievements

- » The department implemented a framework for mission-based compacts to outline the relationship between the Government and individual universities and provide a mechanism for delivering performance funding.
- » The number of Commonwealth supported undergraduate places at public universities has increased by an estimated 10 per cent since 2009.
- » After a review of regional loading for universities, the Australian Government announced additional funding of \$109.9 million in the 2011–12 Budget.
- » The Australian Government Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People commenced.
- » Continued progress towards the establishment of TEQSA included the appointment of an interim chair and interim chief executive officer and the passage of enabling legislation.
- » As a consequence of changes to payments, more full-time students accessed student income support while undertaking higher education. The proportion from low and middle income families increased.
- » The \$500 million Teaching and Learning Capital Fund economic stimulus initiative was completed. The initiative funded 242 public and community-based skills and training infrastructure projects at 475 sites to increase the capacity of the training sector over the longer term.
- » The department supported the Apprenticeships for the 21st Century Expert Panel, which made recommendations to reform the Australian Apprenticeships system.
- » The Enterprise Based Productivity Places Program, funded by industry and the Government, delivered 13 815 qualifications for workers to meet the needs of business.
- » The training.gov.au website—a project to build an integrated IT system to manage the regulatory data required to underpin the National Training System—was implemented.
- » The National Occupational Licensing Authority was established on 1 January 2011, after the passage of the *Occupational Licensing National Law Act 2010* through the Victorian Parliament, as host jurisdiction, and subsequently in New South Wales, Queensland, Tasmania and South Australia.
- » During 2010–11 the department commenced negotiations and a consultation process about the national foundation skills strategy and successfully implemented the 2010–11 components of the foundation skills package. In addition, the Language, Literacy and Numeracy Program achieved higher than expected commencement into the program.

- » The Australian Skills Quality Authority was established as the new national VET regulator from 1 July 2011, following the passage of enabling legislation based on a referral of powers from the states, the signing of an intergovernmental agreement and the appointment of an acting Chief Commissioner and Commissioner.
- » The department supported the strengthening of the Australian Qualifications Framework as a quality assured national framework of qualifications in the school, VET and higher education sectors.
- » The Australian Quality Training Framework was strengthened to provide greater protection for students undertaking training in Australia and to ensure quality of delivery and outcomes.
- » To reinforce confidence in the quality of Australia's international education sector, all education services for overseas students (ESOS) providers were re-registered by 31 December 2010.
- » Legislation giving effect to the Government's initial response to the Baird Review was enacted in April 2011.
- » On 29 October 2010, the COAG International Students Strategy for Australia was released. The strategy included the establishment of the Overseas Students Ombudsman on 9 April 2011.
- » The department strengthened regional and government-to-government links for student and academic mobility through various programs and projects.
- » As part of the COAG International Students Strategy, Australian Education International's national survey of more than 50 000 international students in all education sectors found that 84 per cent reported a high level of satisfaction with their study experience in Australia and that 86 per cent were highly satisfied with their living experience.

### Program 3.1 Higher education support

The objective of program 3.1 is to provide support for Australia's higher education sector through a range of initiatives. The initiatives support institutions, students and staff in the sector to achieve national growth in skills, qualifications, productivity and social inclusion.

In 2010, 857 384 domestic students and 335 273 international students (including 76 446 studying offshore) were undertaking studies through Australian higher education institutions. The Australian higher education sector consists of 41 universities, of which 37 are public, two are private and two are Australian branches of overseas universities, as well as around 150 other higher education institutions.

The Australian Government is the primary source of public funding for Australian universities and self-accrediting institutions under the legislative framework of the *Higher Education Support Act 2003*. Publicly funded institutions receive an average of around 55 per cent of their operating revenue from Australian Government grants and payments on behalf of students who take out HELP loans.

In 2010–11, the department continued to work on the Government's response to the Bradley Review (the Review of Australian Higher Education) and implemented a suite of reforms to improve access, equity and quality in higher education. The reforms included increases in funding for undergraduate places, programs to ensure greater participation by previously underrepresented groups and a number of initiatives to ensure that a quality higher education system is maintained, particularly through the establishment of the Tertiary Education Quality and Standards Agency—a national body for higher education regulation and quality assurance. The reforms also provided for new indexation arrangements, which apply to all payments made under the Higher Education Support Act and will help to make Australian universities more sustainable.

As a result of the Bradley Review, the Government undertook a review of the regional loading for universities; the review reported in December 2010. In the 2011–12 Budget, the Government announced that it would provide an additional \$109.9 million over four years for regional

loading, increasing funding to a total of \$249.4 million. This will help overcome the higher costs associated with running regional campuses, compared to campuses in metropolitan areas.

A demand-driven funding system for undergraduate places will commence from 1 January 2012. Transitional arrangements during 2010 and 2011 have allowed universities to be funded for over-enrolments up to 10 per cent above their target allocation of Commonwealth supported student places. In 2011, more than 480 000 undergraduate places are estimated to be funded at public universities, an increase of 10 per cent since 2009.

### Commonwealth Grant Scheme

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

- » Regional loading—helps higher education providers meet the higher costs associated with their regional location, size and history.
- » Enabling loading—provides additional funding to higher education providers for students taking courses that will enable them to undertake higher education awards and who cannot be charged a student contribution.
- » Medical student loading—provides funding to higher education providers for Commonwealth supported places in courses of study in medicine, the completion of which would allow provisional registration as a medical practitioner.
- » Transitional loading—provides additional funding for mathematics, statistics and science units of study to compensate for the reduction in the maximum annual student contribution amount for Commonwealth supported students undertaking those units, commencing from 2009.

The separate Transitional Costs Program, introduced in 2008, assists higher education providers with the transitional costs associated with changes to the maximum student contribution amount for Commonwealth supported students undertaking study in accounting, economics and related disciplines. The program, which provided funding of \$15 million in 2010 and \$7.4 million in 2011, will cease at the end of 2012.

### Regional loading

In the 2010 calendar year, regional loading provided \$31.8 million to support regional campuses. DEEWR completed a review of the loading in December 2010. This will strengthen regional higher education by helping to overcome the higher costs of regional campuses, compared to campuses in major cities. The Government will also improve the way the regional loading is provided to universities. Funding will be targeted to campuses that most need support and will be provided through a transparent process that responds to student demand.

### Higher education equity programs

#### Higher Education Participation and Partnership Program

In 2010, approximately \$56.4 million was allocated to eligible providers through the Higher Education Participation and Partnerships Program. This funding assists universities to undertake activities and implement strategies that improve access to undergraduate courses for people from low-SES backgrounds and improve their retention and completion rates. The 'participation' component of the program aims to increase the participation of current and prospective domestic students from low-SES backgrounds in higher education through developing and implementing appropriate support services and programs. The 'partnership' component aims to increase the total number of people from low-SES backgrounds accessing and participating in higher education through effective outreach and related activities with appropriate stakeholders, including schools, state and territory governments, VET providers and community groups.

### Higher Education Disability Support Program

In 2010, approximately \$6.22 million was allocated to eligible providers through the Higher Education Disability Support Program. This funding assists universities to meet the educational support and equipment costs associated with supporting students with disability. The program also aims to encourage providers to develop strategies to facilitate the access, participation, retention and success of students with disability in higher education.

### Centre for Social Impact

The Centre for Social Impact was established in June 2008 with an endowment of \$12.5 million from the Government to the University of New South Wales. The centre aims to build the capacity and effectiveness of the not-for-profit sector by providing high-quality teaching and research and by developing partnerships for the sector.

### Commonwealth Scholarships Program

In response to the Bradley Review, the Government made significant reforms to student income support in 2010. The objective of the reforms was to remove financial barriers to the educational participation of students from low-SES backgrounds. The Government introduced Relocation Scholarships and Student Start-up Scholarships as entitlements for university students receiving student payments. The new scholarships are delivered through Centrelink.

The Commonwealth Scholarships Program was amended as a result of the reforms. The program now provides scholarships to improve access to and participation in higher education for Aboriginal and Torres Strait Islander students from low-SES backgrounds and regional and remote areas with the costs associated with higher education. Transitional arrangements were established to support students who were awarded scholarships in previous years.

The program has three key components: Indigenous Commonwealth Education Costs Scholarships, valued at \$2254 in 2010, which assist students with general education costs; Indigenous Commonwealth Accommodation Scholarships, valued at \$4508 in 2010, which assist students from regional and remote areas with their accommodation costs where they have to move to undertake higher education; and the Indigenous Access Scholarship, valued at \$4253 in 2010, which encourages access to higher education by Aboriginal and Torres Strait Islander students, particularly those who need to relocate from regional and remote areas.

The Government allocates annual funding for Commonwealth Scholarships to eligible higher education providers, which determine their application and selection processes in line with broad government guidelines. All Commonwealth Scholarships are indexed annually and are not treated as income for Centrelink pensions and allowances or for ABSTUDY. In 2010, approximately \$115.6 million was allocated to eligible providers for Commonwealth Scholarships.

### Indigenous Support Program

The Indigenous Support Program provides funding to publicly funded universities to help them meet the needs of Aboriginal and Torres Strait Islander students and to advance the goals of the National Aboriginal and Torres Strait Islander Education Policy. The funding, which is indexed annually, is based on performance in three areas: Indigenous student enrolments, student progress rates and award course completion rates. The allocations are adjusted each year based on data from the Higher Education Student Statistical Collection. In 2010–11 the program funded eligible higher education providers to enable them to improve the participation, opportunities and outcomes of Aboriginal and Torres Strait Islander students and staff. A wide variety of approaches were adopted, including:

- » intensive Aboriginal and Torres Strait Islander orientation programs for students entering higher education through non-mainstream avenues
- » on-campus residential programs for Aboriginal and Torres Strait Islander high school students

- » academic and social support, including resourcing computer labs and tutoring rooms and reserving them for Aboriginal and Torres Strait Islander students within Indigenous Education Units
- » the employment of full-time Aboriginal and Torres Strait Islander student support officers
- » Aboriginal and Torres Strait Islander mentoring programs for students in need
- » alternative entry provisions for Aboriginal and Torres Strait Islander students
- » culturally appropriate student recruitment processes.

In 2010, \$35.57 million was allocated to eligible higher education providers.

### Indigenous Higher Education Advisory Council

Since its inauguration in 2004, the Indigenous Higher Education Advisory Council (IHEAC) has provided policy advice to the Government on enhancing participation and outcomes for Aboriginal and Torres Strait Islander students and staff in study, research, research training and employment in higher education.

The council, now in its third term, reports to both the Minister for Tertiary Education and the Minister for Innovation, Industry, Science and Research.

The council met three times during 2010 and held an awards presentation dinner in November 2010 to honour recipients of the 2010 Neville Bonner Memorial Scholarship, Indigenous Staff Scholarships and Indigenous Elders and Leaders Awards. The council met twice in 2011, in February and June.

IHEAC's key achievements in 2010–11 were:

- » the launch of the National Indigenous Higher Education Workforce Strategy in June 2011
- » achieving \$800 000 in Australian Research Council funding to establish an Aboriginal and Torres Strait Islander Researcher Network in May 2011
- » collaboration with DEEWR and the Department of Innovation, Industry, Science and Research in planning for the Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People, including advising on the review's terms of reference and administration
- » continued collaboration with Universities Australia as part of the joint IHEAC – Universities Australia Indigenous Cultural Competency in Australian Universities Project.

### Diversity and Structural Adjustment Fund

The Diversity and Structural Adjustment Fund (DASA) promotes structural reform by publicly funded universities. Projects funded through DASA aim to increase specialisation among providers, diversity in the higher education sector and responsiveness to labour markets operating in the local or national interest. More than \$200 million has been allocated to the sector through DASA since 2008.

Two examples of DASA-funded projects are:

- » Place-Based Education Pathways—Gladstone (\$991 000; lead organisation: Central Queensland University). This project developed solutions to meet the demands of current and projected growth over the next two decades. The model offers integrated learning and education to students from Grade 10 through to employees via a flexible suite of programs offered across educational organisations.
- » Achieving Best Practice Flexible Provision at Charles Darwin University (\$2 867 000; lead organisation: Charles Darwin University). This project will facilitate a step change for Charles Darwin University towards best practice flexible delivery, and a marked enhancement of teaching and learning quality. Staff skills for flexible delivery will be upgraded and learning resources and approaches revised for major offerings by experts.

Funding for these projects continues until the end of 2011. A full list of DASA projects is available on the DEEWR website.

### Structural Adjustment Fund

The Structural Adjustment Fund will enable universities to make changes necessary to establish longer term financial stability and to ensure that all students have access to a high-quality teaching and learning experience. To date, the Australian Government has announced funding for two Structural Adjustment Fund projects: \$8.88 million to support a higher education partnership between the Batchelor Institute of Indigenous Tertiary Education and Charles Darwin University, and \$6.9 million to assist Edith Cowan University to reshape its curriculum to support an innovative student learning experience with a focus on delivering job-ready graduates.

### Education Investment Fund

The Education Investment Fund (EIF) is a major component of the Government's Education Revolution and is also one of the three nation-building funds established to stimulate economic activity in the short term and expand growth potential in the medium to long term. By supporting world-leading, strategic infrastructure investments, the fund aims to transform Australian tertiary education and research and build a modern, productive, internationally competitive Australian economy.

The EIF provides funding for projects that create or develop significant infrastructure in higher education institutions, research institutions and VET providers. Projects within the higher education and VET sectors are managed by DEEWR, while the research sector projects are managed by the Department of Innovation, Industry, Science and Research.

Over four competitive rounds, the EIF has funded 61 projects totalling \$2.1 billion, 42 of which are managed by DEEWR. Together with other initiatives funded through the EIF since 2008, the Australian Government has committed \$4.554 billion in infrastructure development in the tertiary education and research sectors. During 2010–11, 13 of the EIF projects funded to date were completed.



Professor Jeanette Hackett, Vice Chancellor of Curtin University, Prime Minister Julia Gillard and Senator the Hon Chris Evans at the official opening of the first stage of the Engineering Pavilion—an Education Investment Fund project—at Curtin University, Perth, in March 2011.



### Tertiary Education Quality and Standards Agency

The Tertiary Education Quality and Standards Agency (TEQSA) will be established as an independent body with powers to regulate university and non-university higher education providers, monitor quality and set standards. Its primary task will be to ensure that students receive a high-quality education from any of Australia's higher education providers. The agency will register providers, evaluate standards and performance, protect and assure the quality of international education, and streamline current regulatory arrangements. It will link regulation in the states and territories with the Australian Universities Quality Agency's quality assurance activities.

TEQSA's approach to regulation will be proportionate and risk-based. The enabling legislation outlines three 'basic principles for regulation':

- » the principle of regulatory necessity—in exercising its powers, TEQSA must not burden the higher education provider any more than is reasonably necessary
- » the principle of reflecting risk—in exercising its powers, TEQSA must have regard to a range of factors, including the provider's history of scholarship, teaching and research; its students' experiences; its financial status and capacity; and its history of compliance with the *National Vocational Education and Training Regulator Act 2011*
- » the principle of proportionate regulation—TEQSA must exercise its powers in proportion to any noncompliance, or risk of future noncompliance, by the provider.

TEQSA will be established in July 2011 as a quality assurance agency and will become the national regulator for higher education from January 2012.

### Higher Education Base Funding Review

As announced in its response to the Bradley Review, the Government has commissioned a review of base funding levels and cluster funding. The review is expected to identify enduring principles to underpin public investment in higher education. An independent panel, to be led by the Hon Dr Jane Lomax-Smith, was appointed in 2010 and is due to provide its report to the Government in October 2011.

### National institutes

National institutes grants are provided to three institutions:

- » the Australian National University, in recognition of the national research role of the Institute of Advanced Study
- » the University of Tasmania, in recognition of the national role played by its Australian Maritime College in providing Australia's only specialist training for people entering the maritime industry
- » Batchelor Institute of Indigenous Tertiary Education, in recognition of its role in serving the educational needs of Aboriginal and Torres Strait Islander Australians.

Funding is provided under the *Higher Education Support Act 2003* (Part 2–3).

In 2010–11, arrangements were put in place for the grants to include funding to the University of Melbourne for the operations of the Victorian College of the Arts from 2012.

### Superannuation Program

The Government provides supplementary funding to eligible higher education providers to cover certain superannuation expenses incurred for staff who are members of identified state government emerging cost superannuation schemes. A proportion of the funding is recovered from the relevant states under cost-sharing arrangements. In 2010–11, around \$125 million in funding was provided to 18 universities; \$27 million was recovered from state governments.



## Key performance indicators

<b>Table 23: Key performance indicators for program 3.1</b>	<b>Estimate</b>	<b>Actual</b>
<b>Commonwealth Grant Scheme (CGS)<sup>a</sup></b>		
Number of Commonwealth supported domestic undergraduate places	469 428	469 206
Number of Commonwealth supported domestic postgraduate coursework places	30 276	30 104
Number of CGS medical places for which medical student loading is provided	11 165	11 288
Number of regional campuses under the CGS for which regional loading is applied	85	85
Number of CGS places for which enabling loading is provided	7211	7867
Number of CGS places for which Transitional Loading is provided	46 369	50 959
<b>Higher Education Equity Programs</b>		
Number of Indigenous students supported (Indigenous Support Program)	10 465	10 965
<b>Capital Development Pool and Special Projects</b>		
Number of Capital Development Pool projects funded	39	39
<b>Commonwealth Scholarships</b>		
Number of scholarships allocated to higher education providers	25 114	37 365
<b>Structural Adjustment Fund</b>		
Number of projects supported by the Structural Adjustment Fund	2	2
<b>Education Investment Fund</b>		
Number of projects supported by the Education Investment Fund	39	39

a Commonwealth Grant Scheme estimate and actual data relate to places delivered in the 2010 calendar year.

## Effectiveness indicators

The effectiveness of higher education support initiatives under this program is measured using several indicators. The number of domestic enrolments (full-time equivalents), the number of domestic postgraduate enrolments (full-time equivalents), the number of undergraduate completions and the number of postgraduate coursework completions all measure the capacity of the program to fund and support places for students.

The labour market's demand for graduates, as measured by the percentage of higher education graduates in full-time employment within four months of completion of a degree (of those available for work), and the trend in graduate starting salaries as a proportion of male average weekly earnings provide an indication of the impact that the program has on productivity in the workplace. Access to and participation in higher education by Aboriginal and Torres Strait Islander students is measured by the trend in the number of all Aboriginal and Torres Strait Islander students in selected higher education course level categories.

<b>Table 24: Effectiveness indicators for program 3.1</b>	<b>Estimate</b>	<b>Actual</b>
Trend in number of domestic enrolments (full-time equivalents)	613 000	608 522
Trend in number of domestic postgraduate enrolments (full-time equivalents)	106 000	101 347
Trend in number of undergraduate completions	181 000	175 809
Trend in number of post-graduate coursework completions	109 000	103 390
Trend in number of domestic undergraduate low-SES enrolments (number) <sup>a</sup>	101 000	102 027
Trend in interim composite measure of the number of domestic undergraduates in low-SES <sup>b</sup>	83 000	82 946
Percentage of higher education bachelor degree graduates in full-time employment within four months of completion of degree, of those available for work	76.2%	76.2%
Trend in starting salaries of bachelor degree graduates aged less than 25 as a proportion of Male Average Weekly Earnings	79.8%	79.8%
Trend in number of Aboriginal and Torres Strait Islander students by selected higher education course level categories	11 000	11 088

a Based on the number of students attending all providers in low-SES postcodes.

b A new effectiveness indicator: the number of students attending Table A universities based on the interim composite low-SES measure.

#### **Trend in number of domestic enrolments (full-time equivalents)**

The number of domestic enrolments increased by 6.0 per cent between 2009 and 2010, to 608 522 equivalent full-time student loads.

#### **Trend in number of domestic postgraduate enrolments (full-time equivalents)**

The number of domestic postgraduate enrolments increased by 7.4 per cent between 2009 and 2010, to 101 347 equivalent full-time student loads.

#### **Trend in number of undergraduate completions**

The number of undergraduate completions increased by 4.2 per cent between 2009 and 2010, to 175 809.

#### **Trend in number of postgraduate coursework completions**

The number of postgraduate coursework completions increased by 7.3 per cent between 2009 and 2010, to 103 390.

#### **Trend in number of domestic undergraduate low-SES enrolments**

The number of domestic undergraduate low-SES enrolments increased by 7.3 per cent between 2009 and 2010, to 102 027.

#### **Trend in interim composite measure of the number of domestic undergraduates in low-SES**

The low-SES interim indicator for domestic undergraduate students increased by 6.1 per cent between 2009 and 2010, to 82 946.

#### **Percentage of higher education bachelor degree graduates in full-time employment within four months of completion of degree, of those available for work**

Of the bachelor degree graduates available for full-time employment, 76.2 per cent were in full-time employment within four months of completing their degrees (down from 79.2 per cent in 2009). A further 15.1 per cent were employed on a casual or part-time basis while still seeking full-time employment (up from 13.4 per cent in 2009). The remaining 8.6 per cent were not working and still seeking full-time employment (up from 7.4 per cent in 2009).

### **Trend in starting salaries of bachelor degree graduates aged less than 25 years as a proportion of male average weekly earnings**

The median salary of bachelor degree graduates aged under 25 years in their first full-time employment as a proportion of the male average weekly earnings (ABS cat. no. 6302.0) was 79.8 per cent in 2010, down from 83.0 per cent in 2009. The decrease followed a period of growth since 2007.

### **Trend in number of Aboriginal and Torres Strait Islander students by selected higher education course level categories**

Aboriginal and Torres Strait Islander enrolments increased by 6.0 per cent between 2009 and 2010, to 11 088.

## **Program 3.2 Higher Education Loan Program**

The Higher Education Loan Program (HELP) supports access to higher education and vocational education and training for domestic students through the provision of discounts and loans for tuition costs. Support is also provided for the costs associated with overseas study that contributes to an Australian higher education undergraduate award.

HELP is an income-contingent loan program. The repayment arrangements under HELP ensure that only those people whose income level exceeds the minimum repayment threshold are required to make compulsory repayments. No interest is charged on the loans, although HELP debts are indexed annually. The Government bears the deferral costs of the loans and the cost of loans that are never repaid due to low income or other reasons. It also bears the cost of the 20 per cent discount for up-front payments of student contributions and the 10 per cent bonus for early repayments of HELP debt.

The maximum annual student contribution amount for students studying education and nursing units of study was increased to the Band 1 rate from 1 January 2010. This provides additional revenue to those higher education institutions that offer those courses, supporting the quality and availability of the courses.

For nursing and education students who commenced their courses in 2010, the increased student contribution amount will be offset by a HECS-HELP benefit. This benefit applies to education and nursing students who graduate from a course required for initial registration as a nurse or teacher from Semester 2, 2009, onwards and who take up work in those professions. The benefit will reduce their HELP repayments by up to \$1558.50 in 2010–11 (indexed in later years) over a maximum of 260 weeks of eligible employment.

This benefit will encourage graduates to work in these important fields. There are also HECS-HELP benefits for early childhood education teachers and mathematics and science graduates. In 2010–11, the benefit reduced eligible graduates' HELP debts by up to \$1693.99 and \$1588.11, respectively.

## Key performance indicators

Table 25: Key performance indicators for program 3.2	Estimate	Actual
<i>Quantity of key deliverables<sup>a</sup></i>		
<b>HECS-HELP<sup>b</sup></b>		
Domestic higher education students (equivalent full-time student load) enrolled in award courses in receipt of HECS-HELP	384 000	395 177
<b>FEE-HELP<sup>c</sup></b>		
Domestic higher education students (equivalent full-time student load) enrolled in award courses in receipt of FEE-HELP	60 000	64 766
<b>OS-HELP</b>		
Number of OS-HELP loans to assist students to undertake some of their course overseas	4352	4086
<b>SA-HELP<sup>d</sup></b>		
Number of SA-HELP loans to assist students to pay their services and amenities fee (subject to passage of legislation)	786 000	na
<b>VET FEE-HELP</b>		
Equivalent full-time students assisted to study diploma and above qualifications under the VET FEE-HELP Scheme	22 476	20 108

na = not applicable

- a HELP estimate and actual data relates to places delivered in the 2010 calendar year.
- b Numbers expressed as equivalent full-time student load. Data includes all students in receipt of HECS-HELP loans, but does not include those receiving HECS-HELP assistance as a discount for upfront payments.
- c Includes students enrolled at Open Universities Australia.
- d Subject to the passage of legislation.

### HECS-HELP

HECS-HELP loans assist eligible Commonwealth supported students to pay their student contributions for units of study. Higher education providers determine a person's student contribution amount within ranges set by the Australian Government. The maximum annual student contribution amount that a higher education provider can set in 2011 is \$9080 per equivalent full-time study load (indexed in later years). Students in Commonwealth supported places can choose to access a HECS-HELP loan for all or part of their student contribution. If they are eligible, a HECS-HELP discount of 20 per cent applies for full up-front payments or partial up-front payments of \$500 or more.

### FEE-HELP

FEE-HELP loans are provided for domestic fee-paying students enrolled at universities, approved higher education providers or Open Universities Australia. Students may borrow up to a lifetime limit of \$108 029 for medicine, dentistry and veterinary science courses, and \$86 422 for all other courses (2011 limits, indexed annually). Until 31 December 2010, a 20 per cent loan fee applied to undergraduate courses of study. A loan fee of 25 per cent now applies for undergraduate study.

### OS-HELP

OS-HELP loans (maximum \$5611 per loan in 2011) are provided for undergraduate Commonwealth supported students to undertake part of the study for their Australian courses at overseas institutions. Students have access to two loans over a lifetime. There is no loan fee associated with OS-HELP.

### SA-HELP

The Government has announced a range of measures to rebuild essential student support services and amenities across the higher education sector. Subject to the passage of legislation, higher education providers will be able to choose to charge a compulsory fee for the provision

of student services and amenities of a non-academic nature. The SA-HELP scheme will be established to provide loans to assist eligible students to pay the fee. There will be no loan fee associated with SA-HELP.

### VET FEE-HELP

The VET FEE-HELP Assistance Scheme is available to eligible students undertaking certain VET courses of study at the diploma, advanced diploma, graduate certificate and graduate diploma levels with approved VET providers. Eligible students can borrow up to the FEE-HELP limit over their lifetime. A loan fee of 20 per cent applies to VET FEE-HELP loans for all full fee-paying students. In jurisdictions with reformed VET systems, eligible government-subsidised students enrolled in approved VET diploma or advanced diploma courses are not required to pay the 20 per cent loan fee.

In 2010, 20 108 equivalent full-time students received VET FEE-HELP. This was a marked increase from 3498 in 2009 (the scheme's first full year of implementation).

The number of Aboriginal and Torres Strait Islander students receiving VET FEE-HELP assistance increased by 536 per cent between 2009 and 2010, to 267 equivalent full-time students in 2010.

### Effectiveness indicators

Table 26: Effectiveness indicators for program 3.2	Estimate	Actual
Percentage of the relevant full-time higher education student population (Table A providers only) <sup>a</sup> receiving support under:		
» HECS-HELP <sup>a</sup>	88.5%	88.6%
» FEE-HELP	4.1%	3.4%

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

### HECS-HELP

In the 2010 calendar year, 88.6 per cent of full-time domestic students received HECS-HELP, compared with 87.9 per cent in 2009.

### FEE-HELP

In the 2010 calendar year, 3.4 per cent of full-time domestic students received FEE-HELP, compared with 3.5 per cent in 2009.

## Program 3.3 Tertiary student assistance

The Government is committed to increasing the proportion of Australians with qualifications. Through the Council of Australian Governments, it has set targets for 2020 and 2025. Securing Australia's long-term economic prosperity through measures to encourage and assist young people to remain in education and training is an important part of the Government's strategy to achieve its targets. Student income support is provided through programs such as Youth Allowance, Austudy and ABSTUDY:

- » ABSTUDY provides a means-tested living allowance and a range of supplementary benefits for Aboriginal and Torres Strait Islander students.
- » Austudy provides support for students and Australian Apprentices who begin study or training when aged 25 years or more and who are in need of financial assistance to undertake full-time post-compulsory secondary or tertiary education or training, including approved masters by coursework programs.
- » Youth Allowance (student) is a means-tested income support payment available to eligible young people aged 16 to 24 years to help them participate in full-time education, training or apprenticeships.

Since 2010, the Government has been progressively implementing a package of reforms to student income support in response to the recommendations of the Bradley Review of Australian Higher Education. The reforms are consistent with the Government's goals of ensuring that students from low-SES backgrounds make up 20 per cent of undergraduate enrolments by 2020 and that 40 per cent of all 25–34-year-olds have a bachelor degree or higher qualification by 2025.

On 1 July 2010, in the next stage of these reforms, the Parental Income Test threshold for access to the maximum rate of Youth Allowance or ABSTUDY was increased from \$33 300 to \$44 165, aligning it with the Family Tax Benefit A income test. The threshold is indexed and was further increased to \$45 114 from 1 January 2011. For families with income above the threshold, a 20 per cent per family taper reduces the maximum Youth Allowance or ABSTUDY payment.

The workforce participation criterion for independent status for Youth Allowance and ABSTUDY was also tightened on 1 July 2010 with the intention that the Parental Income Test would become the primary means for students under the age of independence to access student payments. Under the new criterion, independence can be achieved by working full-time for at least 18 months in the two years after leaving school. Until 31 December 2010, transitional arrangements applied to young people who completed Year 12 in 2008 and took a 'gap year' in 2009.

From 1 January 2011, more generous arrangements for establishing financial independence for Youth Allowance and ABSTUDY have applied to students who need to relocate to study, whose family home is in a location categorised under the Australian Standard Geographical Classification as outer regional, remote or very remote, and whose parents' income is less than \$150 000 per annum.

The phased reduction in the age of independence for Youth Allowance and ABSTUDY from 25 to 22 years continued. The age of independence was reduced to 23 years on 1 January 2011 and will reach 22 years on 1 January 2012.

The Rural and Regional Taskforce was established in October 2010 to advise the Government on the selection criteria for the operation of the Rural Tertiary Hardship Fund from 2011. The taskforce was chaired by Professor Tony Vinson AM and included Ms Carla Drakeford, Professor Sandra Harding, Dr Chris Jones and Ms Elizabeth McGregor. Senator the Hon Chris Evans, Minister for Tertiary Education, announced the acceptance of the taskforce's recommendations in December 2010.

On 21 February 2011, Senator Evans announced that the Government had brought forward by 12 months (from July 2012) a review of the student income support reforms in order to respond to concerns about rural and regional students' access to income support.

The review, chaired by Professor Kwong Lee Dow AM, was undertaken from March to July 2011. Its key terms of reference were to examine the impact of the student income support arrangements on equity, with a particular focus on the impact on rural and regional students, and to examine the extent to which the objectives of the student income support reforms have been achieved, particularly those reforms relating to students from low-SES backgrounds. The review conducted 22 roundtable meetings across Australia during April and May 2011, including 14 in regional areas, and received more than 250 submissions from parents, secondary and university students, TAFEs, universities and community organisations. The review reported to the Government on 8 July 2011.

In announcing this review, the Government confirmed that it would implement new eligibility arrangements for Youth Allowance, eliminating regional eligibility distinctions with effect from 1 January 2012.

### **ABSTUDY—Tertiary and VET**

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

The number of students receiving ABSTUDY increased by 4.6 per cent between 2010 and 2011, from 8325 to 8709. The increase was mainly attributable to an increase in higher education recipients after more dependent young people qualified for ABSTUDY under changes to the Parental Income Test implemented on 1 July 2011.

### **Austudy—Tertiary and VET**

The number of higher education students, VET students and Australian Apprentices in receipt of Austudy increased by 4.3 per cent, from 34 228 to 35 694, between 2010 and 2011.

### **Youth Allowance—Tertiary and VET**

There was an increase of 10.3 per cent in the number higher education students, VET students and Australian Apprentices receiving Youth Allowance. There were 186 439 recipients in 2011, compared to 169 093 in 2010.

The growth in Youth Allowance recipients can be attributed to an increase in dependent higher education students as a result of changes to the Parental Income Test on 1 July 2010.

In June 2011, the number of Australian Apprentices receiving income support (included in these figures) was 4908, which was a 9.5 per cent increase from 4479 in June 2010.

### **Student Start-up and Relocation Scholarships**

Higher education students in receipt of Youth Allowance, Austudy or ABSTUDY are entitled to receive the Student Start-up Scholarship. The scholarship is indexed every year and was paid in two half-yearly instalments of \$1097 (a total of \$2194) in 2011. In 2010–11, 248 440 students received at least one Student Start-up Scholarship payment.

All dependent students in receipt of Youth Allowance or ABSTUDY who have to live away from home to undertake a higher education or preparatory course at a higher education institution receive a Relocation Scholarship. The Relocation Scholarship is also available to independent higher education students who are disadvantaged by personal circumstances and are unable to live in the parental home. The scholarship is indexed every year and provides \$4124 to eligible students in their first year of living away from home to study and \$1031 in subsequent years (2011 rates). In 2010–11, 34 708 students received a Relocation Scholarship payment.

### **Rural Tertiary Hardship Fund**

The Rural Tertiary Hardship Fund assists young people under 25 years of age from rural or regional areas who would experience financial hardship in undertaking higher education without the assistance. The first round of applications for \$3000 grants under the fund opened in February 2011; applicants were advised of the outcomes of their applications in writing in May 2011. More than 1100 students were awarded grants in the first round of the fund in 2011.



### Key performance indicators

Table 27: Key performance indicators for program 3.3	Estimate	Actual
<b>ABSTUDY—Tertiary and VET</b>		
Average number of higher education students in receipt of ABSTUDY during the year	3500	3910
Average number of Australian Apprentices and students attending a TAFE college or private training institution in receipt of ABSTUDY during the year	5000	4799
Average number of tertiary and VET students in receipt of ABSTUDY during the year (total)	8500	8709
<b>Austudy—Tertiary and VET</b>		
Average number of higher education students in receipt of Austudy during the year	21 000	26 732
Average number of Australian Apprentices and students attending a TAFE college or private training institution in receipt of Austudy during the year	15 000	8962
Average number of tertiary and VET students in receipt of Austudy during the year (total)	36 000	35 694
<b>Youth Allowance—Tertiary and VET</b>		
Average number of higher education students in receipt of Youth Allowance during the year	143 000	151 416
Average number of Australian Apprentices and students attending a TAFE college or private training institution in receipt of Youth Allowance during the year	40 000	35 023
Average number of tertiary and VET students in receipt of Youth Allowance during the year (total)	183 000	186 439

During 2010–11, the method used to allocate recipient numbers across the education sectors was changed. To enable comparisons with 2011 performance, the 2010 total figures for ABSTUDY—Tertiary and VET, Austudy—Tertiary and VET and Youth Allowance—Tertiary and VET in this report were derived using the revised methodology.

A revised 2010–11 estimate was in the 2011–12 DEEWR Portfolio Budget Statements (page 81 for Outcome 2 and page 97 for Outcome 3). The estimates for 2010–11 for student numbers were revised to reflect the number of students assisted during this year and in forward years. This is a change from the June point in time figures previously estimated.

### Program 3.4 Vocational education and training

Through the National Agreement for Skills and Workforce Development, the Government contributes around one-third of funding for the public VET system; the states and territories contribute the remainder.

Developed through COAG processes, the agreement is part of the new arrangements for federal financial relations. It sets out a commitment between the Commonwealth and the states and territories to facilitate an effective training system that is capable of increasing the skill levels of all Australians, including Aboriginal and Torres Strait Islander Australians.

Under the current agreement, which runs from 1 January 2009 to 30 June 2012, the Government is providing an estimated \$6.7 billion over four years, with specific targets for increasing the qualifications of the working age population. The states and territories have greater flexibility to target funding to address jurisdictional needs and to achieve agreed VET outcomes, as they now have full responsibility for the maintenance and support of public training infrastructure and the VET workforce in their jurisdictions.

The agreement contributes to the following agreed COAG effectiveness key performance indicators:

- » proportion of the working age population at literacy levels 1, 2 and 3 (the lowest of five levels)
- » proportion of 20–64-year-olds who do not have a qualification at or above Certificate III
- » proportion of graduates employed after completing training, by previous employment status
- » percentage of graduates with improved employment status after training
- » number of hard-to-fill vacancies
- » proportion of people employed at or above the level of their qualification, by field of study.

Targets specified in the agreement to be achieved through the training system between 2009 and 2020 include:

- » doubling the completions of higher VET qualifications (diploma and advanced diploma)
- » halving the proportion of Australians aged 20–64 years who do not have qualifications at or above Certificate III level.

Growth funding to support additional training opportunities for job seekers and existing workers in priority areas is provided through the National Partnership Agreement for the Productivity Places Program, which contributes to meeting the objectives and outcomes identified in the National Agreement for Skills and Workforce Development.

Following an announcement in the 2011–12 Budget, the Government began renegotiating the national agreement and establishing a new national partnership with the states and territories. An additional investment of \$1.75 billion over five years, combined with specific quality, transparency, equity and efficiency objectives, will support long-term reform and greater productivity in the VET sector.

### Effectiveness indicator

Table 28: Effectiveness indicator for program 3.4		
	Estimate	Actual
Total number of VET students	1.82m	1.80m <sup>a</sup>

a This figure, the latest available, is the number of students enrolled in 2010.

The National Centre for Vocational Education Research (NCVER) publication *Australian vocational education and training statistics: students and courses 2010* provides the latest information available on VET students. It shows that 1.8 million students were enrolled in publicly funded VET during the 2010 calendar year, and that numbers increased for the third consecutive year. The 5.4 per cent increase between 2009 and 2010 was the largest since 1999–2000.

### Program 3.5 VET national support

VET is a core component of Australia's post-school education and training system. It contributes to national productivity by supporting growth in skills and qualifications to better enable Australians to enter the workforce for the first time, re-enter the workforce, retrain for a new job or upgrade from an existing job. This reflects the Government's priority of lifting the skills base by encouraging Australians to undertake VET qualifications, including higher level qualifications.

Through this program, the Government provides funding for skills development, including funding to encourage the take-up of apprentices by employers, enhance foundation skills such as language, literacy and numeracy, encourage greater participation in training, and address persistent disadvantage.

During 2010–11, the Government introduced new measures through the Skills for Sustainable Growth package. The package includes:

- » strategies to equip Australia to respond quickly and decisively to emerging skill shortages in the economy, including a major training fund to be established in partnership with industry, and extension of the successful Apprentice Kickstart program

- » modernising and lifting the quality of vocational education to better serve the needs of industry and students. The Government offered better access to higher level skills, entrenched an entitlement to training for young Australians and offered an incentive to the vocational education sector to boost the quality of training and be transparent about teaching and learning outcomes
- » action to improve the English language, literacy and numeracy skills of Australian adults. An additional investment was made in the 2010–11 Budget to assist 140 000 Australians to build their skills and become ready for work.

The Australian Government commissioned the Apprenticeships for the 21st Century Expert Panel to conduct an independent review of the Australian Apprenticeships system. Following the release of the panel's report, *A shared responsibility: apprenticeships for the 21st century*, on 21 February 2011, the Government commenced consultations with stakeholders to inform a number of 2011–12 Budget measures for the reform of the Australian Apprenticeships system. The measures provide a direction-setting response to the expert panel's recommendations. After further consultation, the Government expects to announce a substantial response to the expert panel's recommendations by the end of 2011.

Australian Apprenticeships programs aim to develop a more skilled Australian workforce that delivers long-term benefits for the nation and our international competitiveness. The Government provides financial incentives to employers who employ and train Australian Apprentices (apprentices or trainees) and encourages employers to open up genuine opportunities for skills-based training of their employees. The Government also funds a range of personal benefits for individual apprentices to encourage them to complete their Australian Apprenticeships.

Pre-vocational training and support programs, including the Australian Apprenticeships Access program, aim to address barriers for vulnerable job seekers who have expressed an interest in undertaking an Australian Apprenticeship but are unable to do so. These programs provide early intervention to assist vulnerable job seekers to pursue their apprenticeship goals.

Foundation skills programs, including the Language, Literacy and Numeracy Program (LLNP) and the Workplace English Language and Literacy (WELL) Program, aim to lift the English language literacy and numeracy skills of the Australian population in order to improve individuals' prospects for new or further employment. The LLNP targets eligible job seekers; the WELL Program focuses on people already in the workforce and pre-employment participants in the Indigenous Employment Program whose literacy and numeracy skills are assessed as requiring improvement to help them to function effectively in the workplace.

In addition to the funding provided under the National Agreement for Skills and Workforce Development, growth funding to support additional training opportunities for job seekers and existing workers has been provided through the Productivity Places Program. The funding provided an additional 190 000 training places in 2010–11.

### Australian Apprenticeships Centres

The number of organisations operating Australian Apprenticeships Centres in 2010–11 remained at 28.

### Support for Australian Apprenticeships

In the May 2010 Budget, the Government announced the Apprentice Kickstart Extension bonus. This built on the successful Apprentice Kickstart bonus introduced in December 2009. This bonus tripled incentive payments in the first year for employers of young people beginning a trade apprenticeship between 13 May and 12 November 2010. This time-limited payment to employers was so successful that it helped to restore trade apprentice commencements to pre-global recession levels.

In response to the natural disasters in Queensland in early 2011, the Queensland and Australian governments introduced a range of measures to ensure that additional financial assistance was available to Australian Apprentices and their employers to continue their apprenticeship arrangements and to assist in the flood recovery effort.

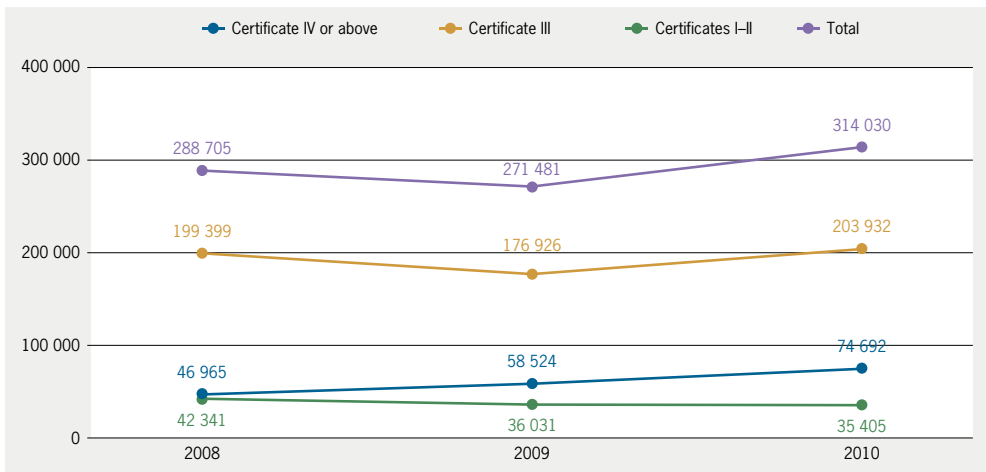
**Trend in Australian Apprenticeship commencements and completions**

The National Centre for Vocational Education Research (NCVER) produces publicly available quarterly reports on apprentice and trainee activity. The reports are produced using data collected from state and territory training authorities.

The data in charts 4 and 5, which was collated from NCVER publications, focuses on apprenticeship commencement and completion numbers over time.

**Chart 4**

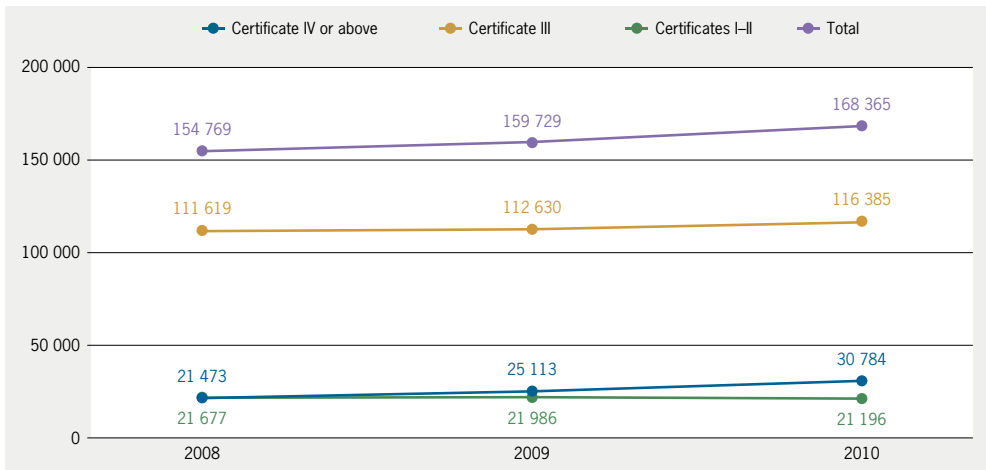
**Australian Apprenticeships commencements, 2008–2010 calendar years**



Source: NCVER National Apprentice and Trainee Collection.

**Chart 5**

**Australian Apprenticeships completions, 2008–2010 calendar years**



Source: NCVER National Apprentice and Trainee Collection.

## Trend in Aboriginal and Torres Strait Islander Australian Apprenticeships

### Commencements

In 2010, 60.7 per cent of Australian Apprenticeship commencements by Aboriginal and Torres Strait Islander peoples were at Certificate III level, an increase from 58.6 per cent in 2008.

Commencements at Certificate IV or above increased from 8.1 per cent to 11.4 per cent of the total Australian Apprenticeship commencements by Aboriginal and Torres Strait Islander peoples between 2008 and 2010.

### Completions

In 2010, 60.8 per cent of Australian Apprentice completions by Australian and Torres Strait Islander peoples were at Certificate III level. This remained steady from 2008 (60.6 per cent).

The proportion of Australian Apprentices completions by Aboriginal and Torres Strait Islander peoples at Certificate IV level or above rose from 8.5 per cent to 9.4 per cent.

## Australian Apprenticeship Workforce Skills Development

### Productivity Places Program

In 2010–11, the states and territories were primarily responsible for the delivery of training to current workers and job seekers, accounting for 90 per cent of total commencement under the Productivity Places Program. From the program's inception in April 2008 to 30 June 2011, there have been more than 490 000 new commencements in training and an estimated 120 000 or more Australians have completed training. All training is targeted at qualifications that are in demand.

The Enterprise Based Productivity Places Program element assists individual enterprises to increase their productivity, as well as the skill levels and mobility of workers, by providing employees with opportunities to increase their qualification levels. The program has made available \$50 million of Australian Government funding to support the delivery of 13 815 new training places in a range of qualifications in areas of current and future skills needs. A total of 8199 commencements were reported by 31 December 2010.

### Group Training in the Trades Program

The demand-driven Group Training in the Trades Program has provided prevocational training to eligible individuals, giving them support and assistance to allow them to commence an Australian Apprenticeship pathway.

A change to the individual payment regime for brokers under the program was introduced on 1 January 2010 in an effort to increase participation levels. However, expected levels of participation in this program (950) were not reached in 2010–11.

### Targeted Initiatives Program

The Targeted Initiatives Program ceased on 30 June 2011, and all projects under the program are now finalised. Commencement and completion targets for 2010–11 were met.

## Australian Apprenticeship Access Program

The numerous natural disasters experienced across Australia in 2011 affected the delivery of the Access Program, including by reducing the number of Access Program courses delivered, the number of employers able to take on participants and the number of participants able to commence or continue with the program. Additionally, because the Access Program relies on referrals from agencies whose focus was on providing essential services to customers affected by the natural disasters, fewer referrals were made to the program.

### Workplace English Language and Literacy Program

During 2010–11, the Workplace English Language and Literacy (WELL) Program received additional funding to increase support for current workers with low levels of language, literacy and numeracy by providing more than 13 000 additional training places over four years.

Almost 95 per cent of the available places were delivered by the program (see Table 29). This was lower than expected and can be attributed in part to flow-on effects from the global recession and severe natural disasters in Australia, which caused some enterprises to withdraw from training projects because they were unable to pay the employer contribution, release employees for training, or both. The gradual increase in available new training places over the next four years reflects the expected strengthening of program take-up as Australian employers re-engage with workplace-based language, literacy and numeracy training for their employees.

### Innovative community-based places

The 2010–11 funding for this program was redirected to support the development of the new Foundation Skills Training Package and additional scholarships to attract new entrants to the specialist adult language, literacy and numeracy workforce.

Through the development of the package, learners will for the first time have access to specific language, literacy and numeracy qualifications and units that are nationally recognised. The package will also make available language, literacy and numeracy units that can be imported into other training package qualifications.

The package will provide the opportunity for registered training organisations to develop contextualised training solutions for a variety of workplace and individual needs. This will include:

- » stand-alone foundation skills qualifications at Australian Qualifications Framework levels 1 and 2
- » foundation skills qualifications incorporating units from other qualifications
- » vocational qualifications, at a variety of Australian Qualifications Framework levels, that include foundation skills units.

### Language, Literacy and Numeracy Program

The Language, Literacy and Numeracy Program (LLNP) provides language, literacy and numeracy training for eligible job seekers whose skills are below the level considered necessary to secure sustainable employment or pursue further education or training.

On 1 July 2010, 37 LLNP training and assessment providers began delivering the program under new contracts, which will continue until 30 June 2013. These providers offer face-to-face and distance training at more than 380 sites Australia wide. One independent verifier was also contracted to check education claims of job seeker outcomes and offer professional development.

While LLNP training under the new contract remained the same overall, providers had to make some adjustments, including the introduction of a work experience component in the standard training stream and new payment arrangements. As part of the transition to the new contract, a new IT system was introduced to facilitate more streamlined reporting by providers.

Training commencements exceeded the estimate for 2010–11; 20 461 new commencements in the program were recorded by 30 June 2011.

In recognition of the demand for the program, the Australian Government invested an additional \$143.1 million over four years in the 2011–12 Budget to improve access to the program.

The take-up of the program as part of the Northern Territory Emergency Response continued to exceed expectations. By the end of June 2011 (two years into a three-year program), there had been a total of 260 new commencements, exceeding the 162 places that were funded over three years. Where demand for program places under the emergency response exceeded expectations, the department was able to transfer mainstream program training places to meet that demand.

### Language, Literacy and Numeracy Practitioner Scholarships

The Language, Literacy and Numeracy (LLN) Practitioner Scholarships Program seeks to address skill shortages in the adult LLN field by increasing the number of qualified LLN practitioners across Australia to address long-term shortages, particularly in regional areas. The program provides scholarships of up to \$5250 to successful applicants to support them in undertaking approved study towards an adult LLN practitioner qualification.

In 2010–11, 168 scholarships were awarded following a decision by Senator the Hon Chris Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations, to award extra scholarships. At 30 June 2011, 111 funding agreements had been entered into with individual scholarship recipients; the remainder will be signed after recipients begin their approved qualification in Semester 2, 2011.

### Incentives for Higher Technical Skills Program

The Incentives for Higher Technical Skills Program supported 11 projects to boost the capability of the training system to provide more training at diploma level and above. In 2010–11, 102 participants were assisted and two projects were completed.

### National Disability Coordination Officers Program

The National Disability Coordination Officer (NDCO) Program assists people with disability to access and participate in post-school education and training, and subsequent employment, through a national network of officers in 31 NDCO regions. The NDCOs work to build links and coordinate services between the education, training and employment sectors, so that people with disability have assistance at all levels.

During 2010–11, the program received a one-off allocation of additional funding, most of which was used to fund one additional full-time NDCO for 12 months in 11 of the 31 NDCO regions, taking the number of NDCOs from 31 to 42. The additional NDCO positions, which were all based in regional, rural or remote Australia, helped to maximise the coverage and delivery of the program throughout the regions.

The balance was distributed to all 31 regions to be spent on events to commemorate the 2010 International Day for People with Disabilities and for activities aimed at building and improving linkages between stakeholders to improve education and employment outcomes for people with disability.

### National programs

#### Joint Group Training Program

The Joint Group Training Program is a joint arrangement between the Australian Government and the states and territories to provide matched (1:1) funding to group training organisations for strategies and initiatives that are implemented by the states and territories. The funding meets the requirements of the National Standards for Group Training Organisations. Each jurisdiction determines how funding will be distributed under the program, under which 20 000 individuals received assistance in 2010–11, in line with nationally agreed priority areas.

#### National Resources Sector Employment Taskforce

DEEWR led the National Resources Sector Employment Taskforce, which examined the skilled workforce required for major resources projects over the next five years. The taskforce's final report, *Resourcing the future*, was published in July 2010 and provides a comprehensive workforce strategy for the sector. The Government accepted the report and is supporting action to implement its recommendations as the first part of the National Resources Sector Workforce Strategy, which is being implemented in partnership with industry and state and territory governments.



## Critical Skills Investment Fund

The Critical Skills Investment Fund has been established to provide Australian Government co-funding for industry partnerships to undertake projects that train and place job seekers into available positions, and that upskill existing workers to meet new demands. The first funding round was launched on 15 March 2011, following consultation on the program guidelines. The fund is supported by an expert advisory board that provides advice on priority skills issues and strategic directions. The board has seven external members with industry expertise in employment, training, and labour market and skills development. Members' details are listed on the department's website.

## Key performance indicators

<b>Table 29: Key performance indicators for program 3.5</b>	<b>Estimate</b>	<b>Actual</b>
<b>Australian Apprenticeship Centres</b>		
Number of organisations contracted to provide services	–	28
<b>Support for Australian Apprenticeships</b>		
Total number of employers assisted nationally	112 440	106 951
Total number of Australian Apprentices assisted nationally through Personal Benefits	161 030	160 397
<b>Australian Apprenticeship Workforce Skills Development</b>		
<i>Productivity Places Program</i>		
Total number of job seekers assisted	69 527	71 893 <sup>a</sup>
Total number of existing workers assisted	120 862	107 465 <sup>b</sup>
<i>Group Training in the Trades Program</i>		
Number of pre-vocational places supported in trade areas	950	687
<i>Targeted Initiatives Program</i>		
Number of Group Training Organisations (GTOs) supported	7	5
Number of apprentices through GTOs:		
» commencements	25	25
» completions	150	150
<b>Australian Apprenticeship Access Program</b>		
Number of eligible job seekers assisted	9500	8168
<b>Workplace English Language and Literacy Program</b>		
Number of individuals assisted	15 000	14 219
<b>Innovative community-based places</b>		
Number of individuals assisted	1200	N/A <sup>c</sup>
<b>Language, Literacy and Numeracy Program</b>		
Number of individuals assisted	18 500	20 461
<b>Incentives for Higher Technical Skills (non-Australian Apprenticeships)</b>		
Number of employment-based vocational Diploma or above training places created	217	102
<b>National Disability Coordination Officers</b>		
Number of National Disability Coordination Officers funded (FTE)	42	42
<b>National Programs</b>		
<i>Joint Group Training Program</i>		
Number of Australian Apprentice commencements in state/territory group training sub-programs	20 000	20 000

a Includes 976 commencements in early 2010–11 for training under the Structural Adjustment Places.

b Includes 8199 commencements (at 31 December 2010) for training under the Enterprise Based Productivity Places Program.

c The 2010–11 funding for this program was redirected to support other foundation skills initiatives, as detailed under 'Innovative community-based places'.

## Program 3.6 International education support

During 2010–11, Australian Education International (AEI), the international arm of the department, worked to advance Australia as a regional and world leader in education and training excellence and a partner of choice for international collaboration. Support was provided to strengthen regional and government-to-government links; to develop student and academic mobility through scholarships and student mobility programs; to develop professional qualifications and skills recognition; and to assist collaborative projects between Australian and overseas education institutions.

AEI reinforced confidence in the quality of Australia's international education sector through the re-registration by 31 December 2010, against strengthened entry requirements, of all providers delivering education services to overseas students. The Australian Government's initial response to the recommendations arising from the recent review of the *Education Services for Overseas Students Act 2000* was enacted in April 2011 to improve risk management and enforcement approaches and ensure that all overseas students have access to a robust complaints-handling mechanism.

AEI worked in close collaboration with other Australian Government agencies, all state and territory governments and key stakeholders in the international education sector to put in place a range of initiatives to improve the wellbeing and welfare of international students. Those initiatives included the development and implementation of the COAG International Students Strategy for Australia.

AEI conducted a national satisfaction survey of international students in all education sectors in December 2010, as part of the COAG strategy. More than 50 000 international students responded to the survey; 84 per cent reported a high level of satisfaction with their study experience, and 86 per cent were highly satisfied with their living experience in Australia.

### International education and training

#### Professional Services Development Program

The Professional Services Development Program facilitates international mobility for professionals. In 2010–11, AEI funded 10 projects, exceeding expected program activity. Program funding made a significant contribution to work by Australian organisations towards the international recognition of Australian professional qualifications and skills and the recognition in Australia of professional qualifications and skills gained overseas, thus enabling overseas-trained professionals to make a greater contribution to Australia's workforce.

#### Regional Links Program

The Regional Links Program strengthens relationships, particularly in the Asia–Pacific region, to the benefit of Australian education and training. This was achieved in 2010–11 through the funding of 16 bilateral and multilateral projects to foster government-to-government, institution-to-institution and people-to-people links.

#### Increasing the Profile of Australia's International Education Sector Program

In 2010–11, \$1.714 million was allocated to the Increasing the Profile of Australia's International Education Sector Program, which supports projects to meet the objectives of enhancing cooperation in education between Australia and the European Union (EU) and to increase student mobility between Australia and Europe.

A delegation of experts attended the annual EU–Australia Policy Dialogue on Qualification Frameworks in Brussels in December 2010, which agreed to undertake a joint study on the role of qualifications frameworks in facilitating the mobility of workers and learners. The Australian delegation also attended a peer-learning activity involving experts from 35 countries.

In 2011, the department hosted a policy dialogue with the EU on early childhood education and child care. The EU experts and policy makers also participated in a range of meetings

and presentations with local experts and child care providers. Since 2009, Australia and the EU have held three policy dialogues on education and training topics of joint interest.

In 2010–11, Australia and the EU commenced a seventh round of joint cooperation student mobility projects. Five projects, each of which involves a consortium of EU and Australian universities, were funded.

### International scholarships

#### *Endeavour Awards—International Scholarships*

The Endeavour Awards is Australia's internationally competitive, merit-based scholarship program for outgoing and incoming students, researchers and professionals. The awards provide opportunities for high-achieving individuals to increase their skills and enhance their global awareness; they also aim to build enduring regional links and foster closer educational, professional and research ties between Australia and participating countries. The Endeavour Awards are a part of the Australia Awards initiative, which was announced by the Government in November 2009. In 2010–11, the Endeavour Awards consisted of the eight different award types listed in Table 30.

#### *The Prime Minister's Australia Asia Awards*

The Prime Minister's Australia Asia Awards are prestigious awards that recognise the best and brightest scholars from Australia and Asia. They provide a unique opportunity for postgraduate and undergraduate scholars to undertake international study and research opportunities, together with an international internship. The awards also provide an opportunity for Australian universities and the Australian Government to work in partnership to identify and reward high-calibre scholars.

A total of 722 award recipients, including 133 Australians, were given the opportunity to undertake study, research or professional development internationally as part of the Endeavour Awards (including the Prime Ministers' Australia Asia Awards) in 2010–11. Table 30 identifies the number of Endeavour Award recipients in 2010–11, by type of award.

<b>Award type</b>	<b>Australian recipients</b>	<b>International recipients</b>	<b>Total</b>
Endeavour Executive Awards	37	71	108
Endeavour Research Fellowships	48	155	203
Endeavour Research Fellowships for Indigenous Australians	3	n/a	3
Endeavour Australia Cheung Kong Research Fellowships	5	5	10
Endeavour Postgraduate Awards	n/a	201	201
Endeavour Vocational Education & Training Awards	n/a	108	108
Endeavour Europe Awards	n/a	29	29
Prime Ministers' Australia Asia Awards	40	20	60
<b>Total</b>	<b>133</b>	<b>589</b>	<b>722</b>

### Mobility programs

#### *International Student Exchange Program*

In 2010–11, the Australian Government allocated almost \$10 million to three international student exchange programs: University Mobility in Asia and the Pacific, the Endeavour Student Exchange Program, and the Endeavour Cheung Kong Student Exchange Program. The programs support the objective of building international links between Australian and overseas institutions and enrich the educational experience of the participating students. There were 1956 participants in these programs in 2010–11.

### *VET Outbound Mobility Program*

The VET Outbound Mobility Program aims to increase the mobility of Australian VET students and increase partnership activity between Australian education and training providers, industry and international counterparts. There were 150 participants in this program in 2010–11.

### *Study Overseas Short-term Mobility Program*

The Study Overseas Short-term Mobility Program provides funding to eligible higher education providers to subsidise the cost of short-term overseas study for Australian students and accompanying staff. The program aims to increase the overall number of students with an international mobility experience related to their field of study. There were 1066 participants in this program in 2010–11.

### *International Education Policy Exchange Program*

The International Education Policy Exchange Program facilitates government-to-government engagement in international education through the short-term exchange of senior officials, academics or education specialists. In 2010–11, 12 projects were funded. One was an outgoing program to India to support the work of a joint working group. The remaining projects involved senior government or policy personnel coming to Australia. The hosts for these programs have been DEEWR, state education authorities, the Group of Eight Universities and TAFE Directors Australia.

### **Assessment Subsidy for Overseas Trained Professionals Program**

The Assessment Subsidy for Overseas Trained Professionals Program addresses Australian skills shortages and facilitates labour market mobility through the effective integration of unemployed or underemployed individuals who have professional skills that they gained overseas. Eligible overseas-trained professionals who are financially disadvantaged are assisted with the cost of examinations that must be passed to qualify for employment in certain professions in Australia. In 2010–11, \$772 000 was provided to cover examination fees. The department administers the program in cooperation with Centrelink.

### **AEI International Education Briefing 2011**

The annual AEI International Education Briefing, held in Canberra on 4 March 2011, brought together more than 200 representatives from all international education sectors, including providers, peak bodies, students and government representatives. The briefing provided a forum to discuss the changes, challenges and choices facing the international education sector. It also featured AEI's education counsellors, who provided regional updates.

### **International government-to-government and multilateral engagement**

The department continued to work towards improving market access and the elimination of barriers to trade in education and training services for Australian providers through free trade agreement negotiations and engagement with the World Trade Organization's Doha round of multilateral trade negotiations. Free trade agreement negotiations progressed with Japan, Korea and Malaysia, and under the Trans Pacific Partnership Agreement (comprising Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, the USA and Vietnam). The department also contributed to preparations for negotiations with India and Indonesia.

The department developed a project to build capacity for the development and implementation of national qualifications frameworks in ASEAN countries. This project is being implemented by the ASEAN Secretariat.

### *Asia-Pacific Economic Cooperation*

The department represented Australia at the 33rd annual meeting of the Asia-Pacific Economic Cooperation (APEC) Human Resources Development Working Group, in Washington DC in March 2011. The department reported on its completed and current APEC projects, and

chaired the meeting of the working group's Labour and Social Protection Network. To promote effective qualifications recognition practices in APEC, the department undertook a project to raise awareness of higher education diploma supplements. The project identified broad-ranging support for the development of a model APEC diploma supplement to guide adoption across APEC economies. The adoption of diploma supplements in APEC will advance the Australian Government's objective of promoting education mobility and trade liberalisation in the Asia-Pacific region.

#### *East Asia Summit*

The East Asia Summit (EAS) has five key priority action areas, one of which is education. The department, with funding from Australia's overseas aid program, supported an EAS Senior Education Officials Taskforce workshop in Thailand in September 2010. In recognition of the EAS as a key regional forum for advancing regional educational cooperation and capacity building, the department agreed to fund and implement two proposals: 'Development of a Regional TVET Quality Assurance Framework' and 'Capacity Building for the ratification of the UNESCO Recognition Convention for Asia and the Pacific'. The 5th EAS Leaders Meeting in Hanoi in October 2010 welcomed a proposal to hold an inaugural EAS Education Ministers Meeting; preparations commenced for the meeting, which is to be held in Indonesia in July 2011.

#### *Southeast Asian Ministers of Education Organization*

Australia, an associate member of the Southeast Asian Ministers of Education Organization (SEAMEO), was represented at the 46th SEAMEO Council Conference in Brunei in January 2011. At that meeting, Australia presented the SEAMEO–Australia Press Award, recognising outstanding journalists for their coverage of education and research issues in the region.

#### **Australia–China Cooperation in Education**

In November 2010, Senator the Hon Chris Evans, Minister for Tertiary Education, led a delegation of Australian university leaders to China. During his visit, Senator Evans met with the Minister for Education of the People's Republic of China, Professor Yuan Guiren, and



Senator the Hon Chris Evans and DEEWR Secretary Lisa Paul at the table with key Chinese education officials.

other key education officials. On his first overseas trip as Education Minister, Senator Evans gained an understanding of the key issues affecting Australian international education. He also announced that the Australian Government would contribute \$100 000 to expand the China–Australia Executive Leadership Program, a joint initiative of Universities Australia and the China Education Association for International Exchange. The program offers participants valuable insights into each country's cultures of teaching, learning and research.

#### *United Nations Educational, Scientific and Cultural Organization*

The department's principal engagement with the United Nations Educational, Scientific and Cultural Organization (UNESCO) is through supporting information sharing and qualifications recognition activities under the Regional Convention on the Recognition of Studies, Diplomas and Degrees in Higher Education in Asia and the Pacific. The department has contributed significantly to the revision of the convention, which is due to be signed at an international conference in Japan in November 2011.

Supporting UNESCO's efforts to promote regional educational mobility, the department contributed to the East Asia Summit Meeting on the Recognition of Higher Education Qualifications in the Asia-Pacific Region from 23 to 25 June 2011 in Bangkok. The meeting facilitated information sharing on qualifications recognition and promoted the revised convention.

#### *Australia–Japan Quality Assurance in Higher Education Seminar*

Professor Denise Bradley, Interim Chair of the Tertiary Education Quality and Standards Agency (TEQSA), led a delegation to Japan in December 2010 to participate in the Australia–Japan Quality Assurance in Higher Education Seminar.

#### *Quality Assurance Project, Korea*

AEI has worked with Korean counterparts on the joint Quality Assurance in Higher Education Research Project. This is the first time DEEWR has been involved in an international joint government project of this kind. The project has included delegations to and from Australia to discuss a comparative analysis of quality assurance. The findings of the project's report will be presented at the Higher Education Conference in Seoul in September 2011.

#### *Australia–China Joint Working Group*

The fourth meeting of the Australia–China Joint Working Group on Education and Training Cooperation was held in Canberra on 23 May 2011. The agenda included discussion of education reforms across all sectors in Australia and China, internationalisation and student mobility. A two-year joint work plan identifying priorities for bilateral cooperation between DEEWR and the Chinese Ministry of Education was signed.

#### *Australia–Canada Policy Exchange on Indigenous Education*

Australia and Canada face similar policy challenges in Indigenous education. As part of an ongoing policy dialogue, DEEWR hosted seven Canadian Government officers in May 2011. The eight-day policy exchange featured visits to Australian schools, state and territory government departments and a remote Indigenous community in the Northern Territory.

#### *Australia–US Roundtable*

The inaugural Australia–United States Education Roundtable was held in Canberra on 16 and 17 November 2010. The roundtable brought together high-level government officials and experts from both countries to discuss common challenges and opportunities around the theme of '21st century teaching and learning: smart uses of data to support teaching and learning'.

#### *Australia–Singapore Senior Officials Meeting*

The department hosted the first Australia–Singapore Senior Officials Meeting on Education and Training on 5 April 2011. The Singapore delegation, led by Mrs Tan Ching Yee, Permanent Secretary of the Ministry of Education, was joined by Singapore's Deputy High Commissioner to Australia, Mr Chua Teng. Both countries agreed to establish opportunities for further bilateral discussions with subject experts in the future.

#### *Memorandum of Understanding on Cooperation in the Field of Education with the Malaysian Ministry of Education*

The Memorandum of Understanding (MoU) on Cooperation in the Field of Education between DEEWR and the Malaysian Ministry of Education was signed by the Minister for Tertiary Education, Senator the Hon Chris Evans, and the Malaysian Minister for Foreign Affairs, the Hon Dato' Sri Anifah Aman, on 3 March 2011 at a ceremony at Parliament House. Prime Minister Gillard and Prime Minister Najib Tun Razak of Malaysia witnessed the signing. Cooperation under the MoU includes exchanges of education-related materials, publications, conferences, workshops, study visits and scholarships.



### *Meeting with Indonesian Vice-President and Indonesian Minister for National Education*

Senator Evans met with Indonesian Vice-President Prof. Dr Boediono and the Indonesian Minister for National Education, Prof. Dr Muhammad Nuh, on 10 March 2011. The meeting was an opportunity to progress key areas of work between Australia and Indonesia, including qualifications recognition of Australian bachelor degrees, university-to-university linkages, increasing Australian student numbers in Indonesia and the administration of student visa processes by Indonesian authorities.

### *VET Mission to Vietnam*

Following the inaugural VET Mission to Vietnam in August 2010, the first MoU between DEEWR and the Vietnamese Ministry of Labour, Invalids and Social Affairs was signed in January 2011. The MoU strengthens VET linkages between Australia and Vietnam and lays the foundation for ongoing collaboration.

### *Australia and Vietnam Joint Working Group*

The inaugural Australia and Vietnam Joint Working Group on Education and Training, a significant bilateral milestone, was held on 2 March 2011. The group considered priorities for cooperation and policy exchange in VET, higher education policy, education mobility, and early childhood education. Vietnamese delegates were led by Dr Nguyen Xuan Vang, Director General of Vietnam International Education Development, Ministry of Education and Training, and included representatives from that ministry and the Ministry of Labour, Invalids and Social Affairs. As part of the commitment to collaborative activities agreed at the joint working group, DEEWR sponsored two early childhood education and vocational education policy exchange visits to Australia in May 2011.

### *Australia–India Joint Working Group*

The Australia–India Joint Working Group on Education and Training was held in Canberra on 13 and 14 April 2011. Professor Ved Prakash, Chairman of the Universities Grants Commission, led the Indian delegation, which included senior Indian officials from the Ministry of Human Resource Development and the Ministry of Labour and Employment. The working group focused on three key areas of collaboration: quality, student welfare, and VET. Both governments committed to future collaboration in various areas, including the establishment of the Australia India Education Council.

### **Recognition of overseas qualifications**

Through AEI and the National Office of Overseas Skills Recognition, the department assessed more than 1000 foreign qualifications for comparability to Australian qualifications in 2010–11. More than 2000 advisory comments were provided to stakeholders on foreign qualifications comparisons, and more than 7000 subscribers used the department's online recognition tool, Country Education Profiles.

### **Education Services for Overseas Students legislative framework**

The department administers the Education Services for Overseas Students (ESOS) legislative framework, which includes the *Education Services for Overseas Students Act 2000* and the *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007*. The ESOS legislation sets out responsibilities and standards for the conduct of providers delivering education and training to international students and provides a tuition protection framework for international students.

A review of the ESOS Act was undertaken in 2009–10 by the Hon Bruce Baird AM. The Australian Government's first phase response to the review, the *ESOS Legislation Amendment Act 2011*, was enacted on 8 April 2011. The changes foster the quality and integrity of the international education sector by further strengthening the registration of providers, ongoing monitoring activity using risk management approaches and greater scrutiny of business sustainability; by strengthening enforcement by introducing financial penalties for a broader



range of noncompliance and by publishing information about regulatory activities; and by providing all overseas students with access to robust complaints-handling mechanisms through the Commonwealth Ombudsman.

In December 2010, the department invited submissions on a consultation paper, *Reforming ESOS: consultations to build a stronger, simpler, smarter framework for international education in Australia*, to inform the Government's second phase response to the remaining review recommendations, including risk management approaches, strengthening the tuition protection framework, and a range of recommendations for making ESOS stronger, simpler and smarter.

### Protecting international students

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

During 2010–11, the department continued ESOS compliance activity in conjunction with state and territory authorities. Changes to the ESOS Act enacted in March 2010 required all providers on the Commonwealth Register of Institutions and Courses for Overseas Students to re-register under strengthened registration criteria. The re-registration process allowed for increased scrutiny of provider compliance and capacity.

### Key performance indicators

<b>Table 31: Key performance indicators for program 3.6</b>	<b>Estimate</b>	<b>Actual</b>
<b>International education and training</b>		
Number of funding recipients supported by the Professional Services Development Program	6	10
Number of projects and/or activities funded by Regional Links	13	16
Number of projects and/or activities funded by the 'Increased profile of Australian International Education Sector' program	15	16
Number of international scholarships, and student mobility opportunities supported (Endeavour Awards and Student Mobility Programs)	3200	3894
<b>Assessment Subsidy for Overseas Trained Professionals Program</b>		
Number of eligible applications supported	480	516

### Effectiveness indicators

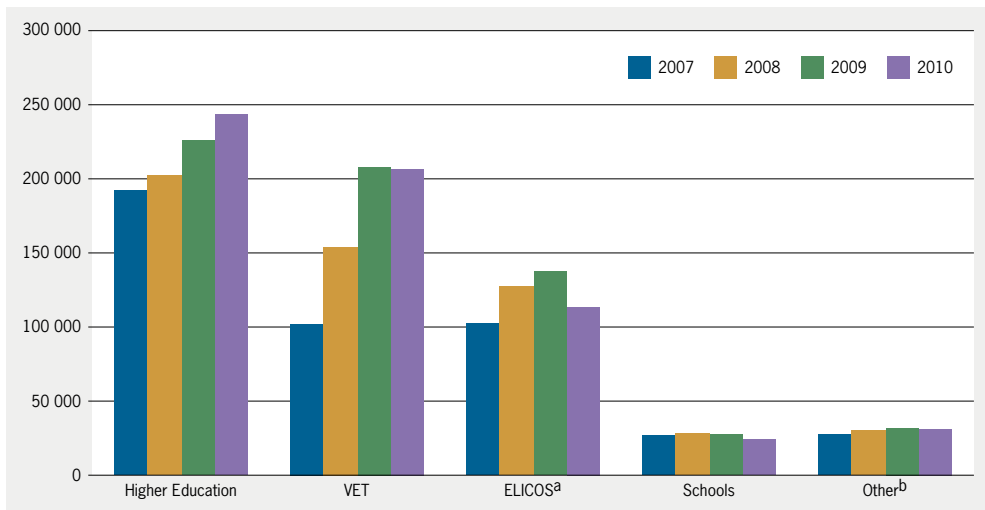
#### Trends in the number of international student enrolments with Australian institutions

Enrolments by international students on student visas in Australia reached 619 119 during the 2010 calendar year—a 1.8 per cent decline from the previous year across all educational sectors. The largest numbers of enrolments were in the higher education sector, which recorded a 7.8 per cent growth in international student enrolments (see Chart 6). This included a 4.3 per cent increase in enrolments in higher level (postgraduate) qualifications.

The second largest sector was VET, which declined by 0.7 per cent from the previous year. The English Language Intensive Courses for Overseas Students sector experienced a 17.5 per cent decline in 2010. Enrolments in the schools sector also fell by 11.5 per cent.

Chart 6

## International student enrolments, 2007 to 2010, by sector



a ELICOS = English language intensive courses for overseas students.

b Other = courses not classified in the Australian Qualifications Framework.

Data source: AEI Pivot All Detailed (December 2010 data).

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

There has been continued growth in enrolments in the higher education sector over the past four years. Undergraduate courses recorded the greatest increase in the number of enrolments. Postgraduate research courses showed the highest percentage growth (Table 32).

Table 32: International students studying for higher level qualifications, 2007 to 2010

Level of study	Enrolment numbers				% growth on previous year			
	2007	2008	2009	2010	2007	2008	2009	2010
Undergraduate	115 791	121 644	137 410	151 151	2.4	5.1	13.0	10.0
Postgraduate coursework	67 654	70 796	77 012	79 006	5.0	4.6	8.8	2.6
Postgraduate research	8 778	9 830	11 589	13 434	10.1	12.0	17.9	15.9
<b>Total</b>	<b>192 223</b>	<b>202 270</b>	<b>226 011</b>	<b>243 591</b>	<b>3.7</b>	<b>5.2</b>	<b>11.7</b>	<b>7.8</b>

## Departmental outputs for Outcome 3

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

Centrelink's performance against the confidence framework for vocational education was varied during 2010–11. It made 23 094 referrals to the Language, Literacy and Numeracy Program during 2010–11, exceeding the target of 20 213. The target of 95 per cent for eligible referrals to the program was also met for the year. The conversion rate, which measures the percentage of referrals that lead to commencements, was 48 per cent, which failed to meet the 60 per cent target. DEEWR has developed a joint action plan with Centrelink outlining strategies to increase the conversion rate of referrals to commencements for the program.

Centrelink's performance in relation to the Australian Apprenticeships Access Program was also below the referral and conversion targets (4876 referrals against a target of 8000 places and commencements of 58 per cent, just under the 60 per cent target). A joint action plan has been developed to address these issues.

<b>Table 33: Centrelink performance indicators</b>	<b>Target</b>	<b>Actual</b>
Number of Centrelink referrals to Language, Literacy and Numeracy Program	20 213	23 094
Number of Centrelink referrals to the Australian Apprenticeships Access Program (Access Program)	8000	4876
Percentage of eligible referrals to Language, Literacy and Numeracy Program	95%	95%
Percentage of referrals commenced in training within LLN Program	60%	48%
Percentage of referrals placed within Access Program	60%	58%

New claims for Youth Allowance (student), Austudy and ABSTUDY were processed within agreed timeframes. Payment accuracy for Youth Allowance (student), Austudy and ABSTUDY was lower than 95 per cent, reflecting the particular characteristics of those payments. The rate of growth of the income support debt base for current and former student payment recipients decreased from the previous year.

### Random Sample Survey Program

The Random Sample Survey Program provides assurance about the accuracy of working-age income support payments. Recipients are randomly selected for a review from the population for each payment type, and the conduct of the reviews by Centrelink is independently validated by DEEWR. The program is a point-in-time assessment of recipient circumstances and is designed to establish the value of total outlays accurately paid and to provide reasons for any debt, error or change in payment rates. The program provides benchmark data on the level of inaccurate payments.

The 2010–11 Random Sample Survey Program conducted approximately 3069 reviews (see Table 34).

<b>Table 34: Level of payment accuracy determined from random sample surveys for student income support payments, 1 July 2010 to 30 June 2011<sup>a</sup></b>	
<b>Payment type</b>	<b>Rate of accuracy (%)</b>
ABSTUDY	82.5
Austudy	93.2
Youth Allowance (students)	94.3
<b>Total</b>	<b>94.1</b> (+ 0.9%)

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

Source: DEEWR Random Sample Surveys Program.

### Debt management

The Department of Human Services is responsible for the management of debt identification and recovery on behalf of DEEWR; DEEWR performs a monitoring and oversight role.

Under the bilateral management arrangement, there is a target of 1 per cent for the reduction of growth in the overall debt base for current and former payment recipients. Data reflecting performance for 2010–11 indicates that the growth rate of the debt base decreased for current and non-current recipients. The decrease was affected by Centrelink redirecting debt management staff to disaster relief assistance, which reduced the number of debts raised from January to April 2011.

**Table 35: Percentage change in all student payment debt levels from 1 July 2009 to 30 June 2011 and change in growth rate**

	Change in \$ 1 July 2009 to 30 June 2010	Change in \$ 1 July 2010 to 30 June 2011	Change in rate of growth
Current recipient	25.6%	-0.2%	Decrease
Non-current recipients	5.3%	-3.8%	Decrease

### Student income support payments debts raised and recovered

In 2010–11, 127 214 new student income support payment debts, with a value of approximately \$100.9 million, were raised; \$104.7 million of debt was recovered, waived or written off by Centrelink and its contracted mercantile agents.

The Youth Allowance (student) components of these figures are estimates because the debt data includes both Youth Allowance (student) (Outcomes 2 and 3) and Youth Allowance (other) (Outcome 4) debts.

### Reviews of recipients' compliance

Information obtained from Centrelink's Integrated Review System shows that 108 077 student payment reviews were completed in 2010–11. As a result of those reviews, 14 229 payments were reduced or cancelled, 3623 payments were increased, and 20 054 debts were raised, with an estimated value of \$40.8 million.

### Data matching

Centrelink data is compared with data from other agencies to identify inconsistent recipient information, including incorrect earnings, multiple identities, incorrect rental information and incorrect information about dependants in care. The comparison uses data from the Australian Taxation Office, the Department of Immigration and Citizenship, Defence Housing Australia, ComSuper, AUSTRAC, and state and territory registers of births, deaths and marriages. There were 21 397 data matching reviews in 2010–11.

**Table 36: Departmental outputs performance information**

Performance indicator	Estimate	Actual
<i>Program management</i>		
Higher Education Equity Programs: Payments made are based on calculations which are accurate and in accordance with approved guidelines	Payments made to 38 Table A universities in 2010	Payments made to all eligible higher education providers
Services provided by Australian Government agencies (e.g. Centrelink) satisfy performance requirements	DEEWR requirements met	Centrelink satisfied some key performance measures in the Bilateral Management Arrangement related to education. Centrelink did not meet targets for select LLN Program, Access and ASDOT measures
Timely and relevant information provided by AEI website and publications	Content on AEI Online website updated at least once a year, or as required	Content has been updated on a regular basis
<i>Client satisfaction</i>		
Trade Skills Assessment Application	95% of all applications in the international and domestic streams finalised within 30 working days	Assessment is now generally conducted by Australian registered training organisations, all of which met their terms of service deeds for quality and timeliness of assessment in 2010–11



## 2 Our outcomes



### **Outcome 4**

**90**

Program 4.1 Employment services

92

Program 4.2 Indigenous employment

103

Program 4.3 Disability employment services

106

Program 4.4 Working age payments

107

Program 4.5 Compensation payments

112

Departmental outputs for Outcome 4

114

## Outcome 4

Enhanced employability and acquisition of labour market skills and knowledge and participation in society through direct financial support and funding of employment and training services

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Skills development and employment participation are central to Australia's productivity and economic prosperity. The Outcome 4 objective is to help people—especially those who experience substantial barriers to work and are therefore disadvantaged in the labour market—to develop skills and gain employment, and participate economically and socially in the community.

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

Responding to the labour market challenges caused by the global recession continued to be a priority in 2010–11. The Jobs and Training Compact announced in April 2009 offered training, support and local initiatives to help Australians affected by the global recession to get back to work. As part of this, the Compact with Communities maintained the strong focus on supporting jobs at the regional and local levels through the work of Local Employment Coordinators in 20 designated priority employment areas and through the Jobs Fund. Furthermore, the Compact with Retrenched Workers supported Australians who were made redundant or lost their jobs because of the economic downturn through immediate access to personalised employment services with JSA and DES.

Support for Aboriginal and Torres Strait Islander peoples was provided through the Indigenous Employment Program which complement the assistance currently available under JSA and DES. These contribute to the Government's commitment to halve the gap in Aboriginal and Torres Strait Islander and other Australian employment outcomes, which will require an additional 100 000 Aboriginal and Torres Strait Islander peoples to be employed within the decade.

Outcome 4 strategies are underpinned by a rich evidence base supported by collaborative relationships with key international research organisations such as the Organisation for Economic Co-operation and Development, as well as the department's own labour market research and statistics and program evaluations. This enables the department to continue to develop and refine employment services policy to meet the needs of job seekers and employers, and to keep up to date on industry and regional labour market issues.

### Key priorities

In 2010–11, the key priorities for Outcome 4 were to:

- » provide program management and support of JSA and DES to ensure the efficient and effective delivery of employment assistance and skills development for job seekers
- » develop and implement streamlined arrangements for assessing employment services to ensure that disadvantaged job seekers receive the services that are most appropriate to their needs
- » administer employment programs and employer funding to assist people with disability to find and retain sustainable work



- » provide advice to the Government on future employment services purchasing arrangements when current JSA and DES contracts cease on 1 July 2012
- » effectively administer working age payments for unemployed Australians and parents
- » support the Independent Review of the Job Seeker Compliance Framework, chaired by Professor Julian Disney AO with Anna Buduls and Peter Grant PSM. The report of the review, which was tabled in parliament on 30 September 2010, was generally positive about the compliance framework while also recommending a number of enhancements
- » provide policy advice, data and analysis to the Government on the labour market, income support and employment services
- » respond to the impact of natural disasters on communities and individuals
- » implement the Productive Ageing Package to help mature-age Australians remain engaged in the labour market and to encourage the transfer of their skills and experience to younger generations
- » implement the Pacific Seasonal Worker Pilot Scheme
- » continue to develop and implement Aboriginal and Torres Strait Islander-specific employment and economic policies and programs to support the Closing the Gap agenda and increase the wellbeing of Aboriginal and Torres Strait Islander peoples by supporting greater economic participation and self-reliance.

### Key achievements

- » JSA placed more than 478 000 job seekers into jobs. This is an increase of more than 27 per cent on 2009–10. JSA assisted 28 000 highly disadvantaged job seekers who were on waiting lists for the former Personal Support Program. Across key priority groups job placement numbers were up: 23 per cent for Aboriginal and Torres Strait Islander Australians; 27 per cent for those homeless or at risk of homelessness; and 41 per cent for the very long-term unemployed.
- » Through the reformed employment services for people with disability, the number of people who achieved a job placement and a sustainable employment outcome increased by more than 40 per cent from that achieved in the final year of the previous programs.
- » Public consultation was undertaken to seek feedback on ways to improve services for unemployed Australians through JSA and DSE. Over 150 responses were received from peak representative bodies, employment services providers, consumer bodies, social policy groups and individuals.
- » Suspension of income support was incorporated into the job seeker compliance framework to apply from 1 July 2011, implementing the Government's Tougher Rules for Job Seekers election commitment.
- » A \$10 million Insulation Workers Adjustment Package was introduced to assist business and employers affected by the closure of the Home Insulation Program. There were 700 applications approved to a value of \$8.3 million through this package, with 1146 workers being retained and retrained by their employers.
- » The \$83 million Queensland Natural Disasters Jobs and Skills Package was announced. It is jointly funded by DEEWR and the Queensland Government, and work has begun on implementing the individual elements of the package.
- » Forty Keep Australia Working Jobs and Skills Expos were held between October 2009 and December 2010, attracting more than 154 000 attendees and 3000 exhibitors and connecting more than 15 500 job seekers with job opportunities.

- » Employment opportunities were created in disadvantaged communities through Jobs Fund projects (rounds 1 and 2). Most of these projects were completed by 30 June 2011; the program exceeded its original targets with more than 8900 jobs, more than 2300 traineeships/apprenticeships and almost 5000 work experience opportunities created and/or retained.
- » The Indigenous Employment Program exceeded its targets for total commencements and employment by 14 per cent. The program was realigned to increase the focus on employment outcomes and to better target projects across a broader range of industries and focus on key Indigenous cohorts.
- » Advice was provided to Government on strategies to improve the skills, training and participation opportunities for disadvantaged groups, including young people, very long-term unemployed people, jobless families, teenage parents and people with disability. The Building Australia's Future Workforce budget measures will be implemented in 2011–12.

### Program 4.1 Employment services

Workforce participation remains a key component of the Government's productivity agenda as a driver of long-term economic growth. In support of the recovery from the impacts of the global recession, ongoing assistance to working-age Australians continues through employment services.

The program's objectives include:

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

JSA began operation on 1 July 2009 and delivers a streamlined service to job seekers that enables providers to more effectively respond to changing economic conditions. JSA provides job seekers with tailored services to equip them with the skills and attributes to meet employers' needs and emerging skills or labour shortages.

The flexibility of the JSA model has enabled major government reforms to be incorporated into the employment services framework. These reforms include the Closing the Gap strategy, the Compact with Young Australians and the Compact with Retrenched Workers.

Local Employment Coordinators in priority employment areas complement employment services by coordinating and driving local responses to job losses and declining economic demand in targeted areas, and maximising the impact of the Australian Government's fiscal stimulus package.

#### Job Services Australia

More than 1.6 million referrals were made to JSA in 2010–11 and over \$1.5 billion was invested in Australian job seekers. JSA placed more than 478 000 Australians in jobs and is currently assisting nearly 750 000 job seekers.

JSA is also focused on servicing the 91 500 unemployed Aboriginal and Torres Strait Islander Australians who make up 12 per cent of the total caseload, but just 2.5 per cent of Australia's population. In 2010–11 there were more than 44 100 placements into jobs for Aboriginal and Torres Strait Islander Australians, an increase of 23 per cent on the previous year.

JSA is performing strongly when compared to the previous arrangements.

- » 10.0 per cent more job placements were achieved in the first 24 months of JSA than in the first 24 months of Job Network
- » 59.7 per cent of job seekers were working or studying after receiving JSA assistance
- » 47.6 per cent of job seekers achieved an employment outcome.

### Job Services Australia Employment Services

Strong results have been achieved for disadvantaged job seekers. The most disadvantaged job seekers achieved an employment outcome rate of over 25 per cent, which is a substantial improvement on results reported for the former Personal Support Program of around 15 per cent. Those job seekers also appear to be achieving good education and training outcome rates at double that achieved by the Personal Support Program. Furthermore, there are no waiting lists, meaning that an additional 28 000 disadvantaged job seekers are now accessing services.

#### *Assistance to Aboriginal and Torres Strait Islander owned organisations delivering Job Services Australia*

During 2010–11, a series of business development workshops were held for Aboriginal and Torres Strait Islander organisations delivering JSA Employment Services. The workshop themes included training, employer engagement, post-placement support and marketing. To complement the workshops, participating providers were offered the opportunity of on-site business planning support ahead of 2012–13.

### Innovation Fund

The Innovation Fund is a component of Job Services Australia. It is a competitive grants program designed to address the needs of the most disadvantaged job seekers. The program provides funding for projects that foster innovative solutions to overcome barriers to employment.

A number of projects were approved for funding during 2010–11:

- » seven projects for approximately \$2.5 million under Round 3
- » 12 disability-specific projects for approximately \$2.9 million
- » eight projects that specifically target Aboriginal and Torres Strait Islander job seekers, for approximately \$3.3 million
- » an additional 11 projects, which were approved outside a funding round, totalling approximately \$5.9 million.

These projects are expected to assist up to 2881 disadvantaged job seekers to access jobs, work experience placements, training placements and mentoring opportunities. The program will end on 30 June 2012.

### Employer Broker Program

The Employer Broker Program is a component of Job Services Australia. During 2010–11, employer brokers engaged with employers in a skill or labour shortage industry to broker solutions that meet employers' needs and to coordinate and target the efforts of employment service providers to matching the needs of job seekers with the labour requirements of employers.

Twenty-six projects with a total value of approximately \$4.2 million were approved for funding as a result of two open calls for proposals and direct approaches to panel members. These projects will assist almost 2000 participants and create over 1600 jobs.

### Job Capacity Assessment

The Job Capacity Assessment (JCA) program delivers work capacity assessments for people with disability and other barriers to work. Job capacity assessors refer people to appropriate employment services and provide reports that inform Centrelink decisions on income support, such as Disability Support Pension entitlements.

### Streamlined assessments

In May 2010 the Government announced that a new streamlined assessment process for people with disability and other disadvantaged job seekers would be introduced from 1 July 2011 to replace JCAs. All assessments will be performed by a single Australian Government provider under the Department of Human Services (DHS) portfolio, replacing the 18 organisations that delivered JCA services during 2010–11. The department has been working with DHS and the Department of Families, Housing, Community Services and Indigenous Affairs on transitioning the assessments to DHS.

### Jobs Fund

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

Under the Get Communities Working and Local Jobs streams of the Jobs Fund, the Australian Government announced \$171 million for 225 projects throughout Australia.

Funding for projects was provided as one-off discretionary grants of up to \$2 million. Jobs Fund projects include support for social enterprises to provide training and employment opportunities to people from disadvantaged backgrounds, initiatives that focus on repairing and improving community facilities, and projects with environmental benefits that also provide for green skills in the future.

The program exceeded its original targets, with more than 8900 jobs, more than 2300 traineeships/apprenticeships and almost 5000 work experience opportunities created and/or retained. Many of the projects operated in regions experiencing high levels of disadvantage and job losses.

### New Enterprise Incentive Scheme

The New Enterprise Incentive Scheme assists eligible job seekers who are interested in starting and running a small business. The scheme provides accredited small business training, business advice and mentoring for eligible job seekers, as well as ongoing income support, for up to 52 weeks. This includes training to complete either a Certificate III in Micro-Business Operation or a Certificate IV in Small Business Management. The scheme assists up to 6300 job seekers each year through a network of 51 panel members.

In 2010–11 there were 5713 business start-ups under the scheme (91 per cent of the scheme's annual cap of 6300 start-ups).

### Harvest Labour Services

DEEWR provides two seasonal worker programs:

- » The Harvest Labour Scheme has 11 providers operating from 33 sites which provide out-of-area workers for areas where the local labour pool is insufficient to meet growers' needs. During 2010–11 the scheme filled more than 26 100 harvest labour positions in 19 harvest areas Australia-wide.

The National Harvest Labour Information Service coordinates harvest-related information nationally. The service produces a hard-copy *Harvest guide*, coordinates the Harvest trail website and provides a free harvest-related telephone information service.

### **Job Services Australia making a difference—breaking the persistent cycles of social and economic exclusion**

Job Services Australia has been effective in assisting the most disadvantaged job seekers. A service provider helped a homeless job seeker, who had been unemployed for over a year and a half, find ongoing employment. The job seeker had been homeless for more than five months and was experiencing significant financial hardship and stress because of being out of work. Adding to the job seeker's barriers was the fact he did not hold a driver's license or any other forms of identification, and did not have a telephone. The only work experience he had was 10 years of pearl diving.

While the job seeker participated in the Job Services Australia provider's 'job ready' training course, the provider assisted him to address his most immediate needs, including accommodation and counselling. The provider used the Employment Pathway Fund to purchase training, clothing and a bicycle for commuting to work. This practical use of the fund began to address some of the job seeker's vocational and non-vocational barriers to employment.

After the job seeker completed the 'job ready' training course, the provider worked with him to identify what sort of position he would like to pursue. The provider then worked with the job seeker and local employers to successfully place him in a full-time job and in a preferred position.

The provider used post-placement support and a wage subsidy while working with both the job seeker and his employer to ensure a sustainable job outcome. As a result, the job seeker has remained in continuous employment for over six months.

#### **Australian JobSearch**

Australian JobSearch is Australia's largest free online jobs website, and has over 1.5 million visitors a month. It is provided by the Australian Government to assist all job seekers into employment, and to assist employers find staff.

#### **Productive Ageing Package**

The Productive Ageing Package (\$43 million over four years from 2010–11) aims to help mature-age Australians remain engaged in the labour market and to encourage the transfer of their skills and experience to younger generations. The package, promoted as Experience+, commenced on 1 July 2010 and provides practical support to mature-age Australians to assist job retention.

Services delivered under Experience+ include:

- » Experience+ Career Advice—free professional career advice for mature-age job seekers and workers aged 45 years and over
- » Experience+ Training—grants of \$4950 for employers of mature-age workers who are aged 50 years and over, to assist those workers to participate in training or to up-skill and become mentors or supervisors of apprentices and trainees
- » Experience+ On-the-Job Support—training and support for workers aged 50 years and over whose jobs may be at risk due to a health condition, injury or disability
- » Experience+ Job Transition Support—training and support for workers aged 50 years and over who are employed in a physically demanding job in a priority employment area and wish to change to a less physically demanding role, as well as for workers retrenched since 1 January 2011 who were issued with a retrenchment notice while living or working in a priority employment area, to help them find a new job.

### Golden Gurus program

The Golden Gurus program brings together a diverse range of organisations to link the experience and expertise of mature-age volunteers (aged 50 years and over) with community organisations and start-up businesses (for example, new business owners who have completed the Australian Government's New Enterprise Incentive Scheme).

The program now has 53 member organisations, 13 Golden Guru ambassadors and a large number of Golden Guru volunteer mentors sharing their skills and life experiences with their local host organisations (community and small business organisations). Mentoring for community organisations and small business owners includes help with networking, identifying areas for business improvement, and mentoring and support to develop and grow. Golden Gurus and Golden Guru ambassadors also provide mentoring support to individuals (including young people, people with disability and the elderly).

In 2010–11, as part of the Australian Government's Productive Ageing Package, 51 grants totalling \$518 683 (GST inclusive) were made under the Golden Gurus program. The grants, which will be paid in two equal instalments over 2010–11 and 2011–12, will help organisations delivering the Golden Gurus program to broker new opportunities for their Golden Gurus volunteers and prepare them, through training, for mentoring roles with community and start-up small businesses.

### Employment initiatives in remote Australia

In the 2011–12 Budget the Australian Government announced a review of remote participation and employment services with a view to introducing a new model from 1 July 2013.

The Government has commenced a consultation process to seek views on what is and is not working.

The new model will be simpler, more integrated and more flexible than existing arrangements.

At the core of the new arrangements will be the expectation that people who can work should work, and that those that need assistance to get ready for work will receive it.

They will also recognise that in some communities there are more job seekers than there are jobs, and needs to address that by developing remote economies, providing participation activities and supporting people who can and want to move for work.

Aboriginal and Torres Strait Islander peoples in remote communities are being assisted to meet their participation obligation requirements through a pilot program of joint interviews with job seekers involving Centrelink and JSA providers. The pilot is being conducted in nine remote communities and commenced in January 2011. The joint interviews will continue during 2011–12 and aim to help identify barriers to employment such as low literacy or health problems and assist job seekers to be referred to appropriate services for support. The interviews will also make sure participation obligations are understood by job seekers. An evaluation of the pilot will inform the development of new remote participation and employment services from 1 July 2013.

To assist the achievement of employment outcomes in remote Australia, a business development workshop was held for targeted remote area JSA providers as part of the series of workshops for Aboriginal and Torres Strait Islander organisations delivering JSA Employment Services. The workshop themes included training, employer engagement, post-placement support and marketing.

## Key performance indicator

Table 37: Key performance indicator for program 4.1	Estimate	Actual
<b>Job Services Australia</b>		
Total job placements achieved	450 000	478 027

## Effectiveness indicators

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

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

- » trend in the average duration (in weeks) of unemployment relative to labour market performance
- » comparative labour market experience (measured as average duration in weeks on full rate unemployment allowance) and proportion of job seekers off benefit three months following participation in employment services for each of the following groups
  - long-term unemployed
  - very long-term unemployed
  - mature aged
  - people from culturally and linguistically diverse backgrounds
  - young people
  - Aboriginal and Torres Strait Islander peoples
  - people with disability
  - sole parents.
- » proportion of population of workforce age on working age income support payment
  - full rate
  - part rate.
- » by building a workforce that is trained and highly skilled, there will be an increase in economic growth and improved living standards.



Table 38: Effectiveness indicators for program 4.1	Estimate	Actual
<b>Job Services Australia</b>		
Cost per employment outcome for employment services delivered by Job Services Australia: <sup>a</sup>		
» Streams 1–3	\$4000	\$2332
» Stream 4	\$17 300	\$8524
Proportion of job seekers in employment three months following participation in employment services:		
» Stream 1	55%	58.1%
» Stream 2	38%	53.9%
» Stream 3	25%	34.8%
» Stream 4	13%	25.4%
Proportion of job seekers in education/training three months following participation in employment services:		
» Stream 1	10%	19.6%
» Stream 2	10%	18.8%
» Stream 3	12%	20.0%
» Stream 4	12%	16.1%
Proportion of job seekers off benefit three months following participation in employment services: <sup>b</sup>		
» Stream 1	55%	58.7%
» Stream 2	40%	52.7%
» Stream 3	35%	31.4%
» Stream 4	15%	40.4%
Proportion of job seekers off benefit 12 months following participation in employment services: <sup>b</sup>		
» Stream 1	na	na
» Stream 2	na	na
» Stream 3	na	na
» Stream 4	na	na

na = not available.

- a Cost per employment outcome for employment services delivered by Job Services Australia is calculated as the unit cost of job seekers assisted divided by the number of job seekers employed (as measured through the department's Post-Program Monitoring Survey) in the reporting period. The costs per employment outcome relate only to Job Services Australia costs (that is, after 1 July 2009).
- b A significant proportion of the off-benefit outcomes for Stream 4 job seekers relate to those who moved into other types of income support (for example, Disability Support Pension and Parenting Payment) but are still recorded as being off benefit. This methodology for the calculation of off-benefit outcomes is consistent with the way it has been assessed for many years.

### Labour force participation rate and employment-to-population ratio for people aged 15–64 years

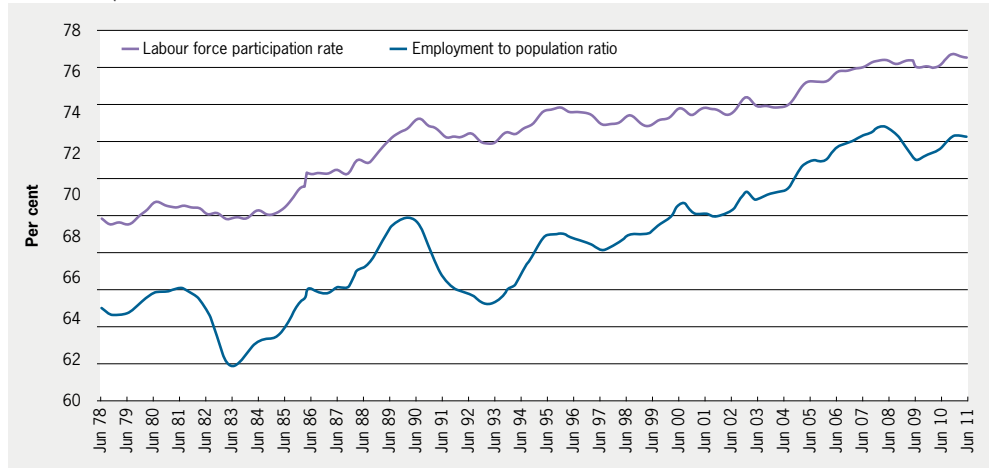
The labour force participation rate is the proportion of the working age population that is either employed or looking for work. It is used to determine whether an increasing proportion of the population is working or looking for work and is a good indicator of the total supply of labour. However, it does not include those who are marginally attached to the labour force. The employment-to-population ratio is the proportion of the working age population that is employed. This ratio is influenced by both labour demand and effective labour supply factors. It is also a good summary indicator for measuring labour market performance relative to comparable countries, particularly those in the Organisation for Economic Co-operation and Development.

Reflecting robust growth in domestic final demand in Australia (in inflation-adjusted terms), the boom in commodity demand from China, India and other developing countries, and moderate wage and price inflation in Australia, the trend employment-to-population ratio for people aged 15–64 years increased by 0.6 percentage points to 72.8 per cent over the year to June 2011.

Australia's workforce-age participation rate increased by 0.4 percentage points over the same period, and was 76.7 per cent in June 2011.

**Chart 7**

**Labour force participation rate and employment-to-population ratio: people aged 15–64 years: trend data, June 1978 to June 2011**



Source: Australian Bureau of Statistics 2011, *Labour Force, Australia, June 2011*, ABS cat. no. 6202.0, Table 18.

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

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

- » Newstart Allowance
- » Youth Allowance
- » Parenting Payment (Single and Partnered)
- » Disability Support Pension
- » Sickness Allowance
- » Widow Allowance
- » Partner Allowance
- » other payments—the Age Pension (women aged 64 years are eligible for the Age Pension although they are still of workforce age); Carer Payment; Special Benefit; Austudy; ABSTUDY living allowance; Mature Age Allowance (there is nobody remaining on this payment); Widow B Pension; Wife Pension (Age and Disability Support Pension); Bereavement Allowance; and Sickness Allowance.

**Table 39: Percentage of the workforce-age population on income support payments, full and part rate**

Payment type by rate	June 2010	June 2011	Percentage point change
Part rate <sup>a</sup>	4.2	4.2	0.0
Full rate	12.5	12.5	-0.1
Total	16.7	16.6	-0.1

<sup>a</sup> This includes part-rate payment, manual-rate payment, Disability Support Pension suspended, undetermined and zero-rate payments. Numbers do not always add to totals because of rounding.

Source: DEEWR extract of Centrelink administrative data.

The proportion of civilians aged 15–64 years on workforce-age income support payments remained almost unchanged between June 2010 and June 2011, both overall and by part rate/full rate status. There was also little change in the proportions of the workforce-age population on each of the payment types.

### Economic conditions

During 2010–11, the pace of economic growth in Australia was adversely affected by floods and cyclones, and by natural disasters overseas (particularly in New Zealand and Japan). Economic activity fell by 1.2 per cent over the March quarter 2011, although it grew by 1.0 per cent over the year to the March quarter 2011 (the latest available data). Despite these adversities, which have resulted in a large reduction in net exports, domestic final demand in Australia (in inflation-adjusted terms) remained robust over the financial year, growing by 3.3 per cent over the year to the March quarter 2011 (latest available data).

Economic activity varied enormously by industry over this period, ranging from growth of 20.3 per cent for agriculture, forestry and fishing (reflecting better weather conditions overall, despite damage from the floods and cyclones in some areas) to a fall of 9 per cent for mining (reflecting the impact of the floods and cyclones in the March quarter in the resources sector). Other notable results were recorded for construction, which grew by 7 per cent, and professional, scientific and technical services, up by 10.3 per cent. Output in manufacturing, however, fell by 3.1 per cent (in part reflecting the high value of the Australian dollar), while output in other services fell by 8.2 per cent. By contrast, solid economic growth was recorded in health care and social assistance (up by 2.7 per cent), financial and insurance services (up by 2.7 per cent) and education and training (up by 2.6 per cent).

### Labour market conditions

Against the backdrop of strong economic activity in 2010, labour market activity strengthened in the first half of 2010–11. For example, between June 2010 and December 2010, employment grew by a robust 176 400 jobs (or an annualised rate of growth of 3.2 per cent). Since then, however, the performance of the labour market has softened, with employment decreasing by just 45 600 (or an annualised rate of 0.8 per cent) due in large part to the natural disasters that occurred in early 2011. From December 2010 to June 2011, employment increased by just 45 600 (or an annualised rate of 0.8 per cent).

The strong labour market performance in the first half of the financial year was sufficient to effect an overall improvement in labour market conditions over 2010–11. The number of people employed increased by 222 000 (or 2 per cent), to stand at 11 455 200, compared with a rise of 316 400 (2.9 per cent) over the previous financial year. The rise in employment in 2010–11 was due predominantly to an increase in full-time employment (up by 202 100 or 2.6 per cent to 8 082 100), while there was a small rise in part-time employment (up by 19 900 or 0.6 per cent to 3 373 000). Significant job gains were recorded in a number of industries over the year to May 2011 (latest available industry data), including health care and social assistance (up by 57 200), education and training (up by 44 400), financial and insurance services (up by 38 100), mining (up by 35 200) and retail trade (up by 34 000).

The unemployment rate fell by 0.2 percentage points over 2010–11, to stand at 4.9 per cent in June 2011. The level of unemployment also declined over the period by 16 000 (or 2.6 per cent) to 591 000 in June 2011. That said, long-term unemployment rose over 2010–11, by 9200 (or 8.1 per cent) to 122 200 in May 2011 (latest available data). Similarly, long-term unemployment incidence (the proportion of unemployed people who were long-term unemployed) rose by 2.0 percentage points over the period to 20.6 per cent. It is worth noting that long-term unemployment is a lagging indicator, so it can generally take some time after the recovery from a downturn has begun for significant and sustainable inroads to be made into the level of long-term unemployment.

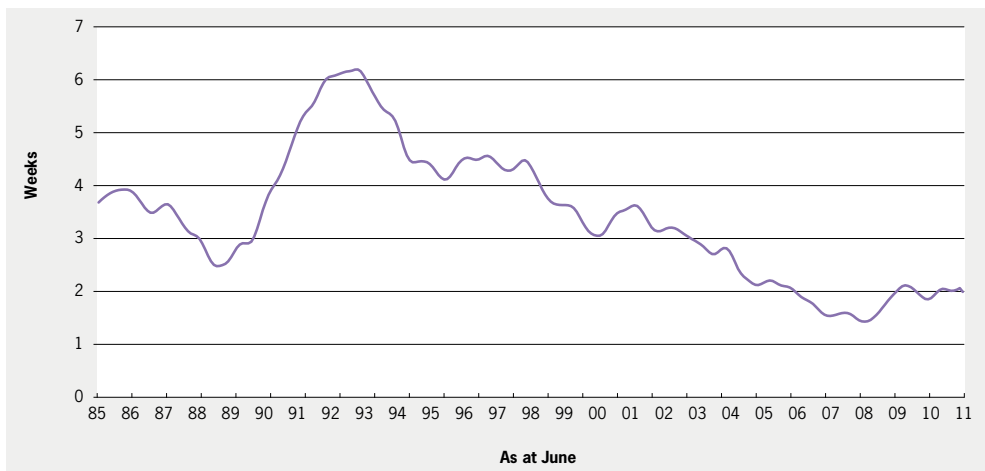
Going forward, the Australian labour market is likely to be characterised by some temporary short-term softness, followed by a period of medium-term strength. Indeed, a forecast increase in the pace of economic activity for 2011–12 (boosted, in large part, by an expected boom in mining investment) should result in a pick-up in the pace of employment growth over 2011–12.

As outlined above, the value of production in mining was significantly lower in the March quarter 2011 than in the corresponding quarter in 2010, mainly due to the impact of flooding on the Queensland coal industry. Employment in the industry continued to grow over this period, however, driven by high levels of investment in the resources sector overall.

Changes in the average duration of unemployment per labour force member indicate the ability of unemployed people to find work. Chart 8 provides a time series for this measure in trend terms for the last 25 years. In the 12 months to June 2011 the average duration of unemployment per labour force member rose by 7.6 per cent to just under two weeks.

**Chart 8**

**Average duration of unemployment per labour force member, June 1986 to June 2011**



Source: Based on data from SuperTABLE Data Cube UM1 and Spreadsheet Table 01 in Australian Bureau of Statistics 2011, Labour Force, Australia, Detailed—electronic delivery, June 2011, ABS cat. no. 6291.0.55.001. These statistics were seasonally adjusted and trended in DEEWR.

Reflecting the ongoing recovery in the labour market, the average duration of full rate unemployment allowance decreased from the level reported in June 2010 (see Table 40).

**Table 40: Average duration on full rate unemployment allowance, June 2006 to June 2011 (weeks)**

Measure	2006	2007	2008	2009	2010	2011	Trend
Average duration on full rate unemployment allowance	39.4	37.0	35.3	33.7	34.3	31.0	Decrease

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

Again reflecting the recovery in labour market conditions, decreases in the average duration on full rate unemployment allowance were recorded for the majority of disadvantaged groups compared to the same period in 2010 (see Table 41). Small increases in average duration were recorded for single parents and young people.

**Table 41: Average duration on full rate unemployment allowance, by disadvantaged groups,<sup>a</sup> June 2006 to June 2011 (weeks)**

Measure	2006	2007	2008	2009	2010	2011	2010-11 change	Trend
Very long-term unemployed	237.1	233.9	234.5	226.1	216.3	205.8	-4.9%	Decrease
Long-term unemployed	161.7	162.0	163.4	148.9	133.0	132.3	-0.5%	Decrease
Indigenous Australians	47.6	44.4	42.2	44.6	46.0	40.1	-12.9%	Decrease
Mature age <sup>b</sup>	56.5	51.4	48.5	43.4	41.5	36.0	-18.1%	Decrease
Culturally and linguistically diverse background <sup>c</sup>	40.6	37.7	35.6	33.4	32.8	30.4	-7.1%	Decrease
Sole parents	49.1	23.3	18.7	20.2	19.0	19.2	+1.1%	Increase
People with disability	67.4	65.1	61.9	57.1	51.2	44.1	-13.9%	Decrease
Young people <sup>d</sup>	14.1	14.0	12.7	15.6	18.7	19.6	+4.5%	Increase
All client groups	39.4	37.0	35.3	33.7	34.3	31.0	-9.7%	Decrease

a The average duration on full rate Newstart or Youth Allowance (other) at the end of June each year.

b Aged 45 years or more.

c Other than people from main English-speaking countries.

d Aged 15 to 20 years.

Source: DEEWR administrative data.

### Support for individuals and communities affected by natural disasters

Severe flooding hit Australia in December 2010 and January 2011. As a result of the floods three-quarters of Queensland was declared a disaster zone. In addition to the floods, on 2 February 2011, parts of North Queensland were devastated by Cyclone Yasi.

The department responded quickly to these natural disasters to ensure that affected individuals and communities had access to a range of support. This assistance was based on the department's experience with previous disasters such as the Victorian Bushfires and Cyclone Larry, as well as the response to the global economic downturn.

#### Cyclone Yasi Wage Assistance

Wage Assistance was jointly announced on 16 February 2011 by the Australian and Queensland governments. Wage Assistance was available for employers within specified boundaries (including businesses, farmers and not-for-profit organisations) whose business had been affected by Cyclone Yasi to help maintain their workforce and the viability of their business and the local community.

Claim forms were available from the Centrelink website from 21 February 2011 and employers could submit claims for Wage Assistance up to 30 June 2011.

Wage Assistance of \$469.70 per fortnight for each full-time equivalent employee was available to eligible employers for a maximum of 26 weeks. If employees transferred from the Disaster Income Recovery Subsidy to Wage Assistance, the total of 26 weeks encompassed both payments. No income test was applied.

Centrelink administered the payments on behalf of the Australian Government.

At 30 June 2011, 472 employers had been assisted to retain around 3000 employees through this measure.

### Queensland Natural Disasters Jobs and Skills Package

On 6 March 2011, the Australian Government, in partnership with the Queensland Government, announced \$83 million in funding for the Queensland Natural Disasters Jobs and Skills Package.

The package was developed to support Queensland industry, business and communities affected by the floods and Cyclone Yasi. The package comprised skills and employment initiatives to mitigate skills and job losses, support the retention of skilled workers in impacted communities, and address emerging skills shortages stemming from the flood crisis.

The department's \$38.5 million contribution to the package, which will be available until 30 June 2012, includes:

- » a \$12 million Flexible Funding Pool
- » 400 places under the National Green Jobs Corps
- » support for apprentices through out-of-trade apprentice work teams, bonuses for employers, replacement tools and relocation payments
- » assistance for Aboriginal and Torres Strait Islander peoples through targeted Indigenous Employment Program places and five Indigenous Employment Coordinators
- » additional places for job seekers under the Community Work Placements – Green Army program
- » funding towards 30 Job and Skills Development Officers.

The Queensland Government is currently working with the Australian Government to implement the individual elements of the package.

### Program 4.2 Indigenous employment

The objective of the Indigenous Employment Program is to increase Aboriginal and Torres Strait Islander peoples' employment outcomes and participation in economic activities, contributing to the Government's commitment to halving the gap between Aboriginal and Torres Strait Islander peoples and other Australians' employment outcomes by 2018. Closing the gap in employment is vital to ensuring a better quality of life for Aboriginal and Torres Strait Islander peoples and is necessary to ensure both economic and social stability. Having a job provides families with a better standard of living and better health in the long run, especially for children. Secure employment is also vital to breaking the cycle of poverty and welfare dependency, and economic participation improves the choices open to people and improves the national economy.

The program offers tailored solutions to assist employers to recruit, train and provide sustainable employment for Aboriginal and Torres Strait Islander peoples. It also supports Aboriginal and Torres Strait Islander peoples to pursue self-employment and business development opportunities. The program assists a diverse range of employers and organisations across Australia in a broad range of industries.

The Indigenous Employment Program is a key government program focused on closing the employment gap and complements Job Services Australia, the Australian Government's national employment services system.

In 2010–11, the program exceeded its commencement targets and strengthened its focus on delivering employment outcomes and more effectively supporting and delivering quality projects. This included focusing on working with a range of key industries (such as public sector agencies, retail, the mining industry, transport and the financial sector) and focusing on key cohorts including Aboriginal and Torres Strait Islander young people.

Work was also undertaken to support Aboriginal and Torres Strait Islander businesses both directly through the Indigenous Employment Program and the Indigenous Capital Assistance Scheme, and through supporting organisations assisting Aboriginal and Torres Strait Islander businesses, including state and regional Indigenous chambers of commerce and the Australian Indigenous Minority Supplier Council.

A new Indigenous Youth Careers Pathways Program was announced in the May 2011 Budget. The program will:

- » support Aboriginal and Torres Strait Islander young people to transition effectively from school and into further education and/or work
- » provide support for up to 6400 Aboriginal and Torres Strait Islander students to stay in school and undertake school-based traineeships.

Work is underway to prepare for the commencement of the program on 1 January 2012.

Implementation of the first element of the Indigenous Economic Participation National Partnership Agreement was completed on 30 June 2010. Under this element, the Australian Government has created a total of 1538 jobs for Aboriginal and Torres Strait Islander Australians. These jobs are government service delivery positions that previously relied on the Community Development Employment Projects program. The national partnership includes three other elements in different stages of implementation:

- » Element 2—strengthening current government procurement policies to maximise Indigenous employment
- » Element 3—incorporating Indigenous workforce strategies into all new major COAG reforms contributing to the Closing the Gap targets
- » Element 4—reviewing all Public Sector Indigenous employment and career development strategies to increase employment to reflect population share by 2015

The following significant milestones were achieved under the national partnership agreement in 2010–11:

- » The Government's enhanced Indigenous Opportunities Policy was announced on 25 February 2010. The implementation of the policy commenced with wide-ranging consultations on draft guidelines between May and August 2010. Those consulted included Australian Government agencies, major suppliers to the Government and Aboriginal and Torres Strait Islander business stakeholders. The guidelines were released on 14 February 2011 and full implementation of the policy began on 1 July 2011.
- » On 19 May 2011, the Minister for Finance and Deregulation and the Minister for Indigenous Employment and Economic Development announced an exemption to the mandatory procurement procedures under the Commonwealth Procurement Guidelines for small and medium enterprises that are 50 per cent Aboriginal and Torres Strait Islander peoples owned. The exemption will allow Australian Government agencies to contract directly with Indigenous small and medium enterprises without the need to conduct a full tender process, on the condition that the procurement represents value for money.
- » In May 2011, the department hosted the Indigenous Employment Exchange Forum. Human resource practitioners and senior leaders from the public sector were brought together to share ideas on strengthening Aboriginal and Torres Strait Islander job outcomes and developing inclusive workforce strategies. A panel of presenters discussed a range of strategies undertaken within their organisations. An online community was formed as an additional mechanism for facilitating further collaboration and developing a holistic, sustainable and inclusive approach across the public sector. The forum and online community form part of the Government's commitment to closing the gap on Indigenous disadvantage and improving Indigenous employment outcomes.



## Hospitality and the Indigenous Employment Program

The hospitality industry across the Northern Territory has facilitated a range of successful training and employment opportunities for Aboriginal and Torres Strait Islander job seekers. An excellent example was the successful Indigenous Employment Program project delivered through an Indigenous Employment Program Employment panel member Karen Sheldon Hospitality (NT). The project was delivered across Darwin, Katherine and Alice Springs and resulted in 170 participants completing pre-employment training, 118 of whom gained employment in hospitality positions. A key feature of the success of this project is the on-the-job training provided at a range of Northern Territory events, including the Darwin Turf Club during the Ladies Day race meet and the Monster Cafe at the Hidden Valley Track for the V8 Supercars. A key reason for the success for this initiative was the intensive mentoring provided to job seekers both throughout their training and into employment aimed at maximising their chances of remaining in employment.

### Key performance indicators

Table 42: Key performance indicators for program 4.2	Estimate	Actual
<b>Indigenous employment</b>		
Number of total commencements in Indigenous employment programs (includes commencements in employment, training and other assistance)	27 500	31 453
Number of employment commencements in Indigenous employment programs	14 000	14 408

### Indigenous employment

In 2010–11, the Indigenous Employment Program significantly exceeded its targets, delivering a total of 31 435 commencements (a 14 per cent increase on the target of 27 500) into employment, training and other assistance and 14 408 (a 2.9 per cent increase on the target of 14 000) into employment. This is an increase of 8518 (37 per cent) for total commencements compared to 2009–10, and an increase of 3475 (32 per cent) of employment commencements compared to 2009–10.

The Australian Employment Covenant also exceeded its 50 000 job commitment target by 10 per cent, announcing 55 000 total commitments.

At 30 June 2011 the Australian Indigenous Minority Supplier Council had certified 93 Indigenous suppliers and attracted 114 corporate and government members. It generated nearly \$21.7 million in contracts and \$6.4 million in transactions between its members and suppliers. These results far exceed the council's initial targets.

### Effectiveness indicator

In 2010–11, the effectiveness indicator for the Indigenous Employment Program was increased to 65 per cent (from 60 per cent in 2009–10). Post-assistance outcomes for program participants were strong in 2010–11; outcomes for retention in employment, education and training after three months exceeded the increased target.

Table 43: Effectiveness indicator for program 4.2	Estimate	Actual
Proportion of job seekers in employment and/or education/training (positive outcomes) three months following participation in Indigenous employment programs	65%	76.2%

## Program 4.3 Disability employment services

The Australian Government believes all Australians deserve to be included in the economic and social life of the community and one of the best ways of achieving this is through having a job. Disability employment services is an important part of ensuring that individuals with an injury, disability or health condition have the best possible support and assistance to secure and maintain sustainable employment. The objective of disability employment services is to help individuals with an injury, disability or health condition to secure and maintain sustainable employment. The program operates under the terms of the *Disability Services Act 1986*.

### Disability Employment Services

The Government is investing \$1.7 billion over the current contract period (March 2010 to June 2012) to deliver the new Disability Employment Services (DES) model, which is designed to increase employment participation of people with disability. The DES model and therefore provider performance are driven by the achievement of sustainable employment for people with disability.

The uncapping of DES has met the objective of providing all eligible people with disability with immediate access to tailored and individualised services to assist with overcoming their vocational and non-vocational barriers to employment. Acknowledging that some people with disability need ongoing support while in employment, the DES model ensures that participants have the ongoing support of their provider where required.

DES offers two distinct programs to help people with disability, injury or a health condition to find employment:

- » DES—Disability Management Service provides services to job seekers with a temporary or permanent disability, injury or health condition who require the assistance of a disability employment service and who may require flexible ongoing support but are not expected to need regular, long-term support in the workplace.
- » DES—Employment Support Service is available to job seekers with a permanent disability who are assessed as needing regular long-term ongoing support in the workplace. Within the Employment Support Service there are two funding levels a participant may qualify for, depending on their assessed level of need.

### Employment assistance and other services

The DES model is supported by the Employer Incentives Scheme, which is a suite of programs that aim to create employment opportunities for people with disability by supporting employers. The scheme consists of the following programs and services:

- » Supported Wage System—provides productivity wage assessments for people whose work productivity is reduced as a result of disability
- » Wage Subsidy Scheme—provides a financial incentive to employers to encourage them to employ people with disability who are registered with a DES program provider
- » Employment Assistance Fund—provides financial assistance to help employers cover the costs of accommodating employees with disability at work. It provides funding for workplace modifications, assistive technology, disability awareness training and Auslan interpreting for job interviews and work-related activities. The fund also provides free workplace assessments to identify workplace solutions that enable increased access and productivity
- » National Disability Recruitment Coordinator—provides services to large employers, which are aimed at helping them to implement disability employment strategies, improve their knowledge and use of relevant programs, and raise their awareness of working with people with disability
- » JobAccess service—provides a comprehensive, easy-to-use website and a telephone information and advice service where people can obtain expert advice on disability-related employment matters, including how to search for a job and keep a job, step-by-step guides on recruitment, adjusting a workplace, understanding rights and responsibilities at work.

## Key performance indicators

Table 44: Key performance indicators for program 4.3		
	Estimate	Actual
<b>Disability Employment Services</b>		
Number of commencements	100 000	96 917
<b>Employment Assistance and Other Services—Employer incentives and other services</b>		
Other disability employment assistance and services—including Employer Incentives Strategy, Wage Subsidy Scheme, Supported Wage System, Workplace Modifications Scheme, Auslan for Employment Program (instances of service)	16 000	18 957
National Disability Recruitment Coordinator	700	154

The establishment of the demand-driven DES program has seen a significant growth (commencements up almost 13 per cent on the previous financial year) in the number of people with disability receiving additional assistance to gain sustainable employment. The numbers of job placements and sustained employment outcomes have also increased in line with the program growth.

There was a more than 30 per cent increase in the number of people receiving assistance from the Wage Subsidy Scheme during 2010–11. This significant increase reflects the rise in the number of commencements in the DES program.

More than 4200 people received workplace modifications, training and Auslan interpreting from the Employment Assistance Fund in 2010–11. This is approximately 32 per cent more than those who received assistance under the previous Auslan for Employment and Workplace Modifications Scheme.

The National Disability Recruitment Coordinator service established agreements with 20 large employers. There were 154 DES program participants recruited as a direct result of the services. The demand for staff was significantly lower than expected during 2010–11 and it has taken longer than expected to develop employers' capacity to make adjustments and create vacancies suitable for people with disability. A review of this service will be conducted in 2011–12 to determine how it can best support employers.

## Effectiveness indicators

Table 45: Effectiveness indicators for program 4.3		
	Estimate	Actual
<b>Disability Employment Services</b>		
Proportion of job seekers in employment, education or training three months following participation in employment assistance phase <sup>a</sup>		
» Disability Management Services	na	34%
» Employment Support Services	na	27.6%

na = not applicable.

a This indicator has been updated to reflect improved transparency in the reporting of performance for the Disability Management Services and Employment Support Services components of DES.

## Program 4.4 Working age payments

Working age payments support people to improve their prospects of gaining employment, acquire labour market skills and knowledge, and participate in society. Financial assistance has been provided to people who are unemployed, looking for work, undertaking employment preparation programs, have parenting responsibilities or have a partial capacity to work due to disability, and to young people studying towards a Year 12 or equivalent education attainment.

### Newstart Allowance

Newstart Allowance provides income support for eligible job seekers aged 21 years or over and under Age Pension age. Recipients must satisfy the activity test by seeking and accepting suitable work and participating in activities designed to improve their employment prospects.

At June 2011, there were 527 480 recipients, a 4.8 per cent decrease since June 2010, when there were 553 893.

### Youth Allowance (other)

Youth Allowance (other) is a means-tested income support payment available to eligible young people aged 16–20 years who are seeking or preparing for paid employment; or who, until they attain Year 12 or an equivalent Certificate II qualification, are undertaking study or training in combination with other approved activities. Certain 15-year-olds, including those who are homeless, may also receive assistance. In June 2011, there were 85 972 recipients, a 2.8 per cent decrease since June 2010, when there were 88 459.

### Parenting Payment (Partnered and Single)

Parenting Payment is the main income support payment for the principal carer parent with sole or primary responsibility for the care of a young child. Single parents may be eligible for Parenting Payment (Single) until their youngest child turns eight. Partnered parents may be eligible for Parenting Payment (Partnered) until their youngest child turns six. Principal carer parent recipients granted payment on or after 1 July 2006 are required to look for part-time work of at least 15 hours per week when their youngest child turns six. For recipients of Parenting Payment who were receiving the payment immediately before 1 July 2006, compulsory participation requirements began on 1 July 2007 or when the youngest child turns seven, whichever is the later.

At June 2011, there were 326 248 Parenting Payment (Single) recipients, a 2.2 per cent decrease since June 2010, when there were 333 512.

At June 2011, there were 117 754 Parenting Payment (Partnered) recipients, a 5.7 per cent decrease since June 2010, when there were 124 910.

Under the first stage of the incentives for single parents and parenting payment reforms announced in the 2011–12 Budget as part of Building Australia's Future Workforce, preparations were made to limit Parenting Payment grandfathering arrangements to children in the principal care of the recipients on 30 June 2011.

### Mobility Allowance

Mobility Allowance is a fortnightly payment to assist people with disability who are undertaking approved activities and are unable to use public transport without substantial assistance. Mobility Allowance is not subject to the income and assets tests.

To qualify for the standard rate of Mobility Allowance, recipients must be undertaking approved activities such as job seeking or any combination of paid employment, voluntary work, vocational training, independent living, life skills training or vocational rehabilitation for at least 32 hours every four weeks.

At June 2011, 91 per cent of recipients received the standard rate and 9 per cent the higher rate. There were 58 868 recipients, a 2.6 per cent increase since June 2010, when there were 57 349.

A higher rate of Mobility Allowance may be payable to eligible Parenting Payment, Disability Support Pension, Newstart Allowance and Youth Allowance (other) recipients who are working 15 hours or more a week in the open labour market for wages, or who are looking for such work under an agreement with an employment services provider.

### Sickness Allowance

Sickness Allowance is a means-tested income support payment for people who are temporarily incapacitated for work or study (and on Austudy or ABSTUDY payment) as a result of an illness or injury, are unable to work or study, and have a job or course of study to return to. In June 2011, there were 6705 recipients, a minimal change from June 2010, when there were 6703.

## Partner Allowance

Partner Allowance provides assistance to mature-age people who are partners of income support recipients and who face difficulty gaining employment due to a lack of recent workforce experience. Partner Allowance was closed to new claimants on 20 September 2003 and people who would previously have been eligible for Partner Allowance can apply for Newstart Allowance. Numbers have declined in recent years as a result. In June 2011, there were 17 147 recipients, a 28.7 per cent decrease since June 2010, when there were 24 054.

## Widow Allowance

Widow Allowance provides income support for older working-age women who are widowed, divorced or separated after turning 40 years of age and have no recent workforce experience. Widow Allowance is being phased out. From 1 July 2005, new grants have been made only to women who were born on or before 1 July 1955. In June 2011, there were 29 341 recipients, a 13.4 per cent decrease since June 2010, when there were 33 886.

## Supplementary payments

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

### Education Entry Payment

The Education Entry Payment is a lump-sum payment of \$208, payable once annually, to assist with the costs associated with beginning approved study. It is available to people on eligible income support payments who meet certain criteria and to those who qualify for the Pensioner Education Supplement. In 2010–11, 67 334 recipients of DEEWR income support payments received an Education Entry payment, compared with 155 172 in 2009–10. The reduction in the number of recipients is a result of the cessation on 30 June 2010 of the extended eligibility that was introduced temporarily in 2009 as part of the Government's economic stimulus package.

### Language, Literacy and Numeracy Supplement

The Language, Literacy and Numeracy Supplement is a fortnightly supplement of \$20.80 to assist people on eligible income support payments with the costs associated with participating in the Language, Literacy and Numeracy Program. In 2010–11, there were 24 547 recipients.

### National Green Jobs Corps Supplement

The National Green Jobs Corps Supplement is a fortnightly payment of \$41.60 to recipients of DEEWR income support payments to assist them with the cost of participating in this program of work experience, skill development and accredited training. In 2010–11, the supplement was paid to 7577 participants.

### Pensioner Education Supplement

The Pensioner Education Supplement is a fortnightly income supplement of up to \$62.40 payable to certain income support recipients, such as single parents or people with disability, who are undertaking approved full-time or part-time study. In June 2011, there were 27 463 recipients, an 8.7 per cent decrease from June 2010, when there were 30 084.

### Training Supplement

The Training Supplement was a temporary additional payment under the Jobs and Training Compact of \$41.60 per fortnight for new and existing recipients of Newstart Allowance and Parenting Payment who had not completed Year 12 or equivalent, or who had a trade or vocational qualification that could be upgraded to better equip them to find future employment. The supplement was paid to eligible job seekers who fully met their participation requirements by commencing an approved Certificate I to Certificate IV course between 1 July 2009 and 30 June 2011. In 2010–11, there were 26 210 recipients.

### Utilities Allowance

The Utilities Allowance is a supplement paid to older Australians in receipt of income support to assist with their household bills, such as energy, rates and water. Eligible households can receive the Utilities Allowance payment of up to \$544.00 per year, paid in quarterly instalments. In 2009, the Pension Supplement replaced the Utilities Allowance, Pharmaceutical Allowance and Telephone Allowance for recipients over Age Pension age. In 2010–11, 57 250 DEEWR income support recipients received the Utilities Allowance. The Pension Supplement was paid to 3872 recipients of DEEWR income support payments.

### Approved Program of Work Supplement

The Approved Program of Work Supplement is a fortnightly payment of \$20.80 to assist job seekers with the cost of participating in an approved activity such as Work for the Dole, Droughtforce or Green Corps. From 1 October 2011 eligible income support recipients participating in Community Development Employment Projects will be eligible to receive the Approved Program of Work Supplement. In 2010–11, 25 396 income support payment recipients received the supplement.

### Community Development Employment Projects Participant Supplement

The Community Development Employment Projects Participant Supplement is a fortnightly payment of \$20.80 to assist with the cost of participating in the Community Development Employment Projects program for participants receiving wages under the program. In 2010–11, there were 8550 recipients.

### Program performance

The performance of program 4.4 is measured by monitoring and analysing payment trends to assess the average duration on income support.

As the labour market improved in 2010–11, the number of short-term recipients of income support payments decreased, with concurrent growth in the proportion of long-term recipients. As a consequence, the average duration on Newstart Allowance further increased in 2010–11, reaching 175 weeks from 165 weeks in 2009–10. The average duration on income support for Youth Allowance (other) recipients followed a similar pattern, increasing to 82 weeks in 2010–11 from 78 weeks in 2009–10.

The average duration on income support for Parenting Payment (Single) recipients was also expected to increase and reached 358 weeks in 2010–11, up from 356 weeks in 2009–10. While the grandfathered Parenting Payment population (those remaining on the payment since before July 2006) continued to decline in comparison to the non-grandfathered recipients, the average duration on the payment is still affected primarily by the remaining grandfathered recipients.

Exits within three months of grant of Newstart Allowance at 33 per cent were the same as in 2009–10, possibly reflecting the overall improvement in the labour market. The result for Youth Allowance (other) of 31 per cent in 2010–11 was also consistent with 2009–10, reflecting the labour market challenges faced by younger unemployed people and the increased emphasis on training and study for young job seekers.

The proportion of income support recipients who exited within 12 months of grant was higher than in 2009–10. There were fewer new claimants in the context of generally stronger labour market performance, although there was growth in the long-term recipient population. In 2010–11, 72 per cent of recipients exited Newstart Allowance within 12 months, compared to 69 per cent in 2009–10. Youth Allowance (other) exits within 12 months of grant remained the same as in 2009–10 at 71 per cent.

## Effectiveness indicators

Table 46: Effectiveness indicators for program 4.4	Estimate	Actual
Average (mean) duration on income support by current income support payment (weeks):		
» Newstart Allowance	172	175
» Youth Allowance (other)	82	82
» Parenting Payment (Single)	358	358
Percentage of income support recipients who exit income support within three months of grant:		
» Newstart Allowance	32	33
» Youth Allowance (other)	32	31
Percentage of income support recipients who exit income support within 12 months of grant:		
» Newstart Allowance	71	72
» Youth Allowance (other)	70	71

## Service delivery performance

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

Centrelink's performance against the confidence framework for working age payments and job seeker participation was satisfactory during 2010–11. Claims for working age payments and job seeker participation reports were processed within agreed timeframes. Payment accuracy for major working age payments was satisfactory and growth in the debt base reduced.

## Random Sample Survey program

The Random Sample Survey program provides assurance about the accuracy of working age income support payments. Recipients from the population for each payment type are randomly selected for review and the conduct of the reviews by Centrelink is independently validated by DEEWR. The program is a point-in-time assessment of recipient circumstances and is designed to establish the value of total outlays accurately paid and to provide reasons for any debt, error or change in payment rate. The program provides benchmark data on the level of inaccurate payments. The 2010–11 program conducted approximately 10 060 reviews.

Under the confidence framework, payments are to be made with 95 per cent, or above, accuracy as measured by the program.

Table 47: Level of payment accuracy determined from random sample surveys for the major working age income support payments, 1 July 2010 to 30 June 2011	Rate of accuracy <sup>a</sup> (%)
Payment type	
Newstart	93.9
Parenting Payment (Single)	97.6
Parenting Payment (Partnered)	90.4
Youth Allowance (other)	91.9
<b>Total</b>	<b>94.9</b>
	(± 0.4%)

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



## Debt management

The Department of Human Services is responsible for the management of working age payment debt identification and recovery.

The bilateral management arrangement sets a target of 1.0 per cent for the reduction of growth in the overall debt base for current and former payment recipients. Data for 2010–11 indicates that the growth rate of the debt base decreased for current and non-current recipients (see Table 48). The decrease was affected by Centrelink redirecting debt management staff to disaster relief assistance, which lowered the number of debts raised from January to April 2011.

**Table 48: Percentage change in all working age payment debt base levels from 1 July 2009 to 30 June 2011 and change in growth rate**

	Change in \$ 1 July 2009 to 30 June 2010 (%)	Change in \$ 1 July 2010 to 30 June 2011 (%)	Change in rate of growth
Current working age payment recipients	15.3	2.3	Decrease
Non-current working age payment recipients	4.8	-0.03	Decrease

## Working age income support payments debts raised and recovered

In 2010–11, 667 581 new working age income support payment debts, with a value of approximately \$444.8 million, were raised; \$430.6 million of debt was recovered, waived or written off by Centrelink and its contracted mercantile agents.

## Reviews of recipients' compliance

Information obtained from Centrelink's Integrated Review System shows that approximately 1.08 million working age payment reviews were completed in 2010–11. As a result of these reviews, 165 994 payments were reduced or cancelled, 34 273 payments increased, and 198 671 debts were raised, with an estimated value of \$245.6 million.

## Data matching

Centrelink data is compared with data from other agencies to identify inconsistent recipient information, including incorrect earnings, multiple identities, incorrect rental information and incorrect information about dependants in care. The reviews use data from the Australian Taxation Office, the Department of Immigration and Citizenship, Defence Housing Australia, ComSuper, AUSTRAC and state and territory registers of births, deaths and marriages. In 2010–11, 292 915 data matching reviews were conducted.

## Program 4.5 Compensation payments

Under section 90D of the *Safety Rehabilitation and Compensation Act 1988*, appropriations are made for the purposes of Comcare's Outcome 2: 'An early and safe return to work and access to compensation for injured workers covered by the Comcare scheme through working in partnership with employers to create best practice in rehabilitation and quick and accurate management of workers' compensation claims'. The objectives are:

- » to ensure a speedy recovery and return to health
- » to achieve an early durable return to meaningful work
- » to provide equitable workers' compensation outcomes for harmed workers.

Under section 8(2) of the *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005*, appropriations are made for the purposes of Comcare's Outcome 3: 'Access to compensation for people with asbestos related diseases where the Commonwealth has a liability through management of claims'. The objectives are:

- » to manage primary asbestos disease claims in an efficient and equitable manner and in accordance with the order of priority set out in Comcare's policy statement

- » to pay compensation in a timely manner once a court/tribunal order is made
- » to recover contributions to compensation payments from third parties which, in turn, should contribute to the preservation of funds available for future compensation payments to primary claimants who have an asbestos-related disease.

### Effectiveness indicators

Table 49: Effectiveness indicators for program 4.5	Estimate	Actual
Average number of days to settle primary claims during the financial year (% within 180 days)	65%	63%
Percentage of the value of asbestos claims settlements recovered from third parties	5%	18%

Resolution time for primary asbestos claims improved slightly in 2010–11, but fell just short of the estimate of 65 per cent. The target for resolving claims within 180 days covers all claims settled in the financial year, including claims brought forward from previous years. New claims received since 1 July 2010 were settled on average within 98 days, which is well within the specified target.

The target to recover 5 per cent of the value of asbestos claims settlements was exceeded in 2010–11, and increased to 18 per cent from 9 per cent in 2009–10. This reflects a continuing commitment to pursuing viable claims for recovery of damages from third parties. Monies recovered from third parties are returned to the Consolidated Revenue Fund, contributing to the preservation of funds available for future compensation payments.

### Customer service and quality

The Employment Services Code of Practice and relevant service guarantees cover all providers of Australian Government employment services holding contracts with the department. The code describes how providers must deliver services to clients, and the service guarantees specify the type of service that clients can expect to receive.

#### Information, complaints handling and client feedback

The Employment Services Information Line is available to the general public to assist with inquiries and to provide general information about employment services.

A nationwide customer service line (free call from landlines) is available for clients to make more complex inquiries and complaints, raise concerns, and provide suggestions for improvement. If a client has an issue that they are unable to resolve directly with their provider, a departmental customer service officer will work with them to resolve their concerns. If the client has not raised their concerns with their provider before calling the customer service line, they are encouraged to try to resolve their complaint with their provider directly before the department intervenes.

Clients of Disability Employment Services are able to contact the Complaints Resolution and Referral Service, a free independent complaint-handling body, directly or through referral by the department's customer service line. In addition, clients can access translating and interpreting services and telephone typewriter facilities through the National Relay Service. Feedback from clients is also collected from departmental websites, letters, feedback forms and the Post-Program Monitoring Survey.

#### Customer service statistics

In 2010–11, the Employment Services Information Line and customer service line collectively managed more than 252 646 calls from the public asking for information about employment and related services.

The customer service line managed 33 015 feedback items through telephone and other means. Of these, 10 865 were complaints relating to employment and related services out of a total 1 249 006 individual job seekers who began in employment services during 2010–11. This

included complaints received via telephone, letters, feedback forms and surveys.

Of the complaints:

- » 1894 (17.4 per cent) were for Job Services Australia Stream 1 services
- » 2357 (21.7 per cent) were for Job Services Australia Stream 2 services
- » 2086 (19.2 per cent) were for Job Services Australia Stream 3 services
- » 1886 (17.4 per cent) were for Job Services Australia Stream 4 services
- » 982 (9.0 per cent) were for Job Services Australia
- » 1660 (15.3 per cent) were for other services (such as the New Enterprise Incentive Scheme, Specialist Services and Wage Assistance).

The Complaints Resolution and Referral Service received 1586 complaint calls from Disability Employment Services clients.

## Departmental outputs for Outcome 4

### Research and evaluation

In 2010–11, continual evaluation and research provided the evidence base to support policy development and program delivery across the full range of the employment and labour skills policy agenda. Activities included formal evaluation of major policy reforms and programs and measurement of post-assistance outcomes and service quality. Those activities were supported by an extensive survey program and administrative databases.

The department's major evaluation and monitoring activities in 2010–11 included:

- » implementation of quantitative and qualitative data collection from job seekers, service providers and employers to support the evaluation of major labour market programs including Job Services Australia, the Jobs and Training Compact, and Disability Employment Services
- » implementation of the Job Services Australia evaluation program
- » publication of the Labour Market Assistance Outcomes reports, which contain job seekers' employment and education/training outcomes after they participate in labour market programs
- » implementation of the Jobs and Training Compact evaluation
- » delivery of quarterly monitoring reports on the Jobs and Training Compact
- » implementation of the Disability Employment Services evaluation and delivery of an interim evaluation report
- » provision of analysis and advice on appropriate evaluation frameworks and activities for the department and contracted consultants.

**Table 50: Departmental outputs performance information**

Performance indicator	Estimate	Actual
<i>Program management</i>		
Employment IT applications availability	Target is 99.5%	100% <sup>a</sup>
Employment IT applications services—construction and redevelopment of internally developed software	Cost benchmark is \$1250 per function point. Target is \$1250 or less	\$1438 per function point
Employment IT applications: defect density for important defect types measured by the mean defect from the International Software Benchmarking Standards Group repository of major defects	Benchmark: mean defect density (major severity) = 15 defects per 1000 function points (to be measured four weeks after software release)	Five defects per 1000 function points
Payments to providers are based on calculations which are accurate and in accordance with approved guidelines	Payments meet relevant administrative targets and contractual requirements assessed by quality assurance processes in DEEWR	Payments made by all programs were accurate and met relevant administrative targets
Payments to providers made in accordance with agreed approved timelines	Payments meet relevant administrative targets set by quality assurance processes in DEEWR	All payments were made in accordance with administrative targets set by quality assurance processes
Provision of employment outcome results through the Post-Program Monitoring Survey	Results available within a satisfactory timeframe	Results from the Post-Program Monitoring Survey were made available within a satisfactory timeframe
Services provided by Australian Government agencies (including Centrelink) satisfy performance requirements	DEEWR requirements met	Satisfied
<i>Client satisfaction</i>		
High-quality advice as measured by the level of satisfaction by Commonwealth public sector agencies and organisations	Qualitative evaluation of satisfaction using feedback from Commonwealth public sector agencies and organisations	Satisfied
Level of satisfaction of service providers with the contracted information and support	80% satisfied	97.4% satisfied

a Unplanned outages were less than two hours in total during the year.



## 2 Our outcomes



<b>Outcome 5</b>	<b>118</b>
Program 5.1 Employee assistance	119
Program 5.2 Workplace assistance	120
Program 5.3 Parliamentarians' and judicial office holders' remuneration and entitlements	124
Outcome effectiveness indicators	124
Workplace relations policy	126
Workplace relations legal	128
Workplace relations implementation and safety	129
Remuneration Tribunal	130
Defence Force Remuneration Tribunal	130
Departmental outputs for Outcome 5	130

## OUTCOME 5

Safer, fairer and more productive workplaces for employers and employees by promoting and supporting the adoption of fair and flexible workplace arrangements and safer working arrangements

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Outcome 5 is focused on achieving fairer and more flexible workplaces for employees and employers. This complements work across the department to encourage participation and maximise productivity, such as support for the delivery of world-class education, training and employment programs. Throughout 2010–11, the Outcome continued to pay particular attention to the effective implementation of the *Fair Work Act 2009* and participation in key matters before Fair Work Australia, such as the equal remuneration test case and the annual wage review.

The National Workplace Education program provides support for training and information to improve knowledge in the workplace about the Fair Work system. Courses, curriculum materials and online programs, including some focused on women and young people, provide an opportunity for employee representatives to foster cooperative and constructive workplace environments.

National approaches to occupational health and safety will help to improve productivity and efficiency by making it easier for businesses to understand their obligations under OHS legislation across multiple jurisdictions. This will also provide greater certainty and protection for both employees and employers. During 2010–11 the department continued to work on the development of uniform OHS legislation, including the model Work Health and Safety Bill 2011, to support the commitment of all governments to achieve uniform laws by the end of 2011.

Increased workplace flexibility is one of the ways businesses can encourage greater workforce participation by people who are traditionally excluded from paid employment. In 2010–11 the department continued to support the Fresh Ideas for Work and Family Grants program. The program provides grants to assist Australian small businesses to implement practices that help employees balance their work and family obligations and also improve employee retention and productivity.

On 1 January 2011, Australia's first Paid Parental Leave scheme commenced. The department worked with the lead agency—the Department of Families, Housing, Community Services and Indigenous Affairs—in providing advice on the policy details of the scheme and draft legislation. The scheme is designed to help employers retain skilled staff and boost workforce participation. It will provide long-term benefits for business as women of child-bearing age stay connected with the workforce and their careers.

### Key priorities

In 2010–11, the key priorities for Outcome 5 were to:

- » provide policy and legal advice to the Government to ensure effective implementation and operation of the *Fair Work Act* and related frameworks, including advice on issues such as:
  - the equal remuneration case covering workers in the social and community services sector
  - implementation of the Government's Paid Parental Leave scheme
- » progress work on harmonisation of national OHS laws, in particular the model Work Health and Safety Regulations and the model priority codes of practice (under the terms of the Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety) for implementation in all jurisdictions by 2012, and consult with stakeholders on Commonwealth-specific provisions of the model Work Health and Safety Bill



- » continue to liaise with stakeholders on the proposed transfer of self-insured licensees under the Comcare scheme to state and territory jurisdictions once the harmonised OHS laws have been implemented
- » administer the General Employee Entitlements and Redundancy Scheme (GEERS) for the protection of employee entitlements in cases of business insolvency.

### Key achievements

In 2010–11, the department:

- » supported the effective implementation and operation of the Fair Work framework
- » contributed to the development and implementation of the Government's Paid Parental Leave scheme, which began operation on 1 January 2011
- » provided input to the development of nationally consistent OHS regulations and finalised the Commonwealth Work Health and Safety Bill, which was introduced in parliament in July 2011
- » further enhanced Australia's relationship with the International Labour Organization (ILO). Australia was re-elected as a member of the ILO Governing Body for 2011–2014 and elected to the position of ILO Governing Body Chair for 2011 and 2012
- » advanced more than \$150 million to 15 412 Australian workers who lost their jobs as a result of their employers' insolvency as part of the GEERS program
- » continued to administer the Australian Government Building and Construction OHS Accreditation Scheme. The Office of the Federal Safety Commissioner granted accreditation to more than 200 companies during the year.
- » released the *Safe Rates, Safe Roads Directions Paper* for a public consultation period. The paper set out options for a specialised body to implement a system of safe payments and conditions for owner drivers. The options were developed by the Safe Rates Advisory Group, which included employer and employee representatives; transport business owners; and industry clients. The department received submissions from 45 parties in response to the paper.

## Program 5.1 Employee assistance

The objective of the employee assistance program is to ensure that assistance measures either provide safety net support for employees in certain circumstances or, alternatively, support long-standing industry arrangements that deliver employee benefits.

### Coal Mining Industry (Long Service Leave Funding) Act 1992

Under the *Coal Mining Industry (Long Service Leave Funding) Act 1992* financing arrangements, the cost of portable long service leave entitlements is managed through a central fund administered by the Coal Mining Industry (Long Service Leave Funding) Corporation. Monthly levy collections are paid from the Consolidated Revenue Fund and then transferred by the department to the central fund. In 2010–11, the amount of payroll levy paid by employers to the fund was 2.7 per cent of eligible wages.

During 2010–11, DEEWR provided advice to the Minister on legislating the existing award-based long service leave scheme. Legislating the current entitlement will increase transparency for employees and employers about how the entitlement is accrued and granted. Changes are being made to the scheme which will provide for greater compliance and more efficient administration.

### General Employee Entitlements and Redundancy Scheme

GEERS is a safety net scheme that protects the entitlements of employees who have lost their jobs as a result of the bankruptcy or liquidation of their employers. Eligible entitlements under GEERS consists of up to three months wages for the period before the appointment of the insolvency practitioner (including amounts deducted from wages, such as for superannuation not yet passed on to the superannuation fund), all unpaid annual leave, all unpaid long service

leave, up to a maximum of five weeks unpaid payment in lieu of notice, and up to a maximum of four weeks unpaid redundancy entitlement per completed year of service. Payments made under GEERS are subject to an annually indexed income cap, which was \$113 800 for 2010–11.

The following achievements in connection with GEERS in 2010–11 were notable:

- » A total of \$151 497 218 was advanced under GEERS to 15 412 eligible claimants.
- » Of claimants who received assistance under GEERS, 90.5 per cent were paid 100 per cent of their verified employee entitlements by GEERS.
- » More than 35 000 inquiries were received by the GEERS Hotline.
- » Over \$15 million advanced under GEERS was recovered during 2010–11.

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

In 2010–11, 160 insolvency practitioners were surveyed to gauge their level of satisfaction with the department's management of the scheme. Ninety-six per cent of respondents gave a rating of satisfactory or above. This was an improvement on the 93 per cent achieved in 2009–10. The proportion of respondents who were highly satisfied increased from 30 per cent in 2009–10 to 38 per cent in 2010–11. Information from the survey will assist the department to identify improvements to systems and processes to ensure better outcomes for GEERS claimants.

#### **GEERS provides assistance to Fletcher's Freighters employees**

In 2010, Fletcher's Freighters, an interstate freight carrier, went into liquidation. More than 170 employees were left without a job and many were owed substantial entitlements. As Fletcher's Freighters had insufficient funds to pay the outstanding entitlements, employees applied for assistance from GEERS.

The department assessed employees' claims and advanced more than \$1.4 million in employee entitlements. On average Fletcher's Freighters employees received assistance within 12 weeks of lodging their claim. The amount paid out comprised:

- » \$62 160 for unpaid wages
- » \$392 993 for unpaid annual leave
- » \$265 148 for unpaid long service leave
- » \$271 715 for unpaid payment in lieu of notice
- » \$433 109 for unpaid redundancy pay.

Fletcher's Freighters is just one example of the assistance provided under GEERS to Australian employees in 2010–11.

### **Program 5.2 Workplace assistance**

The objective of the workplace assistance program is to ensure the successful operation of the workplace relations system. Initiatives under the program are designed to demonstrate the benefit of cooperative workplace relations and to assist employers and employees to understand their rights and obligations under the system.

#### **Fair Work Principles**

The Fair Work Principles are designed to encourage fair, cooperative and productive workplaces. Following the implementation of the principles on 1 January 2010, the department established a tripartite working group to develop best practice measures to help cleaning contractors to fully realise the principles.

The Cleaning Consultative Group comprises representatives from United Voice, the Building Service Contractors Association of Australia, the Property Council of Australia, the Department

of Finance and Deregulation, the University of Wollongong and DEEWR. To date, the group has met six times.

In September 2010 additional requirements were introduced for cleaning services tenders run by Australian Government agencies. As part of the additional requirements, the department assesses cleaning service companies that are tendering for Australian Government cleaning service contracts for compliance with the principles. Between September 2010 and 30 June 2011, the department completed assessments for 27 Australian Government cleaning service tenders.

### **National Workplace Education program**

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

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

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

In 2010–11, a total of 213 activities were delivered to 3515 participants in all states and territories under the program.

### **Workplace Education Projects in cleaning, security and construction**

During 2010–11, United Voice (formerly the Liquor, Hospitality and Miscellaneous Union) and the Construction, Forestry, Mining and Energy Union provided targeted education about the *Fair Work Act 2009* to vulnerable workers in the cleaning, security and construction industries.

Under the Workplace Education Projects, United Voice received \$495 000 in funding to deliver education services to industry participants on their rights and obligations under the Fair Work Act. The training focused specifically on collective bargaining, freedom of association, sham contracting and the Fair Work Principles.

In 2010–11 United Voice delivered 560 education activities to 1630 participants from the cleaning and security industries in the ACT about sham contracting. It also held seven conferences to train 182 workplace representatives to deliver information on the Act. On completion of the training, these representatives provided information to 2525 workers in the industry. United Voice developed a range of educational material in 13 languages to complement its activities.

The Construction, Forestry, Mining and Energy Union received \$165 000 to deliver education services on sham contracting and rights and entitlements under the Act to workers in the ACT building and construction industry. In 2010–11, the union delivered 131 activities (including seminars and individual consultations) to 1232 participants in the construction industry. It also developed a range of educational and promotional material such as brochures, posters and a website.

### **Fresh Ideas for Work and Family Grants program**

The Australian Government established the Fresh Ideas for Work and Family Grants program to support Australian small businesses to implement practices that help employees balance their work and family obligations as well as improve employee retention and productivity. Since 2009, this national initiative has provided grants of up to \$15 000 (GST exclusive) to 390 small businesses to help meet the set-up costs of family-friendly arrangements that suit the individual needs of the business. The program involved two funding rounds.

The funding has been used to:

- » set up 163 work-from-home arrangements, which allow employees to work from home when needed, such as when their children are unwell or during school holidays
- » construct and/or fit out 85 family rooms at the employer's business premises, allowing children to go to their parent's workplace and do homework safely while waiting for their parent to finish work
- » develop family-friendly policies for 16 businesses so that, for example, an employee who needs to request time off to look after a family member recovering from illness has a clear understanding of the support they can ask for
- » put a combination of the above three initiatives in 126 businesses.

### Redstick Strategic Communications

Redstick Strategic Communications in Geelong, Victoria received a grant under the Fresh Ideas for Work and Family program to set up a work-from-home arrangement for its employees. The company used the funding to buy laptops and upgrade its server and software to enable the arrangement to work for its employees. Redstick believes that the work-from-home arrangement has created an environment where parents can more easily re-enter the workforce after having children. For example, one employee stated that she was relieved to have the extra flexibility to help her balance her roles of mother and 'career woman'. The arrangement allows her to work from home when her child is unwell and has led to her feeling more in control and in touch with her working world.

### Homeworkers Code of Practice program

The Homeworkers Code Committee Incorporated receives funding to support the promotion of Ethical Clothing Australia (formerly known as the Homeworkers Code of Practice and 'No Sweat Shop' label). Funding of \$4 million over four years is used to assist the local textile, clothing and footwear industry to ensure that Australian workers in the industry receive fair wages and work under appropriate conditions.

Ethical Clothing Australia's strategies include accreditation of brands' supply chains, verification of compliance with workplace relations laws and a signatory system for retailers. The voluntary accreditation system has resulted in 57 accredited manufacturers and 143 signatory retailers.

Ethical Clothing Australia also uses the funding to deliver a range of education and information activities to promote the Homeworkers Code of Practice program to manufacturers and retailers.

### Accreditation under the Homeworkers Code of Practice program

In Victoria, a number of homeworkers have provided positive feedback on the impact of the Homeworkers Code of Practice program. They work for a clothing producer that is part of the supply chain of a company that is undergoing accreditation with Ethical Clothing Australia. They have reported great improvement in their conditions and in their understanding of the company's obligations across the supply chain.

As a result of the education and compliance process, these workers are now receiving superannuation, are covered by workers compensation insurance and are receiving their other legal entitlements. One worker was also able to take up the opportunity to work inside the clothing producer's factory instead of working from home. The clothing producer also attended award training run by the Council of Textile Fashion Industries of Australia under the program. This has helped the producer to understand its obligations to the homeworkers in the supply chain.

## International Labour Organization

The department represented the Australian Government at International Labour Organization (ILO) Governing Body meetings as well as the historic 100th session of the International Labour Conference in June 2011. DEEWR was instrumental in fostering the development and adoption of a new international convention and recommendation on domestic workers at the conference.

In June 2011, the Government was re-elected as a member of the ILO Governing Body representing the Far East Asia and Pacific subregion for a further three years. It was also elected as Chair of the ILO Governing Body for the period 2011–12.

The department worked closely with AusAID and the ILO on implementation of the Australia and ILO Partnership Agreement 2010–2015. The agreement provides \$15 million for the development of sustainable employment activities in the Asia–Pacific region over two years (2010–11 to 2011–12). Funding is allocated to the Better Work Programme, the Youth Employment Promotion Programme in Timor-Leste, the Global Jobs Pact Framework for Pacific Labour Governance and Migration, Green Jobs in Asia and the Pacific Growth and Employment Plan.

Projects implemented so far have already achieved key milestones and strong results. For example, funding provided through the agreement has enabled the Better Work Programme to commence operations in Indonesia and to conduct feasibility studies for further expansion. A review of the agreement and its project activities will be completed in the first half of 2012.

The department has been actively involved in other international labour forums, in particular the G-20, and in the negotiation of labour provisions in the Trans-Pacific Partnership free trade agreement.

### International labour standards and priority conventions

During the year, the Government made significant progress towards ratification of four ILO conventions identified by the Workplace Relations Ministers' Council in April 2009 as priority targets for ratification.

Approval for ratification was finalised on 30 June 2011 for Convention 162, the Asbestos Convention, 1986; Protocol 155 of 2002 to the Occupational Safety and Health Convention, 1981; and Convention 175, the Part-Time Work Convention, 1994.

In addition, significant progress was made towards ratification of Convention 186, the Maritime Labour Convention, 2006. The Government has indicated its support for ratification, and Commonwealth legislation implementing the convention has been introduced into the Australian Parliament. Formal ratification is therefore likely to occur in late 2011.

## Protected Action Ballots Scheme

During 2010–11, the department processed 170 invoices relating to 630 protected action ballots. The Government met the full cost of the ballots, paying just over \$0.92 million under the scheme. Under the Fair Work Act, a protected action ballot of eligible workers is required to approve the taking of lawful industrial action to pursue claims during bargaining for an enterprise agreement, except where the action is in response to industrial action by the other party in enterprise bargaining.

## Program 5.3 Parliamentarians' and judicial office holders' remuneration and entitlements

The department transferred administration of the *Remuneration Tribunal Act 1973* and the Remuneration Tribunal Secretariat to the Australian Public Service Commission on 14 September 2010. The *Remuneration and Allowances Alteration Act 1986* and the *Judicial and Statutory Officers (Remuneration and Allowances) Act 1984* were also transferred on this date. Administration of the *Remuneration and Allowances Act 1990* was transferred to the Australian Public Service Commission on 14 October 2010.

### Outcome effectiveness indicators

Table 51: Effectiveness indicators for Outcome 5	June quarter 2010 <sup>a</sup>	June quarter 2011 <sup>a</sup>
<b>The federal workplace relations system supports improved productivity outcomes</b>		
Productivity—GDP per hour worked in the market sector (trend terms)	1.8%	-1.0%
Wage price index (seasonally adjusted)	3.1%	3.8%
<b>Low incidence of industrial action (allowing for variations in the bargaining cycle)</b>		
Working days lost per thousand employees	13.2	15.9
Working days lost in federal bargaining	85 500	90 000 <sup>b</sup>
<b>Collective bargaining is widely used by employers and employees to negotiate pay and conditions</b>		
Non-managerial employees who had their pay determined by a federally registered collective agreement	2.3 million (August 2008)	2.7 million (May 2010)
Enterprise agreements approved	6603 (2009–10)	7262 (2010–11)

a Annual figures.

b The low number of working days lost in the March quarter 2011 has affected the ability of the Australian Bureau of Statistics to provide complete disaggregation of data by federal and state jurisdiction for that quarter because of confidentiality concerns. As a result, the 90 000 figure presented here is not fully indicative of the total number of working days lost in the federal jurisdiction.

### Wages and earnings

The Australian Bureau of Statistics (ABS) wage price index increased by 3.8 per cent (seasonally adjusted) over the year to the June quarter 2011, up from 3.1 per cent over the year to the June quarter 2010.

Public sector wages grew by 3.7 per cent over the year to the June quarter 2011, while private sector wages increased by 3.8 per cent over the previous year.

In industry terms (original data), the highest rates of increase in the index over the year to the June quarter 2011 were in wholesale trade (4.7 per cent) followed by financial and insurance services (4.5 per cent). The lowest annual increase was in accommodation and food services (3.0 per cent).

The annual wage price index result (3.8 per cent) reflects the solid economic growth in the Australian economy as the demand for skilled labour continues to grow. This is in contrast to a year ago when the impact of the economic downturn resulted in low levels of wage growth, particularly in the private sector.

Real wages, as calculated using the ABS *Australian National Accounts: National Income, Expenditure and Product*, rose by 2.2 per cent (seasonally adjusted) over the year to the June quarter 2011, up from 2.0 per cent over the year to the June quarter 2010. The increase in real wages was due to a significant annual increase in the nominal average non-farm compensation per employee (4.7 per cent), compared with an annual increase of 2.5 per cent in the derived implicit price deflator for household final consumption expenditure. It should be noted that the average non-farm compensation series is volatile and fluctuates considerably from quarter to quarter.

On 3 June 2011, Fair Work Australia's specialist Minimum Wage Panel released its decision to increase the national minimum wage by 3.4 per cent. This sets the minimum wage at \$589.30 per week, or \$15.51 per hour, representing an increase of \$19.40 per week in nominal terms, or a small decrease of 0.2 per cent in real terms since the last minimum wage rise in July 2010. The small decrease in the minimum wage in real terms over 2010–11 was due in part to the higher than expected consumer price index outcome over the year to the June quarter 2011 as a result of the natural disasters in Queensland in late 2010 and early 2011. The increase will take effect from the first full pay period on or after 1 July 2011.

### Productivity

The most common measure of productivity growth—GDP per hour worked in the market sector—decreased by 1.0 per cent (trend terms) over the year to the June quarter 2011, down from an increase of 1.4 per cent over the year to the June quarter 2010. Market sector GDP increased by 0.7 per cent over the year to the June quarter 2011, while hours worked (market sector) increased by 1.7 per cent. It should be noted that short-term measures of productivity are prone to volatility and cyclical effects and should therefore be interpreted with caution. The decrease in productivity growth over the year to the June quarter 2011 was partly due to the natural disasters in Queensland which resulted in a 0.4 per cent decline in productivity growth in the March quarter 2011.

Productivity growth is influenced by a wide range of factors, including business investment and capital deepening, innovation, new technology, human capital and infrastructure. Labour productivity has grown at only 1.5 per cent per annum over the 10 years to 2009–10, compared to 2.1 per cent over the previous decade. There are a range of possible explanations for the slowdown in the rate of productivity growth over the last decade, including: the effects of droughts, floods and cyclones on mining and agriculture, forestry and fishing; specific factors affecting the mining industry including substantial investment in new projects, which have not begun to produce output, resulting in a decline in measured productivity until those projects come online; and an inflow of less experienced workers into the workforce.

### Working hours

Average hours worked over the year to May 2011 by full-time employees (in all jobs and including overtime) were 40.5 hours per week, down slightly from the average of 40.6 hours per week over the year to May 2010.

### Industrial disputation

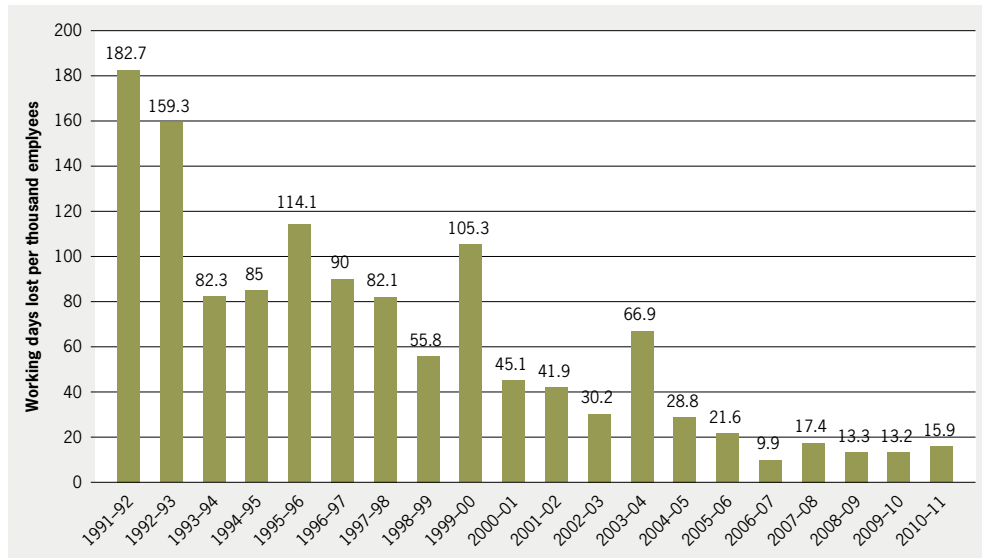
Australia recorded a strike rate of 15.9 working days lost per thousand employees over the year to the June quarter 2011, up from 13.2 over the year to the June quarter 2010. In general, industrial disputation under this measure has trended downwards over the long term despite quarterly fluctuations.

The number of working days lost in federal bargaining disputes stood at 90 000 over the year to the June quarter 2011, up from 85 500 over the year to the June quarter 2010. The number of working days lost in the March quarter 2011 was at a level low enough to affect the ABS' ability to provide complete disaggregation of data for that quarter by federal and state jurisdiction because of confidentiality concerns. As a result, the 90 000 working days lost reported for the 2010–11 financial year is not fully indicative of the total number of working days lost in the federal jurisdiction. It should also be noted that changes in the level of industrial disputation may be affected by changes in the number of expiring enterprise agreements.

The construction industry accounted for the largest number of working days lost (approximately 54 700) over the year to the June quarter 2011, followed by the coal mining industry (approximately 20 800). The breakdown of data by customised industry groupings in the ABS *Industrial Disputes* publication is based on the industries where industrial disputation is most likely to occur, as well as the viability of releasing the data rather than on the standard ANZSIC industry classifications.



Chart 9

**Industrial disputation as measured by working days lost per thousand employees, 1991–92 to 2010–11**

Source: ABS *Industrial Disputes, Australia* (Cat. No. 6321.0.55.001), various years.

### Agreement making

A total of 7262 collective agreements were approved by Fair Work Australia in 2010–11. This was a 10 per cent increase on the total of 6603 agreements approved in 2009–10.

(Unless otherwise noted, all data on collective agreements in this section is derived from the department's Workplace Agreements Database, which is the only database of its kind in Australia. It contains data about wages and conditions in every collective agreement made in the federal workplace relations system since the start of enterprise bargaining in December 1991. The database is a valuable source of information for workplace relations research. Members of the public can request data by emailing the department at [ebtrends@deewr.gov.au](mailto:ebtrends@deewr.gov.au).)

Annualised average wage increases in collective agreements lodged during 2010–11 were 4.0 per cent, a slight increase from 3.9 per cent in 2009–10. Annualised average wage increases data for 2010–11 is for a six-month period to 31 December 2010 (most recent data).

### Workplace relations policy

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

### A national workplace relations system for the private sector

The national workplace relations system commenced on 1 January 2010. This followed referrals of power from all states (except Western Australia) to the Commonwealth to extend the *Fair Work Act 2009* to employers and employees not otherwise covered by the Act. In 2010–11 the department continued to work closely with state and territory officials on the operation of the national workplace relations system. This has involved consultation on issues as varied as amendments to the Fair Work legislation (including the Fair Work Regulations 2009), ILO conventions, Paid Parental Leave and the development of a Long Service Leave National Employment Standard.



### Equal remuneration for social and community services workers case

The department has been advising the Government on its participation in the equal remuneration case for social and community services workers, which is the first such case under the expanded equal remuneration provision of the Fair Work Act. This included the development of three government submissions to Fair Work Australia, and the provision of support for stakeholder consultative forums. The Government established the Community Sector Wages Group (comprising social and community services employers, unions and the federal, state and territory governments) to assess the potential implications of the case, taking into account the need to ensure a sustainable social and community services sector.

### Building and construction industry

During 2010–11, the department continued to support and provide advice on the Government's workplace relations policies for the building and construction industry.

The department continued to assist government agencies in applying the National Code of Practice for the Construction Industry and the related Australian Government Implementation Guidelines. Presentations and seminars were delivered to government agencies and industry bodies.

The department also continued to provide advice and assessment services on the compliance of building and construction employers' industrial instruments with the code and guidelines. During 2010–11, the department completed 9196 assessments, with an average turnaround time of 3.40 days. This was well within the target of 10 days, but slightly longer on average than the turnaround time in the previous period (8340 assessments in 2009–10 with an average turnaround time of 2.05 days).

### Paid Parental Leave

On 1 January 2011, Australia's first Paid Parental Leave scheme commenced. The scheme is designed to help employers retain skilled staff and boost workforce participation and will provide long-term benefits for business as women of child-bearing age stay connected with the workforce and their careers. The department worked with the lead agency—the Department of Families, Housing, Community Services and Indigenous Affairs—in providing advice on the policy details of the scheme and draft legislation. The department also consulted with key stakeholders, including members of the Paid Parental Leave Implementation Group and state and territory officials, on particular workplace relations aspects of the Paid Parental Leave scheme.

The department continues to work with government agencies and stakeholders on implementation of the scheme, and in particular the interaction of the scheme with the Fair Work Act. The scheme complements existing workplace entitlements under the Act, such as the right of eligible employees to access 12 months unpaid parental leave.

### Domestic Violence Workplace Rights and Entitlements Project

The Domestic Violence Workplace Rights and Entitlements Project, which commenced on 1 July 2010, provides \$440 000 to the Australian Domestic and Family Violence Clearinghouse for a project on domestic violence and workplace rights and entitlements. The principal aim of the project is to improve the knowledge and capacity of unions and employer organisations to support employees who are experiencing domestic violence. The project focuses on developing:

- » a range of workplace provisions and practices to assist victims of domestic violence to remain in the workplace
- » resources to inform unions and employer organisations about domestic violence issues, such as fact sheets, training modules and an online training tool
- » strategies to encourage the take-up of domestic violence provisions in enterprise agreements
- » a framework to enable the collection, monitoring and evaluation of data about the experience of domestic violence and the implications for the workplace.

## Workplace relations legal

During 2010–11, the department provided legal and policy advice to the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, portfolio agencies and other stakeholders about:

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

### Primary legislation

The Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011 passed through the House of Representatives on 1 June 2011. It has not yet been debated in the Senate. The Bill aims to reintroduce workers compensation coverage for workers on offsite recess breaks, introduce time limits for claim determinations, provide 24/7 workers compensation for certain classes of workers posted overseas and ensure funding of certain Comcare claims, particularly those concerning long latency diseases.

The department led consultations on the model Work Health and Safety Bill 2011. The Bill gives effect to the model Work Health and Safety Act endorsed in late 2009 by the Workplace Relations Ministers' Council. The Commonwealth legislation was introduced into the House of Representatives on 6 July 2011. On 7 July 2011 the Senate referred the Work Health and Safety Bill 2011 for inquiry and report. The inquiry is to report on 26 August 2011.

### Regulations

The following regulations were made during 2010–11:

- » Safety, Rehabilitation and Compensation Amendment Regulations 2011 (No. 1)—the regulations prescribe the Australian Civilian Corps as an entity and the Director-General of AusAID as its principal officer for the purposes of the *Safety, Rehabilitation and Compensation Act 1988*.
- » Occupational Health and Safety (Safety Arrangements) Amendment Regulations 2011 (No. 1)—the regulations prescribe the Director-General of AusAID as the employing authority for Australian Civilian Corps employees for the purposes of the *Occupational Health and Safety Act 1991*.
- » Fair Work Amendment Regulations 2011 (No. 2)—the regulations prescribe the Director-General of AusAID as the employing authority for Australian Civilian Corps employees for the purposes of the Fair Work Act.
- » Occupational Health and Safety (Safety Standards) Amendment Regulations 2011 (No. 1)—the regulations update the references in the principal regulations to the new Australian Code for the Transport of Explosives by Road and Rail and the Transport of Dangerous Goods by Road and Rail Code, as well as making minor technical amendments.
- » Fair Work Amendment Regulations 2011 (No. 1)—the regulations correct a technical error in a provision in the principal regulations which deals with the interaction between Fair Work instruments and public sector employment laws in the Australian Capital Territory and the Northern Territory.
- » Remuneration Tribunal (Members' Fees and Allowances) Amendment Regulations 2010 (No. 1)—the regulations increase the level of remuneration from \$77 531 to \$80 400 for the President of the Remuneration Tribunal and from \$37 503 to \$38 891 for members of the tribunal.
- » Fair Work (Transitional Provisions and Consequential Amendments) Amendment Regulations 2010 (No. 3)—the regulations clarify further technical matters relating to the operation of take-home pay orders, including to:

- ensure that modern enterprise awards and state reference public sector modern awards can include terms enabling Fair Work Australia to make take-home pay orders, and clarify the scope and operation of orders made under such terms
- permit modern awards to include terms enabling Fair Work Australia to make take-home pay orders in respect of outworkers or classes of outworkers.

The regulations also enable an employer to apply to Fair Work Australia to vary the coverage of a state reference public sector transitional award so that it ceases to apply to that employer. Fair Work Australia must not vary coverage of the award unless it is satisfied that the employer's employees would be covered by an appropriate modern award.

## Workplace relations implementation and safety

### Office of the Federal Safety Commissioner

The Office of the Federal Safety Commissioner was established within the department in 2005 to promote and improve OHS in the Australian building and construction industry. In 2010–11, the office continued to administer the Australian Government Building and Construction OHS Accreditation Scheme and worked closely with Australian Government agencies and industry to ensure effective implementation of the OHS requirements of the *Building and Construction Industry Improvement Act 2005*. On 19 July 2010, Jeff Willing was appointed as the new Federal Safety Commissioner following the retirement of Helen Marshall.

#### Implementation of new reporting requirements

Following consultation with stakeholders, on 1 July 2010, the Office of the Federal Safety Commissioner (OFSC) implemented an improved reporting program designed to allow the collection of a more robust dataset. The improvements will enable additional relevant, timely and targeted analysis of OHS information. The revised reporting program expands the scope of reporting to include projects not covered by the Australian Government Building and Construction OHS Accreditation Scheme. This will allow for distinctions to be made between residential, commercial and civil construction, and will enhance the detail of information collected on reportable OHS incidents.

The increase in incident reporting requirements is offset by a reduction in scheme project reporting from monthly to biannually. The new incident reporting requirements negated the need for monthly summary reports, removing a significant reporting burden for accredited companies, while also improving the quality of raw data available to the OFSC for analysis. The inclusion of data from projects not covered by the scheme will enable the OFSC to compare the OHS performance of accredited companies between scheme-covered and non-scheme-covered projects, allowing for greater insight into the wider effect the scheme is having on OHS in the building and construction industry.

### Asbestos management

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

Geoff Fary was appointed to chair the review. Mr Fary brings a combination of background and experiences to the role. As Assistant Secretary of the Australian Council of Trade Unions, he had responsibility for the peak council's OHS policy, including asbestos-related matters. He previously worked as a labourer, shearer, administrator, Victorian Director of the Australian Trade Union Training Authority, Human Resources Director and Company Director of George Weston Foods Ltd and CEO of Industrial Relations Victoria.

Mr Fary is being assisted by an expert advisory group. The review will provide recommendations for the development of a national strategic plan to improve asbestos awareness and management in a report to be provided to the Government by 30 June 2012.

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

### Remuneration Tribunal

The Remuneration Tribunal secretariat managed remuneration processes of members of parliament and judicial office holders until 14 September 2010, at which time this function was transferred to the Australian Public Service Commission.

### Defence Force Remuneration Tribunal

The functions and powers of the Defence Force Remuneration Tribunal are set out in section 58H of the *Defence Act 1903*. The tribunal inquires into and determines pay and pay-related allowances for the regular and reserve members of the Australian Defence Force. This function was transferred to the Australian Public Service Commission on 1 July 2010.

## Departmental outputs for Outcome 5

The bulk of the effort supporting Outcome 5 is funded through departmental appropriations. As previously noted, the department does this through the provision of policy advice and its program management and policy implementation activities.

The department works to encourage employers and employees to adopt fair and flexible workplace arrangements. In 2010–11, the department committed to:

- » continue to assist employees, employers and small businesses to understand the new workplace relations system
- » promote the contribution which positive workplace relations makes to productivity
- » build on the foundation in the *Fair Work Act 2009* to improve leadership, management and culture at the workplace level through the workplaces of the future project
- » promote work–life balance including options for flexible working arrangements
- » work with Safe Work Australia and the Workplace Relations Ministers' Council to develop model OHS laws and to scope a possible national strategy relating workers compensation
- » continue to work with the building and construction industry to implement amendments to building industry legislation and make improvements in OHS leading to better performance
- » administer a safety net scheme for the protection of employee entitlements in cases of business insolvency
- » encourage the implementation of international labour standards at the national level through work towards ratification of priority ILO conventions.

The department provides timely policy advice on workplace relations, OHS and workers compensation issues. In 2010–11 the major priorities for the department were the provision of policy advice on:

- » the operation of the *Fair Work Act 2009*, including a focus on monitoring the new national workplace relations system for the private sector
- » building and construction industry workplace relations matters
- » model OHS legislation.

<b>Table 52: Departmental outputs performance information</b>		
<b>Performance indicator</b>	<b>Estimate</b>	<b>Actual</b>
<i>Program management</i>		
Timeliness of processing claims for the General Employee Entitlements and Redundancy Scheme	80% processed within 16 weeks of receipt	88.6%
	98% processed within 4 weeks of receipt of verified entitlement data	98.9%
Accuracy of processing claims for the General Employee Entitlements and Redundancy Scheme	Over 98% of payments not varied after appeal	99.4%
Timeliness of departmental responses to client requests for assessment of industrial instruments against the Code and Guidelines	95% completed within 10 working days	99%
Satisfaction of stakeholders (insolvency practitioners) with the management of the General Employee Entitlements and Redundancy Scheme	Satisfied or above	96% of surveyed stakeholders reported that they were satisfied or above with the department's management of GEERS
Client satisfaction with Fresh Ideas for Work and Family	80% of clients surveyed satisfied	98%
Level of satisfaction of clients with the provision of advice, information, education and promotion of safer workplaces on Australian Government construction sites by the Office of the Federal Safety Commissioner	Effective or above	Feedback from stakeholders has indicated that the provision of advice, information, education and promotion of safer workplaces on Australian Government construction sites has been effective



### 3 Supporting social and economic participation



Social policy	134
Geospatial and regional performance monitoring	136
Economic analysis	136
Engagement with international organisations	137
Social inclusion	137
Research and evaluation	139

In addition to the performance reporting for each outcome, the department is engaged in cross-sectoral work that spans social policy, social innovation, social inclusion and the productivity of the economy. This section outlines the department's work around these activities.

## Social policy

The department develops policies and strategies to help people increase their skills and abilities over the life course, in support of the Government's productivity and participation agendas. In addition to the Government's employment and training services and programs, disadvantaged Australians are provided with the support they need to reach their full potential and to access opportunities to develop the skills and capabilities they need to participate in society.

### Social policy initiatives for disadvantaged groups

In 2010–11, the department continued to work closely with a range of agencies on policies directed at improving social and economic participation by disadvantaged groups. These groups include jobless families, low-income women, teenage parents, people with disability including mental illness, people from culturally and linguistically diverse backgrounds, refugees, people who are homeless or at risk of homelessness, and people living in disadvantaged or regional locations.

The department made a significant contribution to government initiatives to address homelessness, through its participation on the Homelessness Delivery Review Board, input to the Prime Minister's Council on Homelessness, and work on improving outcomes for homeless people participating in DEEWR programs.

DEEWR contributed to the Government's priority focus on mental health through its significant involvement in developing the National Mental Health Reforms announced in the 2011–12 Budget. The department commenced the five-year review of the Disability Standards for Education. The standards are designed to clarify the rights of students with disability to access and participate in education and training on the same basis as students without disability, and give education providers more guidance on how they can meet their obligations under the *Disability Discrimination Act 1992*.

In other key social policy initiatives in 2010–11, the department led work on improving the education and employment outcomes for refugees and migrants. This resulted in the finalisation of a data sharing and integration memorandum of understanding with the Department of Immigration and Citizenship to facilitate the conduct of cross-portfolio research projects. This will help provide a quality evidence base for future policy development on vulnerable migrants and refugees. The department also developed and released internal guidelines on the use of interpreters (including Aboriginal and Torres Strait Islander languages) which are being implemented department-wide. The Commonwealth Ombudsman identified the guidelines as best practice in his 2011 *Talking in Language: Indigenous language interpreters and government communication report*.

A cross-departmental project on vulnerable youth was led by the department during the year, with a particular focus on disadvantaged cohorts of young people, including those who are disengaged from education and work, those on income support and those who are highly vulnerable to homelessness, mental health problems and drug and alcohol misuse.

The department is also responsible for policy analysis and development in relation to workforce participation by women and jobless families. In 2010–11, policy development for engaging jobless families was a continued focus. According to Australian Bureau of Statistics data (June 2010), 70 per cent of jobless families are headed by single parents, with the majority headed by mothers. Likewise, the majority of teenage parents with primary care of their child/ren are women. Increasing women's workforce participation is included as a specific focus in work responding to skills shortages, including the review into reform options for the Australian apprenticeship system, the National Resources Sector Workforce Strategy and the Critical Skills Investment Fund. In February 2011, the department was represented on the Australian



delegation to the United Nations Commission on the Status of Women. This work has informed a number of key policy initiatives, such as the new trials for teenage parents and jobless families announced in the 2011–12 Budget as part of the Building Australia's Future Workforce package.

DEEWR has primary responsibility for eight high-level COAG targets, as part of the COAG reform agenda to improve the wellbeing of Australians now and into the future. The targets relate to educational attainment, and improving outcomes for Aboriginal and Torres Strait Islander Australians. The department assists the Department of Health and Ageing and the Department of Families, Housing, Community Services and Indigenous Affairs in achieving three other COAG targets. During 2010–11, the department consolidated processes for measurement and reporting of progress against the targets and related performance indicators with the objective of strengthening performance and accountability in relation to achieving the COAG reform agenda.

### Social policy trials

The department conducts various social policy trials as part of the policy development process. Findings from these trials help to shape further policy initiatives.

#### Family Centred Employment Project

The Family Centred Employment Project is a three-year demonstration project that commenced on 1 July 2010 and aims to address the multiple and entrenched barriers to employment experienced by 365 jobless families on a range of income support payments. The project is being delivered in three priority employment areas across Australia. It commenced in Goodna, Queensland and Broadmeadows, Victoria in July 2010 and Mansfield Park and Angle Park, South Australia in November 2010.

The project model adapts services to the needs of families in order to assist at least one family member towards employment. Services are being delivered by providers who are expert at helping this client group and who have significant local knowledge. While the project has a strong employment focus, it recognises that overcoming entrenched and multiple barriers to employment may require supporting participants to take interim steps on the pathway to employment. For example, providing assistance with access to child care, help with preparing a budget or encouraging participation in education and training may represent substantial progress towards employment for an individual. At 30 June 2011, across the three project sites, more than 100 jobless families volunteered to receive services as part of the projects. Providers have assisted families to navigate access to services such as financial counselling, legal advice, housing support, and employment and training.

#### Improving School Enrolment and Attendance through Welfare Reform Measure

The Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM) is a trial that uses the possible suspension of income support payments, and the offer of Centrelink social work support, to encourage parents to ensure that their children of compulsory school age are both enrolled in school and attending regularly. SEAM recognises that state and territory governments have primary responsibility for school enrolment and attendance issues, and provides an additional tool that state and territory schools and education authorities can use when parents in receipt of income support payments are not engaging with education authorities or schools about the non-enrolment or very low school attendance of their children.

Income support payment suspensions under SEAM are only used as a last resort, where it is clear that the parent is refusing to engage with education authorities on their child's very low attendance or non-enrolment despite extensive support from education authorities and Centrelink.

SEAM is currently being trialled in six Northern Territory communities, in the Logan area in southern Brisbane and in the remote Queensland communities of Mornington Island and Doomadgee. At the end of the 2010 school year, more than 5000 children had parents who were in scope for SEAM.

SEAM has proven effective in ensuring children are enrolled in school, and improvement in children's school attendance is evident. The receipt by a parent of an attendance notice from

Centrelink warning that they must take reasonable steps to improve their child's attendance at school or risk having their income support payments suspended has had an initial positive impact on the attendance of the child associated with that notice.

At 30 June 2011 (and since SEAM began), 242 parents across both the Northern Territory and Queensland had had their income support payments suspended at least once under SEAM for either failing to provide Centrelink with the enrolment details for their child or failing to take reasonable steps to improve their child's attendance.

The SEAM trial was extended in the 2011–12 Budget until 30 June 2012, at which time it will be evaluated.

#### Teenage parents and jobless families

In the 2011–12 Budget, the Government announced 'Building Australia's Future Workforce: trained up and ready for work', a package designed to assist Australia to build an educated and skilled workforce while ensuring that there are opportunities for all Australians to experience the benefits of work. The package includes several place-based components, including two new trials for teenage parents and jobless families that will look at new ways of providing parents with opportunities to participate in education and for their children to participate in early childhood activities. This will build teenage and jobless parents' capacity to join the workforce successfully in the future.

These trials and the Family Centred Employment Project will be fully evaluated upon their conclusion to inform future policy directions.

#### Geospatial and regional performance monitoring

The department supports the design and delivery of programs and services through its online spatial analysis platform, SOLAR, which provides geospatial and mapping services at the community and regional level. For example, the department uses geospatial mapping to chart local services and organisations in areas where new programs will be delivered. During 2010–11, the department consulted extensively on the adoption of the new geographical framework, the Australian Statistical Geography Standard and the definition of regional Australia as it applies to DEEWR.

#### Economic analysis

Consistent with the Government's productivity agenda, the department provides advice on developments in the Australian economy, particularly in relation to macroeconomic performance and household wellbeing, and develops and promotes evidence spanning the life course, to support policy development focused on enhancing skills and capabilities.

The department analyses and designs income support programs to promote social and economic participation by working-age Australians. This work supports the advancement of broader goals, such as wage-setting policy, labour supply and labour force participation, and human capital development, including incentives to raise skills. In 2010–11, the department contributed to strategic government thinking in the fields of tax and income support reform directions and changes to minimum wages.

## Engagement with international organisations

During 2010–11 the department continued its high level of engagement with international bodies such as the Organisation for Economic Co-operation and Development (OECD) and the World Association of Public Employment Services.

The department is represented by a Minister-Counsellor (Education and Employment) on Australia's permanent delegation to the OECD. The Minister-Counsellor is based in Paris and facilitates the department's work with the OECD. The department is also an active participant in key committees that govern the work of the OECD, including the Education Policy Committee, the Centre for Educational Research and Innovation, the Employment, Labour and Social Affairs Committee and the Cooperative Action Programme on Local Economic and Employment Development. Through this engagement, the department helps shape and drive the OECD research and analytical agenda, based on domestic policy evidence and requirements, international developments and international comparability.

The department also manages Australia's participation in a range of other OECD projects, including the Programme for the International Assessment of Adult Competencies, the Programme for International Student Assessment, the Teacher and Learning International Survey and the international indicators of education systems, the OECD's education statistics area.

## Social inclusion

The Australian Government's vision of a socially inclusive society is one in which all Australians feel valued and have the opportunity to participate fully in community life.

The department continued the implementation of major reforms to help build more inclusive communities and address the Government's key social inclusion priorities as identified by the National Social Inclusion Statement, *A stronger, fairer Australia*. This involved collaboration with state and territory governments on national partnerships for early childhood development and low-socioeconomic school communities; Closing the Gap strategies for Aboriginal and Torres Strait Islander Australians; and activities under the National Mental Health and Disability Employment Strategy and the homelessness strategy. The department contributed to the Government's service delivery and not-for-profit sector reforms, and administered a range of place-based strategies such as the Priority Employment Areas initiative, the Family Centred Employment Project and the Innovation Fund.

The Australian Government is also supporting social inclusion by providing a range of incentives and opportunities to encourage people to participate in study, become job ready or move into paid employment. The Building Australia's Future Workforce package, announced in the 2011–12 Budget, is part of this comprehensive effort to achieve greater levels of employment and participation. The department is driving key reforms under the package which will encourage the most disadvantaged groups in our society to develop the work and life skills they need to be part of an increasingly complex and technology-driven economy.

The department also provided information and feedback to the Australian Social Inclusion Board on various issues ranging from jobless families to philanthropy. The board provided input to the development of the national social inclusion measurement framework and reporting strategy, and DEEWR was a key contributor to this process.

## Social inclusion measurement framework

The Government is committed to public accountability for progress against the national social inclusion measurement framework—a part of the National Social Inclusion Statement.

The framework is intended to reflect both longer term goals and outcomes of social inclusion and the key areas of government action.

DEEWR has responsibility for reporting against six strategic change indicators that cover three priority areas.

- » Priority area 1: Targeting jobless families with children to increase work opportunities, improve parenting and build capacity
  - Proportion of long-term unemployed job seekers in employment, education or training three months following participation in employment services
  - Proportion of long-term unemployed job seekers off benefit 12 months following participation in employment services
  - Labour force participation of single parents by age group of youngest child (0–4, 5–9, 10–14).
- » Priority area 2: Improving the life chances of children at greatest risk of long-term disadvantage
  - Proportion of children (aged 3–5 years) from special needs groups enrolled in state and territory funded or provided preschools
  - Proportion of students at or above the national minimum standard in reading and numeracy for:
    - Students in schools participating in the Literacy and Numeracy National Partnership in years 3, 5 and 7
    - Indigenous students in years 3, 5, 7 and 9.
- » Priority area 3: Improving outcomes for people living with disability
  - Proportion of job seekers with disability in employment, education or training three months after participation in employment services.

The department's progress against these strategic change indicators is outlined in Appendix 4 of this report.

### Social innovation

The department has developed policies and projects to promote social innovation and innovative cross-sector collaborations, with an initial focus on the development of a social impact investment market in Australia to improve access to capital for not-for-profit organisations, social enterprises and other organisations with a social purpose.

A highlight of this work has been the selection of funds managers under the Social Enterprise Development and Investment Fund. The successful funds managers will establish investment funds that provide flexible, tailored financial products and support for Australia's social enterprises to help them grow their business and achieve greater social impact in their communities. The fund is also seeking to catalyse the development of the broader social impact investment market in Australia. It is anticipated that the funds will be fully operational by the end of 2011.

### Not-for-profit sector reforms

The department is working closely with the Office for the Not-for-Profit Sector in the Department of the Prime Minister and Cabinet on implementing a range of whole-of-government reforms arising from the Productivity Commission's report on the contribution of the not-for-profit sector in Australia. In June 2010, DEEWR and the Office for the Not-for-Profit Sector made a joint submission to the Senate Economics Committee inquiry into finance for the not-for-profit sector, which provided an overview of the Australian and international social impact investment markets. The department is also a member of a number of working groups that support the work of the Not-for-Profit Sector Reform Council.

## Research and evaluation

In 2010–11, the department undertook a range of research, analysis and evaluation activities to support the development of evidence-based policy advice and improved program delivery. Areas of particular focus were the dynamics of income support receipt, patterns in workforce participation and the impact of education and training on labour market outcomes.

The department conducted research into a range of economic and labour market issues that are relevant to social, educational and labour market policy.

Some examples of major research and evaluation activities during the year include:

- » projects on early school leavers, welfare and activation, employment retention and mature-age workforce participation, conducted by the Melbourne Institute of Applied Economic and Social Research under the Social Policy Research Services Agreement
- » studying the factors affecting the difference in cost of providing higher education in regional areas compared to metropolitan areas
- » capturing the experiences and expectations of higher education international students using the International Student Barometer
- » measuring the accessibility and effectiveness of Disability Employment Services during the first year of operation
- » continued analysis on access and participation in preschool programs and identifying factors that influence take-up of early childhood education services
- » examination of student achievement in Asian language education across four target languages
- » analysis of language, literacy and numeracy levels and the impact that shortages in these foundation skills have in the workplace
- » ongoing monitoring and evaluation of SEAM
- » development of an evaluation strategy for the Family Centred Employment Project
- » completion of a post-implementation review of the Golden Gurus program
- » analysis of the impacts of the Learn or Earn policy, the Training Supplement and the change in the liquid assets waiting period to inform the overall evaluation of the Jobs and Training Compact.

The department's research and evaluation capability is supported by ongoing development of primary data collections, including longitudinal administrative datasets of income support recipients and job seekers.



## 4 DEEWR's commitment to reconciliation



RAP communications	142
Growing and learning	143
Creating space for reconciliation	143
Commemorating and celebrating days of significance	144
The future of reconciliation in DEEWR	146

DEEWR recognises that reconciliation is part of the unfinished business between Aboriginal and Torres Strait Islander peoples and other Australians, and that true reconciliation requires real commitment at an organisational and individual level. The DEEWR Reconciliation Action Plan (RAP) contains actions, timelines and measurable targets under the three themes of respect, relationships and opportunities as defined by Reconciliation Australia.

The RAP Implementation Sub-committee monitors the progress of actions and oversees the implementation of the RAP. It consists of branch and group managers from across all clusters of the department who meet monthly. Two members of the committee, Russell Ayres and Sue Saunders, received special recognition from the Secretary in her 2011 Excellence Awards for their efforts in reconciliation.

Representatives on the sub-committee chair working groups within their clusters. These working groups are composed of individuals who promote reconciliation and develop strategies and solutions for achieving actions and targets in the RAP. During the year, the working groups organised a number of events, including morning teas to acknowledge the National Apology to Australia's Indigenous Peoples, barbecues to raise awareness of the RAP and seminars to highlight issues of concern to Aboriginal and Torres Strait Islander peoples.

The dedicated DEEWR RAP Team provides secretariat support to the RAP Implementation Sub-committee. The team also organises events to celebrate reconciliation, communicates the plan throughout the department and works to raise staff awareness of the RAP and how it can be part of daily work.

### RAP communications

DEEWR highlights the importance of reconciliation in various communications products. The internal departmental newsletter *d'vine*, published each month, includes reconciliation-themed content in each issue.

A number of resources are available to staff, such as RAP posters that feature quotes from staff who are enthusiastic about making a difference and colourful postcards that provide ideas on how staff can promote reconciliation in their work areas and a RAP intranet page.



Sample reconciliation-themed postcard and posters



## Growing and learning

DEEWR is committed to providing its staff with opportunities to learn about the culture and history of Aboriginal and Torres Strait Islander peoples. The department released guidelines for welcome to country and acknowledgment of traditional owners to increase staff awareness of cultural expectations and sensitivities. The Indigenous Business in DEEWR Onboarding program was developed and implemented in December 2010. The seven-module program reflects the department's commitment to ensuring that all new and existing staff have access to information about the culture DEEWR seeks to support. There are numerous sources of expertise available for staff to contact, including the Indigenous Adviser to the department's People and Organisational Development Group, the Indigenous Leader and the National Mura Kaimel–Yarrangi Committee.

## Creating space for reconciliation

There has been a move in DEEWR towards creating spaces that reflect the experiences of individuals on their reconciliation journeys. In 2010 the People and Organisational Development Group designated one of its large meeting rooms to house a range of resources including fact sheets, artworks, videos, books and a reflections board on which people are encouraged to write their personal views on reconciliation. The Journey Room was officially opened on 29 October 2010 and is a commitment to supporting a deeper awareness and understanding of Aboriginal and Torres Strait Islander culture and history.



The People and Organisational Development Group's Journey Room.

The Brisbane state office opened its reconciliation Journey Wall on 27 May 2011 during Reconciliation Week. The wall provides an opportunity for staff to express their thoughts about reconciliation and celebrate Aboriginal and Torres Strait Islander cultures. Brisbane staff were invited to decorate a tile from the wall with a personal message to express their contribution to reconciliation. The surrounding walls are decorated to represent people from different areas around Australia and the world through saltwater, freshwater, rainforest and desert colours. Staff were commended for their contributions to the wall and reminded of the hope that such initiatives can deliver.



Brisbane office's Journey Wall, and staff contributing to its development

## Commemorating and celebrating days of significance

### NAIDOC Week

National Aborigines and Islanders Day Observance Committee (NAIDOC) Week is always a big event in DEEWR. The theme for 2010 was 'Unsung Heroes—Closing the Gap by Leading Their Way'. The week commenced on 4 July 2010 with a Family Day run by the Australian Institute of Aboriginal and Torres Strait Islander Studies where DEEWR had a stand. An official flag-raising ceremony was held on 5 July 2010 and Auntie Jannette Phillips gave the official welcome to country. On 7 July 2010 Senator the Hon Mark Arbib, Minister for Indigenous Employment and Economic Development, met with staff from his portfolio areas over morning tea. DEEWR also had the pleasure of hosting an art exhibition in its national office. Participants of the Billabong to Beach program produced the artwork and kindly donated their work to the Queensland state office. The Billabong to Beach program gives young people pathways to further training and opens up employment opportunities.



DEEWR staff member Mladjenka Maric with chef Mark Olive.

The Tertiary, Skills, International and Indigenous Strategy cluster commemorated the anniversary of the National Apology to Australia's Indigenous Peoples with a lunchtime barbeque on 11 February 2011. Celebrity chef Mark Olive spoke about bush tucker and his passion for cuisine inspired by native ingredients. Katrina Fanning, Branch Manager, Program Development and Support Branch, received an Individual RAP Champion award for her strong involvement in the RAP. The Public Sector Employment Team received the Team RAP Champion award for their work on enhancing and sustaining public sector employment for Aboriginal and Torres Strait Islander peoples.

The Office of Early Childhood Education and Child Care held a seminar on 16 February 2011 to commemorate the anniversary of the Apology. The event was streamed live to DEEWR offices nationally and featured motivating presentations from Shona

Chapman of the Gungahlin Child and Family Centre, DEEWR's Indigenous Leader Kevin Brahim and Deputy Secretary Michael Manthorpe.

## National Reconciliation Week



Torres Strait Islander dancers Zenadh Kes Mari performing at DEEWR's national office during National Reconciliation Week.

National Reconciliation Week, between 27 May and 3 June 2011, is a fantastic opportunity to raise awareness of Aboriginal and Torres Strait Islander peoples' history and culture and to reflect on the journey towards reconciliation. To celebrate the week in DEEWR's national office, the RAP Team organised, with the Wiradjuri Echoes, art and jewellery workshops and an Aboriginal dance and didgeridoo performance. There was a lunchtime film screening of *One Night the Moon*. Staff also enjoyed a thought-provoking presentation from Dr Chris Sarra of the Stronger Smarter Institute during a seminar opened by traditional Torres Strait

Islander dancers Zenadh Kes Mari and hosted by Indigenous Leader, Kevin Brahim. Ara Cresswell from Reconciliation Australia also provided an inspiring commentary on reconciliation through her presentation of the results from the National Reconciliation Barometer. Celebrations extended across all offices with morning teas, traditional dancing and special guest speakers.

### Beyond Billabong

Beyond Billabong is an innovative organisation that empowers highly disadvantaged Aboriginal and Torres Strait Islander youth with life skills to make positive life choices and provides pathways to further training and employment opportunities. Boyd Curran, Chief Executive Officer of Beyond Billabong, spoke about the program at a special seminar during NAIDOC Week 2010 in DEEWR's national office.

The Beyond Billabong program was developed to assist youth with significant social and life skills barriers by providing coordinated servicing in partnership with other service providers to address those barriers. Participants learn horsemanship and livestock handling skills for pathways into the pastoral industry as well as life skills that will assist them in their role as future leaders in Aboriginal and Torres Strait Islander communities. The program builds participants' self-confidence and pride in their achievements.

The DEEWR Queensland state office has provided the program with access to industry and service providers. The success of this ongoing partnership between the department and the Beyond Billabong group has resulted in improved capacity and direction for the organisation, which is now an Indigenous Employment Program Employment Panel member under the reformed program.

## The future of reconciliation in DEEWR

The new DEEWR RAP 2011–2014 will be launched in late 2011. The plan will further the department's commitment to reconciliation by continuing to draw on the unique strengths of the organisation in terms of location, sphere of influence and the diverse nature of its work. The second RAP will be designed to enhance engagement with Aboriginal and Torres Strait Islander communities and peoples and have tangible relevance to every staff member within the department.

### First Indigenous Australian Rhodes Scholar

In December 2010 DEEWR Indigenous Youth Mobility Program participant Rebecca Richards became the first Indigenous Australian Rhodes Scholar in the prize's 108-year history. Over the years Rebecca has participated in many DEEWR programs, including the Indigenous Tutorial Assistance Scheme, the Indigenous Youth Mobility Program and the Indigenous Cadetship Scheme. Rebecca was supported by the program to complete a Bachelor of Arts in psychology and anthropology at the University of Adelaide.

Now based in Canberra, Rebecca is undertaking a cadetship at the National Museum of Australia in anticipation of her departure later in the year to Oxford University, where she will undertake a Masters of Philosophy in material anthropology and museum ethnography. On completing her study Rebecca hopes to come back to Australia and work in repatriation of cultural objects and remains at an Australian museum.

## 5 Managing our business



Strategic plan	148
Business planning	148
Governance	148
Implementing the Government's initiatives	149
Risk management	149
Internal audit	149
Fraud control	150
Ministerial and parliamentary services	150
Service charter	151
Information technology management	151
Our people	151
State network	158
Financial management	159
External scrutiny and liaison	161

## Strategic plan

The *DEEWR Strategic Plan 2008–2011* outlines the department's vision, goals and strategies. The plan, available at [www.deewr.gov.au](http://www.deewr.gov.au), reflects the Government's priorities for early childhood development, quality education at all levels, a skilled workforce in safe and successful workplaces and a participative and inclusive society. It also articulates DEEWR's commitment to closing the gap for Aboriginal and Torres Strait Islander peoples, improving services in regional Australia and improving outcomes for people experiencing disadvantage.

The department is currently reviewing the plan and consulting with staff on the development of a new plan for 2012 and beyond.

## Business planning

DEEWR business plans outline the major initiatives for the year ahead and the key measures of success, including work towards the Closing the Gap targets. Plans are developed annually at the cluster and group level and are reviewed biannually. The plans align with the vision, goals and strategies in the DEEWR strategic plan. Through the business plans, the strategic plan cascades into and links with staff individual performance and development plans.

Key areas of departmental planning are integrated in the business planning process. The business plans connect:

- » strategic risk assessments (including fraud, security and IT)
- » mission-critical activities requiring a business continuity plan
- » activities in the Reconciliation Action Plan 2009–2011
- » resourcing and capability requirements.

## Governance

The Executive Meeting is the key decision-making body for the department. Membership consists of the Secretary, Associate and Deputy Secretaries and the Chief Finance Officer. In exercising its functions the Executive Meeting facilitates the department's work across organisational boundaries to achieve corporate objectives. It promotes the core principles of good public sector governance (accountability, transparency, integrity, stewardship, efficiency, leadership and risk management).

A broader governance committee structure underpins the Executive Meeting. Those committees are organised into the following streams based on their functional roles:

- » organisational stream—supports and monitors the department's business. Committees under this stream are Accommodation; Audit; Business Management; Information Technology; and People and Leadership
- » strategic linkages stream—discusses forward-looking policy and business linkages. Committees under this stream are Closing the Gap; DEEWR Implementation Steering; and Strategic Information Management and Research
- » business stream—manages the department's business and implements policy at an outcome or program level. Committees under this stream are Office of Early Childhood Education and Child Care Senior Executive Meeting; Schools Board; Tertiary, Skills and International Senior Executive Meeting; Employment Steering; and Workplace Relations and Economic Strategy Senior Executive Meeting.

Committees review their terms of reference and functional performance annually to ensure that their decisions and policies are consistent and coherent. The results of each review are provided to the Executive Meeting.

The DEEWR governance framework ensures that the department meets its requirements through transparent reporting, accountability and decision making.

## Implementing the Government's initiatives

Government agencies face many challenges to implementation and delivery of program and policy initiatives. Agencies need to demonstrate an open and transparent process, which requires evidence and accountability for policy and program decisions. DEEWR has a robust corporate governance structure in place to ensure that initiatives are implemented seamlessly and to a consistently high standard in accordance with government and community expectations and accountability responsibilities.

During 2010–11 the department developed additional tools for internal use, harnessing lessons learnt over several years of monitoring initiatives within the portfolio. This is in accordance with expectations that better policy outcomes are achieved through a culture of delivery that emphasises adequate consideration of challenges faced in the provision of policy advice in the initial planning phase.

One of DEEWR's key governance committees is the DEEWR Implementation Steering Committee. The committee is responsible for overseeing governance, risk and implementation strategies and ensuring that arrangements are in place to meet external reporting obligations. The committee considers and provides strategic oversight through monitoring of key government commitments.

## Risk management

A new risk management framework was endorsed by the department's Executive on 7 December 2010. The framework formalises DEEWR's approach to risk management in the context of a positive risk culture and promotes risk management as an integral component of business delivery, everyday practice and good governance. Supported by a corporate philosophy and culture that encourages all employees to manage risk as part of their everyday responsibilities, the enterprise-wide risk management framework commits the department to proactively identifying, treating and monitoring risks related to potential threats, harm, losses, failures and opportunities. An enterprise-wide risk information management system has also been developed to provide a central repository for DEEWR's risk plans.

The framework supports the enterprise-wide management of risks by ensuring that risk management processes are integrated across all levels of the department through fraud controls, business continuity planning, project management, procurement, finance and other business functions. Accurately identifying, treating and monitoring DEEWR's risks and opportunities at the operational and organisational level informs the Executive's management of risk at the strategic level. Enterprise-wide risk management enhances DEEWR's resilience and capacity to positively respond to a complex and changing environment.

DEEWR participates in Comcover's annual Risk Management Benchmarking Survey. The survey benchmarks the department's risk management framework and capabilities against other participating agencies as well as peer groups. In 2011 DEEWR achieved an overall risk management maturity rating of 'structured', with key achievements in risk management policy and objectives, review and evaluation and positive risk culture. DEEWR's overall score was higher than the average result of both peer group agencies and all agencies that participated.

## Internal audit

DEEWR's Internal Audit Group provides objective and independent assurance to the Secretary, the Executive and the DEEWR Audit Committee that the department's key controls are operating efficiently, effectively and ethically.

Through the Internal Audit Work Plan, Internal Audit assists the department to achieve its objectives by providing a systematic, disciplined approach to evaluating and improving the effectiveness and efficiency of risk and financial management, control and governance processes. The work plan is designed to promote better practice and identify potential risks that could impede the department's achievement of successful outcomes and portfolio responsibilities. Internal Audit monitors the implementation of its recommendations and reports



progress to the Audit Committee. It also monitors the progress of implementation of Australian National Audit Office (ANAO) report recommendations.

### Audit Committee

The Audit Committee was established in accordance with the *Financial Management and Accountability Act 1997* (FMA Act). The committee provides the Secretary with independent assurance of the appropriateness of the department's accountability and control framework. During the year, the committee met seven times, focusing on the effective and efficient use of Commonwealth resources, management of risks, financial management and compliance and program management. The committee fulfilled its role in a number of ways, including:

- » monitoring the department's compliance with legislative and other obligations relating to financial management, including the FMA Act and the *Auditor-General Act 1997*
- » advising the Secretary on whether the annual financial statements represent a true and fair view of the department's financial management
- » approving, monitoring and reporting on the Internal Audit Work Plan
- » reviewing all ANAO activity undertaken in or associated with the portfolio
- » monitoring the department's compliance with legislation, regulations and government policy
- » monitoring the department's fraud and risk control policy and frameworks
- » improving the effectiveness of the internal audit function.

The members of the Audit Committee include an Associate Secretary and a Deputy Secretary (Chair and Deputy Chair), two group managers and two independent external members.

### Fraud control

As required by the *Commonwealth Fraud Control Guidelines 2011* and the FMA Act, the department has a fraud control plan in place. Management of fraud risk is part of the department's business planning process. The business planning cycle underpins the development of fraud control initiatives, as do fraud risks identified in the course of audits and program-specific compliance activity.

In 2010–11, the department promoted fraud awareness, prevention and procedures by:

- » providing fraud awareness training to employees
- » maintaining a suite of fraud control guidance documents for all employees
- » providing advice to program and policy areas on fraud risk analysis and management
- » investigating incidents of fraud in accordance with the Australian Government Investigations Standards and the guidelines.

### Ministerial and parliamentary services

During 2010–11, the portfolio's parliamentary workflow was affected by changes to ministerial responsibilities, an extended caretaker period and new ministers. There was a considerable reduction in the volume of ministerial correspondence (55 per cent) from 2009–10, while other areas of activity such as briefings and questions on notice remained steady (see Table 53).

**Table 53: Parliamentary workflow, 2010–11**

Responsible area	Ministerial correspondence (received)	Briefings	Question time briefs	Answers to parliamentary questions on notice (tabled)	Senate Estimates questions on notice (tabled)
Department	12 237	4168	535	38 <sup>a</sup>	815
Agencies	303	72	4	5	240
<b>Total<sup>b</sup></b>	<b>12 540</b>	<b>4240</b>	<b>539</b>	<b>43</b>	<b>1055</b>

a Five of these were provided to the Table Office before 30 June but did not appear in Hansard until after that time because parliament was not sitting.

b An estimated 2018 campaign letters were received but are not included in these figures.



## Service charter

The DEEWR Service Charter explains the department's service commitments and standards. It also provides the general business context within which the department's program-specific service-level agreements operate. Staff are encouraged to conduct program implementation and service delivery within the overall framework of the service charter. A link to the service charter is featured on the department's intranet and internet sites.

## Information technology management

Information technology plays a pivotal role in assisting the department to fulfil its critical policy processes and functions. The department has developed and supports a number of large-scale IT systems to underpin the delivery of critical business programs across the portfolio. These systems support client servicing, contracted service delivery and grants management, and include real-time interfaces to other Commonwealth agencies' systems, including the Schools Education Information Management System, the Employment Services System, the Higher Education Information Management System and the Training Youth Information Management System.

The department replaced the fleet of personal computers and upgraded the operating systems as part of the Desktop 2010 project to replace assets that had reached the end of their useful life and to consolidate the fleet for more efficient management. The hardware and software rollout of approximately 7000 computers across the department and its agencies commenced in July 2010 and was completed in April 2011, providing staff with an up-to-date and more reliable ICT system. The operating systems were upgraded to Windows 2007 and Office 2007.

A number of initiatives were implemented during the year, including multifunction devices with print-on-demand software, the email storage system Enterprise Vault and an increase in virtual servers. This removed approximately 2400 local printers, resulting in significant financial and environmental savings.

The department's ICT hardware assets include personal computers, multifunction devices, phones, laptops, mainframes and servers. DEEWR's network includes electronic forms, electronic file storage solutions, websites, databases and program-specific support tools. These assets are supported by infrastructure and facilities, including three data centres, an extensive data and voice network, a large mainframe, over 2000 servers, and a high-speed secure internet gateway.

## Services for other agencies

The department continues to provide ICT services to the Australian Public Service Commission, the Australian Building and Construction Commission, Safe Work Australia and the Fair Work Ombudsman. Several new agencies entered into agreements during 2010–11, including Tertiary Education Quality and Standards Agency, Australian Skills Quality Authority, IP Australia and Comcare. The services vary between agencies and involve desktop computers, network communications, applications hosting, storage, investigation services and gateway. Some clients also receive telephony services and application development and maintenance services.

## Our people

### Ethical standards

The *Public Service Act 1999*, through the APS Code of Conduct and APS Values, sets the framework for behavioural and ethical standards in the public service. These standards govern how the department does its business, particularly in regard to the behaviour of its employees and relationships with the public, government and the parliament.

### Hypothetical events

DEEWR is working towards increasing staff awareness and understanding of the APS Values and how they should be implemented in the workplace. To ensure staff are engaged in ethical decision making and ethical behaviour, the department has adopted four pillars.

- » Ethics—aware of the need to act ethically and in accordance with the APS Values and Code of Conduct and the importance of ethical decision making.
- » Diversity—understanding the value of harnessing diversity to achieve results.
- » Respect—understanding the importance of communication on the basis of mutual respect.
- » Self-awareness and resilience—having a level of self-awareness and ability to find the win-win in a situation.

The department presented a series of hypothetical events based on these themes, providing staff with forums to discuss the themes in action in theoretical situations. The hypotheticals support existing initiatives in the department such as ethics awareness, diversity and wellbeing programs.

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

### Strategic people management and people capability

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

A key priority for the department during 2010–11 was to support its staff through a time of significant organisational change and downsizing resulting from a reducing budget. Central to managing the downsizing process was the development of workforce and resourcing strategies in each of the business areas, which provided a means to match departmental priorities with available resources and people capability.

The DEEWR Executive endorsed a range of measures designed to support organisational agility and ensure that staff experiencing changing roles and responsibilities were supported. The department's people management policies and systems were repositioned to support internal redeployment and mobility, ensuring that the workforce was agile enough to move with changed priorities and to meet future capability requirements.

A range of new initiatives were introduced to improve communication to staff about changes in DEEWR. They included timely advice about changes, for example through the Secretary's messages and video clips. A Secretary's blog, direct telephone line and direct email to the Secretary were established, and the change management website was redesigned to provide more accessible information for managers and staff on planning for and dealing with change.

The department encourages a learning culture and over the past year has strengthened its approach to learning and development, and developing leadership capability through tailored programs. These range from onboarding to specialised leadership opportunities for Senior Executive Service and Executive Level staff. Staff individual performance and development plans continue to be effective in identifying individual learning and development needs.

The Manager One Removed process, which allows for open, two-way communication and feedback, continues to be offered to staff.

The department commenced initial work on a human capital framework which will, when implemented, enable close alignment between human resource management strategies and organisational performance.

The department also worked closely with the Australian Public Service Commission on DEEWR's implementation of the Blueprint reforms (outlined in the report *Ahead of the game: Blueprint for the reform of Australian Government administration*), focusing on the recommendations in relation to strategic leadership, strengthening of workforce planning and other strategies to enhance people capability.

## Recruitment

During 2010–11, DEEWR lowered its overall staffing numbers to meet departmental budget targets. DEEWR implemented an internal recruitment and mobility strategy where the primary focus was to use internal options to fill vacancies in preference to external recruitment. This was supported by staff training and development opportunities to assist staff in making the transition between roles. DEEWR continued some external recruitment for specialised skills sets and for specific locations.

### Entry-level programs

Graduate recruitment is a key entry-level program for the department to refresh its workforce. Fifty-nine graduates commenced their 12-month program of comprehensive on- and off-the-job training in February 2011, a decrease by 39 from the previous year.

The department increased its other entry-level programs from seven in 2009–10 to 41 in 2010–11. These programs included the first Indigenous Australian Graduate Development Program, and the continuation of cadets and apprentices/trainees.

Overall, the level of participation in entry-level programs in 2010–11 was similar to that of the previous year.

### Aboriginal and Torres Strait Islander recruitment

The department is committed to closing the gap on Aboriginal and Torres Strait Islander disadvantage. Recruiting, retaining and developing capable and talented staff is one way that DEEWR can improve its effectiveness in achieving outcomes for Aboriginal and Torres Strait Islander peoples.

DEEWR has continued to build on its existing entry-level programs, including the administration of the successful APS-wide Indigenous Australian Government Development Program.

The Australian Government has set a target to increase Aboriginal and Torres Strait Islander employment levels to a minimum of 2.7 per cent across the public sector by 2015.

At 30 June 2011, 5.2 per cent of DEEWR's staff identified as Aboriginal or Torres Strait Islander (see Table 54).

**Table 54: DEEWR ongoing and non-ongoing full-time and part-time staff self-identifying as Indigenous and non-Indigenous at 30 June 2011**

	Ongoing full-time	Ongoing part-time	Non-ongoing full-time	Non-ongoing part-time	Total
Indigenous	249	27	8	1	285
Non-Indigenous	4377	652	125	32	5186
<b>Total</b>	<b>4626</b>	<b>679</b>	<b>133</b>	<b>33</b>	<b>5471</b>

DEEWR's National Mura Kaimel – Yarrangi (MKY) Committee is the department's peak Indigenous body and an important element of DEEWR's governance structure. The committee provides advice to the department on strategies for improving Aboriginal and Torres Strait Islander employees' recruitment, development and retention. There are also MKY committees in each state and national office which inform the National MKY Committee's agenda and help deliver local initiatives.

With the support of the MKY committee and DEEWR's Indigenous Leader over the past year, DEEWR:

- » refreshed the MKY Action Plan with a focus on advising, influencing, displaying leadership and providing peer support and advocacy to improve the recruitment, retention and career development of the department's Aboriginal and Torres Strait Islander staff
- » developed an Aboriginal and Torres Strait Islander Cultural Capability Development Framework for the department

- » implemented a new online module in the orientation program for new staff focusing on Aboriginal and Torres Strait Islander peoples and cultures
- » evaluated the implementation of the Identified Positions Policy, which showed an increase in the number of identified positions advertised in 2010–11
- » regularly profiled Aboriginal and Torres Strait Islander staff at all levels through department-wide communications to highlight their achievements and contribution.

### Performance management systems

DEEWR's performance management system provides a common and consistent basis for performance management where managers and employees equally commit to, and understand, their performance management responsibilities. As part of the performance management system, separate ratings are provided for key deliverables and observable work behaviours. Both ratings are given equal weight to emphasise the importance not only of what we deliver, but also how we deliver it.

### Workforce profile

At 30 June 2011 the department had 5471 staff.

Tables 55, 56 and 57 give a breakdown of staffing by classification, employment status and location at 30 June 2011. The figures in brackets in the tables are DEEWR's statistics as reported in the 2009–10 annual report.

**Table 55: DEEWR staff by classification at 30 June 2011**

Classification	Female	Male	Total
Cadets	4 (3)	4 (4)	8 (7)
Apprentices/Trainees	1 (2)	0 (1)	1 (3)
Indigenous Australian Government Development Program Trainees	26 (–)	8 (–)	34 (–)
Graduates	41 (61)	18 (37)	59 (98)
APS Level 1	4 (9)	10 (7)	14 (16)
APS Level 2	12 (19)	13 (19)	25 (38)
APS Level 3	88 (147)	78 (95)	166 (242)
APS Level 4	385 (433)	172 (226)	557 (659)
APS Level 5	592 (687)	334 (379)	926 (1066)
APS Level 6	830 (866)	499 (528)	1329 (1394)
Executive Level 1	872 (919)	649 (683)	1521 (1602)
Executive Level 2	310 (345)	246 (284)	556 (629)
Government Lawyer	12 (15)	10 (11)	22 (26)
Senior Government Lawyer	29 (21)	10 (13)	39 (34)
Principal Government Lawyer	24 (21)	11 (14)	35 (35)
Public Affairs Officer	0 (1)	1 (1)	1 (2)
SES Band 1	71 (76)	60 (59)	131 (135)
SES Band 2	25 (26)	13 (12)	38 (38)
SES Band 3 <sup>a</sup>	3 (3)	5 (5)	8 (8)
Secretary	1 (1)	0 (0)	1 (1)
<b>Total</b>	<b>3330 (3655)</b>	<b>2141 (2378)</b>	<b>5471 (6033)</b>

a In the SES Band 3 numbers there are two CEOs from the National Vet Regulator.

**Table 56: DEEWR staff by employment status at 30 June 2011**

Employment status	Female	Male	Total
<b>Ongoing</b>			
Full-time	2655 (2934)	1971 (2160)	4626 (5094)
Part-time	587 (566)	92 (99)	679 (665)
<i>Subtotal</i>	3242 (3500)	2063 (2259)	5305 (5759)
<b>Non-ongoing</b>			
Full-time	69 (128)	64 (107)	133 (235)
Part-time	19 (27)	14 (12)	33 (39)
<i>Subtotal</i>	88 (155)	78 (119)	166 (274)
<b>Total</b>	<b>3330 (3655)</b>	<b>2141 (2378)</b>	<b>5471 (6033)</b>

**Table 57: DEEWR staff by location at 30 June 2011**

Location	Female	Male	Total
New South Wales	136 (195)	95 (184)	231 (379)
Victoria	105 (129)	58 (81)	163 (210)
Queensland	154 (179)	63 (77)	217 (256)
Western Australia	85 (95)	31 (38)	116 (133)
South Australia	86 (107)	32 (46)	118 (153)
Tasmania	30 (34)	20 (22)	50 (56)
Australian Capital Territory	2663 (2829)	1818 (1895)	4481 (4724)
Northern Territory	65 (79)	19 (26)	84 (105)
Overseas	6 (8)	5 (9)	11 (17)
<b>Total</b>	<b>3330 (3655)</b>	<b>2141 (2378)</b>	<b>5471 (6033)</b>

Table 58 shows that 1020 people separated from the department in the reporting period. Of these, 807 were ongoing and 213 were non-ongoing. Of the ongoing staff separations, 284 voluntarily transferred to another agency, 217 resigned, 216 received voluntary redundancies, 15 transferred to another agency as a result of machinery of government changes, 56 retired, five were dismissed and the remainder separated for a variety of other reasons.

**Table 58: DEEWR staff separated at 30 June 2011**

Classification	Total
Cadets	5 (1)
Apprentices/Trainees	2 (0)
Graduates	2 (8)
APS Level 1	4 (4)
APS Level 2	13 (16)
APS Level 3	55 (65)
APS Level 4	164 (147)
APS Level 5	175 (169)
APS Level 6	225 (176)
Executive Level 1	237 (234)
Executive Level 2	100 (90)
Government Lawyer	7 (6)
Senior Government Lawyer	5 (5)
Principal Government Lawyer	3 (6)
SES Band 1	18 (15)
SES Band 2	3 (6)
SES Band 3	2 (2)
Secretary	0 (0)
<b>Total</b>	<b>1020 (950)</b>

### Employment agreements

During the year, all non-SES Australian workplace agreements were terminated and staff who were formerly on those agreements were transitioned to the *DEEWR Collective Agreement 2009–2011*.

**Table 59: Employment agreement statistics at 30 June 2011**

Classification	Section 24(1) determinations	Collective agreement	Total
SES	167	0	167
Non-SES	0	5303	5303
<b>Total</b>	<b>167</b>	<b>5303</b>	<b>5470</b>

Note: The Secretary is not included as remuneration arrangements for departmental secretaries are set out under a separate instrument.

### Remuneration and conditions of employment

All non-SES DEEWR employees are covered by the *DEEWR Collective Agreement 2009–2011*. The agreement is due to nominally expire on 17 November 2011.

### Salary arrangements and non-salary benefits

The collective agreement provides a range of modern, flexible, streamlined terms and conditions to support the balance of work and personal responsibilities, to create a positive work environment and to encourage people from diverse backgrounds to join and remain with the department. Flexible work arrangements include access to part-time work, up to eight weeks purchased leave, 14 weeks paid maternity/maternal leave which can be taken at half-pay, parental leave and studies assistance.

Tables 60 details the salary ranges under the collective agreement or section 24(1) of the *Public Service Act 1999* at 30 June 2011.

**Table 60: Salary ranges at 30 June 2011**

Classification	Salary range (\$)
APS Level 1	40 415—44 189
APS Level 2	47 468—50 583
APS Level 3	53 010—55 735
APS Level 4	57 660—64 877
APS Level 5	63 667—73 964
APS Level 6	71 576—84 681
Executive Level 1	88 015—108 842
Executive Level 2	103 571—141 578
Government Lawyer	59 272—78 710
Senior Government Lawyer	88 015—109 318
Principal Government Lawyer	118 158—148 611
SES Band 1	127 730—204 679
SES Band 2	185 269—239 775
SES Band 3	249 135—300 015

### Performance pay

Four DEEWR non-SES employees at the APS Level 6 to Executive Level 2 were granted performance pay totalling \$25 500 in respect of the 2009–10 performance cycle. At 30 June 2011 all non-SES employees were covered by the DEEWR Collective Agreement 2009–2011, which does not provide access to performance pay. One DEEWR SES employee was granted performance pay in respect of the 2009–10 performance cycle. To protect the privacy of this individual, the amount is not disclosed in this report.

### Occupational health and safety

In accordance with the *Occupational Health and Safety Act 1991* (OHS Act), DEEWR is committed to providing a safe and healthy work environment and has established health and safety management arrangements to support this commitment. DEEWR promotes a proactive approach to health and safety management based on effective communication and consultation, and systematic identification, assessment and control of risks.

DEEWR's health and safety management arrangements focus on implementation of measures to ensure the effective promotion and development of health, safety and welfare initiatives in the workplace. The Peak OHS Committee met regularly throughout the year to facilitate communication between management and staff on health and safety matters. With representatives from state, territory, regional and national offices, the committee provides a forum for consultation and consideration of strategic OHS issues for the department.

DEEWR's Health, Safety and Wellbeing Strategy 2010–2012 details the range of activities undertaken to support employee health, safety and wellbeing in the workplace. The strategy has a focus on early intervention, proactive and preventative injury management, promotion of healthy work practices and increasing awareness of the importance of incident reporting. Key activities during the year included a national program to actively promote the new employee assistance provider, and implementation of an online OHS onboarding program and national influenza vaccination program.

DEEWR also established the Wellbeing Officer Network, which is a new initiative that arose out of the department's innovative 'Big Ideas' approach to generating ideas. The aim of the network is to improve the effectiveness and wellbeing of DEEWR staff. The Wellbeing Officer Network is a group of DEEWR staff from national and state offices who are available to assist staff and managers in coordinating and implementing positive workplace initiatives. These include assisting and promoting staff engagement and participation, distributing information and raising awareness about health and wellbeing issues and organising team support and events.

## Reporting

In 2010–11, body stressing (includes muscle strains, back conditions, and tendonitis/tenosynovitis) made up the highest proportion (21 per cent) of reported OHS incidents involving injury or lost time, with falls, slips and trips making up the next highest proportion (19 per cent), as shown in Table 61. There were eight detailed investigations undertaken into reported incidents, including those involving slips, trips and falls and environmental factors.

**Table 61: Reported occupational health and safety incidents, by type, 2010–11**

Mechanism of incident	Incidents (%)
Body stressing	21
Falls, slips and trips	19
Hazards reported (nil injury; nil time lost)	18
Being hit by moving objects	9
Chemicals and other substances	8
Unspecified mechanism of injury	7
Biological factors	6
Vehicle accidents (includes travel to and from work)	5
Hitting objects with the body	4
Heat, electricity and other environmental factors	2
Mental stress	1

In 2010–11, Comcare was notified of 56 incidents pursuant to section 68 of the OHS Act; one improvement notice was issued under section 16 of the OHS Act by Comcare and DEEWR was involved in an Under Reporting Audit undertaken by Comcare. Recommendations made in response to the audit are being addressed.

## Investigations

During the reporting period, a Comcare investigation was undertaken relating to an alleged incident of bullying and harassment in accordance with section 40 of the OHS Act and section 41 of the *Safety, Rehabilitation and Compensation Act 1988*. The investigation concluded that there was no evidence of bullying or harassment.

The department also received a Comcare Improvement Notice under section 47 of the OHS Act to undertake action in relation to the DEEWR premises in Rockhampton by 30 June 2011. The department has worked closely with Comcare and the building owner and complied with all the requirements of the improvement notice.

## State network

At 30 June 2011 there were over 900 staff working in the state network offices, including around 170 Aboriginal and Torres Strait Islander staff. Through its extensive network of offices across Australia the department has a presence in 46 locations, 39 of which are regional (including Indigenous Coordination Centres managed by the Department of Families, Housing, Community Services and Indigenous Affairs) and a state office in each capital city.

DEEWR's state network is the department's primary means of delivering programs and services. It aims to provide frontline perspectives on national policy design and program implementation and evaluation. Network employees manage elements of more than 100 programs in employment, Indigenous education and employment, vocational education and training, schools, early childhood education and child care.



They connect and engage with stakeholders to facilitate place-based solutions and consider evidence that indicates where the department's policies and programs may be needed to improve regional service delivery outcomes. Examples include working with communities in remote service delivery locations to improve Aboriginal and Torres Strait Islander peoples' access to government services, including early childhood, health, housing and welfare services through a single government interface.

In 2010–11 the department established the Office of Regional Education, Skills and Jobs to improve DEEWR's regional and place-based focus. The office was established to ensure that the needs of regional Australia are considered in all DEEWR policies and programs and to achieve stronger participation and productivity results for the 32 per cent of the population that live in regional Australia.

State-based staff have well-developed relationships with local organisations, including state government departments, industry and educational bodies, the community and the non-government sector. These alliances help DEEWR to strengthen linkages, achieve outcomes across the portfolio and drive progress towards COAG targets and other national reform priorities.

Improving outcomes for Aboriginal and Torres Strait Islander peoples is a particular emphasis, and the network plays a significant role in implementing and linking program investment and support in relation to the four key targets in the Government's Closing the Gap agenda for which DEEWR is responsible. Learn Earn Legend! is an example of how the network is impacting education, training and employment aspirations of Aboriginal and Torres Strait Islander young people. Administered by DEEWR, the Learn Earn Legend! program encourages and supports young Aboriginal and Torres Strait Islander peoples to stay at school, get a job and be a legend for themselves, their family and their community.

Another key focus is the re-engagement of young people in education and training, including projects that connect services for youth. For example, in one state DEEWR is working closely with the Department of Juvenile Justice, DEEWR Youth Connections providers and Centrelink to provide support services to juvenile justice clients who are about to be released from detention. These clients are provided with intensive case management prior to release. Vocational and personal plans to meet each individual's needs are then developed and support services are provided to transition these young people back into the mainstream.

The network enables the department to be responsive to emerging community needs. It works successfully across tiers of government and with agencies while also engaging with and providing assistance to local stakeholders in developing local solutions to unforeseen issues, such as the recent floods in Queensland, Victoria and Western Australia.

The network has an important ongoing role in ensuring that all DEEWR-related Australian Government initiatives are implemented successfully and achieve results.

## Financial management

### Financial performance

After adjusted for depreciation and revaluations, the department reported an operating deficit for 2010–11 of \$5.6 million (0.7 per cent of departmental revenue). The deficit was lower than the deficit forecast in the 2011–12 Portfolio Budget Statements. The operating result primarily reflects the impact of costs associated with the consolidation of the department's operating leases.

The department's full departmental and administered results are shown in the audited financial statements at Part 6 of this report.

## Asset management

The department's asset management policies and procedures emphasise whole-of-life asset management. The department undertook a number of processes in the reporting year to provide assurance as to the validity and valuation of the assets held. These included:

- » a stocktake to confirm the location of the department's assets
- » an assessment of impairment in accordance with Australian Accounting Standard 136 to ensure that the department only carries assets at a value above the recoverable amount
- » a fair value assessment to ensure that the assets are recorded at their appropriate value in accordance with Australian Accounting Standards.

## Purchasing

The department's procurement policies and practices are consistent with all relevant Commonwealth laws, the Commonwealth financial framework (including the Commonwealth Procurement Guidelines) and other relevant policies. The Legal and Investigations Group provides or arranges the provision of, if necessary, specialist legal and probity advice to all areas of the department engaged in procurement. The department uses AusTender to publish its procurement activities and plans. As a result, the department's procurement activities are readily communicated and accessible to all business enterprises.

The department contributes to reconciliation in Australia through its implementation of the Indigenous Opportunities Policy and internal procurement policies aimed at increasing opportunities for businesses owned by Aboriginal and Torres Strait Islander peoples. The department works in partnership with the Australian Indigenous Minority Supplier Council in applying the policies to support participation of Aboriginal and Torres Strait Islander businesses in Australian Government procurement activities.

The DEEWR Indigenous Business Procurement Policy was implemented in January 2011. The policy requires that verified Aboriginal and Torres Strait Islander-owned businesses be considered for procurements valued between \$10 000 and \$80 000. The policy provides excellent opportunities for Aboriginal and Torres Strait Islander businesses.

## Consultancies

A list of consultancies used by the department in 2010–11 can be found at [www.deewr.gov.au/annualreport](http://www.deewr.gov.au/annualreport) and reflects Chart 1 in Part 1. This list provides details of consultancy contracts the department let in 2010–11 and the value of the contract over the life of the contract. In line with annual reporting requirements, contracts with a value of less than \$10 000 have not been included.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au).

### The department's policy on selecting consultants

The department engages individuals and companies to provide professional services under contracts for service, taking into account the skills and resources required for the task, the skills available internally and the cost-effectiveness of those options. The decision to engage a consultant is made in accordance with the FMA Act and related regulations.

Consultancy services are a particular type of service delivered under a contract for services. They are distinguished from other contracts for services by the nature of the work performed. A consultant is an entity, whether an individual, a partnership or a corporation, engaged to provide professional independent and expert advice or services. Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined research reviews or evaluations; or provide independent advice, information or creative solutions to assist the department in management decision making.

### Summary of active consultancies

During 2010–11, 291 new consultancies were entered into, involving total actual expenditure of \$16 579 445. In addition, 111 ongoing consultancy contracts were active during 2010–11, involving total actual expenditure of \$13 842 275.

### Exempt contracts

No contracts in excess of \$10 000 (inclusive of GST) or standing offers were exempted by the Secretary from being published on AusTender during the reporting year.

### Discretionary grants

Information on grants awarded by the department during the period 1 July 2010 to 30 June 2011 can be found at [www.deewr.gov.au/department/Pages/Grants.aspx](http://www.deewr.gov.au/department/Pages/Grants.aspx).

### External scrutiny and liaison

This section provides information on the most significant developments in external scrutiny for the department in 2010–11.

### Judicial decisions and decisions of administrative tribunals

There were no judicial decisions or decisions of administrative tribunals that had a significant impact on the operations of the department in 2010–11.

### Reports on the operations of the department by the Commonwealth Ombudsman

During the year there were two reports of relevance to the department.

#### Talking in Language: Indigenous language interpreters and government communication (05/2011)

This investigation reviewed the way six agencies made use of Indigenous language interpreters. The Ombudsman concluded that agencies and third-party service providers can do more to use Indigenous language interpreters when they are available. The Ombudsman made seven recommendations in the report to address the issues identified. The department has developed a strategy to promote the use of Indigenous interpreters, having regard to the recommendations. This report followed on from Report 03/2009, *Use of interpreters: Australian Federal Police, Centrelink, Department of Education, Employment and Workplace Relations and Department of Immigration and Citizenship*.

#### Falling through the cracks—Centrelink, DEEWR and FaHCSIA: Engaging with customers with a mental illness in the social security system (13/2010)

This investigation examined the difficulties experienced by people with a mental illness when they interact with the social security system. In particular the investigation examined the interactions of people with a mental illness with Centrelink, DEEWR and the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). The Ombudsman identified four key areas where procedures and policy could be further developed and made 11 recommendations to improve policy and procedures. The department has worked closely with the Department of Human Services, Centrelink and FaHCSIA to implement the recommendations and to ensure collaboration and consistency in service delivery across agencies.

### Reports by the Auditor-General

During 2010–11, the ANAO tabled five reports in parliament that made recommendations relating to the department:

- » Audit Report No. 8 2010–11 *Multifunctional Aboriginal Children's Services (MACS) and Crèches*
- » Audit Report No. 16 2010–11 *Centrelink's Role in the Process of Appeal to the Social Security Appeals Tribunal and to the Administrative Appeals Tribunal*
- » Audit Report No. 25 2010–11 *Administration of the Trade Training Centres in Schools Program*
- » Audit Report No. 30 2010–11 *Digital Education Revolution Program—National Secondary Schools Computer Fund*
- » Audit Report No. 46 2010–11 *Management of Student Visas.*

During 2010–11, the ANAO tabled one report in parliament that contained findings relating to departmental operations:

- » Audit Report No. 44 2010–11 *AusAID's Management of Tertiary Training Assistance.*

The department was also involved in the following cross-portfolio performance review conducted by the ANAO:

- » Audit Report No. 7 2010–11 *Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar Year 2009 Compliance).*

Details of these reports can be found at [www.anao.gov.au](http://www.anao.gov.au).

### Parliamentary committee inquiries

The department appeared before the Senate Standing Committee on Education, Employment and Workplace Relations for Supplementary Budget Estimates—20 and 21 October 2010; Additional Budget Estimates—23 and 24 February 2011; and Budget Estimates—30 May to 2 June 2011.

The department also made appearances before, or submissions to, a number of parliamentary committee inquiries during the year. Details of the inquiries can be found on the Parliament of Australia website at [www.aph.gov.au](http://www.aph.gov.au).

**Table 62: Appearances before, and submissions to, parliamentary committee inquiries**

<b>Committee</b>	<b>Inquiries, submissions and appearances</b>
House of Representatives Standing Committee on Economics	Inquiry into Indigenous economic development in Queensland and review of the Wild Rivers (Environmental Management) Bill 2010
House of Representatives Standing Committee on Education and Employment	Inquiry into school libraries and teacher librarians in Australian schools Inquiry into mental health and workforce participation Inquiry into the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011 Inquiry into the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010
House of Representatives Standing Committee on Health and Ageing	Inquiry into early intervention programs aimed at preventing youth suicide
House of Representatives Standing Committee on Infrastructure and Communications	The role and potential to the education sector of the National Broadband Network
House Standing Committee on Infrastructure and Communications	Inquiry into the Navigation Amendment Bill 2011
Joint Select Committee on Cyber-Safety	Inquiry into cyber-safety
Joint Standing Committee on Foreign Affairs, Defence and Trade	Inquiry into Australia's relationships with the countries of Africa
Joint Standing Committee on Treaties	Recommend ratification of Protocol of 2002 to the Occupational Safety and Health Convention, 1981 Recommend ratification of ILO Convention 162, Asbestos, 1986 Recommend ratification of ILO Part-Time Work Convention, 1994 (C175) Recommend ratification of Maritime Labour Convention, 2006 (No. 186)
Parliamentary Joint Standing Committee On Migration	Inquiry into multiculturalism in Australia
Senate Community Affairs References Committee	Inquiry into hearing health in Australia Public hearing on the Family Assistance and Other Legislation Amendment Bill 2011
Senate Education, Employment and Workplace Relations Legislation Committee	Inquiry into the Tertiary Education Quality and Standards Agency Bill 2011 and the Tertiary Education Quality and Standards Agency (Consequential Amendments and Transitional Provisions) Bill 2011 National Vocational Education and Training Regulator Bill 2010 [2011], National Vocational Education and Training Regulator (Transitional Provisions) Bill 2010 [2011] and National Vocational Education and Training Regulator (Consequential Amendments) Bill 2011
Senate Education, Employment and Workplace Relations References Committee	Inquiry into the Primary Schools for the 21st Century program Inquiry into Industry Skills Councils Inquiry into administration and reporting on NAPLAN testing
Senate Standing Committee on Education, Employment and Workplace Relations	Inquiry into the Social Security Amendment (Income Support for Regional Students) Bill 2010
Senate Standing Committee on Legal and Constitutional Affairs	Inquiry into the Migration Amendment (Visa Capping) Bill 2010
Standing Committee on Petitions	Petition on the recognition of Easter Sunday as a public holiday



## 6 Financial statements



Independent Auditor's Report	166
Financial statements	169
Notes	183



Auditor-General for Australia



## INDEPENDENT AUDITOR'S REPORT

To the Minister for Tertiary Education, Skills, Jobs and Workplace Relations

### Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Education, Employment and Workplace Relations for the year ended 30 June 2011, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions; Schedule of Administered Items; and Notes to and forming part of the financial statements including a Summary of Significant Accounting Policies.

### *Chief Executive's Responsibility for the Financial Statements*

The Chief Executive of the Department is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT  
Phone (02) 6203 7500 Fax (02) 6273 5355  
Email [ian.mcphee@ano.gov.au](mailto:ian.mcphee@ano.gov.au)



estimates made by the Chief Executive of the Department, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

In my opinion, the financial statements of the Department of Education, Employment and Workplace Relations:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of Education, Employment and Workplace Relations financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

As described in notes 23C and 24 to the financial statements, the Department of Education, Employment and Workplace Relations has recently become aware there is an increased risk of a breach of section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation, and has advised that these circumstances will be investigated.

Australian National Audit Office



Ian McPhee

Auditor-General

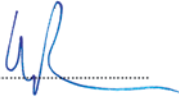
Canberra

6 September 2011

**Department of Education, Employment and Workplace Relations  
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed .....  
Lisa Paul AO PSM  
Chief Executive  
6/9/2011



Signed .....  
Craig Storen  
Chief Finance Officer  
6/9/2011



**Department of Education, Employment and Workplace Relations**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	<b>522,901</b>	565,731
Suppliers	3B	<b>288,830</b>	295,604
Grants	3C	<b>2,519</b>	5,015
Depreciation and amortisation	3D	<b>105,978</b>	98,162
Finance costs	3E	<b>200</b>	348
Write-down and impairment of assets	3F	<b>967</b>	386
Losses from sale of assets	3G	<b>188</b>	119
Other	3H	<b>4</b>	-
<b>Total expenses</b>		<b>921,587</b>	965,365
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	<b>43,414</b>	55,633
<b>Total own-source revenue</b>		<b>43,414</b>	55,633
<b>Gains</b>			
Sale of assets	4B	-	29
Other	4C	<b>26,385</b>	25,922
<b>Total gains</b>		<b>26,385</b>	25,951
<b>Total own-source income</b>		<b>69,799</b>	81,584
<b>Net cost of services</b>		<b>851,788</b>	883,781
Revenue from Government	4D	<b>740,218</b>	849,701
<b>Deficit attributable to the Australian Government</b>		<b>(111,570)</b>	(34,080)
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation adjustment to Land & Buildings		<b>11,553</b>	-
<b>Total other comprehensive income</b>		<b>11,553</b>	-
<b>Total comprehensive income (loss) attributable to the Australian Government</b> <sup>(1)</sup>		<b>(100,017)</b>	(34,080)

(1) Refer Note 27 for a reconciliation of operating result attributable to agency.

The above statement should be read in conjunction with the accompanying notes.

## Department of Education, Employment and Workplace Relations

## BALANCE SHEET

as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5A	3,990	2,226
Trade and other receivables	5B	171,114	186,368
Accrued revenue	5C	476	565
<b>Total financial assets</b>		<b>175,580</b>	<b>189,159</b>
<b>Non-financial assets</b>			
Land and buildings	6A/6C	103,873	102,338
Infrastructure, plant and equipment	6B/6C	51,663	57,452
Intangibles	6D/6E	115,566	123,323
Inventories	6F	-	449
Other	6G	28,482	24,812
<b>Total non-financial assets</b>		<b>299,584</b>	<b>308,374</b>
<b>Total assets</b>		<b>475,164</b>	<b>497,533</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	40,488	29,568
Other	7B	66,797	74,374
<b>Total payables</b>		<b>107,285</b>	<b>103,942</b>
<b>Provisions</b>			
Employee provisions	8A	159,751	167,874
Other	8B	8,310	7,181
<b>Total provisions</b>		<b>168,061</b>	<b>175,055</b>
<b>Total liabilities</b>		<b>275,346</b>	<b>278,997</b>
<b>Net assets</b>		<b>199,818</b>	<b>218,536</b>
<b>EQUITY</b>			
Retained surplus (accumulated deficit)		(109,032)	4,815
Reserves		47,331	35,778
Contributed equity		261,519	177,943
<b>Total equity</b>		<b>199,818</b>	<b>218,536</b>

The above statement should be read in conjunction with the accompanying notes.

**Department of Education, Employment and Workplace Relations**  
**STATEMENT OF CHANGES IN EQUITY**  
**as at 30 June 2011**

	Retained earnings		Asset revaluation reserves		Contributed equity/capital		Total equity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period								
Adjustment for errors	4,815	40,632	35,778	35,778	177,943	152,379	218,536	228,789
<b>Adjusted opening balance</b>	<b>4,815</b>	<b>40,632</b>	<b>35,778</b>	<b>35,778</b>	<b>177,943</b>	<b>152,379</b>	<b>218,536</b>	<b>228,789</b>
<b>Comprehensive income</b>								
Other comprehensive income – Changes in asset revaluation reserves	-	-	11,553	-	-	-	11,553	-
Surplus (Deficit) for the period	(111,570)	(34,080)					(111,570)	(34,080)
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(111,570)</b>	<b>(34,080)</b>	<b>11,553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100,017)</b>	<b>(34,080)</b>
<b>Transactions with owners</b>								
<b>Distributions to owners</b>								
Returns of capital:								
Restructuring (Note 9)	(445)	(2,337)	-	-	-	-	(445)	(2,337)
Return of special account balance (Note 24)	(1,832)	-	-	-	-	-	(1,832)	-
<b>Contributions by owners</b>								
Appropriation (equity injection)	-	-	-	-	5,917	25,564	5,917	25,564
Departmental capital budget	-	-	-	-	77,659	-	77,659	-
Restructuring (Note 9)	-	600	-	-	-	-	-	600
<b>Sub-total transactions with owners</b>	<b>(2,277)</b>	<b>(1,737)</b>	<b>-</b>	<b>-</b>	<b>83,576</b>	<b>25,564</b>	<b>81,299</b>	<b>23,827</b>
Transfers between equity components	-	-	-	-	-	-	-	-
<b>Closing balance at 30 June</b>	<b>(109,032)</b>	<b>4,815</b>	<b>47,331</b>	<b>35,778</b>	<b>261,519</b>	<b>177,943</b>	<b>199,818</b>	<b>218,536</b>

**Department of Education, Employment and Workplace Relations**  
**CASH FLOW STATEMENT**  
*for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		43,292	63,230
Net GST received		30,017	34,087
Appropriations		811,946	900,748
Other		431	2,270
<b>Total cash received</b>		<b>885,686</b>	<b>1,000,335</b>
<b>Cash used</b>			
Employees		537,642	536,743
Suppliers		287,716	316,907
Grants		2,519	4,710
Section 31 receipts transferred to the OPA		43,772	57,851
Other		4	-
<b>Total cash used</b>		<b>871,653</b>	<b>916,211</b>
<b>Net cash flows from operating activities</b>	10	<b>14,033</b>	<b>84,124</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of infrastructure, plant, equipment and intangibles		49	126
Proceeds from sales of land and buildings		-	490
<b>Total cash received</b>		<b>49</b>	<b>616</b>
<b>Cash used</b>			
Purchase of infrastructure, plant and equipment		14,413	23,171
Purchase /development of intangibles		50,330	57,411
Purchase of land and buildings		18,065	30,766
<b>Total cash used</b>		<b>82,808</b>	<b>111,348</b>
<b>Net cash flows used by investing activities</b>		<b>(82,759)</b>	<b>(110,732)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity – capital injection		5,917	25,564
Contributed equity – capital budget		64,460	-
Returns from the OPA		1,945	-
<b>Total cash received</b>		<b>72,322</b>	<b>25,564</b>
<b>Cash used</b>			
Returns to the OPA		1,832	1,945
<b>Total cash used</b>		<b>1,832</b>	<b>1,945</b>
<b>Net cash flows from financing activities</b>		<b>70,490</b>	<b>23,619</b>
<b>Net increase (decrease) in cash held</b>		<b>1,764</b>	<b>(2,989)</b>
Cash and cash equivalents at the beginning of the reporting period		2,226	5,215
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>3,990</b>	<b>2,226</b>

The above statement should be read in conjunction with the accompanying notes.

## Department of Education, Employment and Workplace Relations

### SCHEDULE OF COMMITMENTS

as at 30 June 2011

	2011 \$'000	2010 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Sublease rental income <sup>1</sup>	(30,009)	(14,935)
Net GST recoverable on commitments	(66,524)	(67,374)
<b>Total commitments receivable</b>	<b>(96,533)</b>	<b>(82,309)</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Land and buildings	2,097	-
Infrastructure, plant and equipment	569	-
<b>Total capital commitments</b>	<b>2,666</b>	<b>-</b>
<b>Other commitments</b>		
Operating leases <sup>1</sup>	585,830	654,840
IT commitments <sup>2</sup>	70,645	53,492
Research and development	3,922	6,147
Other <sup>3</sup>	68,933	26,859
<b>Total other commitments</b>	<b>729,330</b>	<b>741,338</b>
<b>Net commitments by type</b>	<b>635,463</b>	<b>659,029</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	(20,441)	(18,564)
From one to five years	(43,216)	(32,365)
Over five years	(32,876)	(31,380)
<b>Total commitments receivable</b>	<b>(96,533)</b>	<b>(82,309)</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	2,666	-
<b>Total capital commitments</b>	<b>2,666</b>	<b>-</b>
<b>Operating lease commitments<sup>1</sup></b>		
One year or less	77,343	94,133
From one to five years	209,008	228,445
Over five years	299,479	332,262
<b>Total operating lease commitments</b>	<b>585,830</b>	<b>654,840</b>
<b>IT commitments<sup>2</sup></b>		
One year or less	60,010	44,179
From one to five years	10,635	9,313
<b>Total IT commitments</b>	<b>70,645</b>	<b>53,492</b>

The above statement should be read in conjunction with the accompanying notes.

**Department of Education, Employment and Workplace Relations**  
**SCHEDULE OF COMMITMENTS**  
*as at 30 June 2011*

	2011	2010
	\$'000	\$'000
<b>Research and development commitments</b>		
One year or less	2,852	2,246
From one to five years	1,070	3,901
<b>Total research and development commitments</b>	<u>3,922</u>	<u>6,147</u>
<b>Other commitments<sup>3</sup></b>		
One year or less	19,356	18,642
From one to five years	49,577	8,217
<b>Total other commitments</b>	<u>68,933</u>	<u>26,859</u>
<b>Net commitments by maturity</b>	<u>635,463</u>	<u>659,029</u>

NB: Commitments are GST inclusive where relevant.

<sup>1</sup> Operating leases included are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Leases for office accommodation	Lease payments are subject to periodic market value or indexed increases.
Sub lease revenue for office accommodation	Vacant office space is sub leased where possible. The total of future minimum lease payments expected to be received over the next five years is \$24,358,583 (2010: \$14,040,721) including GST.
Agreement for provision of motor vehicles to senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to the department.

<sup>2</sup> IT commitments include contracts for data services, IT software licensing and hardware maintenance agreements.

<sup>3</sup> Other commitments include a range of contracts such as fees for provision of services.

The above statement should be read in conjunction with the accompanying notes.



**Department of Education, Employment and Workplace Relations**  
**SCHEDULE OF CONTINGENCIES**  
*as at 30 June 2011*

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>Contingent assets</b>		
Claims for damages or costs	<u>24</u>	<u>54</u>
<b>Total contingent assets</b>	<u>24</u>	<u>54</u>
<b>Contingent liabilities</b>		
Claims for damages or costs	<u>3,413</u>	<u>1,216</u>
<b>Total contingent liabilities</b>	<u>3,413</u>	<u>1,216</u>
<b>Net contingent assets (liabilities)</b>	<u><b>(3,389)</b></u>	<u><b>(1,162)</b></u>

Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 11: Contingent Liabilities and Assets, along with information on significant remote contingencies and contingencies that cannot be quantified.

The above statement should be read in conjunction with the accompanying notes.

**Department of Education, Employment and Workplace Relations**  
**SCHEDULE OF ASSET ADDITIONS**  
**as at 30 June 2011**

The following non-financial non-current assets were added in 2010-11 (refer also to Note 6C and 6E):

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Infrastructure, plant & equipment \$'000	Computer software- internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>Additions funded in the current year</b>							
By purchase – appropriation ordinary annual services							
Departmental capital budget	-	-	7,780	14,413	42,267	-	64,460
Ordinary operating costs	-	-	10,285	-	2,146	-	12,431
By purchase – appropriation other services							
Equity injections	-	-	-	-	5,917	-	5,917
By purchase - other	-	-	-	65	-	-	65
<b>Total additions funded in the current year</b>	-	-	18,065	14,478	50,330	-	82,873
<b>Additions recognised in 2010-11 – to be funded in future years</b>							
Restoration obligations	-	-	429	-	-	-	429
<b>Total additions to be funded in future years</b>	-	-	429	-	-	-	429
<b>Total additions</b>	-	-	18,494	14,478	50,330	-	83,302

**Department of Education, Employment and Workplace Relations  
SCHEDULE OF ASSET ADDITIONS**

**as at 30 June 2011**

The following non-financial non-current assets were added in 2009-10:

	Land \$'000	Building \$'000	Leasehold improvements \$'000	Infrastructure, plant & equipment \$'000	Computer software- internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>Additions funded in the current year</b>							
By purchase - appropriation ordinary annual services	-	-	-	-	-	-	-
Departmental capital budget	-	-	31,948	23,171	51,831	16	106,966
Ordinary operating costs	-	-	20,000	-	5,564	-	25,564
By purchase - appropriation other services	-	-	-	-	-	-	-
Equity injections	-	-	-	11	-	-	11
Assets received as gifts/donations	-	-	-	23,182	57,395	16	132,541
<b>Total additions funded in the current year</b>	-	-	51,948	23,182	57,395	16	132,541
<b>Additions recognised in 2009-10- to be funded in future years</b>							
Restoration obligations	-	-	58	-	-	-	58
<b>Total additions to be funded in future years</b>	-	-	58	-	-	-	58
<b>Total additions</b>	-	-	52,006	23,182	57,395	16	132,599

## Department of Education, Employment and Workplace Relations SCHEDULE OF ADMINISTERED ITEMS

	Notes	2011 \$'000	2010 \$'000
<b>Income administered on behalf of Government</b>			
<i>for the period ended 30 June 2011</i>			
<b>Revenue</b>			
<b>Taxation revenue</b>			
Other	15A	<u>123,821</u>	99,242
<b>Total taxation revenue</b>		<u>123,821</u>	99,242
<b>Non-taxation revenue</b>			
Interest	15B	647,767	656,291
Commonwealth asset recoveries	15C	19,398	24,195
Other	15D	<u>511,260</u>	955,115
<b>Total non-taxation revenue</b>		<u>1,178,425</u>	1,635,601
<b>Total revenues administered on behalf of Government</b>		<u>1,302,246</u>	1,734,843
<b>Gains</b>			
Fair value gains	15E	56,549	195,436
Reversals of previous asset write-downs and impairments	15F	<u>79</u>	-
<b>Total gains administered on behalf of Government</b>		<u>56,628</u>	195,436
<b>Total income administered on behalf of Government</b>		<u>1,358,874</u>	1,930,279
<b>Expenses administered on behalf of Government</b>			
<i>for the period ended 30 June 2011</i>			
<b>Expenses from ordinary activities</b>			
Employee benefits	16A	8,881	42,812
Suppliers	16B	3,146,340	2,879,368
Subsidies	16C	1,045,781	945,027
Personal benefits	16D	20,999,313	19,797,266
Grants	16E	16,353,973	17,289,199
Finance costs	16F	604,896	540,064
Write-down and impairment of assets	16G	42,335	208,812
CAC Act body payment item	16H	<u>8,372</u>	5,898
<b>Total expenses from ordinary activities administered on behalf of Government</b>		<u>42,209,891</u>	41,708,446
<b>Losses</b>			
Fair value losses	16I	<u>340,421</u>	472,411
<b>Total losses administered on behalf of Government</b>		<u>340,421</u>	472,411
<b>Total expenses administered on behalf of Government</b>		<u>42,550,312</u>	42,180,857

The above statement should be read in conjunction with the accompanying notes.

## Department of Education, Employment and Workplace Relations SCHEDULE OF ADMINISTERED ITEMS

	Notes	2011 \$'000	2010 \$'000
<b>Assets administered on behalf of Government as at 30 June 2011</b>			
<b>Financial assets</b>			
Cash and cash equivalents	17A	200	1,301
Receivables	17B	18,012,660	16,274,925
Investments	17C	1,921,157	1,790,783
<b>Total financial assets</b>		<b>19,934,017</b>	<b>18,067,009</b>
<b>Non-financial assets</b>			
Inventories	17D	-	1,390
Other	17E	3,640	3,715
<b>Total non-financial assets</b>		<b>3,640</b>	<b>5,105</b>
<b>Total assets administered on behalf of Government</b>		<b>19,937,657</b>	<b>18,072,114</b>
<b>Liabilities administered on behalf of Government as at 30 June 2011</b>			
<b>Payables</b>			
Suppliers	18A	176,879	146,331
Subsidies	18B	29,292	19,964
Personal benefits	18C	951,457	865,336
Grants	18D	49,469	99,409
Other	18E	2,294,927	2,092,099
<b>Total payables</b>		<b>3,502,024</b>	<b>3,223,139</b>
<b>Provisions</b>			
Provision for grants	18F	5,209,000	5,039,000
<b>Total provisions</b>		<b>5,209,000</b>	<b>5,039,000</b>
<b>Total liabilities administered on behalf of Government</b>		<b>8,711,024</b>	<b>8,262,139</b>

The above schedule should be read in conjunction with the accompanying notes.

## Department of Education, Employment and Workplace Relations SCHEDULE OF ADMINISTERED ITEMS

	Notes	2011 \$'000	2010 \$'000
<b>Administered cash flows for the period ended 30 June 2011</b>			
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Interest		541	32
Net GST received		1,269,120	1,394,186
Levies		123,821	97,548
Other		745,356	1,246,901
<b>Total cash received</b>		<b>2,138,838</b>	<b>2,738,667</b>
<b>Cash used</b>			
Suppliers		4,379,939	4,329,687
Subsidies		1,036,452	965,006
Personal benefits		21,029,111	23,477,580
Grant		16,056,258	13,779,409
Interest		47	37
CAC Act body payment item		8,372	5,898
Employees		8,881	42,812
<b>Total cash used</b>		<b>42,519,060</b>	<b>42,600,429</b>
<b>Net cash flows used by operating activities</b>		<b>(40,380,222)</b>	<b>(39,861,762)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Repayments of advances and loans		1,569,512	1,459,281
<b>Total cash received</b>		<b>1,569,512</b>	<b>1,459,281</b>
<b>Cash used</b>			
Loans made		3,669,813	3,382,300
<b>Total cash used</b>		<b>3,669,813</b>	<b>3,382,300</b>
<b>Net cash flows used by investing activities</b>		<b>(2,100,301)</b>	<b>(1,923,019)</b>
<b>Net Decrease in Cash Held</b>		<b>(42,480,523)</b>	<b>(41,784,781)</b>
Cash and cash equivalents at the beginning of the reporting period		1,301	415
Cash from the Official Public Account for:			
- Appropriations		44,451,669	43,663,089
- Administered GST appropriations		551,436	1,367,517
- Special accounts		408,831	837,362
<b>Total cash from the Official Public Account</b>		<b>45,411,936</b>	<b>45,867,968</b>
Cash to the Official Public Account for:			
- Appropriations		(1,972,055)	(1,841,893)
- Return of GST appropriations to the OPA		(549,736)	(1,399,886)
- Special accounts		(410,723)	(840,522)
<b>Total cash to the Official Public Account</b>		<b>(2,932,514)</b>	<b>(4,082,301)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	17A	<b>200</b>	<b>1,301</b>

The above schedule should be read in conjunction with the accompanying notes.

## Department of Education, Employment and Workplace Relations

### SCHEDULE OF ADMINISTERED ITEMS

	2011 \$'000	2010 \$'000
<b>Administered commitments</b>		
<i>as at 30 June 2011</i>		
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
GST recoverable on commitments	<u>(3,090,641)</u>	(2,628,501)
<b>Total commitments receivable</b>	<u>(3,090,641)</u>	(2,628,501)
<b>Commitments payable</b>		
<b>Other commitments</b>		
Employment programs	9,592,789	5,923,018
Goods and services <sup>1</sup>	601,464	536,183
Grants	6,285,347	8,255,838
Legislative obligations <sup>2</sup>	25,362,170	26,355,066
Other	<u>83,930</u>	5,238
<b>Total other commitments</b>	<u>41,925,700</u>	41,075,343
<b>Net commitments by type</b>	<u>38,835,059</u>	<u>38,446,842</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	(1,144,408)	(1,199,381)
From one to five years	<u>(1,946,233)</u>	(1,429,120)
<b>Total commitments receivables</b>	<u>(3,090,641)</u>	(2,628,501)
<b>Commitments payable</b>		
<b>Other commitments</b>		
One year or less	18,458,086	20,967,921
From one to five years	23,467,614	20,107,396
Over five years	-	26
<b>Total other commitments</b>	<u>41,925,700</u>	41,075,343
<b>Net commitments by maturity</b>	<u>38,835,059</u>	<u>38,446,842</u>

NB: All commitments are GST inclusive where relevant.

The value of commitments is determined based on expected value of services contracted, but yet to be performed under the agreement.

<sup>1</sup> Goods and services contracts include amounts relating to consultancies.

<sup>2</sup> Legislative obligations relate to amounts specified in the legislation where a funding determination has not yet been made, comprising the *Higher Education Support Act 2003*, *Schools Assistance Act 2008* and the *Indigenous Education (Targeted Assistance) Act 2000*.

The above schedule should be read in conjunction with the accompanying notes.

## Department of Education, Employment and Workplace Relations SCHEDULE OF ADMINISTERED ITEMS

	2011	2010
	\$'000	\$'000
<b>Administered contingencies as at 30 June 2011</b>		
<b>Administered contingent assets</b>		
Claims for damages or costs	19,480	18,701
Other	-	9,000
<b>Total administered contingent assets</b>	<u>19,480</u>	<u>27,701</u>
<b>Administered contingent liabilities</b>		
Claims for damages or costs	<u>33,956</u>	30,191
<b>Total administered contingent liabilities</b>	<u>33,956</u>	<u>30,191</u>
<b>Net administered contingent assets (liabilities)</b>	<u>(14,476)</u>	<u>(2,490)</u>

Details of each class of contingent assets and liabilities in the above table are disclosed in Note 20. Administered contingent assets and liabilities, along with information on remote contingencies and contingences that cannot be quantified.

The above statement should be read in conjunction with the accompanying notes.



**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies**

**Note 2. Events After the Reporting Period Date**

**Note 3. Expenses**

**Note 4. Income**

**Note 5. Financial Assets**

**Note 6. Non-Financial Assets**

**Note 7. Payables**

**Note 8. Provisions**

**Note 9. Restructuring**

**Note 10. Cash Flow Reconciliation**

**Note 11. Contingent Liabilities and Assets**

**Note 12. Senior Executive Remuneration**

**Note 13. Remuneration of Auditors**

**Note 14. Financial Instruments**

**Note 15. Income Administered on Behalf of Government**

**Note 16. Expenses Administered on Behalf of Government**

**Note 17. Assets Administered on Behalf of Government**

**Note 18. Liabilities Administered on Behalf of Government**

**Note 19. Administered Reconciliation Table**

**Note 20. Administered Contingent Assets and Liabilities**

**Note 21. Administered Financial Instruments**

**Note 22. Unfunded Superannuation Provision for Australian Universities**

**Note 23. Appropriations**

**Note 24. Special Accounts**

**Note 25. Compensation and Debt Relief**

**Note 26. Reporting of Outcomes**

**Note 27. Comprehensive Income (Loss) Attributable to the entity**

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 1. Summary of Significant Accounting Policies

##### 1.1 Objectives of DEEWR

The Department of Education, Employment and Workplace Relations (the department) is an Australian Government controlled entity.

The department provides advice to the Government and administers programs to achieve the Government's objectives for education, employment and workplace relations. The department works in partnership with the states and territories, non-government authorities, providers and industry.

The department is structured to meet the following outcomes:

Outcome 1: Early Childhood Education and Child Care

Outcome 2: School Education

Outcome 3: Tertiary, Youth and International

Outcome 4: Employment

Outcome 5: Workplace Relations

The continued existence of the department in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the department's administration and programs.

The department's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the department in its own right. Administered activities involve the management or oversight by the department, on behalf of the Government, of items controlled or incurred by the Government.

##### 1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2010; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the department or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.20.

##### 1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the department has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The value of the Higher Education Loan Program (HELP) receivable is calculated each year by actuarial assessment. The two main measures impacting on the calculation of the HELP asset are the face value of

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

debt not expected to be repaid and the fair value of the remaining receivable, calculated as the present value of projected future cash flows. The discount rate used to calculate the present value of the projected future cash flows for the 2010-11 financial statements reflects the 10 year government bond rate as at the reporting date. The prevailing rate as at 30 June 2011 is 5.3% (2010: 5.2%). A comparison of the value of the receivable using the different discount rates is provided in the table below.

HELP Receivable – Discount rate	2010-11 \$m	HELP Receivable – Discount rate	2009-10 \$m
5.3%	15,551	5.2%	13,708
6.0%	15,047	6.0%	13,203

- The fair value of the Provision for Unfunded University Superannuation (2010-11 \$5.209 billion) is calculated annually by actuarial assessment. The provision is valued in accordance with the requirements of AASB 119, *Employee Benefits*. The discount rate used is the 10 year government bond rate as at the reporting date. The prevailing rate as at 30 June 2011 is 5.3% (2010: 5.2%).

No other accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

#### 1.4 New Australian Accounting Standards

##### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the department.

- AASB 7 Financial Instruments: Disclosures – June 2010 (Compilation)
- AASB 118 Revenue – May 2009 (Compilation)
- AASB 128 Investments in Associates – June 2010 (Compilation)
- AASB 132 Financial Instruments: Presentation – June 2010 (Compilation)
- AASB 139 Financial Instruments: Recognition and Measurement – December 2009 (Compilation)

##### Future Australian Accounting Standard Requirements

The following new standards, revised standards, interpretations and amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date and apply to the future reporting period, they are not expected to have a financial impact on the department:

- AASB 5 Non-current Assets Held for Sale and Discontinued Operations – October 2010 (Compilation)
- AASB 9 Financial Instruments – December 2010 (Compilation)
- AASB 101 Presentation of Financial Statements – October 2010 (Compilation)
- AASB 107 Statement of Cash Flows – October 2010 (Compilation)
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors – December 2009 (Compilation)
- AASB 110 Events after the Reporting Period – December 2009 (Compilation)
- AASB 118 Revenue – October 2010 (Compilation)
- AASB 119 Employee Benefits – October 2010 (Compilation)
- AASB 132 Financial Instruments: Presentation – October 2010 (Compilation)
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets – October 2010 (Compilation)
- AASB 139 Financial Instruments: Recognition and Measurement – October 2010 (Compilation)

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- AASB 1031 Materiality – December 2009 (Compilation)
- AASB 1054 Australian Additional Disclosures – May 2011 (Principal)
- AASB 2010–6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] – November 2010
- Interp. 4 Determining whether an Arrangement contains a Lease – December 2009 (Compilation)
- Interp. 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – December 2009 (Compilation)
- Interp. 115 Operating Leases – Incentives – October 2010 (Compilation)
- Interp. 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease – October 2010 (Compilation)
- Interp. 132 Intangible Assets – Web Site Costs – October 2010 (Compilation)

#### 1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the department retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated from the transaction will flow to the department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

#### Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

#### 1.6 Gains

##### Resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

##### Sale of assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1.7 Transactions with the Government as Owner

#### Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

#### Restructuring of administrative arrangements

Net assets received from, or relinquished to, another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

#### Other distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

### 1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured at net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the department's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### Separation and redundancy

Provision is made for separation and redundancy benefit payments. The department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

#### Superannuation

Staff of the department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or the Australian Government Employees Superannuation Trust (AGEST).

The CSS, PSS and AGEST are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The department makes employer contributions to the employee's superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

#### Parental Leave Payments Scheme

The department offset amounts received under Parental Leave Payments Scheme (for payment to employees) by amounts paid to employees under that scheme, because these transactions are only incidental to the main revenue-generating activities of the department. Amounts received by the department not yet paid to employees would be presented gross as cash and a liability (payable).

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

#### Lease incentives

Lease incentives taking the form of 'free' leasehold improvements and rent free holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

#### 1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- cash on hand;
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amount of cash and subject to insignificant risk of changes in value;
- cash held by outsiders; and
- cash in special accounts.

#### 1.11 Financial Assets

The department classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

#### Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future;
- are a part of an identified portfolio of financial instruments that the department manages together and has a recent actual pattern of short-term profit-taking; or
- are derivatives that are not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit and loss for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, these instruments are valued at cost. The department has no such instruments.

#### Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

#### Impairment of financial assets

Financial assets are assessed for impairment at the end of the reporting period.

- *Financial assets held at amortised cost* - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.
- *Available-for-sale financial assets* - If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Statement of Comprehensive Income.
- *Financial assets held at cost* - If there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

#### **1.12 Financial Liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are recognised and derecognised upon trade date.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

#### Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

#### **1.13 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Indemnities

The maximum amounts payable under the indemnities given is disclosed in the Schedule of Contingencies. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.

#### **1.14 Financial Guarantee Contracts**

Financial guarantee contracts are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

#### **1.15 Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

#### **1.16 Infrastructure, Plant and Equipment including Land and Buildings**

##### Asset recognition threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, (or \$50,000 for leasehold improvements) which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to the restoration obligation provisions in property leases taken up by the department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the department's leasehold improvements with a corresponding provision for restoration obligations recognised.

##### Revaluations

Fair values for each class of asset are determined as shown below:

<b>Asset Class</b>	<b>Fair value measured at</b>
Land	Market selling price
Buildings excluding leasehold improvements	Market selling price
Buildings – Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

##### Depreciation

Depreciable infrastructure, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the department using, in all cases, the straight-line method of depreciation.



## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

<i>Asset Class</i>	<i>2011</i>	<i>2010</i>
Buildings on freehold land	37-51 years	37-51 years
Buildings – leasehold improvements	Lease term	Lease term
Infrastructure, plant and equipment	3-15 years	3-15 years

#### Impairment

All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

#### Assets not previously recognised

Leasehold improvement restoration obligation and computer equipment were brought to account as part of land and buildings and infrastructure, plant and equipment for the first time as at 30 June 2011.

#### **1.17 Intangibles**

The department's intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Purchases costing less than \$200,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the department's software are 2-5 years (2009-10: 2-5 years).

All software assets were assessed for indications of impairment as at 30 June 2011.

#### **1.18 Inventories**

Inventories held for sale are valued at the lower of cost and net realisable value.

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores – purchase cost on a first-in-first-out basis; and
- finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

#### **1.19 Taxation**

The department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and non-financial assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

#### Administered cash transfers to and from the Official Public Account

Revenue collected by the department for use by the Government rather than the department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the department on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items and in the administered reconciliation table in Note 19.

#### Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the department on behalf of the Australian Government.

Administered fee revenue is recognised when the service is provided. Collectability of the debt is reviewed at balance date. Impairment allowances are made when collectability of the debt is judged to be less, rather than more, likely.

#### Gains and losses

Administered gains or losses under the Higher Education Loan Programme (HELP), the Student Loan Supplement Scheme and Unfunded University Superannuation are recognised at 30 June each year based on an actuarial assessment of the fair value.

#### Loans and receivables

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, de-recognition and amortisation are recognised through profit or loss.

The HELP scheme is administered under the *Higher Education Support Act 2003*. HELP consists of HECS-HELP, FEE-HELP, OS-HELP, and VET FEE-HELP, and any resulting debts are called a HELP debt.

The HELP debts are reflected as a receivable in the Schedule of Administered Items. The Australian Taxation Office (ATO) collects repayments of the debts through the PAYG income tax system and voluntary repayments.

The department has recorded the total accumulated HECS and/or HELP debt in its financial statements at fair value in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. This varies from the debt level shown on the ATO certificate.

Administered receivables, including those relating to personal benefit overpayments, represent debts owed to the department by past and present customers. All debts known to be irrecoverable are excluded from the value of administered receivables. Irrecoverable debts comprise amounts written off pursuant to section 1236 of the *Social Security Act 1991* and amounts waived pursuant to section 1237 of the *Social Security Act 1991*. In accordance with departmental guidelines for the operation of waivers under section 1237 of the *Social Security Act 1991*, where a debt is not likely to exceed a threshold amount and it is not cost effective for the Australian Government to recover the debt, the debt is waived.

Independent valuations are conducted with sufficient frequency to ensure that the carrying amounts of impairment allowances for doubtful debts does not differ materially from the fair value as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in the programs.

#### Administered investments

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments other than those held for sale are classified as available-for-sale and are measured at their fair value as at 30 June 2011. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at the end of the reporting period.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Grants and subsidies

The department administers a number of grant and subsidy schemes on behalf of the Government.

Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

Under the Federal Financial Framework agreed with Council of Australian Governments (COAG), which came into effect on 1 January 2009, the Department of the Treasury is accountable for the payment of grants under the National Partnership Agreements to the States and Territories. As a result DEEWR reported payments made since the agreement came into effect as nation building transfers (Note 16E) for all payments made through State and Territory Governments.

### Voluntary disclosure

The department administers a number of personal benefit programs on behalf of the government that provide income support, family assistance and other entitlements to individuals. Payments are determined in accordance with provisions under social security law and other legislation. Payments made under the *Social Security (Administration) Act 1999*, *A New Tax System (Family Assistance) (Administration) Act 1999* and *Student Assistance Act 1973* legislation are assessed, determined and paid by officers of Centrelink under delegation from the department.

Payments made by Centrelink appear in the financial statements of the department, which receives appropriations for the payments.

The *Social Security (Administration) Act 1999*, *A New Tax System (Family Assistance) (Administration) Act 1999* and *Student Assistance Act 1973* imposes obligations on payment recipients to disclose to Centrelink information about financial and personal circumstances that affect entitlement to payment. Unreported changes in circumstances can lead to incorrect payment, even if no deliberate fraud is intended. However, risks associated with relying on voluntary disclosure are mitigated by a risk management strategy which focuses on prevention, detection and deterrence.

In addition, Centrelink conducts a comprehensive program of reviews. Compliance reviews of payment recipient's circumstances contribute to the detection of overpayment and benefit fraud. Recipients are generally selected for compliance reviews based on risk categories and inconsistencies in income, assets or other data across Centrelink systems, or between Centrelink and data gathered through Job Services Australia, universities, or held by other agencies such as the ATO and financial institutions.

### Payments to CAC Act bodies

Payments to Comcare from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans of the relevant portfolio department. The appropriation to the department is disclosed in Table A of the appropriation note.

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 2. Events After the Reporting Period Date**

From 1 August 2011 the Tertiary Education Quality and Standards Agency (TEQSA) will be created transferring functions from the Department. The agency will combine the regulatory activities currently undertaken in the states and territories with the quality assurance activities undertaken by the Australian Universities Quality Agency (AUQA). There will be a minimal impact on the department.

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 3. Expenses**

	2011	2010
	\$'000	\$'000

**Note 3A. Employee benefits**

Wages and salaries	358,990	380,722
Superannuation:		
Defined contribution plans	24,233	22,007
Defined benefit plans	53,243	54,846
Leave and other entitlements	75,640	92,770
Separations and redundancies	7,065	10,980
Other	3,730	4,406
<b>Total employee benefits</b>	<b>522,901</b>	<b>565,731</b>

**Note 3B. Suppliers**

**Goods and services**

IT services	53,561	66,056
Contractors	25,434	32,762
Consultants	31,542	32,609
Resources received free of charge	25,215	21,769
Travel	14,404	18,500
Property	20,525	12,724
Other	32,555	40,472
<b>Total goods and services</b>	<b>203,236</b>	<b>224,892</b>

**Goods and services are made up of <sup>1</sup>:**

Provision of goods - related entities	26	361
Provision of goods - external parties	6,486	8,521
Rendering of services - related entities	17,310	16,068
Rendering of services - external parties	179,414	199,942
<b>Total goods and services</b>	<b>203,236</b>	<b>224,892</b>

**Other supplier expenses**

Operating lease rentals - external parties:		
Minimum lease repayments	80,157	63,603
Contingent rentals	1,555	2,293
Workers compensation expenses	3,882	4,816
<b>Total other supplier expenses</b>	<b>85,594</b>	<b>70,712</b>
<b>Total supplier expenses</b>	<b>288,830</b>	<b>295,604</b>

<sup>1</sup> The prior year comparatives have been reclassified.

**Note 3C. Grants**

Public sector:		
Australian Government Entities (related entities)	174	131
Private sector:		
Non-profit organisations	2,242	4,381
Other	103	503
<b>Total grants</b>	<b>2,519</b>	<b>5,015</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2011 \$'000	2010 \$'000
<b>Note 3D. Depreciation and amortisation</b>		
<b>Depreciation:</b>		
Infrastructure, plant and equipment	21,199	19,441
Buildings	75	76
Leasehold improvements	26,617	26,675
<b>Total depreciation</b>	<u>47,891</u>	<u>46,192</u>
<b>Amortisation:</b>		
Intangibles:		
Computer software	58,087	51,970
<b>Total amortisation</b>	<u>58,087</u>	<u>51,970</u>
<b>Total depreciation and amortisation</b>	<u>105,978</u>	<u>98,162</u>
<b>Note 3E. Finance costs</b>		
Unwinding of discount on provision for restoration obligations	200	348
<b>Total finance costs</b>	<u>200</u>	<u>348</u>
<b>Note 3F. Write-Down and impairment of assets</b>		
Asset write-downs and impairments from:		
Write-off of receivables - goods and services	42	4
Impairment of receivables - goods and services	254	(6)
Write-off of non-financial assets – infrastructure, plant and equipment	361	262
Write-off of non-financial assets – land and buildings	228	406
Write-off of non-financial assets – inventory held for distribution	172	(280)
Impairment of inventory held for distribution	(90)	-
<b>Total write-down and impairment of assets</b>	<u>967</u>	<u>386</u>
<b>Note 3G. Losses from sale of assets</b>		
<b>Infrastructure, plant and equipment</b>		
Proceeds from sale	(49)	(126)
Carrying value of assets sold	237	245
<b>Net loss from infrastructure, plant and equipment</b>	<u>188</u>	<u>119</u>
<b>Net loss from the sale of assets</b>	<u>188</u>	<u>119</u>
<b>Note 3H. Other expenses</b>		
Act of Grace payments	4	-
<b>Total other expenses</b>	<u>4</u>	<u>-</u>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 4. Income**

	2011	2010
	\$'000	\$'000

**Revenue**

**Note 4A. Sale of goods and rendering of services**

Provision of goods - external parties	412	1,298
Rendering of services - related entities	18,882	25,264
Rendering of services - external parties	24,120	29,071
<b>Total sale of goods and rendering of services</b>	<b>43,414</b>	<b>55,633</b>

**Gains**

**Note 4B. Sale of assets**

**Land and buildings**

Proceeds from sale	-	490
Carrying value of assets sold	-	(442)
Selling expenses	-	(19)
<b>Net gain from land and buildings</b>	<b>-</b>	<b>29</b>

**Net gain from the sale of assets**

-	29
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**Note 4C. Other gains**

Resources received free of charge	25,215	21,769
Gain on write back of workers compensation	-	617
Gain on write back of leave transfers	-	610
Gain on write back of restoration provision	533	860
First time recognition of assets – property, plant and equipment	194	11
First time recognition of assets – portable and attractive items	12	-
Prior year adjustments	-	644
Other	431	1,411
<b>Total other gains</b>	<b>26,385</b>	<b>25,922</b>

**Revenue from Government**

**Note 4D. Revenue from Government**

Appropriations:

Departmental appropriation	740,218	849,701
<b>Total revenue from Government</b>	<b>740,218</b>	<b>849,701</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2011	2010
	\$'000	\$'000
<b>Note 5. Financial Assets</b>		
<b>Note 5A. Cash and cash equivalents</b>		
Special Accounts	-	-
Cash on hand or on deposit	3,990	2,226
<b>Total cash and cash equivalents</b>	<b>3,990</b>	<b>2,226</b>
<b>Note 5B. Trade and other receivables</b>		
<b>Goods and Services:</b>		
Goods and services - related entities	4,317	1,608
Goods and services - external parties	2,265	1,148
<b>Total receivables for goods and services</b>	<b>6,582</b>	<b>2,756</b>
<b>Appropriation receivable:</b>		
For existing programs	158,284	175,151
Special Accounts	-	1,945
<b>Total appropriations receivable</b>	<b>158,284</b>	<b>177,096</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	6,594	6,608
<b>Total other receivables</b>	<b>6,594</b>	<b>6,608</b>
<b>Total trade and other receivables (gross)</b>	<b>171,460</b>	<b>186,460</b>
Less impairment allowance account:		
Goods and services	(346)	(92)
<b>Total impairment allowance account</b>	<b>(346)</b>	<b>(92)</b>
<b>Total trade and other receivables (net)</b>	<b>171,114</b>	<b>186,368</b>
Receivables are expected to be recovered in:		
No more than 12 months	171,114	186,368
More than 12 months	-	-
<b>Total trade and other receivables (net)</b>	<b>171,114</b>	<b>186,368</b>
Receivables are aged as follows:		
Not overdue	162,954	185,385
Overdue by:		
0 to 30 days	7,219	217
31 to 60 days	25	80
61 to 90 days	12	15
More than 90 days	1,250	763
<b>Total receivables (gross)</b>	<b>171,460</b>	<b>186,460</b>



**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2011	2010
	\$'000	\$'000
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(346)	(92)
<b>Total impairment allowance account</b>	<b>(346)</b>	<b>(92)</b>

**Reconciliation of the Impairment Allowance Account:**

**Movement in relation to 2011**

	Goods and services	Total
	\$'000	\$'000
<b>Opening balance</b>	(92)	(92)
Amounts written off	(42)	(42)
Amounts recovered and reversed	42	42
Increase/decrease recognised in net surplus	(254)	(254)
<b>Closing balance</b>	<b>(346)</b>	<b>(346)</b>

**Movement in relation to 2010**

	Goods and services	Total
	\$'000	\$'000
<b>Opening balance</b>	(98)	(98)
Amounts written off	2	2
Amounts recovered and reversed	4	4
Increase/decrease recognised in net surplus	-	-
<b>Closing balance</b>	<b>(92)</b>	<b>(92)</b>

	2011	2010
	\$'000	\$'000
<b>Note 5C. Accrued revenue</b>		
Goods and services	476	565
<b>Total accrued revenue</b>	<b>476</b>	<b>565</b>

Total accrued revenue is expected to be recovered in:

No more than 12 months	476	565
More than 12 months	-	-
<b>Total accrued revenue</b>	<b>476</b>	<b>565</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 6. Non-Financial Assets**

	2011	2010
	\$'000	\$'000
<b>Note 6A. Land and buildings</b>		
Freehold land at fair value	1,123	1,123
Buildings on freehold land:		
Fair value	2,345	2,345
Accumulated depreciation	(255)	(180)
<b>Total buildings on freehold land</b>	<u>3,213</u>	<u>3,288</u>
Leasehold improvements:		
Work in progress	637	184
Fair value	100,317	185,166
Accumulated depreciation	(294)	(86,300)
<b>Total leasehold improvements</b>	<u>100,660</u>	<u>99,050</u>
<b>Total land and buildings</b>	<u>103,873</u>	<u>102,338</u>

There are two residential properties to be sold within the next 12 months. The properties have a net book value of \$808,537 as at 30 June 2011.

There are 6 leased properties that the department manages which are due to be vacated within the next 12 months that have leasehold improvement assets. The total net book value of the leasehold improvements including restoration for these properties was \$11,307,644 as at 30 June 2011.

Revaluation increments of nil for buildings on freehold land (2010: nil) and \$11,552,762 for leasehold improvements (2010: nil) were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet in 2011.

No indicators of impairment were found for land and buildings.

**Note 6B. Infrastructure, plant and equipment**

Work in progress	7,227	-
Fair value	142,504	145,756
Accumulated depreciation	(98,068)	(88,304)
<b>Total infrastructure, plant and equipment</b>	<u>51,663</u>	<u>57,452</u>

No material amounts of infrastructure, plant and equipment are expected to be sold or disposed of within the next 12 months.

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

No revaluation adjustments were required for infrastructure, plant and equipment (2010: nil).

No indicators of impairment were found for infrastructure, plant and equipment assets.

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 6C:** Reconciliation of the opening and closing balances of property, plant and equipment (2010-11)

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Total Land and Buildings \$'000	Infrastructure, Plant and Equipment \$'000	Total \$'000
<b>As at 1 July 2010</b>						
Gross book value	1,123	2,345	185,350	188,818	145,756	334,574
Accumulated depreciation and impairment	-	(180)	(86,300)	(86,480)	(88,304)	(174,784)
<b>Net book value 1 July 2010</b>	<b>1,123</b>	<b>2,165</b>	<b>99,050</b>	<b>102,338</b>	<b>57,452</b>	<b>159,790</b>
Additions <sup>1</sup> :						
By purchase	-	-	18,365	18,365	14,413	32,778
First time recognition	-	-	129	129	65	194
Reclassification	-	-	(1,557)	(1,557)	1,557	-
Revaluations and impairments recognised in other comprehensive income	-	-	11,553	11,553	-	11,553
Depreciation expense	-	(75)	(26,617)	(26,692)	(21,199)	(47,891)
Disposals:						
From disposal of entities or operations (including restructuring)	-	-	(35)	(35)	(27)	(62)
Other	-	-	-	-	(237)	(237)
Write-offs	-	-	(228)	(228)	(361)	(589)
<b>Net book value 30 June 2011</b>	<b>1,123</b>	<b>2,090</b>	<b>100,660</b>	<b>103,873</b>	<b>51,663</b>	<b>155,536</b>
<b>Net book value as of 30 June 2011 represented by:</b>						
Gross book value	1,123	2,345	100,954	104,422	149,731	254,153
Accumulated depreciation and impairment	-	(255)	(294)	(549)	(98,068)	(98,617)
<b>Closing net book value at 30 June 2011</b>	<b>1,123</b>	<b>2,090</b>	<b>100,660</b>	<b>103,873</b>	<b>51,663</b>	<b>155,536</b>

<sup>1</sup> Disaggregated additions information is disclosed in the Schedule of Asset Additions

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Note 6C (cont'd) – Reconciliation of the opening and closing balances of property, plant and equipment (2009-10)

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Total Land and Buildings \$'000	Infrastructure, Plant and Equipment \$'000	Total \$'000
<b>As at 1 July 2009</b>						
Gross book value	1,348	2,576	135,990	139,914	132,753	272,667
Accumulated depreciation and impairment	-	(118)	(61,363)	(61,481)	(77,212)	(138,693)
<b>Net book value 1 July 2009</b>	<b>1,348</b>	<b>2,458</b>	<b>74,627</b>	<b>78,433</b>	<b>55,541</b>	<b>133,974</b>
Additions:						
By purchase	-	-	52,006	52,006	23,171	75,177
First time recognition	-	-	-	-	11	11
Reclassification	-	-	137	137	(1,173)	(1,036)
Depreciation expense	-	(76)	(26,675)	(26,751)	(19,441)	(46,192)
Disposals:						
From disposal of entities or operations (including restructuring)	-	-	(639)	(639)	(150)	(789)
Other disposals	(225)	(217)	-	(442)	(245)	(687)
Write-offs	-	-	(406)	(406)	(262)	(668)
<b>Net book value 30 June 2010</b>	<b>1,123</b>	<b>2,165</b>	<b>99,050</b>	<b>102,338</b>	<b>57,452</b>	<b>159,790</b>
<b>Net book value as of 30 June 2010 represented by:</b>						
Gross book value	1,123	2,345	185,350	188,818	145,756	334,574
Accumulated depreciation and impairment	-	(180)	(86,300)	(86,480)	(88,304)	(174,784)
<b>Closing net book value at 30 June 2010</b>	<b>1,123</b>	<b>2,165</b>	<b>99,050</b>	<b>102,338</b>	<b>57,452</b>	<b>159,790</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2011 \$'000	2010 \$'000
<b>Note 6D. Intangibles</b>		
<b>Computer software:</b>		
Internally developed – in progress	42,410	38,230
Internally developed – in use	209,863	275,214
Purchased	5,699	9,663
<b>Total computer software (gross)</b>	<b>257,972</b>	<b>323,107</b>
Accumulated amortisation – internally developed	(136,820)	(190,391)
Accumulated amortisation – purchased	(5,586)	(9,393)
<b>Total computer software (net)</b>	<b>115,566</b>	<b>123,323</b>
<b>Total intangibles</b>	<b>115,566</b>	<b>123,323</b>

No indicators of impairment were found for intangible assets.

No material amounts of intangibles are expected to be sold or disposed of within the next 12 months.

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 6E:** Reconciliation of the opening and closing balances of intangibles (2010-11)

	Computer Software Internally Developed \$'000	Computer Software Purchased \$'000	Total \$'000
<b>As at 1 July 2010</b>			
Gross book value	313,444	9,663	323,107
Accumulated amortisation and impairment	(190,391)	(9,393)	(199,784)
<b>Net book value 1 July 2010</b>	<b>123,053</b>	<b>270</b>	<b>123,323</b>
Additions <sup>1</sup> :			
Internally developed	50,330	-	50,330
Amortisation	(57,930)	(157)	(58,087)
Disposals:			
Write-offs <sup>2</sup>	-	-	-
<b>Net book value 30 June 2011</b>	<b>115,453</b>	<b>113</b>	<b>115,566</b>
<b>Net book value as of 30 June 2011 represented by:</b>			
Gross book value	252,273	5,699	257,972
Accumulated amortisation and impairment	(136,820)	(5,586)	(142,406)
<b>Closing net book value at 30 June 2011</b>	<b>115,453</b>	<b>113</b>	<b>115,566</b>

<sup>1</sup> Disaggregated additions information is disclosed in the Schedule of Asset Additions

<sup>2</sup> Write offs of \$111.502 million for internally developed and \$3.964 million for purchased software were carried out on the assets which were fully depreciated, therefore the net book value written off was \$0.

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Note 6E (cont'd) – Reconciliation of the opening and closing balances of intangibles (2009-10)

	Computer Software Internally Developed \$'000	Computer Software Purchased \$'000	Total \$'000
<b>As at 1 July 2009</b>			
Gross book value	256,351	9,032	265,383
Accumulated amortisation and impairment	(139,922)	(8,053)	(147,975)
<b>Net book value 1 July 2009</b>	<b>116,429</b>	<b>979</b>	<b>117,408</b>
Additions:			
By purchase	-	16	16
Internally developed	57,395	-	57,395
Reclassifications	1,186	(712)	474
Amortisation	(51,957)	(13)	(51,970)
Disposals:			
	123,053	270	123,323
<b>Net book value 30 June 2010</b>			
<b>Net book value as of 30 June 2010 represented by:</b>			
Gross book value	313,444	9,663	323,107
Accumulated amortisation and impairment	(190,391)	(9,393)	(199,784)
<b>Closing net book value at 30 June 2010</b>	<b>123,053</b>	<b>270</b>	<b>123,323</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000

### **Note 6F. Inventories**

Inventories held for distribution:

Inventory held for distribution	-	539
Impairment allowance for inventory held for distribution	-	(90)
<b>Total inventories held for distribution</b>	<b>-</b>	<b>449</b>
<b>Total inventories</b>	<b>-</b>	<b>449</b>

Movement in relation to 2011

	Inventory held for distribution	Total
	\$'000	\$'000
Opening balance	(90)	(90)
Amounts written off	(172)	(172)
Amounts recovered and reversed	172	172
Increase/decrease recognised in net surplus	90	90
<b>Closing balance</b>	<b>-</b>	<b>-</b>

Movement in relation to 2010

	Inventory held for distribution	Total
	\$'000	\$'000
Opening balance	(370)	(370)
Amounts written off	280	280
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	-	-
<b>Closing balance</b>	<b>(90)</b>	<b>(90)</b>

### **Note 6G. Other non-financial assets**

Prepayments	<b>28,482</b>	24,812
<b>Total other non-financial assets</b>	<b>28,482</b>	<b>24,812</b>

Total other non-financial assets are expected to be recovered in:

No more than 12 months	<b>25,969</b>	20,914
More than 12 months	<b>2,513</b>	3,898
<b>Total other non-financial assets</b>	<b>28,482</b>	<b>24,812</b>

No indicators of impairment were found for other non-financial assets.



**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 7. Payables**

	2011	2010
	\$'000	\$'000
<b>Note 7A. Suppliers</b>		
Trade creditors and accruals	34,328	25,341
Operating lease rentals	6,160	4,227
<b>Total supplier payables</b>	<b>40,488</b>	<b>29,568</b>
Supplier payables expected to be settled within 12 months:		
Related entities	3,076	2,576
External parties	33,051	23,058
<b>Total</b>	<b>36,127</b>	<b>25,634</b>
Supplier payables expected to be settled in greater than 12 months:		
Related entities	-	-
External parties	4,361	3,934
<b>Total</b>	<b>4,361</b>	<b>3,934</b>
<b>Total supplier payables</b>	<b>40,488</b>	<b>29,568</b>

Settlement is usually made within 30 days.

**Note 7B. Other payables**

Salaries and wages	10,947	10,086
Superannuation	1,731	1,509
Separations and redundancies	1,364	10,766
Other employee benefits	388	335
Lease incentives	22,936	26,071
Unearned income	9,960	8,769
Payable to the Official Public Account	1	-
Accrued expenses	15,555	16,838
Surplus lease space	3,915	-
<b>Total other payables</b>	<b>66,797</b>	<b>74,374</b>
Total other payables are expected to be settled in:		
No more than 12 months	46,067	49,856
More than 12 months	20,730	24,518
<b>Total other payables</b>	<b>66,797</b>	<b>74,374</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 8. Provisions

	2011 \$'000	2010 \$'000
<b>Note 8A. Employee provisions</b>		
Leave	<u>159,751</u>	<u>167,874</u>
<b>Total employee provisions</b>	<u><u>159,751</u></u>	<u><u>167,874</u></u>

Employee provisions are expected to be settled in:

No more than 12 months	<u>130,893</u>	138,205
More than 12 months	<u>28,858</u>	<u>29,669</u>
<b>Total employee provisions</b>	<u><u>159,751</u></u>	<u><u>167,874</u></u>

### Note 8B. Other provisions

Provision for restoration obligations	<u>8,310</u>	<u>7,181</u>
<b>Total other provisions</b>	<u><u>8,310</u></u>	<u><u>7,181</u></u>

Other provisions are expected to be settled in:

No more than 12 months	<u>4,812</u>	1,380
More than 12 months	<u>3,498</u>	<u>5,801</u>
<b>Total other provisions</b>	<u><u>8,310</u></u>	<u><u>7,181</u></u>

	Provision for restoration obligations	Total
<b>Carrying amount at 1 July 2010</b>	7,181	7,181
Additional provisions made	1,807	1,807
Amounts used	(345)	(345)
Amounts reversed	(533)	(533)
Unwinding of discount or change in discount rate	<u>200</u>	<u>200</u>
<b>Closing balance 30 June 2011</b>	<u><u>8,310</u></u>	<u><u>8,310</u></u>

The department currently has 16 (2010: 21) agreements for the leasing of premises which have provisions requiring the department to restore the premises to their original condition at the conclusion of the lease.

The department has made a provision to reflect the present value of this obligation.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 9. Restructuring

#### Departmental Restructuring 2010-11

As a result of a restructuring of administrative arrangements, the department relinquished responsibility for the following functions:

On 1 July 2010 the Australian Government transferred responsibility for promotion and marketing of Australia's International education and training to the Australian Trade Commission (AUSTRADE).

In respect of functions relinquished, the following assets and liabilities were transferred:

	2011 \$'000
<b>Austrade</b>	
<b>Assets relinquished</b>	
Appropriation receivable	615
<b>Total assets relinquished</b>	<u>615</u>
<b>Liabilities relinquished</b>	
Employee provisions	(290)
<b>Total liabilities relinquished</b>	<u>(290)</u>
<b>Net assets relinquished</b>	<u><u>325</u></u>

In April 2010 the Australian Government announced the transfer of responsibility for agreement-making, classification structures, Australian public service remuneration arrangements, work level standards and workplace relations advice from the department to the Australian Public Service Commission (APSC). The functions were transferred with effect from 1 July 2010.

In respect of functions relinquished, the following assets and liabilities were transferred by the department :

	2011 \$'000
<b>Australian Public Service Commission (APSC)</b>	
<b>Assets relinquished</b>	
Appropriation receivable	983
Leasehold improvements	35
Property, plant and equipment	17
<b>Total assets relinquished</b>	<u>1,035</u>
<b>Liabilities relinquished</b>	
Employee provisions	(925)
<b>Total liabilities relinquished</b>	<u>(925)</u>
<b>Net assets relinquished</b>	<u><u>110</u></u>

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Following the issuing of the Administrative Arrangement Orders (AAOs) dated 14 September 2010 the department transferred the functions of the Remuneration Tribunal to the APSC.

In respect of functions relinquished, the assets and liabilities were transferred by the department:

	2011
	\$'000
<b>Australian Public Service Commission (APSC)</b>	
<b>Assets relinquished</b>	
Appropriation receivable	513
Property, plant and equipment	10
<b>Total assets relinquished</b>	<u>523</u>
<b>Liabilities relinquished</b>	
Employee provisions	<u>(513)</u>
<b>Total liabilities relinquished</b>	<u>(513)</u>
<b>Net assets/(liabilities) relinquished</b>	<u>10</u>
	<u>445</u>
<b>Net assets/(liabilities) relinquished from all entities</b>	<u>445</u>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Departmental Restructuring 2009-10

The following functions were relinquished by the department:

On 24 June 2009 the Executive Council approved the establishment of Safe Work Australia as an Executive Agency with a commencement date of 1 July 2009. The department relinquished the functions for the establishment of harmonised occupational health and safety laws across Australia and development of national policy relating to workers' compensation to Safe Work Australia on 1 July 2009.

In respect of functions relinquished, the assets and liabilities were transferred by the department:

	2010 \$'000
<b>Safe Work Australia</b>	
<b>Assets relinquished</b>	
Special account	1,439
Appropriation receivable	2,614
Leasehold improvements	639
Property, plant and equipment	150
<b>Total assets relinquished</b>	<u>4,842</u>
<b>Liabilities relinquished</b>	
Accrued expenses	(293)
Operating lease expense	(42)
Revenue received in advance	(171)
Employee provisions	(1,822)
Restoration obligation provision	(177)
<b>Total liabilities relinquished</b>	<u>(2,505)</u>
<b>Net assets relinquished</b>	<u>2,337</u>

The department assumed responsibility for the following functions:

As a result of the restructuring of administrative arrangements the department assumed responsibility for the Job Capacity Assessment Program from the Department of Human Services on 1 July 2009.

In respect of functions assumed, the net book values of assets and liabilities transferred to the department for no consideration and recognised as at the date of transfer were:

	2010 \$'000
<b>Department of Human Services</b>	
<b>Assets recognised</b>	
Appropriation receivable	844
<b>Total assets recognised</b>	<u>844</u>
<b>Liabilities recognised</b>	
Employee provisions	(244)
<b>Total liabilities recognised</b>	<u>(244)</u>
<b>Net assets assumed</b>	<u>600</u>

There are no income and expenses for the functions assumed as the restructuring was effective 1 July 2009.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Administered Restructuring 2010-11

As a result of a restructuring of administered arrangements, the department relinquished responsibility for the following functions:

Following revised Administrative Arrangement Orders the department transferred the administration of the *Remuneration Tribunal Act 1973* and the *Remuneration and Allowances Act 1990* to the Australian Public Service Commission (APSC) on 14 September 2010 and 14 October 2010 respectively.

In respect of functions relinquished, no administered assets or liabilities transferred from the department.

### Administered Restructuring 2009-10

The department assumed responsibility for the following functions:

As a result of the restructuring of administrative arrangements the department assumed responsibility for the Job Capacity Assessment Program from the Department of Human Services on 1 July 2009.

In respect of functions assumed, the net book values of assets and liabilities transferred to the department for no consideration and recognised as at the date of transfer were:

	2010 \$'000
<b>Department of Human Services</b>	
<b>Liabilities recognised</b>	
Suppliers	2,320
<b>Total liabilities recognised</b>	<b>2,320</b>
<b>Net liabilities assumed</b>	<b>2,320</b>

There are no income and expenses for the functions assumed as the restructuring was effective 1 July 2009.

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**Note 10. Cash Flow Reconciliation**

	2011	2010
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash Flow Statement	3,990	2,226
Balance Sheet	3,990	2,226
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(851,788)	(883,781)
Add revenue from Government	740,218	849,701
<b>Adjustment for non-cash items</b>		
First time recognition of computer software	(194)	(11)
Gains on disposal of assets	-	(29)
Other gains	(533)	(2,731)
Depreciation/ amortisation	105,978	98,162
Net write-down and impairment of assets	967	386
Net losses from sale of assets	188	119
Finance costs – unwinding of discount on provision for restoration obligations	200	348
<b>Changes in assets/liabilities</b>		
Decrease/(increase) in net receivables	24,398	(2,614)
Decrease/(increase) in accrued income	89	29
Decrease/(increase) in inventories	277	131
Decrease/(increase) in prepayments	(3,670)	(9,923)
Increase/(decrease) in employee provisions	(6,395)	22,462
Increase/(decrease) in suppliers payable	10,746	(6,858)
Increase/(decrease) in other provisions	1,129	(762)
Increase/(decrease) in other payables	(7,577)	19,496
<b>Net cash from operating activities</b>	<u>14,033</u>	<u>84,124</u>

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 11. Contingent Liabilities and Assets**

	Indemnities		Claims for damages or costs		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Contingent assets</b>						
Balance from previous period	-	-	54	239	54	239
New	-	-	-	-	-	-
Re-measurement	-	-	-	(20)	-	(20)
Assets recognised	-	-	(30)	(158)	(30)	(158)
Expired	-	-	-	(7)	-	(7)
<b>Total contingent assets</b>	-	-	<b>24</b>	<b>54</b>	<b>24</b>	<b>54</b>
<b>Contingent liabilities</b>						
Balance from previous period	-	-	1,216	1,412	1,216	1,412
New	-	-	1,190	25	1,190	25
Re-measurement	-	-	1,032	(115)	1,032	(115)
Liabilities recognised	-	-	(25)	(97)	(25)	(97)
Obligations expired	-	-	-	(9)	-	(9)
<b>Total contingent liabilities</b>	-	-	<b>3,413</b>	<b>1,216</b>	<b>3,413</b>	<b>1,216</b>
<b>Net contingent assets (liabilities)</b>					<b>(3,389)</b>	<b>(1,162)</b>



## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Quantifiable Contingencies

The schedule of contingencies reports contingent liabilities in respect of indemnities and claims for damages of \$3.413 million (2010: \$1.216 million).

The schedule also reports contingent assets in respect of claims for damages of \$0.024 million (2010: \$0.054 million).

The amounts included in the schedule represent an estimate of the department's contingent assets and liabilities based on wide ranging legal cases.

### Unquantifiable Contingencies

As at 30 June 2011, the department had contingent assets likely to be received in respect of damages and claims that are not quantifiable. There were 3 open matters in the hands of the department's legal representatives (2010: 21). These open matters relate to a wide range of legal issues (departmental and administered) with varying probabilities of success. It is not possible to estimate the amounts of any eventual receipts or payments that may be received or made in relation to these claims.

### Significant Remote Contingencies

The department has no (2010: \$0.022 million) contingent assets where the likelihood of receipt is remote. The value of contingent liabilities where the likelihood of payment is remote is \$2.727 million (2010: \$0.180 million). These are not included in the Schedule of Contingencies.

In addition to the unquantifiable contingencies listed above, the department has provided an indemnity to the Reserve Bank of Australia against loss or damage arising from the bank acting in good faith on the instructions given to it under the provision of the contract for the department's transactional banking services, any error, mistake, fraud or negligence and any failure of the department to observe its obligations. The likelihood of any payment being required under the indemnity is remote and unquantifiable.

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**Note 12. Senior Executive Remuneration**

**Note 12A. Senior Executive Remuneration Expense for the Reporting Period**

	2011	2010
	\$'000	\$'000
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	29,512	29,661
Annual leave accrued	285	529
Other	5,151	5,579
<b>Total short-term employee benefits</b>	<u>34,948</u>	<u>35,769</u>
<b>Post-employment benefits</b>		
Superannuation	5,177	5,281
<b>Total post-employment benefits</b>	<u>5,177</u>	<u>5,281</u>
<b>Other long-term benefits</b>		
Long-service leave	936	1,357
<b>Total other long-term benefits</b>	<u>936</u>	<u>1,357</u>
<b>Termination benefits</b>	<u>194</u>	<u>262</u>
<b>Total</b>	<u>41,255</u>	<u>42,669</u>

Notes

- Note 12A was prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus paid' in Note 12B).
- Note 12A excludes acting arrangements and part-year service where remuneration expensed was less than \$150,000
- Other includes motor vehicle allowances, other allowances and reportable fringe benefits.

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 12B. Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period**

Fixed Elements and Bonus Paid	as at 30 June 2011						as at 30 June 2010					
	Senior Executives			Fixed elements			Senior Executives			Fixed elements		
	No.	Salary	Total	Allowances	Bonus paid	Total	No.	Salary	Total	Allowances	Bonus paid	Total
Total remuneration (including part-time arrangements):		\$	\$	\$	\$	\$		\$	\$	\$	\$	\$
Less than \$150,000*	-	-	-	-	-	-	-	-	-	-	-	-
\$150,000 to \$179,999	39	144,328	27,936	172,264	-	172,264	60	144,317	28,000	-	172,317	7,200
\$180,000 to \$209,999	80	164,859	28,063	192,922	-	192,922	71	163,167	28,028	-	191,195	-
\$210,000 to \$239,999	24	196,933	29,500	226,433	-	226,433	31	195,592	29,548	-	225,140	-
\$240,000 to \$269,999	21	222,033	30,000	252,033	-	252,033	15	218,046	30,000	-	248,046	-
\$270,000 to \$299,999	3	251,829	32,000	283,829	-	283,829	5	258,652	32,000	-	290,652	-
\$300,000 to \$329,999	3	281,370	32,000	313,370	-	313,370	3	284,705	32,000	-	316,705	-
\$330,000 to \$359,999	1	302,015	32,000	334,015	-	334,015	-	-	-	-	-	-
\$390,000 to \$419,999	-	-	-	-	-	-	1	376,640	36,148	-	412,788	-
\$420,000 to \$449,999	1	426,600	3,120	429,720	-	429,720	-	-	-	-	-	-
<b>Total</b>	<b>172</b>						<b>186</b>					

**Notes**

1. This table reports on substantive senior executives who were employed at the end of the reporting period. Fixed elements were based on the employment agreement for each individual. Each row represents an average amount annualised figure (based on headcount) for the individuals in that remuneration package band (ie the 'Total' column).
2. Allowances: The fixed allowance relates to an allowance for motor vehicle and car parking.
3. Bonus paid: Existing remuneration arrangements for senior executives do not provide for the payment of performance bonuses, however as at 30 June 2010 there was one employee that was on an AWA and received a bonus.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Variable Elements:

With the exception of performance bonuses, variable elements are not included in the 'Fixed Elements and Bonus Paid' table above. The following variable elements are available as part of senior executives' remuneration package:

(a) On average senior executives are entitled to the following leave entitlements:

- 20 working days Annual leave per year;
- 18 working days Personal Leave per year;
- 9 calendar days Long Service Leaver per year (excludes situational leave types such as Supporting Parents, Parental, Christmas Shutdown leave arrangements).

(b) Senior executives are members of one of the following superannuation funds:

- Commonwealth Superannuation Scheme (CSS)
- Public Sector Superannuation Scheme (PSS)
- Public Sector Superannuation Accumulation Plan (PSSap)
- Other: there were some senior executives who had their own superannuation arrangements (e.g. self-managed superannuation funds). Their employer contributions were set at 15.4 per cent (2010: 15.4 per cent)

(c) Variable allowances:

Variable allowances are not generally payable but may be negotiated subject to individual circumstances. For 2010-11 the only variable allowances paid, related to rent subsidy allowance on relocation of employees interstate.

(d) Others – with the exception of one instance of payment for long term incentive plan payment, no other variable elements are administered.

(e) Due to changes in Table B 'Total' there is a change in bands compared to 2009-10. 2009-10 was banding by Total Remuneration, while 2010-11 is a combination of salary and allowance only.

(f) Various salary sacrifice arrangements were available to senior executives including super, motor vehicle and expense payment fringe benefits.

### **Note 12C. Other Highly Paid Staff**

During the reporting period, there were 5 employees (2010: 9 employees) whose salary plus performance bonus were \$150,000 or more. These employees did not have a role as senior executive and are therefore not disclosed as senior executive in Note 12A and Note 12B.

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 13. Remuneration of Auditors**

2011	2010
\$'000	\$'000

Financial statement audit services are provided free of charge to the department.

The fair value of the services provided was	<u>1,740</u>	<u>1,740</u>
<b>Total fair value of services provided</b>	<b><u>1,740</u></b>	<b><u>1,740</u></b>

No other services were provided by the auditors of the financial statements.

**Note 14. Financial Instruments**

**Note 14A. Categories of financial instruments**

**Financial Assets**

Loans and receivables:

Cash and cash equivalents	3,990	2,226
Goods and services	6,582	2,756
Accrued revenue	<u>476</u>	<u>565</u>

<b>Carrying amount of financial assets</b>	<b><u>11,048</u></b>	<b><u>5,547</u></b>
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**Financial liabilities**

At amortised cost:

Trade creditors	34,328	25,341
Accrued expenses	<u>15,555</u>	<u>16,838</u>

<b>Carrying amount of financial liabilities</b>	<b><u>49,883</u></b>	<b><u>42,179</u></b>
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**Note 14B. Net Income and expense from financial assets**

**Loans and receivables<sup>1</sup>**

Write off impairment – goods and services	42	4
Impairment of receivables – goods and services	<u>254</u>	<u>(6)</u>
<b>Net gain/(loss) loans and receivables</b>	<b><u>296</u></b>	<b><u>(2)</u></b>
<b>Net gain/(loss) from financial assets</b>	<b><u>296</u></b>	<b><u>(2)</u></b>

There were no net income/expenses from financial assets not at fair value from profit and loss.

<sup>1</sup> The prior year comparatives have been reclassified.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 14C. Fair value of financial instruments

	Carrying amount 2011 \$'000	Fair value 2011 \$'000	Carrying amount 2010 \$'000	Fair value 2010 \$'000
<b>Financial assets</b>				
Loans and receivables:				
Cash and cash equivalents	3,990	3,990	2,226	2,226
Goods and services	6,582	6,236	2,756	2,664
Accrued revenue	476	476	565	565
<b>Total</b>	<b>11,048</b>	<b>10,702</b>	<b>5,547</b>	<b>5,455</b>
<b>Financial liabilities</b>				
At amortised cost:				
Trade creditors	34,328	34,328	25,341	25,341
Accrued expenses	15,555	15,555	16,838	16,838
<b>Total</b>	<b>49,883</b>	<b>49,883</b>	<b>42,179</b>	<b>42,179</b>

### Note 14D. Credit risk

The department is exposed to minimal credit risk as loans and receivables are cash, cash on deposit and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables in 2011: \$6,582,000 (2010: \$2,756,000). The department has assessed the risk of the default on payment and has allocated in 2011: \$346,000 (2010: \$92,000) to an impairment allowance for doubtful debts.

The department has no significant exposures to any concentrations of credit risk. All figures for credit risk referred to do not take into account the value of any collateral of other security.

The following table illustrates the department's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2011 \$'000	2010 \$'000
<b>Financial assets</b>		
Loans and receivables:		
Cash and cash equivalents	3,990	2,226
Goods and services	6,582	2,756
Accrued revenue	476	565
<b>Total</b>	<b>11,048</b>	<b>5,547</b>

In relation to the department's gross credit risk there is no collateral held however in 2011: 11 (2010: 17) limited indemnities were given in respect of venue hire between the Commonwealth and third parties.

### **Credit quality of financial instruments not past due or individually determined as impaired**

	Not Past Due Nor Impaired 2011 \$'000	Not Past Due Nor Impaired 2010 \$'000	Past Due Or Impaired 2011 \$'000	Past Due Or Impaired 2010 \$'000
Loans and receivables:				
Cash and cash equivalents	3,990	2,226	-	-
Goods and services	4,670	1,681	1,912	1,075
Accrued revenue	476	565	-	-
<b>Total</b>	<b>9,136</b>	<b>4,472</b>	<b>1,912</b>	<b>1,075</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Ageing of financial assets that are past due but not impaired for 2011**

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables:					
Goods and services	625	25	12	904	1,566
<b>Total</b>	<b>625</b>	<b>25</b>	<b>12</b>	<b>904</b>	<b>1,566</b>

**Ageing of financial assets that are past due but not impaired for 2010**

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables:					
Goods and services	217	80	15	671	983
<b>Total</b>	<b>217</b>	<b>80</b>	<b>15</b>	<b>671</b>	<b>983</b>

**The following asset has been individually assessed as impaired**

Trade receivables have been individually assessed for impairment including an assessment made on an historical basis.

**Note 14E. Liquidity risk**

The department is appropriated funding from the Australian Government. The department manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.

**Maturities for non-derivative financial liabilities 2011**

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
At amortised cost:						
Trade creditors	-	34,328	-	-	-	34,328
Accrued expenses	-	15,555	-	-	-	15,555
<b>Total</b>	<b>-</b>	<b>49,883</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,883</b>

**Maturities for non-derivative financial liabilities 2010**

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
At amortised cost:						
Trade creditors	-	25,341	-	-	-	25,341
Accrued expenses	-	16,838	-	-	-	16,838
<b>Total</b>	<b>-</b>	<b>42,179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,179</b>

The department has no derivative financial liabilities in both the current and prior year.

**Note 14F. Market risk**

The department holds basic financial instruments that do not expose the department to market risks.

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 15. Income Administered on Behalf of Government**

	2011	2010
	\$'000	\$'000
<b>Revenue</b>		
<b>Taxation Revenue</b>		
<b>Note 15A. Other taxes</b>		
Levies (other than agricultural)	123,821	99,242
<b>Total other taxes</b>	<u>123,821</u>	<u>99,242</u>
<b>Non-taxation revenue</b>		
<b>Note 15B. Interest</b>		
Other sources	540	32
Loans	647,227	656,259
<b>Total interest</b>	<u>647,767</u>	<u>656,291</u>
<b>Note 15C. Commonwealth assets recoveries</b>		
Special Employee Entitlements Scheme for Ansett Group Employees (SEESA) recoveries	2,537	5,381
General Employee Entitlements and Redundancy Scheme (GEERS) recoveries	16,861	18,814
<b>Total Commonwealth assets recoveries</b>	<u>19,398</u>	<u>24,195</u>
<b>Note 15D. Other revenue</b>		
Education investment fund special account	405,001	837,323
Other	106,259	117,792
<b>Total other revenue</b>	<u>511,260</u>	<u>955,115</u>
<b>Gains</b>		
<b>Note 15E. Fair value gains</b>		
Gains from remeasuring financial instruments held at fair value through profit or loss	-	195,436
Actuarial gain on Unfunded University Superannuation	56,549	-
<b>Total fair value gains</b>	<u>56,549</u>	<u>195,436</u>
<b>Note 15F. Reversals of previous asset write-downs and impairments</b>		
Reversal of impairment losses for personal benefits receivables	79	-
<b>Total reversals of previous asset write-downs and impairments</b>	<u>79</u>	<u>-</u>



**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 16. Expenses Administered on Behalf of Government**

	2011	2010
	\$'000	\$'000
<b>Expenses</b>		
<b>Note 16A. Employee benefits</b>		
Wages and salaries <sup>1</sup>	8,881	42,812
<b>Total employee benefits</b>	<b>8,881</b>	<b>42,812</b>
<b>Note 16B. Suppliers</b>		
<b>Goods and services</b>		
Labour market assistance to job seekers and industry	1,785,748	1,606,833
Assistance to people with disabilities	741,546	685,735
Vocational and industry training	368,392	442,622
Other	250,654	144,178
<b>Total goods and services</b>	<b>3,146,340</b>	<b>2,879,368</b>
<b>Goods and services are made up of:</b>		
Rendering of services – related entities	300,222	306,609
Rendering of services – external parties	2,846,118	2,572,759
<b>Total goods and services</b>	<b>3,146,340</b>	<b>2,879,368</b>
<b>Total supplier expenses</b>	<b>3,146,340</b>	<b>2,879,368</b>
<b>Note 16C. Subsidies</b>		
Payable to related entities:		
Industrial relations	123,821	99,242
Payable to external parties:		
Vocational and industry training	877,765	826,892
Labour market assistance to job seekers and industry	39,253	14,331
Industrial relations	-	10
School education – specific funding	3,645	4,552
Other	1,297	-
<b>Total subsidies</b>	<b>1,045,781</b>	<b>945,027</b>

<sup>1</sup>The department transferred the administration of the *Remuneration Tribunal Act 1973* and the *Remuneration and Allowances Act 1990* to the Australian Public Service Commission (APSC) on 14 September 2010 and 14 October 2010 respectively.

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2011	2010
	\$'000	\$'000
<b>Note 16D. Personal benefits</b>		
Direct:		
Higher education	76	83
Student assistance	3,377,720	2,811,607
Assistance to families with children	9,500,499	8,883,506
Vocational and industry training	189,110	73,807
Assistance to the aged	618,569	712,588
Assistance to people with disabilities	129,997	123,973
Assistance to the unemployed	6,964,814	6,965,417
Labour market assistance to job seekers and industry	66,223	62,221
Schools – non Government schools	-	6,790
School education – specific funding	960	3,063
Indirect:		
Industrial relations	151,345	154,211
<b>Total personal benefits</b>	<b>20,999,313</b>	<b>19,797,266</b>
<b>Note 16E. Grants</b>		
Public sector:		
Australian Government entities (related entities)	323,334	6,222
State and Territory Governments	7,473,453	6,531,018
Nation Building transfers	1,383,348	3,055,222
Private sector:		
Non-profit organisations	836,205	837,048
Multi-jurisdictional sector	6,108,546	6,665,096
Other	229,087	194,593
<b>Total grants</b>	<b>16,353,973</b>	<b>17,289,199</b>
<b>Note 16F. Finance costs</b>		
Other interest payments	47	37
Unwinding of discount (concessional loans)	604,849	540,027
<b>Total finance costs</b>	<b>604,896</b>	<b>540,064</b>
<b>Note 16G. Write-down and impairment of assets</b>		
Asset write-down and impairments from:		
Impairment of personal benefits receivable	2,452	22,259
Impairment of Unfunded University Superannuation	33,000	186,000
Write-down of other receivables	1,537	2,600
Impairment of goods and services and other receivables	5,346	(2,047)
<b>Total write-down and impairment of assets</b>	<b>42,335</b>	<b>208,812</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2011	2010
	\$'000	\$'000
<b>Note 16H. Payments to CAC Bodies</b>		
Comcare	8,372	5,898
<b>Total payments to CAC bodies</b>	<b>8,372</b>	<b>5,898</b>
<b>Note 16I. Fair value losses</b>		
Actuarial loss on Unfunded University Superannuation	-	472,411
Losses from remeasuring financial instruments held at fair value through profit or loss	<b>340,421</b>	-
<b>Fair value losses</b>	<b>340,421</b>	<b>472,411</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 17. Assets Administered on Behalf of Government**

	2011	2010
	\$'000	\$'000
<b>Financial Assets</b>		
<b>Note 17A. Cash and cash equivalents</b>		
Cash on hand or on deposit	200	1,301
<b>Total cash and cash equivalents</b>	<b>200</b>	<b>1,301</b>
<b>Note 17B. Trade and other receivables</b>		
<b>Goods and services:</b>		
Goods and services receivable – external parties	50,060	25,113
<b>Total goods and services receivables</b>	<b>50,060</b>	<b>25,113</b>
<b>Advances and loans:</b>		
HECS/HELP	15,551,142	13,708,505
Student Financial Supplement Scheme	711,036	762,580
Other Loans	20,548	18,743
<b>Total advances and loans</b>	<b>16,282,726</b>	<b>14,489,828</b>
<b>Other receivables:</b>		
GST receivable from Australian Taxation Office	54,744	51,450
Personal benefits receivable	1,420,842	1,515,633
Unfunded University Superannuation	1,451,891	1,398,870
Other	-	915
<b>Total other receivables</b>	<b>2,927,477</b>	<b>2,966,868</b>
<b>Total trade and other receivables (gross)</b>	<b>19,260,263</b>	<b>17,481,809</b>
<b>Less impairment allowance account:</b>		
Goods and services	(7,000)	(1,654)
Personal benefits	(274,603)	(272,230)
Unfunded University Superannuation	(966,000)	(933,000)
<b>Total impairment allowance account</b>	<b>(1,247,603)</b>	<b>(1,206,884)</b>
<b>Total receivables (net)</b>	<b>18,012,660</b>	<b>16,274,925</b>
Total receivables are expected to be recovered in:		
No more than 12 months	1,222,800	1,312,030
More than 12 months	16,789,860	14,962,895
<b>Total trade and other receivables (net)</b>	<b>18,012,660</b>	<b>16,274,925</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2011 \$'000	2010 \$'000
Receivables were aged as follows:		
Not overdue	17,836,233	15,972,639
Overdue by:		
0 to 30 days	10,708	13,497
31 to 60 days	6,071	8,874
61 to 90 days	4,304	8,242
More than 90 days	<u>1,402,947</u>	<u>1,478,557</u>
<b>Total receivables (gross)</b>	<b><u>19,260,263</u></b>	<b><u>17,481,809</u></b>
The impairment allowance account is aged as follows:		
Not overdue	(967,647)	(935,310)
Overdue by:		
0 to 30 days	(1,797)	(2,204)
31 to 60 days	(1,137)	(1,457)
61 to 90 days	(817)	(1,357)
More than 90 days	<u>(276,205)</u>	<u>(266,556)</u>
<b>Total impairment allowance account</b>	<b><u>(1,247,603)</u></b>	<b><u>(1,206,884)</u></b>
Goods and services receivables are with entities external to the Australian Government. Credit terms were within 30 days (2010: 30 days).		
<b>Reconciliation of the impairment allowance accounts:</b>		
<b>Movement in relation to 2011:</b>		
	Receivables \$'000	Total \$'000
<b>Opening balance</b>	<b>(1,206,884)</b>	<b>(1,206,884)</b>
Amounts written off	(1,537)	(1,537)
Amounts recovered and reversed	1,537	1,537
Increase/decrease recognised in net surplus	<u>(40,719)</u>	<u>(40,719)</u>
<b>Closing balance</b>	<b><u>(1,247,603)</u></b>	<b><u>(1,247,603)</u></b>
<b>Movement in relation to 2010:</b>		
	Receivables \$'000	Total \$'000
<b>Opening balance</b>	<b>(1,000,672)</b>	<b>(1,000,672)</b>
Amounts written off	(2,600)	(2,600)
Amounts recovered and reversed	2,600	2,600
Increase/decrease recognised in net surplus	<u>(206,212)</u>	<u>(206,212)</u>
<b>Closing balance</b>	<b><u>(1,206,884)</u></b>	<b><u>(1,206,884)</u></b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2011 \$'000	2010 \$'000
<b>Note 17C. Investments</b>		
Investments:		
Comcare <sup>1</sup>	5,991	5,507
Australian National University <sup>2</sup>	1,885,753	1,748,493
Australian Institute for Teaching and School Leadership <sup>3</sup>	4,428	4,811
Australian Learning and Teaching Council <sup>4</sup>	20,704	20,825
Australian Curriculum, Assessment and Reporting Authority <sup>5</sup>	4,281	11,147
Coal Mining Industry Corporation <sup>6</sup>	-	-
<b>Total investments</b>	<b>1,921,157</b>	<b>1,790,783</b>
Total investments are expected to be recovered in:		
No more than 12 months	-	-
More than 12 months	1,921,157	1,790,783
<b>Total investments</b>	<b>1,921,157</b>	<b>1,790,783</b>

The department retains 100 per cent ownership of each of the listed investments. The principle activity of the department's administered investments is as follows:

<sup>1</sup> *Comcare* – the minimisation of human and financial costs in relation to workplace injury in Commonwealth employment.

<sup>2</sup> *Australian National University* – provision of research and teaching services.

<sup>3</sup> *Australian Institute for Teaching and School Leadership Ltd* – supports and enhances the teaching profession for the benefit of all Australians.

<sup>4</sup> *The Australian Learning and Teaching Council (ALTC)* – provides a national focus for the enhancement of learning and teaching in Australian higher education providers. In January 2011 the Australian Government announced that the ALTC would cease operating on 31 December 2011. Certain functions will be transferred to the department.

<sup>5</sup> *Australian Curriculum, Assessment and Reporting Authority* – executes the policy directions that are determined by the Ministerial Council for Education, Early Childhood Development and Youth Affairs regarding curriculum, assessment, data collection and reporting at a national level.

<sup>6</sup> *Coal Mining Industry Corporation (CMIC)* – is responsible for the administration of the Coal Mining Industry Long Service Leave Fund (The Fund). The Fund has operated since 1949 to provide reimbursement payments to employers paying long service leave to persons employed in the black coal industry in New South Wales, Queensland, Western Australia and Tasmania on the basis of industry employment service.

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2011 \$'000	2010 \$'000
<b>Non-financial assets</b>		
<b><u>Note 17D.</u> Inventories</b>		
Inventories held for distribution	-	1,390
<b><i>Total inventories</i></b>	<b>-</b>	<b>1,390</b>
<b><u>Note 17E.</u> Other non-financial assets</b>		
Prepayments	3,640	3,715
<b><i>Total other non-financial assets</i></b>	<b>3,640</b>	<b>3,715</b>
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	3,640	3,715
More than 12 months	-	-
<b><i>Total other non-financial assets</i></b>	<b>3,640</b>	<b>3,715</b>
No indicators of impairment were found for other non-financial assets.		
<b>Note 18. Liabilities Administered on Behalf of Government</b>		
<b>Payables</b>		
<b><u>Note 18A.</u> Suppliers</b>		
Trade creditors and accruals	176,879	146,331
<b><i>Total suppliers</i></b>	<b>176,879</b>	<b>146,331</b>
Supplier payables expected to be settled within 12 months:		
Related entities	5,673	752
External parties	171,206	145,579
<b><i>Total</i></b>	<b>176,879</b>	<b>146,331</b>
<b><i>Total suppliers</i></b>	<b>176,879</b>	<b>146,331</b>
Settlement is usually made within 30 days.		

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2011 \$'000	2010 \$'000
<b>Note 18B. Subsidies</b>		
Payable to related entities	29,292	17,240
Payable to external entities	-	2,724
<b>Total subsidies</b>	<b>29,292</b>	<b>19,964</b>
Total subsidies are expected to be settled in:		
No more than 12 months	29,292	19,964
More than 12 months	-	-
<b>Total subsidies</b>	<b>29,292</b>	<b>19,964</b>
<b>Note 18C. Personal benefits</b>		
Direct	950,928	863,293
Indirect	529	2,043
<b>Total personal benefits</b>	<b>951,457</b>	<b>865,336</b>
Total personal benefits are expected to be settled in:		
No more than 12 months	951,457	865,336
More than 12 months	-	-
<b>Total personal benefits</b>	<b>951,457</b>	<b>865,336</b>
<b>Note 18D. Grants</b>		
Public sector:		
State and Territory Governments	-	8,030
Local Governments	30,345	32,114
Private sector:		
Non-profit organisations	19,124	29,709
Commercial entities	-	29,556
<b>Total grants</b>	<b>49,469</b>	<b>99,409</b>
Total grants are expected to be settled in:		
No more than 12 months	49,469	99,409
More than 12 months	-	-
<b>Total grants</b>	<b>49,469</b>	<b>99,409</b>
Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.		



**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2011	2010
	\$'000	\$'000
<b>Note 18E. Other payables</b>		
Comcare payable <sup>1</sup>	2,237,080	2,036,388
GST payable	57,847	55,711
<b>Total other payables</b>	<b>2,294,927</b>	<b>2,092,099</b>
Total other payables are expected to be settled in:		
No more than 12 months	305,886	311,090
More than 12 months	1,989,041	1,781,009
<b>Total other payables</b>	<b>2,294,927</b>	<b>2,092,099</b>
<sup>1</sup> The amount payable to Comcare represents amounts payable by the Commonwealth for:		
- workers compensation claims resulting from injuries that occurred prior to 1 July 1989, referred to as 'pre-premium' claims;		
- Workers compensation claims resulting from injuries that have occurred since 1 July 1989, referred to as 'premium' claims; and		
- The management of asbestos related personal injury common law disease claims against the Commonwealth.		
Full details of the amounts payable may be found in the Comcare annual report.		
<b>Provisions</b>		
<b>Note 18F. Provisions for grants</b>		
Unfunded University Superannuation	5,209,000	5,039,000
<b>Total provisions for grants</b>	<b>5,209,000</b>	<b>5,039,000</b>
Total provisions for grants are expected to be settled in:		
No more than 12 months	190,649	184,427
More than 12 months	5,018,351	4,854,573
<b>Total provisions for grants</b>	<b>5,209,000</b>	<b>5,039,000</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 19. Administered Reconciliation Table

<b>Opening administered assets less administered liabilities as at 1 July</b>	<b>9,809,975</b>	10,047,664
Adjustment for change in accounting policies	-	(2,036,388)
Adjustment for errors	-	(492)
<b>Adjusted opening administered assets less administered liabilities</b>	<b>9,809,975</b>	8,010,784
Plus: Administered income	<b>1,358,874</b>	1,930,279
Less: Administered expenses (non CAC)	<b>(42,541,940)</b>	(42,174,959)
Less: Payments to CAC Act bodies	<b>(8,372)</b>	(5,898)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses (non CAC)	<b>7,217,185</b>	8,493,530
Annual appropriations for payment to CAC Act bodies	<b>8,372</b>	5,898
Special appropriations (limited) (non CAC)	<b>146,157</b>	126,368
Special appropriations (limited) paid to CAC Act bodies	-	-
Special appropriations (unlimited) (non CAC)	<b>37,012,338</b>	34,972,902
Special appropriations (unlimited) paid to CAC Act bodies	<b>67,617</b>	64,391
Special accounts	<b>(1,892)</b>	(3,160)
Transfers to OPA	<b>(1,972,055)</b>	(1,841,893)
Restructuring	-	(2,320)
Administered revaluations taken to/from reserves	<b>130,374</b>	234,045
Other movements	-	8
<b>Closing administered assets less administered liabilities as at 30 June</b>	<b>11,226,633</b>	9,809,975

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 20. Administered Contingent Assets and Liabilities**

	Indemnities		Claims for damages or costs		Other		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Contingent assets</b>								
Balance from previous period	-	-	18,701	20,011	9,000	23,070	27,701	43,081
New	-	-	-	22	-	9,000	-	9,022
Re-measurement	-	-	17,170	23,675	-	-	17,170	23,675
Assets recognised	-	-	(16,391)	(25,007)	(9,000)	(23,070)	(25,391)	(48,077)
Expired	-	-	-	-	-	-	-	-
<b>Total contingent assets</b>	-	-	19,480	18,701	-	9,000	19,480	27,701
<b>Contingent liabilities</b>								
Balance from previous period	-	-	30,191	-	-	4,347	30,191	4,347
New	-	-	-	30,191	-	-	-	30,191
Re-measurement	-	-	3,765	-	-	-	3,765	-
Liabilities recognised	-	-	-	-	-	(4,347)	-	(4,347)
<b>Total contingent liabilities</b>	-	-	33,956	30,191	-	-	33,956	30,191
<b>Net contingent assets (liabilities)</b>							<b>(14,476)</b>	<b>(2,490)</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### *Quantifiable Contingencies*

The schedule of administered contingencies reports contingent assets and liabilities in respect of estimated payments and recoveries in relation to the Early Childhood Programs, Special Employee Entitlements Scheme for Ansett Group Employees (SEESA), dividends for General Employee Entitlements and Redundancy Scheme (GEERS) and proceedings in the Dust Disease Tribunal as a result of the department's administration in prior years. The estimated contingent liability is \$33.956 million (2010: \$30.191 million). The estimated contingent asset is \$19.480 million (2010: \$27.701 million).

### *Unquantifiable Contingencies*

At 30 June 2011, the department had a number of legal claims against it. The department has denied liability and is defending the claims. It is not possible to estimate the amounts of any eventual payment that may be required in relation to these claims.

In addition, there are currently a number of cases before both the Administrative Appeals Tribunal (AAT) and the Social Security Appeals Tribunal (SSAT) for which the outcomes are not yet known or able to be quantified.

Relating to the General Employee Entitlements and Redundancy Scheme (GEERS), it is known that there are employers with large outstanding employee entitlements that have been placed into liquidation. The amounts are unable to be quantified as no claim forms have been received.

### *Significant Remote Contingencies*

The value of contingent assets where the likelihood of receipt is remote is nil (2010: nil). The value of contingent liabilities where the likelihood of payment is remote is \$2.300 million (2010: \$11.490 million). These are not included in the schedule of administered contingencies.

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 21. Administered Financial Instruments**

	2011	2010
	\$'000	\$'000
<b>Note 21A. Categories of financial instruments</b>		
<b>Financial Assets</b>		
Available for sale:		
Investments	1,921,157	1,790,783
<b>Total</b>	<b>1,921,157</b>	<b>1,790,783</b>
Loans and receivables:		
Cash and cash equivalents	200	1,301
Goods and services receivable	50,060	25,113
Other receivables	-	915
<b>Total</b>	<b>50,260</b>	<b>27,329</b>
Fair value through profit and loss (designated):		
HECS/HELP loans	15,551,142	13,708,505
Student Financial Supplement Scheme	711,036	762,580
Other loans	20,548	18,743
<b>Total</b>	<b>16,282,726</b>	<b>14,489,828</b>
<b>Carrying amount of financial assets</b>	<b>18,254,143</b>	<b>16,307,940</b>
<b>Financial Liabilities</b>		
At amortised cost:		
Trade creditors	176,879	146,331
Subsidies payable	29,292	19,964
Grants payable	49,469	99,409
<b>Total</b>	<b>255,640</b>	<b>265,704</b>
<b>Carrying amount of financial liabilities</b>	<b>255,640</b>	<b>265,704</b>
<b>Note 21B. Net income and expense from financial assets</b>		
<b>Available for sale</b>		
Gain/loss recognised in equity	130,374	234,046
<b>Net gain/(loss) available for sale</b>	<b>130,374</b>	<b>234,046</b>
<b>Loans and receivables</b>		
Interest revenue	540	32
Write-down and Impairment	(6,883)	(553)
<b>Net gain/(loss) loans and receivables</b>	<b>(6,343)</b>	<b>(521)</b>
<b>Fair value through profit and loss</b>		
Designated as such:		
Interest revenue	639,618	656,259
Unwinding of discount	(604,849)	(540,027)
Fair value gain/(losses)	(340,421)	195,436
<b>Net gain/(loss) at fair value through profit and loss</b>	<b>(305,652)</b>	<b>311,668</b>
<b>Net gain from financial assets</b>	<b>(181,621)</b>	<b>545,193</b>

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 21C. Fair Value of financial instruments**

	Carrying amount 2011 \$'000	Carrying amount 2010 \$'000	Fair value 2011 \$'000	Fair value 2010 \$'000
<b>Financial assets</b>				
Available for sale:				
Investments	1,921,157	1,790,783	1,921,157	1,790,783
Loans and receivables financial assets:				
Cash at bank and on hand	200	1,301	200	1,301
Receivables for goods and services	50,060	25,113	43,060	23,459
Other receivables	-	915	-	915
Fair value through profit and losses (designated):				
HECS/HELP loans	15,551,142	13,708,505	15,551,142	13,708,505
Student Financial Supplement Scheme	711,036	762,580	711,036	762,580
Other loans	20,548	18,743	20,548	18,743
<b>Total</b>	<b>18,254,143</b>	<b>16,307,940</b>	<b>18,247,143</b>	<b>16,306,286</b>
<b>Financial liabilities</b>				
At amortised cost:				
Trade creditors	176,879	146,331	176,879	146,331
Subsidies payable	29,292	19,964	29,292	19,964
Grants payable	49,469	99,409	49,469	99,409
<b>Total</b>	<b>255,640</b>	<b>265,704</b>	<b>255,640</b>	<b>265,704</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Fair value measurements categorised by fair value hierarchy

	Level 1: Market Values \$'000		Level 2: Market Inputs \$'000		Level 3: Non Market Inputs \$'000		Total \$'000
	2011	2010	2011	2010	2011	2010	
<b>Financial assets at fair value</b>							
Investments	-	-	-	-	1,921,157	1,790,783	1,921,157
HECS/HELP loans	-	-	-	-	15,551,142	13,708,505	15,551,142
Student Financial Supplement Scheme	-	-	-	-	711,036	762,580	711,036
Other loans	-	-	-	-	20,548	18,743	20,548
<b>Total</b>	-	-	-	-	<b>18,203,883</b>	<b>16,280,611</b>	<b>18,203,883</b>

### Reconciliation of Level 3 fair value hierarchy

	Investments \$'000		Loans \$'000		Total \$'000
	2011	2010	2011	2010	
<b>Financial assets at fair value</b>					
Opening balance 1 July 2010	1,790,783	1,556,737	14,489,829	12,273,929	16,280,612
Total gains or losses for the period recognised in profit or loss <sup>1</sup>	130,374	234,046	(305,652)	179,232	(175,278)
New loans made during the period	-	-	3,667,813	3,496,012	3,667,813
Loan repayments made during the period	-	-	(1,569,264)	(1,459,344)	(1,569,264)
<b>Closing balance</b>	<b>1,921,157</b>	<b>1,790,783</b>	<b>16,282,726</b>	<b>14,489,829</b>	<b>18,203,883</b>

<sup>1</sup> The losses of \$175.3 million are presented in the schedule of administered items under Notes 15B Interest, 16F Finance costs, 16I Fair value losses, and 17C Investments.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### **Note 21D.** Credit Risk

The administered loans and receivables of the department are not exposed to a high level of credit risk as the majority of financial assets are cash or cash equivalents, trade receivables or advances and loans to state, territory and local governments. The department manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition the department has policies and procedures that guide employees' debt recovery techniques that are to be applied.

The recoverability and credit quality of the fair value through profit and loss (designated) amounts are factored into the actuary assessment each year. No separate account is maintained of the write offs in the department's accounts rather just the movement in the assessment as a gain or loss in the Schedule of Administered Items. This accounting treatment is consistent with the basis for accounting for these instruments.

The following table illustrates the department's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2011	2010
	\$'000	\$'000
<b>Financial assets</b>		
Available for sale:		
Investments	1,921,157	1,790,783
Loan and receivables financial assets:		
Cash at bank and on hand	200	1,301
Goods and services receivables	50,060	25,113
Other receivables	-	915
Fair value through profit and loss (designated):		
HECS/HELP loans	15,551,142	13,708,505
Student Financial Supplement Scheme	711,036	762,580
Other loans	20,548	18,743
<b>Total</b>	<b>18,254,143</b>	<b>16,307,940</b>

The department has assessed the risk of the default on payment and has allocated the following to an impairment allowance for doubtful debts:

Goods and services receivables \$7 million in 2011 (2010: \$1.654 million).

Other receivables nil in 2011 (2010: nil).

In relation to the entity's gross credit risk no collateral is held by the department.



**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Credit quality of financial instruments not past due or individually determined as impaired**

	<b>Not Past Due Nor Impaired 2011 \$'000</b>	Not Past Due Nor Impaired 2010 \$'000	<b>Past Due Or Impaired 2011 \$'000</b>	Past Due Or Impaired 2010 \$'000
Available for sale:				
Investments	1,921,157	1,790,783	-	-
Loans and receivables financial assets:				
Cash at bank and on hand	200	1,301	-	-
Goods and services receivables	38,344	19,886	11,716	5,227
Other receivables	-	-	-	915
Fair value through profit and loss (designated):				
HECS/HELP loans	15,551,142	13,708,505	-	-
Student Financial Supplement Scheme	711,036	762,580	-	-
Other loans	20,548	18,743	-	-
<b>Total</b>	<b>18,242,427</b>	<b>16,301,798</b>	<b>11,716</b>	<b>6,142</b>

**Ageing of financial assets that are past due but not impaired for 2011**

	<b>0 to 30 days \$'000</b>	<b>31 to 60 days \$'000</b>	<b>61 to 90 days \$'000</b>	<b>90+ days \$'000</b>	<b>Total \$'000</b>
Goods and services and other receivables	1,412	187	74	3,043	4,716
<b>Total</b>	<b>1,412</b>	<b>187</b>	<b>74</b>	<b>3,043</b>	<b>4,716</b>

**Ageing of financial assets that are past due but not impaired for 2010**

	<b>0 to 30 days \$'000</b>	<b>31 to 60 days \$'000</b>	<b>61 to 90 days \$'000</b>	<b>90+ days \$'000</b>	<b>Total \$'000</b>
Goods and services receivable	540	587	105	3,256	4,488
Other receivables	-	-	-	-	-
<b>Total</b>	<b>540</b>	<b>587</b>	<b>105</b>	<b>3,256</b>	<b>4,488</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### **Note 21E.** Liquidity risk

The department is appropriated funding from the Australian Government. The department manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.

#### **Maturities for non-derivative financial liabilities 2011**

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
<b>Financial Liabilities</b>						
At amortised cost:						
Trade creditors	-	176,879	-	-	-	176,879
Subsidies	-	29,292	-	-	-	29,292
Grants payable	-	49,469	-	-	-	49,469
<b>Total</b>	-	255,640	-	-	-	255,640

#### **Maturities for non-derivative financial liabilities 2010**

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
<b>Financial Liabilities</b>						-
At amortised cost:						
Trade creditors	-	146,331	-	-	-	146,331
Subsidies	-	19,964	-	-	-	19,964
Grants payable	-	99,409	-	-	-	99,409
<b>Total</b>	-	265,704	-	-	-	265,704

The department has no derivative financial liabilities in both the current and prior year.

### **Note 21F.** Market risk

The department holds basic financial instruments that do not expose it to certain market risks including to 'currency risk' and 'other price risks'.

### **Note 21G.** Assets pledged/or held as collateral

No assets held by the department are pledged or held as collateral.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 21H. Concessional loans

	2011 \$'000	2010 \$'000
<b>HECS/HELP loans</b>		
Nominal value	23,134,080	20,351,324
Less: Unexpired discount	(2,355,201)	(1,939,013)
Less: Impairment	(5,227,737)	(4,703,805)
Carrying Value	15,551,142	13,708,506
<b>Student Financial Supplement Scheme</b>		
Nominal value	2,370,502	2,370,497
Less: Unexpired discount	(346,066)	(294,517)
Less: Impairment	(1,313,400)	(1,313,400)
Carrying Value	711,036	762,580
<b>Child Care loans</b>		
Nominal value	20,548	18,743
Less: Unexpired discount	-	-
Less: Impairment	-	-
Carrying Value	20,548	18,743
<b>Total</b>	<b>16,282,726</b>	<b>14,489,829</b>

### Note 22. Unfunded Superannuation Provision for Australian Universities

Funding responsibility for universities has varied from time to time between the Commonwealth and the States. A number of universities have employees or former employees who are members of State superannuation schemes which are unfunded or partly funded. In these schemes, current employer contributions for benefits cover many past years of accruals of benefit rights for individual members. Accordingly, there are cost sharing arrangements for these schemes in place between the Commonwealth and the States. The Commonwealth makes payments to the universities which are used to pay the required amount of employer contributions to the schemes. The Commonwealth is then reimbursed by the States for their share of the costs.

Prior to 2002-03, the Commonwealth recognised its involvement in the annual financial statements of the former Department of Education, Science and Training as an administered commitment. However, as a result of AASB 137 – *Provisions, Contingent Liabilities and Contingent Assets*, the Commonwealth recognised the administered commitment as a provision (liability) for the first time in 2002-03. AASB 1044 requires the recognition of a provision where it is probable that a future sacrifice of economic benefit will be required and where the amount of the provision can be measured reliably. It should be noted that inclusion of a provision as a liability in the annual financial statements does not constitute recognition of a legal obligation or policy commitment.

For 2010-11 AASB 119 – *Employee Benefits* is the standard used to measure unfunded superannuation liabilities. The main difference with this approach is the economic assumptions used. AASB 119 requires the use of the 'best estimate'; assumptions based on current market conditions/expectations. In particular, the interest rate should be based on the yields available on Government bonds so the liability has been calculated using the spot interest rate at the end of the financial year.

The Australian Government Actuary (AGA) provides an estimate of the provision. The AGA noted that the estimates are based on figures provided by respective State actuaries for the universities and that these calculations were at different dates and on different actuarial bases.

In accordance with the generally accepted accounting principles, the statements recognised a receivable from the States as the estimated reimbursement to the Commonwealth by the States of \$1.452 billion (2010: \$1.399 billion). In recognition of the uncertain nature of the receivable, an impairment allowance for doubtful debts against that receivable has also been recognised of \$0.966 billion (2010: \$0.933 billion). The annual financial statements include a total unfunded superannuation liability of \$5.209 billion (2010: \$5.039 billion) of which the Commonwealth's share is estimated to be \$4.737 billion (2010: \$4.573 billion).

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 23. Appropriations**

**Note 23A. Annual Appropriations (Recoverable GST exclusive)**

	Appropriation Act		FMA Act			Total appropriation	Appropriation Applied in 2011 (current and prior years) \$'000	Variance <sup>(c)</sup> \$'000
	Annual Appropriation	AFM <sup>(b)</sup>	Section 30	Section 31 (GST excl.)	Section 32			
<b>2011</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENTAL</b>								
Ordinary annual services	823,170	-	-	43,772	(5,295)	861,647	874,953	(13,306)
<b>Other services</b>								
Equity	5,917	-	-	-	-	5,917	5,917	-
Loans	-	-	-	-	-	-	-	-
<b>Total departmental</b>	<b>829,087</b>	<b>-</b>	<b>-</b>	<b>43,772</b>	<b>(5,295)</b>	<b>867,564</b>	<b>880,870</b>	<b>(13,306)</b>
<b>ADMINISTERED</b>								
<b>Ordinary annual services</b>								
Administered items	6,034,194	(574,213)	295,980	-	-	5,755,961	5,459,696	296,265
Payments to CAC Act bodies	8,372	-	-	-	-	8,372	8,372	-
<b>Other services</b>								
States, ACT, NT and Local government	1,884,099	(133,605)	-	-	-	1,750,494	1,757,489	(6,995)
Previous years' outputs	-	-	-	-	-	-	-	-
New administered outcomes	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-	-
Payments to CAC Act Bodies	-	-	-	-	-	-	-	-
<b>Total administered</b>	<b>7,926,665</b>	<b>(707,818)</b>	<b>295,980</b>			<b>7,514,827</b>	<b>7,225,557</b>	<b>289,270</b>

**Notes:**

(a) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2010-11: sections 10,11,12, 15 and under Appropriation Acts (No. 2,4,6) 2010-11: sections 12,13,14 and 17.

Departmental appropriations do not lapse at the end of the financial year. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

(b) Advance to the Finance Minister (AFM) – Appropriation Acts (No. 1,3,5) 2010-11: section 13 and Appropriation Acts (No. 2,4,6) 2010-11: section 15.

(c) Administered variances are as a result of the payment of 2009-10 creditors in 2010-11 less any creditor payments due for 2010-11 which will be paid in 2011-12.

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	Appropriation Act			FMA Act			Total Appropriation	Appropriation Applied in 2010 (current and prior years)	Variance <sup>(c)</sup>
	Annual Appropriation	Appropriations reduced <sup>(a)</sup>	AFM <sup>(b)</sup>	Section 14 (Act No. 1)	Section 30	Section 31 (GST excl.)			
2010	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENTAL</b>									
Ordinary annual services	859,418	(902)	-	-	-	57,851	(10,585)	883,785	21,997
<b>Other services</b>									
Equity	25,564	-	-	-	-	-	-	25,564	-
Loans	-	-	-	-	-	-	-	-	-
<b>Total departmental</b>	<b>884,982</b>	<b>(902)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,851</b>	<b>(10,585)</b>	<b>909,349</b>	<b>21,997</b>
<b>ADMINISTERED</b>									
<b>Ordinary annual services</b>									
Administered items	6,559,904	(1,254,583)	10,364	24,589	88,539	-	2,320	5,414,494	16,639
Payments to CAC Act bodies	5,898	-	-	-	-	-	-	5,898	-
<b>Other services</b>									
States, ACT, NT and Local government	3,734,221	(653,478)	-	-	12,692	-	-	3,079,033	14,402
Previous years' outputs	-	-	-	-	-	-	-	-	-
New administered outcomes	-	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-	-	-
Payments to CAC Act Bodies	-	-	-	-	-	-	-	-	-
<b>Total administered</b>	<b>10,300,023</b>	<b>(1,908,061)</b>	<b>10,364</b>	<b>24,589</b>	<b>101,231</b>	<b>-</b>	<b>2,320</b>	<b>8,530,466</b>	<b>31,041</b>

(a) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2009-10: sections 10,11,12, 15 and under Appropriation Acts (No. 2,4,6) 2009-10: sections 13 and 14. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. On 29 June 2010, the Finance Minister determined a reduction in departmental appropriations following a request by the Minister for Education, Employment and Workplace Relations. The amount of the reduction determined under Appropriation Act (No. 1) of 2009-10 was \$902,000.

(b) Advance to the Finance Minister (AFM) – Appropriation Acts (No. 1,3,5) 2009-10: section 13 and Appropriation Acts (No. 2,4,6) 2009-10: section 15.

(c) Administered variances are as a result of the payment of 2008-09 creditors in 2009-10 less any creditor payments due for 2009-10 which will be paid in 2010-11.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### **Note 23B.** Unspent Departmental Annual Appropriations (Recoverable GST exclusive)

	2011	2010
	\$'000	\$'000
Appropriation Act (No. 1 ) 2010-11	124,478	-
Appropriation Act (No. 3 ) 2010-11	5,076	-
Appropriation Act (No. 1 ) 2009-10	28,730	91,646
Appropriation Act (No. 1) 2008-09	-	4,868
Appropriation Act (No. 3) 2006-07	-	78,637
<b>Total</b>	<b>158,284</b>	<b>175,151</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 23C. Special Appropriations (Recoverable GST exclusive)

The department has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation. The Department will investigate these circumstances and any impact on its special appropriations shown below, seeking legal advice as appropriate.

Authority	Type	Purpose	Appropriation applied	
			2011 \$'000	2010 \$'000
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	Unlimited Amount	An Act to enable the payment of family assistance to support families.	3,588,425	3,310,466
<i>States Grants (Primary and Secondary Education Assistance) Act 2000 - Section 111</i>	Unlimited Amount	An Act to grant financial assistance to the States for 2001 to 2004 for primary and secondary education, and for related purposes.	-	-
<i>Schools Assistance (Learning Together - Achievement Through Choice and Opportunity) Act 2004 - Section 133</i>	Unlimited Amount	An Act to grant financial assistance to the States for 2005 to 2008 for primary and secondary education, and for related purposes.	-	3,233
<i>Schools Assistance Act 2008 - Section 167</i>	Unlimited Amount	An Act to grant financial assistance to the States for 2005 to 2008 for primary and secondary education, and for related purposes.	7,084,494	6,485,433
<i>Student Assistance Act 1973 - Section 55A</i>	Unlimited Amount	An Act to provide certain benefits to certain students and for other purposes.	277,066	265,522
<i>Indigenous Education (Targeted Assistance) Act 2000 - Section 13</i>	Unlimited Amount	An Act to provide targeted financial assistance to advance the education of Indigenous persons, and for other related purposes.	29,823	35,261
<i>Indigenous Education (Targeted Assistance) Act 2000 - Section 14, Administration, Limit for the reporting period and total limit for all reporting periods</i>	Limited Amount	An Act to provide targeted financial assistance to advance the education of Indigenous persons, and for other related purposes.	146,157	126,368
<i>Flexibility in Achieving Australia's Skills Act 2005 - Section 23</i>	Unlimited Amount	An Act to provide certain benefits to certain students and for other purposes.	-	117,961
<i>Higher Education Support Act 2003 - Section 164-25</i>	Unlimited Amount	An Act to grant financial assistance to support the higher education system for individuals and universities.	9,401,830	8,627,626
<i>Skilling Australia's Workforce Act 2005 - Section 40</i>	Unlimited Amount	An Act to fund training places to skill the Australian Workforce.	-	728
<i>Social Security Administration Act 1999 - Section 242</i>	Unlimited Amount	An Act to provide income support assistance for individuals.	16,621,818	16,083,860
<i>Coal Mining Industry (Long Service Leave Funding) Act 1992</i>	Unlimited Amount	An Act to manage the long service leave entitlement of the Coal Mining Industry.	-	-
<i>Judicial and Statutory Officers (Remuneration and Allowances) Act 1984</i>	Unlimited Amount	An Act to provide for relocation allowance payable to the Solicitor General.	-	-
<i>Remuneration and Allowances Act 1990 - Section 8<sup>1</sup></i>	Unlimited Amount	An Act to provide for the remuneration and allowances of holders and judicial officers, Secretaries of Departments and holders of public offices,	4,823	19,474

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Authority	Type	Purpose	Appropriation applied	
			2011 \$'000	2010 \$'000
		Senators and Members of the House of Representatives, Ministers and office holders of the Parliament.		
<i>Remuneration Tribunal Act 1973 – Section 7(13)<sup>1</sup></i>	Unlimited Amount	An Act to inquire into, and determine or provide advice on, remuneration and related matters.	4,059	23,243
<i>Safety, Rehabilitation and Compensation Act 1988 (SRC Act)</i>	Unlimited Amount	An Act to provide for the payment of workers compensation claims and associated expenses in accordance with the provisions of the SRC Act.	45,303	41,000
<i>Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005</i>	Unlimited Amount	An Act to assign responsibility for the management of certain liabilities relating to asbestos-related claims, and for related purposes.	22,314	23,391
<i>Air Passenger Ticket Levy (Collection) Act 2001, Administered, Appropriation limited to \$500,000,000</i>	Limited Amount	An Act to provide a safety net arrangement for former employees of the Ansett Group of Companies.	-	-
<b>Total</b>			<b>37,226,112</b>	<b>35,163,566</b>

1 – The department transferred the administration of the *Remuneration Tribunal Act 1973* and the *Remuneration and Allowances Act 1990* to the Australian Public Service Commission (APSC) on 14 September 2010 and 14 October 2010 respectively.



**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 23D. Disclosure by agent in relation to Annual and Special Appropriations (Recoverable GST exclusive)**

	Department of Innovation, Industry, Science and Research
2011	\$'000
Total receipts	1,496,085
Total payments	1,495,968

	Department of Innovation, Industry, Science and Research
2010	\$'000
Total receipts	1,359,128
Total payments	1,359,543

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 23E.** Reduction in Administered Items (recoverable GST exclusive)

2011	Appropriation required <sup>3</sup> - by Appropriation Act		Appropriation required <sup>3</sup> - as represented by:		Total amount required <sup>3</sup>	Total amount appropriated <sup>4</sup>	Total reduction <sup>5</sup>
	Act (No. 1)	Act (No. 3)	Spent	Retention			
<b>Ordinary Annual Services</b>							
Outcome 1	378,363,544.64	-	357,576,219.73	20,787,324.91	378,363,544.64	410,057,000.00	31,693,455.36
Outcome 2	381,903,728.19	-	360,532,138.81	21,371,589.38	381,903,728.19	467,052,000.00	85,148,271.81
Outcome 3	1,804,530,152.92	-	1,730,543,399.41	73,975,825.39	1,804,530,152.92	1,976,076,000.00	171,545,847.08
Outcome 4	2,731,413,532.56	-	2,635,587,366.43	95,826,166.13	2,731,413,532.56	2,975,621,000.00	244,207,467.44
Outcome 5	163,768,820.76	-	163,738,657.98	30,162.78	163,768,820.76	205,388,000.00	41,619,179.24
<b>Other Services</b>							
Specific payments to States, ACT, NT and Local Government							
Outcome 5	1,725,372,178.00	25,121,870.36	1,750,604,057.63	(110,009.27)	1,750,494,048.36	1,884,099,000.00	133,604,951.64

Notes:

1. Numbers in this section are disclosed to the cent.
2. Administered items for 2010-11 were reduced to these amounts when these financial statements were tabled in Parliament as part of the department's 2010-11 annual report. This reduction is effective in 2011-12, but the amounts are reflected in Table A in the 2010-11 financial statements in the column 'Appropriations reduced' as they are adjustments to 2010-11 appropriations.
3. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
4. Total amount appropriated in 2010-11.
5. Total reduction effective in 2011-12.

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

2010	Appropriation required <sup>3</sup> - by Appropriation Act		Appropriation required <sup>3</sup> - as represented by:		Total amount required <sup>3</sup>	Total amount appropriated <sup>4</sup>	Total reduction <sup>5</sup>
	Act (No. 1)	Act (No. 3)	Spent	Retention			
<b>Ordinary Annual Services</b>							
Outcome 1	395,801,458.10	217,090.91	368,800,065.58	27,218,483.63	396,018,549.01	478,138,115.20	82,119,566.19
Outcome 2	386,037,723.24	-	358,713,184.89	27,324,538.35	386,037,723.24	490,162,839.51	104,125,116.27
Outcome 3	1,897,318,921.25	-	1,829,225,967.09	68,092,954.16	1,897,318,921.25	2,808,936,000.00	911,617,078.75
Outcome 4	2,487,831,281.22	-	2,395,586,174.33	92,245,106.89	2,487,831,281.22	2,640,672,000.00	152,840,718.78
Outcome 5	139,575,000.00	33,492,479.43	171,995,258.35	1,072,221.08	173,067,479.43	176,948,000.00	3,880,520.57
<b>Other Services</b>	<b>Act (No. 2)</b>	<b>Act (No. 4)</b>	<b>Spent</b>	<b>Retention</b>			
Specific payments to States, ACT, NT and Local Government							
Outcome 5	3,080,742,758.24	-	3,073,857,670.51	6,885,087.73	3,080,742,758.24	3,734,221,000.00	653,478,241.76

**Notes:**

1. Numbers in this section are disclosed to the cent.
2. Administered items for 2009-10 were reduced to these amounts when these financial statements were tabled in Parliament as part of the department's 2009-10 annual report. This reduction is effective in 2010-11, but the amounts are reflected in Table A in the 2009-10 financial statements in the column 'Appropriations reduced' as they are adjustments to 2009-10 appropriations.
3. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
4. Total amount appropriated in 2009-10.
5. Total reduction effective in 2010-11.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 24. Special Accounts

The department has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation. The Department will investigate these circumstances and any impact on its special appropriations shown below, seeking legal advice as appropriate.

International Marketing of Education Special Account - Departmental	2011	2010
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i> Establishing Instrument: <i>Financial Management and Accountability Determination 2006/42, August 2006</i> . The special account was abolished on 2 June 2011 by the <i>Financial Management and Accountability Determination 2011/01</i> . The remaining balance was transferred to the Official Public Account.		
Purpose: to provide a source of finance to resource the international marketing of Australian education and training services.		
Balance brought forward from previous period	1,945	3,082
Appropriation for reporting period	-	-
Costs recovered	-	-
Contributions from:		
Vocational Education and Training Sector	-	-
Higher Education Sector	-	6,220
Other receipts	-	2,044
<b>Total increase</b>	-	8,264
<b>Available for payments</b>	<b>1,945</b>	<b>11,346</b>
Payments made:		
Transfer to the Official Public Account (OPA)	(1,832)	-
Other payments	(113)	(9,401)
<b>Total decrease</b>	<b>(1,945)</b>	<b>(9,401)</b>
<b>Total balance carried to the next period</b>	<b>-</b>	<b>1,945</b>

Safe Work Australia Special Account - Departmental	2011	2010
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i> Establishment: <i>Financial Management and Accountability Determination 2009/07, activated on 1 April 2009</i> . The balance of the special account was transferred to Safe Work Australia on 1 July 2009.		
Purpose: to provide a source of finance to resource Safe Work Australia		
Balance brought forward from previous period	-	1,439
Appropriation for reporting period	-	-
Costs recovered	-	-
Contributions from:		
The Australian Government	-	-
State and Territory Governments	-	-
<b>Total increase</b>	-	-
<b>Available for payments</b>	-	1,439
Payments made:		
GST payments	-	-
Other Payments	-	-
Transfer to Safe Work Australia	-	(1,439)
<b>Total decrease</b>	<b>-</b>	<b>(1,439)</b>
<b>Total balance carried to the next period</b>	<b>-</b>	<b>-</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Services for Other Entities and Trust Moneys Special Account - Administered	2011	2010
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997</i> ; section 20		
Establishing Instrument: <i>Financial Management and Accountability Determination 2008/14</i> on 3 June 2008.		
Purpose: To disburse amounts: held on trust or otherwise for the benefit of a person other than the Commonwealth; in connection with services performed on behalf of other governments and bodies that are not FMA agencies; and to repay amounts where an Act or other law requires or permits the repayment of an amount received.		
Balance brought forward from previous period	3,243	74
Appropriation for reporting period	-	-
Costs recovered	-	-
Realised investments	-	-
Other receipts	5,675	3,169
<b>Total increase</b>	<b>5,675</b>	<b>3,169</b>
<b>Available for payments</b>	<b>8,918</b>	<b>3,243</b>
Payments made:		
GST payments	-	-
Other payments	(3,716)	-
<b>Total decrease</b>	<b>(3,716)</b>	<b>-</b>
<b>Total balance carried to the next period</b>	<b>5,202</b>	<b>3,243</b>

Education Investment Fund - Administered	2011	2010
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997</i> ; section 21		
Establishing Instrument: <i>Nation-building Funds (Consequential Amendments) Act 2008</i> on 31 December 2008.		
Purpose: To make grants of financial assistance to eligible higher education institutions in relation to capital expenditure and research facilities.		
Balance brought forward from previous period	-	-
Appropriation for reporting period	-	-
Costs recovered	-	-
Amounts transferred from investment account	-	-
Amounts credited to the special account	405,001	837,323
<b>Total increase</b>	<b>405,001</b>	<b>837,323</b>
<b>Available for payments</b>	<b>405,001</b>	<b>837,323</b>
Payments made:		
Investments debited from the special account	-	-
Other payments	(405,001)	(837,323)
<b>Total decrease</b>	<b>(405,001)</b>	<b>(837,323)</b>
<b>Total balance carried to the next period</b>	<b>-</b>	<b>-</b>

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Aboriginal Tutorial Assistance Superannuation Special Account – Administered	2011	2010
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i>		
Establishing Instrument: <i>Financial Management and Accountability Determination 2003/05; later varied by determination 2006/43.</i>		
Purpose: to provide a source of finance for the liability for the Superannuation Productivity Benefit entitlements owing to tutors contracted under the Aboriginal Tutorial Assistance Scheme (ATAS).		
Balance brought forward from previous period	832	795
Appropriation for reporting period	-	-
Costs recovered	-	-
Other receipts:		
Vocational Education and Training Sector	-	-
Higher Education Sector	-	-
Other receipts	47	37
<b>Total increase</b>	<b>47</b>	<b>37</b>
<b>Available for payments</b>	<b>879</b>	<b>832</b>
Payments made:		
Other payments	-	-
<b>Total decrease</b>	<b>-</b>	<b>-</b>
<b>Total balance carried to the next period</b>	<b>879</b>	<b>832</b>

National Youth Affairs Research Scheme Account - Administered	2011	2010
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i>		
Establishing Instrument: <i>Financial Management and Accountability Determination 2006/45 on 17 August 2006.</i>		
Purpose: For the receipt of monies from State Governments to meet expenditure in respect of the National Youth Affairs Research Scheme.		
Balance carried from previous period	514	553
Appropriation for reporting period	-	-
Costs recovered	-	-
Other receipts:		
Vocational Education and Training Sector	-	-
Higher Education Sector	-	-
Other receipts	-	-
<b>Total increase</b>	<b>-</b>	<b>-</b>
<b>Available for payments</b>	<b>514</b>	<b>553</b>
Payments made:		
GST payments	-	-
Other payments	(114)	(39)
<b>Total decrease</b>	<b>(114)</b>	<b>(39)</b>
<b>Total balance carried to the next period</b>	<b>400</b>	<b>514</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The balance in the Services for Other Entities and Trust Moneys Special Account (departmental) was nil and no transactions were debited or credited for the years ended 30 June 2011 and 30 June 2010. The purpose of this account is to disburse amounts: held on trust or otherwise for the benefit of a person other than the Commonwealth; in connection with services performed on behalf of other governments and bodies that are not FMA agencies; and to repay amounts where an Act or other law requires or permits the repayment of an amount received.

The following administered special accounts were abolished during the 2010-2011 financial year. The balance in the accounts were nil and there were no transactions debited or credited for the years ended 30 June 2011 and 30 June 2010:

- Child Care Capital Replacement and Upgrade Program Trust account. This account was established under Section 20 of the *Financial Management and Accountability Act 1997*. The purpose of this account was to receive and hold money arising from the sale of Commonwealth funded child care centres until such time as that money may be reinvested into the building of a new child care centre or another project funded under the capital replacement and upgrade program. The Special Account was abolished on 29 June 2010, refer Financial Management and Accountability Determination 2010/12.

- Student Financial (Supplements) Scheme Special Account. This account was established under the *Student Financial Assistance Act 1973*. The purpose of the account was to provide a source of finance for liabilities arising under the *Students Financial Assistance Act 1973*. The Special Account was abolished on 17 December 2010 following amendments to the *Financial Framework Legislation Amendment Act 2010*.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 25. Compensation and Debt Relief

	2011 \$'000	2010 \$'000
<b>Administered</b>		
27 'Act of Grace' payments were incurred during the reporting period (2010: 6 payments)	28	28
7 waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2010: 31 waivers)	39	123
277,576 waivers of amounts owing to the Australian Government were made pursuant to sections 1237, 1237A and 1237AAD of the <i>Social Security Act 1991</i> . (2010: 298,351 waivers)	27,686	23,009
4,446 waivers of amounts owing to the Australian Government were made pursuant to the <i>Student Assistance Act 1973</i> (2010: 6,901 waivers)	577	1,889
No waivers of amounts owing to the Australian Government were made pursuant to the <i>New Tax System (Family Assistance) (Administration) Act 1999</i> (2010: 143 waivers)	-	10,352
No ex-gratia payments were provided for during the reporting period. (2010: 50 payments)	-	116
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2010: no payments)	-	-
No payments made or outstanding under section 73 of the <i>Public Service Act 1999</i> during the reporting period. (2010: no payments)	-	-
15 HECS debt waivers of amounts owing to the Commonwealth (Pre 2005) were made under the <i>Higher Education Funding Act 1988</i> (2010: 21 waivers)	18	27
11,293 HELP debt waivers of amounts owing to the Commonwealth (Post 2004) were made under the <i>Higher Education Support Act 2003</i> (2010: 3,199 waivers)	20,460	11,090
<b>Departmental</b>		
1 'Act of Grace' expenses were incurred during the reporting period (2010: no expenses).	4	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2010: no waivers)	-	-
No ex-gratia payments were provided for during the period (2010: no payments)	-	-
1 payment was provided under the Compensation for Detriment caused by Defective Administration (CDDA) scheme during the reporting period (2010: no payments)	30	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999 (PS Act)</i> during the reporting period (2010: no payments)	-	-



## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 26. Reporting of Outcomes

The department has five outcomes and details of each outcome are provided in the front of the 2010-11 Annual Report. The department uses a cost allocation model to determine the attribution of its shared items.

#### Note 26A. Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Expenses</b>								
Administered	4,147,194	3,685,386	9,596,049	10,413,009	12,125,941	11,849,772	16,110,841	15,839,780
Departmental	97,355	95,448	146,753	165,154	232,022	228,456	370,810	390,677
<b>Total</b>	<b>4,244,549</b>	<b>3,780,834</b>	<b>9,742,802</b>	<b>10,578,163</b>	<b>12,357,963</b>	<b>12,078,228</b>	<b>16,481,651</b>	<b>16,230,457</b>
<b>Income from non-government sector</b>								
Administered	-	-	-	-	-	-	-	-
Activities subject to cost recovery	-	-	-	-	-	-	-	-
Other	17,023	43,871	6,277	39,464	1,175,781	1,696,088	12,613	18,452
<b>Total administered</b>	<b>17,023</b>	<b>43,871</b>	<b>6,277</b>	<b>39,464</b>	<b>1,175,781</b>	<b>1,696,088</b>	<b>12,613</b>	<b>18,452</b>
Departmental	-	-	-	-	-	-	-	-
Activities subject to cost recovery	811	867	1,223	1,500	18,787	18,878	3,089	1,444
Other	-	-	-	-	-	-	-	-
<b>Total departmental</b>	<b>811</b>	<b>867</b>	<b>1,223</b>	<b>1,500</b>	<b>18,787</b>	<b>18,878</b>	<b>3,089</b>	<b>1,444</b>
<b>Total</b>	<b>17,834</b>	<b>44,738</b>	<b>7,500</b>	<b>40,964</b>	<b>1,194,568</b>	<b>1,714,966</b>	<b>15,702</b>	<b>19,896</b>
<b>Other own-source income</b>								
Administered	-	-	-	-	-	-	-	-
Departmental	120	355	169	1,351	26,493	32,848	603	2,210
<b>Total</b>	<b>120</b>	<b>355</b>	<b>169</b>	<b>1,351</b>	<b>26,493</b>	<b>32,848</b>	<b>603</b>	<b>2,210</b>
<b>Net cost of outcome delivery</b>	<b>4,226,595</b>	<b>3,735,741</b>	<b>9,735,133</b>	<b>10,535,848</b>	<b>11,136,902</b>	<b>10,330,414</b>	<b>16,465,346</b>	<b>16,208,351</b>

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	Outcome 5		Payments to CAC Act bodies*		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Expenses</b>						
Administered	295,603	322,617	276,684	70,289	42,550,312	42,180,853
Departmental	74,647	85,630			921,587	965,365
<b>Total</b>	<b>368,250</b>	<b>408,247</b>	<b>276,684</b>	<b>70,289</b>	<b>43,471,899</b>	<b>43,146,218</b>
<b>Income from non-government sector</b>						
Administered						
Activities subject to cost recovery	-	-				
Other	145,458	126,590			1,357,152	1,924,465
<b>Total administered</b>	<b>145,458</b>	<b>126,590</b>			<b>1,357,152</b>	<b>1,924,465</b>
Departmental						
Activities subject to cost recovery	622	7,680			24,532	30,369
Other	-	-				
<b>Total departmental</b>	<b>622</b>	<b>7,680</b>			<b>24,532</b>	<b>30,369</b>
<b>Total</b>	<b>146,080</b>	<b>134,270</b>			<b>1,381,684</b>	<b>1,954,834</b>
<b>Other own-source income</b>						
Administered	-	-				
Departmental	17,882	14,451			45,267	51,215
<b>Total</b>	<b>17,882</b>	<b>14,451</b>			<b>45,267</b>	<b>51,215</b>
<b>Net cost of outcome delivery</b>	<b>204,288</b>	<b>259,526</b>	<b>276,684</b>	<b>70,289</b>	<b>42,044,948</b>	<b>41,140,169</b>

Outcomes 1 to 5 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Appendix 9 of this annual report for Agency resource statements and resources.

\* Payments to CAC Act bodies are not related to outcomes. They are included here so the total agrees to the resourcing table.

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26B.** Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcomes

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Departmental expenses</b>								
Employee benefits	57,839	58,097	82,772	97,198	139,339	140,546	200,816	220,814
Suppliers	31,948	30,356	45,720	50,788	76,966	73,438	110,923	115,379
Depreciation	7,418	6,871	18,016	16,688	14,837	13,743	58,288	53,989
Grants	-	36	30	334	518	517	261	162
Other	150	88	215	146	362	212	522	333
<b>Total</b>	<b>97,355</b>	<b>95,448</b>	<b>146,753</b>	<b>165,154</b>	<b>232,022</b>	<b>228,456</b>	<b>370,810</b>	<b>390,677</b>
<b>Departmental income</b>								
User charges	609	661	928	1,888	21,211	30,708	2,517	1,379
Income from government	84,947	91,188	121,830	155,494	171,268	172,788	307,981	359,037
Other	322	561	464	963	24,069	21,018	1,175	2,275
<b>Total</b>	<b>85,878</b>	<b>92,410</b>	<b>123,222</b>	<b>158,345</b>	<b>216,548</b>	<b>224,514</b>	<b>311,673</b>	<b>362,691</b>
<b>Departmental assets</b>								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Trade and other receivables	406	84	667	340	541	1,555	1,638	285
Accrued revenue	-	-	-	-	-	-	-	-
Land and buildings	11,728	10,944	16,836	18,670	25,234	21,038	42,587	43,139
Infrastructure, plant and equipment	3,450	4,138	8,282	10,179	6,934	8,278	29,603	30,890
Intangibles	6,348	7,722	15,416	23,332	13,092	26,084	74,363	57,509
Inventories	-	-	-	-	-	449	-	-
Other financial assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>21,912</b>	<b>22,888</b>	<b>41,201</b>	<b>52,521</b>	<b>45,801</b>	<b>57,404</b>	<b>148,191</b>	<b>131,823</b>
<b>Departmental liabilities</b>								
Suppliers	4,646	3,173	6,664	5,411	9,368	6,013	16,845	12,494
Other payables	7,666	7,982	10,994	13,610	15,455	15,124	27,792	31,426
Employee provisions	18,333	18,016	26,293	30,721	36,963	34,138	66,467	70,933
Other provisions	954	771	1,368	1,314	1,923	1,460	3,457	3,034
<b>Total</b>	<b>31,599</b>	<b>29,942</b>	<b>45,319</b>	<b>51,056</b>	<b>63,709</b>	<b>56,735</b>	<b>114,561</b>	<b>117,887</b>

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Note 26B. Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcomes (continued)

	Outcome 5		Not attributed*		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Departmental expenses</b>						
Employee benefits	42,135	49,076			522,901	565,731
Suppliers	23,273	25,643			288,830	295,604
Depreciation	7,419	6,871			105,978	98,162
Grants	1,710	3,966			2,519	5,015
Other	110	74			1,359	853
<b>Total</b>	<b>74,647</b>	<b>85,630</b>			<b>921,587</b>	<b>965,365</b>
<b>Departmental income</b>						
User Charges	18,149	20,997			43,414	55,633
Income from government	54,192	71,194			740,218	849,701
Other	354	1,134			26,385	25,951
<b>Total</b>	<b>72,695</b>	<b>93,325</b>			<b>810,017</b>	<b>931,285</b>
<b>Departmental assets</b>						
Cash and cash equivalents	-	-	3,990	2,226	3,990	2,226
Trade and other receivables	402	547	167,460	183,557	171,114	186,368
Accrued revenue	-	-	476	565	476	565
Land and buildings	7,488	8,547	-	-	103,873	102,338
Infrastructure plant and equipment	3,413	3,967	-	-	51,663	57,452
Intangibles	6,347	8,676	-	-	115,566	123,323
Inventories	-	-	-	-	-	449
Other financial assets	-	-	28,482	24,812	28,482	24,812
<b>Total</b>	<b>17,650</b>	<b>21,737</b>	<b>200,408</b>	<b>211,160</b>	<b>475,164</b>	<b>497,533</b>
<b>Departmental liabilities</b>						
Suppliers	2,964	2,477	-	-	40,488	29,568
Other payables	4,890	6,232	-	-	66,797	74,374
Employee provisions	11,695	14,066	-	-	159,751	167,874
Other provisions	608	602	-	-	8,310	7,181
<b>Total</b>	<b>20,157</b>	<b>23,377</b>	-	-	<b>275,346</b>	<b>278,997</b>

Outcomes 1 to 5 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

\* Assets and liabilities that cannot be reliably attributed to outcomes.

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26C:** Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcomes

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Administered expenses</b>								
Subsidies	-	-	3,645	4,552	877,765	826,896	40,550	14,337
Personal benefits	3,837,028	3,347,991	199,725	208,911	3,368,141	2,686,439	13,443,074	13,399,714
Grants	270,352	281,688	9,204,877	10,130,694	6,518,134	6,688,512	92,298	113,823
Suppliers	40,944	53,469	184,409	68,736	384,147	448,339	2,527,284	2,292,559
Employee Benefits	-	-	-	-	-	-	-	-
Other	(1,130)	2,238	3,393	116	977,754	1,199,586	7,635	19,347
<b>Total</b>	<b>4,147,194</b>	<b>3,685,386</b>	<b>9,596,049</b>	<b>10,413,009</b>	<b>12,125,941</b>	<b>11,849,772</b>	<b>16,110,841</b>	<b>15,839,780</b>
<b>Administered income</b>								
Taxation	-	-	-	-	-	-	-	-
Non taxation revenue	17,023	43,871	6,277	39,464	1,175,781	1,696,088	12,613	18,452
<b>Total</b>	<b>17,023</b>	<b>43,871</b>	<b>6,277</b>	<b>39,464</b>	<b>1,175,781</b>	<b>1,696,088</b>	<b>12,613</b>	<b>18,452</b>
<b>Administered assets</b>								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables	109,751	202,105	4,542	2,081	16,938,362	15,128,106	882,613	872,972
Investments	-	-	8,709	15,958	1,906,457	1,769,318	-	-
Inventories	-	411	-	140	-	638	-	201
Other non financial assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>109,751</b>	<b>202,516</b>	<b>13,251</b>	<b>18,179</b>	<b>18,844,819</b>	<b>16,898,062</b>	<b>882,613</b>	<b>873,173</b>
<b>Administered liabilities</b>								
Suppliers	2,158	11,244	19,602	30,546	69,250	41,049	91,748	59,066
Subsidies	-	-	-	870	7,536	1,685	-	-
Personal benefits	629,389	523,133	2,934	2,783	59,219	54,514	259,427	282,907
Grants	18,141	17,970	16,666	24,180	3,038	20,736	11,624	28,463
Other payables	-	-	-	-	-	-	-	-
Provision for grants	-	-	-	-	5,209,000	5,039,000	-	-
<b>Total</b>	<b>649,688</b>	<b>552,347</b>	<b>39,202</b>	<b>58,379</b>	<b>5,342,043</b>	<b>5,156,984</b>	<b>362,799</b>	<b>370,436</b>

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26C. Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcomes (continued)**

	Outcome 5		Payments to CAC Act bodies		Not attributed*		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Administered expenses</b>								
Subsidies	123,821	99,242	-	-	-	-	1,045,781	945,027
Personal benefits	151,345	154,211	-	-	-	-	20,999,313	19,797,266
Grants	-	10,091	268,312	64,391	-	-	16,953,973	17,289,199
Suppliers	9,556	16,261	-	-	-	4	3,146,340	2,879,368
Employee Benefits	8,881	42,812	-	-	-	-	8,881	42,812
Other	-	-	8,372	5,898	-	-	996,024	1,227,185
<b>Total</b>	<b>293,603</b>	<b>322,617</b>	<b>276,684</b>	<b>70,289</b>	<b>-</b>	<b>4</b>	<b>42,550,312</b>	<b>42,180,857</b>
<b>Administered income</b>								
Taxation	123,821	99,242	-	-	-	-	123,821	99,242
Non taxation revenue	21,637	27,348	-	-	1,722	5,814	1,235,053	1,831,037
<b>Total</b>	<b>145,458</b>	<b>126,590</b>	<b>-</b>	<b>-</b>	<b>1,722</b>	<b>5,814</b>	<b>1,358,874</b>	<b>1,930,279</b>
<b>Administered assets</b>								
Cash and cash equivalents	-	-	-	-	200	1,301	200	1,301
Receivables	21,878	17,675	-	-	55,514	51,986	18,012,660	16,274,925
Investments	5,991	5,507	-	-	-	-	1,921,157	1,790,783
Inventories	-	-	-	-	-	-	-	1,390
Other non financial assets	3,640	3,715	-	-	-	-	3,640	3,715
<b>Total</b>	<b>31,509</b>	<b>26,897</b>	<b>-</b>	<b>-</b>	<b>55,714</b>	<b>53,287</b>	<b>19,937,657</b>	<b>18,072,114</b>
<b>Administered liabilities</b>								
Suppliers	121	1,421	-	-	-	3,005	176,879	146,331
Subsidies	21,756	17,240	-	-	-	169	29,292	19,964
Personal benefits	488	1,999	-	-	-	-	951,457	865,336
Grants	-	-	-	-	-	8,060	49,469	99,409
Other payables	-	-	-	-	57,847	55,711	2,294,927	2,092,099
Provision for grants	-	-	2,237,080	2,036,388	-	-	5,209,000	5,039,000
<b>Total</b>	<b>22,365</b>	<b>20,660</b>	<b>2,237,080</b>	<b>2,036,388</b>	<b>57,847</b>	<b>66,945</b>	<b>8,711,024</b>	<b>8,262,139</b>

Outcomes 1 to 5 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

\* Assets and liabilities that cannot be reliably attributed to outcomes.

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**Note 27. Comprehensive Income (Loss) Attributable to the entity**

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
Total comprehensive income (loss) attributable to the Australian Government <sup>(1)</sup>	<b>(100,017)</b>	-
Plus: non-appropriated expenses		
Depreciation and amortisation expenses	<b>105,978</b>	-
<b>Total Comprehensive Income (Loss) Attributable to the entity</b>	<b><u>5,961</u></b>	<b><u>-</u></b>

1 As per the Statement of Comprehensive Income

From 2010-11 appropriation for departmental capital budgets are accounted for as contributions by owners as owners and included as equity.

There are no comparatives for the 2009-10 financial year as the change to appropriation recognition was introduced from 1 July 2010. Prior to this date appropriation for depreciation and amortisation expenses was recognised as revenue from government in the statement of comprehensive income.





## 7 Appendixes



Commonwealth Disability Strategy	264
Ecologically sustainable development	267
Freedom of information	269
Social inclusion measurement framework	271
Tripartite consultation on International Labour Organization matters	280
Commonwealth involvement in proceedings before courts and tribunals	283
Advertising and market research	284
Errors in the 2009–10 annual report	286
Agency resource statements and resources for Outcomes	288

## Appendix 1 Commonwealth Disability Strategy

The Commonwealth Disability Strategy provides a framework for Australian Government departments to ensure that their services, programs and facilities are accessible to people with disability. This includes:

- » ensuring that people with disability are consulted about issues that affect them
- » making information available to people with disability in accessible formats
- » providing accessible complaints and grievance mechanisms through which people can raise concerns.

As an employer the department provides statistical data through the Australian Public Service Commission's State of the Service Report survey.

### Disability initiatives in DEEWR

DEEWR is responsible for key aspects of the Government's social inclusion agenda. The development of the *DEEWR Disability Employment Plan 2009–2012* and the appointment of a Disability Champion provide a visible public statement of DEEWR's support and commitment to employees with disability.

The plan reflects the goals and strategies embedded within the *DEEWR Strategic Plan 2008–2011* and is based on changing the department's approach to people with disability from one focused on assimilation to that which recognises and builds on difference. Further information and a copy of the plan can be found at [www.deewr.gov.au](http://www.deewr.gov.au).

DEEWR's Disability Champion is John Kovacic, Deputy Secretary of the Workplace Relations and Economic Strategy Group. He promotes disability-related initiatives, champions issues and participates in events supporting the Disability Employment Plan.

DEEWR's Disability Employment Committee provides a forum for employees with disability to provide advice to DEEWR on disability issues. The committee contributes to positioning DEEWR as an employer of choice for employees with disability by:

- » advising on the development of strategic approaches to recruit, retain and develop the careers of people with disability
- » guiding the implementation and evaluation of the Disability Employment Plan
- » identifying issues affecting the attraction, retention and support of employees with disability in DEEWR and making recommendations to address those issues.

A Disability Employee Network has been established in DEEWR. A planning day was held in October 2010 and John Kovacic launched the day and staff discussed both his role as the Disability Champion and the future direction and purpose of the network. A group of interested people are now helping establish the network with a focus on peer support, consultation, awareness raising and information.

## International Day of People with Disability

In December 2010, DEEWR staff marked International Day of People with Disability and the first anniversary of DEEWR's Disability Employment Plan with a number of events, including an inspirational address to national office staff by elite athlete and paralympic champion Michael Milton.

Michael's address was streamed to all DEEWR offices and provided a humorous, enlightening and inspirational insight into his life, his experiences and the ways in which he has overcome challenges.

DEEWR was also joined on the day by Emeritus Professor Tony Shaddock, who spoke about his work for DEEWR on improving learning outcomes for students with disability in



L to R: John Kovacic, Kate Driver, Margaret Leggett, Michael Milton, Jenny Roylance, Sarah Bailey.

mainstream classes in the early, middle and post-compulsory years of schooling, and Dr Chris Kilham, who spoke about her project to create national interactive online training in disability standards for Australian universities.

Reflecting on the success of the day, Disability Champion John Kovacic discussed how DEEWR can benefit from broader participation of people with disability in every aspect of work and life as a workplace that's good for people with disability is a workplace that's better for everybody.

The DEEWR Reasonable Adjustment Policy took effect on 1 March 2011. The policy outlines the department's commitment to ensuring an accessible and inclusive work environment by applying the principles of reasonable adjustment to remove barriers to participation at work. The aim of the policy is to enable DEEWR employees with disability, injury or illness to fully participate in DEEWR to the best of their ability.

### Consulting

DEEWR administers a number of programs that impact on people with disability. The department consults with stakeholders to ensure that input from people with disability and other departments is considered in the development and implementation of its policies and programs.

The department's procurement procedures require compliance with the Commonwealth Procurement Guidelines and related legislation, which includes the *Disability Discrimination Act 1992*. Consultation with appropriate stakeholders ensures that the diverse needs of all members of the disability community are included in the development of services, programs and facilities.

### Accessibility of information

Publicly available information on programs and associated regulations, tender documents and reports on regulatory compliance and quality assurance systems is provided in accessible formats on the department's website or on request.

### Grievance mechanisms

The DEEWR Service Charter sets out the ways in which DEEWR assists people with disability to access services and information. The Service Charter encourages feedback and gives information on how to contact the department, including options for people with disability.

Complaints and grievances are managed in accordance with departmental policy and advice is available from external agencies such as the Commonwealth Ombudsman. Some programs, such as Disability Employment Services, provide specific information on and assistance with client services that are available to people with disability. Information about complaint mechanisms is available on the DEEWR website.

## Appendix 2 Ecologically sustainable development

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires Commonwealth agencies to report on their environmental performance. This includes the effects of the agency's activities on the environment, the measures taken to minimise those effects and the methods for reviewing and increasing the effectiveness of those measures.

The Department of Sustainability, Environment, Water, Population and Communities has developed three environmental themes for agencies to report against: energy efficiency, waste and water. DEEWR's progress under each of these themes is described in Table 63. There are also targets, actions and reporting obligations for government agencies' information and communication technology (ICT) operations under the Australian Government *ICT Sustainability Plan 2010–2015*.

**Table 63: Energy efficiency, waste and water measures**

Theme	Initiatives	Measures to review and increase effectiveness
Energy efficiency	Steps taken to reduce energy consumption	DEEWR has continued to rationalise its property portfolio into fewer, more energy-efficient buildings. Energy-saving initiatives, such as sensor lighting and energy-efficient appliances, are being increasingly adopted. The department also actively participates in Earth Hour and other environmental activities.
	Energy intensity targets	Energy intensity targets are set by government policy. The department has significantly reduced its energy intensity from 2009–10 levels and reached the government target of 7500 megajoules per person per year in the first half of 2011.
	Target % of electricity from renewable (green) sources	The department uses the whole-of-government energy contract in Canberra, which includes 10% accredited GreenPower. Outside Canberra, the department's leases now require energy providers to supply 10% GreenPower. In 2010–11 DEEWR's overall power usage therefore included 10% GreenPower across approximately 90% of its portfolio.
	Information and communications technology efficiency	The department has achieved outstanding improvements in the running costs, resource consumption and environmental impacts of its ICT operations, through initiatives including energy-efficient monitors and use of virtual servers and print-on-demand, duplex-default multi-function devices. The new printing system achieved a 33% reduction in paper usage in 2010–11. The Desktop 2010 project is nearing completion; since its commencement the project has reduced the number of desktop computers, computer monitors by 3000 and printers from over 2500 to around 300. A desktop power management system was trialled in early 2011 which will provide power reporting capability to further minimise desktop energy consumption.
Waste	Vehicle fleet and air travel distances	DEEWR operates a fleet of 107 pool vehicles, including seven four-wheel-drive vehicles in remote areas. DEEWR's target of 60% of pool vehicles being rated in the top half of the Green Vehicle Guide has been exceeded at 77%. In 2010–11 DEEWR staff travelled 22 340 190 kilometres by air, a 15% reduction from 2009–10.
	Steps taken to reduce waste production	A standardised waste management system, designed on best-practice principles, is operating in five out of eight Canberra buildings and is being progressively adopted in all departmental buildings. The system is in the process of being accredited under the ACT Government's Smart Office waste scheme.
Water	Waste management initiatives	DEEWR's waste management initiatives are designed to minimise the amount of waste going to landfill and help the department to achieve its target of 80% effective recycling. Formal waste audits at DEEWR's main building at 50 Marcus Clarke Street, Canberra, show that the department is reliably meeting this target.
	Steps taken to reduce water consumption	An optimum range of water-saving systems has been implemented in national office buildings. Water-saving technologies are in place in 80% of possible situations, including low-flow sensor taps, grey water recycling for flushing toilets, waterless urinals and rainwater retention for use in cooling towers.

### Program activities incorporating ecologically sustainable development principles

DEEWR is working on a number of initiatives to assist Australians to access high-quality, industry-relevant skills for sustainability and ensure that businesses are equipped to promote sustainable products, services and advice. These initiatives include the Critical Skills Investment Fund, Green Skills Agreement and National Green Jobs Corps.

More information on how the department is implementing programs, working with state and territory governments and contributing to the Australian Government's sustainability agenda is available on the DEEWR website.

### DEEWR's environmental performance

The department's Environment Subcommittee reports directly to the Accommodation Committee and ensures that all environmental activities are integrated with DEEWR's long-term accommodation strategy and departmental objectives. Quarterly reports are provided on the performance of the department's whole property portfolio, with a particular focus on energy and waste management.

The committee oversees the development and maintenance of an ISO 14001-certified environmental management system, advocates environmental matters throughout the department and works with other committees and managers to ensure that the impact on the environment is considered in decision-making processes.

#### Improving waste management in DEEWR



After consulting with a wide range of stakeholders and waste management experts, DEEWR's Environmental Management Coordinator and the Environment Subcommittee have designed and implemented a best-practice waste management system.

The system caters for organic recycling and full recycling of paper, cardboard, mobile phones and components, commingled materials (bottles, cans and plastic), toner cartridges and domestic batteries where possible.

Regular waste audits are conducted to assess the effectiveness of the system at DEEWR's national office buildings in Canberra, and these reports are revealing positive trends in recycling rates. The reports provide a floor-by-floor result, which encourages staff to achieve the highest percentage of effective recycling possible.

Peter Hosking of Great Forest Australia (left) and Felix MacNeill, DEEWR's Environmental Management Coordinator, conducting a waste audit at 50 Marcus Clarke Street in June 2011.

## Appendix 3 Freedom of information

As a result of changes to the *Freedom of Information Act 1982* (FOI Act), the department is required to publish a range of information on its website as part of the Information Publication Scheme (IPS). This information can be found at [foi.deewr.gov.au/pages/information-publication-scheme-ips](http://foi.deewr.gov.au/pages/information-publication-scheme-ips).

Guidelines issued by the Australian Information Commissioner require agencies to publish in their 2010–11 annual reports information about:

- » the organisation and functions of the department, including decision making and other powers that affect members of the public
- » arrangements for outside participation in policy formation or administration of any enactment or scheme
- » the categories of documents the department possesses
- » how members of the public can gain access to documents held by the department.

### Organisation and functions and powers of the department

Part 1 of this report provides information about the organisation and functions of the department. The department's organisational structure can be found at [foi.deewr.gov.au/node/132](http://foi.deewr.gov.au/node/132) and its functions and powers at [foi.deewr.gov.au/node/133](http://foi.deewr.gov.au/node/133).

### Arrangements for outside participation

Arrangements exist for members of the public (including organisations) to participate in forming the department's policies and the administration of its programs. Where possible the department consults with members of the public through procedures established by DEEWR. Current consultation arrangements are at [foi.deewr.gov.au/node/136](http://foi.deewr.gov.au/node/136).

### Categories of documents held by the department

The department holds a wide range of documents for which access can be requested under the FOI Act. Certain documents may be exempt under the FOI Act. Categories of documents held by the department include:

- » Cabinet documents, ministerial briefings and records of correspondence to the Minister and the department
- » documents relating to internal administration; audits, investigations and Ombudsman inquiries; policy advice and portfolio administration (including reports, briefings, secretariat papers, correspondence, minutes and submissions); and program administration (including applications and approvals, progress reports, payments, research and evaluation reports, program evaluation reports, and correspondence)
- » electronic records maintained on departmental databases
- » grant applications, supporting documentation, assessments, decisions and consequential accounting documents
- » legal advice and related documentation
- » reference material used by staff and contract providers (including guidelines, manuals and operational advice)
- » requests for tender, exposure drafts, proposals, evaluations and contracts
- » research papers
- » submissions to and reports on public inquiries.

### Access to documents

The department has a wide range of documents available free of charge or for a fee. These can be found from various sections at [www.deewr.gov.au](http://www.deewr.gov.au), including the IPS component of the website, or by telephoning the department's general inquiries line on 1300 363 079.

Inquiries about access to documents under the FOI Act can be made by email to [foi@deewr.gov.au](mailto:foi@deewr.gov.au) or by post to:

FOI Team Leader  
Freedom of Information, Ombudsman and Privacy Branch  
Legal and Investigations Group  
GPO Box 9880  
CANBERRA ACT 2601

Requests for access to documents must be in writing, state that the application is made under the FOI Act, provide enough information regarding the documents sought and specify how notices may be sent to the applicant.



## Appendix 4 Social inclusion measurement framework

The Government is committed to public accountability for progress in reducing the incidence of social exclusion. Reporting and accountability help drive greater effort towards areas where progress might be slow, and help identify where success is being achieved so that it can be shared and built on.

In December 2009, the Government agreed to a national social inclusion measurement framework and reporting strategy. The framework is intended to reflect both longer term goals and outcomes of social inclusion and the key areas of government action, through:

- » headline indicators—the high-level outcomes of social inclusion which are influenced by many factors, including government policy, and tend to change only very slowly
- » supplementary indicators—outcome indicators that support the headline indicators
- » strategic change indicators—leading indicators of potential progress in relevant areas of government policy and service delivery; they include risk factors for exclusion, and data on government programs designed to improve inclusion outcomes. Strategic change indicators measure short-term progress in improving social inclusion.

The headline and supplementary indicators were published in the Australian Social Inclusion Board's annual report *Social inclusion in Australia: how Australia is faring*, released in January 2010. The full report is available at [www.socialinclusion.gov.au/sites/www.socialinclusion.gov.au/files/publications/pdf/SI\\_HowAusIsFaring.pdf](http://www.socialinclusion.gov.au/sites/www.socialinclusion.gov.au/files/publications/pdf/SI_HowAusIsFaring.pdf).

The 16 strategic change indicators developed in 2010–11 are grouped under six priority areas:

- » Targeting jobless families with children to increase work opportunities, improve parenting and build capacity.
- » Improving the life chances of children at greatest risk of long-term disadvantage.
- » Reducing the incidence of homelessness.
- » Improving outcomes for people living with disability or mental illness and their carers.
- » Closing the gap for Aboriginal and Torres Strait Islander Australians.
- » Breaking the cycle of entrenched and multiple disadvantage in particular neighbourhoods.

Commonwealth agencies responsible for the relevant policy areas will report against these indicators annually from October 2011. These agencies include DEEWR.

DEEWR has responsibility for reporting against six strategic change indicators under three of the priority areas. These are:

- » Priority area 1: Targeting jobless families with children to increase work opportunities, improve parenting and build capacity
  - Proportion of long-term unemployed job seekers in employment, education or training three months following participation in employment services. (Long-term unemployed is defined as being unemployed for 12 months or more.)
  - Proportion of long-term unemployed job seekers off benefit 12 months following participation in employment services
  - Labour force participation of single parents by age group of youngest child (0–4, 5–9, 10–14).
- » Priority area 2: Improving the life chances of children at greatest risk of long-term disadvantage
  - Proportion of children (aged 3–5 years) from special needs groups enrolled in state and territory funded or provided preschools. (Special needs groups include children from language backgrounds other than English, Aboriginal and Torres Strait Islander children, children with disability, children from regional areas and children from remote areas.)

- Proportion of students at or above the national minimum standard in reading and numeracy for:
  - Students in schools participating in the Literacy and Numeracy National Partnership in years 3, 5 and 7
  - Indigenous students in years 3, 5, 7 and 9.
- » Priority area 3: Improving outcomes for people living with disability
  - Proportion of job seekers with disability in employment, education or training three months after participation in employment services.

### Priority area 1: Targeting jobless families with children to increase work opportunities, improve parenting and build capacity

Indicator 1—Proportion of long-term unemployed job seekers in employment, education or training three months following participation in employment services

Indicator 2—Proportion of long-term unemployed off benefit 12 months following participation in employment services

Job Services Australia and Disability Employment Services Australia play an important role in promoting social inclusion. The department measures the employment, education and training outcomes of job seekers who participate in these services, including those who have been unemployed for a long period of time and are at risk of being socially excluded. Outcomes data shows how job seekers in this group benefit from participation in employment services (see Table 64).

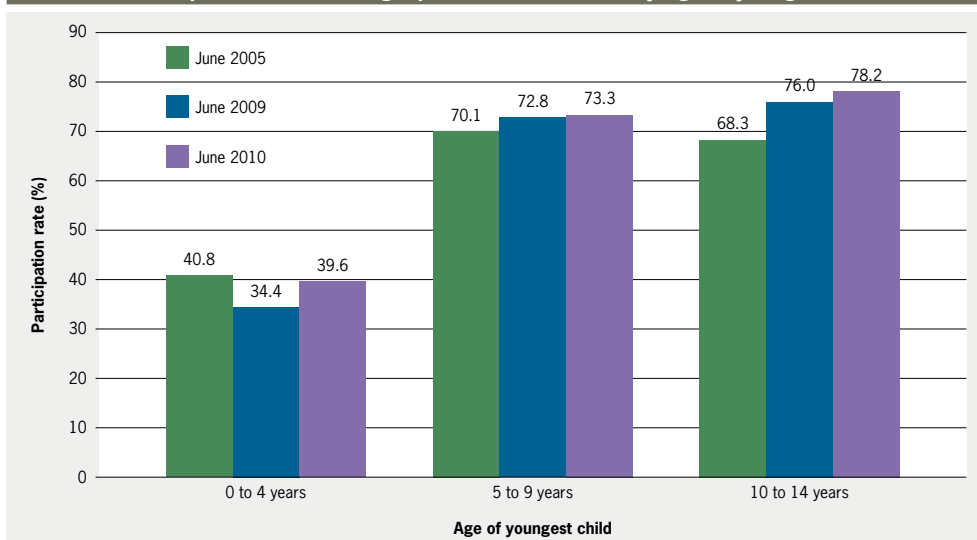
**Table 64: Outcomes for long-term unemployed job seekers**

Indicator	Program	2010–11
Proportion of long-term unemployed job seekers in employment, education or training three months following participation in employment services	Job Services Australia/ Disability Employment Services	46.7%
Proportion of long-term unemployed job seekers off benefit 12 months following participation in employment services	Job Services Australia	na

na = not available.

Indicator 3—Labour force participation of single parents by age group of youngest child (0–4, 5–9, 10–14)

The labour force participation rate of the head of single-parent families varies significantly by age of the youngest child. (In 87 per cent of cases, single-parent families are headed by females.) For example, as illustrated in Chart 10, where the youngest child is aged between 0 and 4 years, only 40 per cent of single parents were participating in the labour force as at June 2010 (latest available data). For single parents whose youngest child is aged between 5 and 9 years, the participation rate increases to 73 per cent, while the participation rate where the youngest child is aged between 10 and 14 years stands at 78 per cent. This compares favourably with the overall participation rate for females aged 15 to 64 years, which stood at 70 per cent in June 2010.

**Chart 10: Participation rates for single parents with children by age of youngest child**

Source: ABS Labour Force, Australia: Labour Force Status and Other Characteristics of Families, June 2010 (Cat No. 6224.0.55.001)

## Priority area 2: Improving the life chances of children at greatest risk of long-term disadvantage

Indicator 4—Proportion of children (aged 3–5 years) from special needs groups enrolled in state and territory funded or provided preschools

The benefits of early childhood education have been widely examined and recognised. It has been demonstrated to be especially beneficial for cognitively disadvantaged children.

Preschool is especially important in laying the foundations of primary education, reading and other life skills. Lack of preschool preparation can be a risk factor, especially in families where the parents' own educational resources are limited.

Early childhood education is delivered in a wide range of settings across Australia, resulting in different levels of quality, service and access. The National Partnership Agreement on Early Childhood Education was established in December 2008 as a key initiative in wide-ranging efforts towards joint Commonwealth, state and territory action to improve the supply and integration of early childhood services through the delivery of universal access to quality early childhood education in the year before full-time schooling. The commitment is that by 2013 all children in Australia will have universal access to quality early childhood education for 15 hours a week in the year before full-time schooling.

There are six performance indicators under the national partnership, two of which directly relate to social inclusion:

- » The proportion of disadvantaged children enrolled in (and attending, where possible to measure) a preschool program.
- » The proportion of Aboriginal and Torres Strait Islander children (by geographic location as identified by the Australian Standard Geographic Classification) who are enrolled in (and attending, where possible to measure) a preschool program.

Each jurisdiction reports against these performance indicators for the children in the relevant state or territory, and the Commonwealth reports at the national level on Aboriginal and Torres Strait Islander enrolments by geographic location. At this stage, state and territory data is not nationally consistent, making aggregation problematic.

Currently, the best publicly available single source of national data for these indicators is in the *Report on government services 2011*. In terms of social inclusion, the data on children with special needs is most relevant (see Table 65). This indicator compares the proportion of children using preschool services with special needs to the proportion of children with special needs in the community. If the proportions are similar, it is considered that there is equity in participation. The data reported in the *Report on government services* does not necessarily align with what is reported for the Early Childhood Education National Partnership, as the latter has a broader scope (all preschool services, rather than state and territory government funded and/or provided).

In 2009, the National Information Agreement on Early Childhood Education and Care was endorsed by the Ministerial Council for Education, Early Childhood Development and Youth Affairs. The agreement provides a framework for cooperation between Commonwealth, state and territory jurisdictions and information agencies and supports the performance information requirements for the Early Childhood Education National Partnership and other relevant agreements under COAG. Among other aspects, it commits all jurisdictions and the Commonwealth to comprehensive data coverage on children's participation in preschool programs.

The two main activities under the information agreement have been the development of a National Early Childhood Education and Care Data Collection, and the development of associated nationally consistent standards and classifications as outlined in the Early Childhood Education and Care National Minimum Data Set. While the first tranche of data from the national collection was released by the Australian Bureau of Statistics in April 2011, the data is transitional. It is expected that more robust and comprehensive data will be available from the 2011 national collection, which will be published in 2012.

Table 65: Representation of children from special needs groups in state and territory government preschool services, 2009–10<sup>a</sup>

Unit	NSW <sup>b</sup>	Vic.	Qld <sup>c</sup>	WA <sup>d</sup>	SA <sup>e</sup>	Tas.	ACT <sup>f</sup>	NT <sup>g</sup>	Australia <sup>h</sup>
<b>Children from language backgrounds other than English</b>									
Number of children	7138	11 467	608	na	2550	na	835	na	22 598
Representation in children's services	11.1	17.1	3.8	na	11.4	na	21.0	na	10.6
Representation in the community (3–5 years)	23.2	21.6	11.6	15.6	13.5	7.2	16.1	38.7	18.7
<b>Indigenous children</b>									
Number of children	3187	876	1240	2862	1420	303	128	1391	11 407
Representation in children's services	4.9	1.3	7.8	9.3	6.3	5.2	3.2	43.2	5.3
Representation in the community (3–5 years)	4.1	1.2	6.4	5.8	3.5	6.4	2.3	41.8	4.5
<b>Children with disability<sup>i</sup></b>									
Number of children	3546	4139	956	950	3100	na	179	128	12 998
Representation in children's services	5.5	6.2	6.0	3.1	13.8	na	4.5	4.0	6.1
Representation in the community (3–5 years)	7.7	6.5	8.6	10.2	8.3	7.2	14.3	np	8.0
<b>Children from regional areas</b>									
Number of children	20 175	16 013	6364	5991	5910	5763	na	1432	61 648
Representation in children's services	31.3	23.9	40.2	19.5	26.3	98.3	na	44.4	28.9
Representation in the community (3–5 years)	28.0	27.5	45.1	24.5	26.2	97.7	0.1	48.2	32.3
<b>Children from remote areas</b>									
Number of children	777	42	1966	2539	1280	97	..	1790	8491
Representation in children's services	1.2	0.1	12.4	8.3	5.7	1.7	..	55.6	4.0
Representation in the community (3–5 years)	0.7	0.1	4.7	9.0	4.4	2.0	..	53.1	3.2

na = not available; np = not published; .. = not applicable.

a Data for representation in the community is estimated from the ABS *Census of Population and Housing 2006*, except for 'children with a disability'. Data for the representation of children with disability in the community was obtained from the ABS *Survey of Disability, Ageing and Carers 2003*. Due to the various data sources used in different years, caution should be used when making comparisons across the years.

b As NSW does not discriminate between child care and preschool services, special needs children counted in child care services include the count of children accessing designated preschool services. Data is for children attending funded licensed services during the survey week in September. In NSW, total special needs children using child care services and total special needs children using preschool services should not be added together as a total and should be interpreted with caution.

c Queensland child care data is based on an annual voluntary census and response rates are variable by service type and over time. Preschool data includes Indigenous Community Pre-Preparatory services and C&K community kindergarten services. Data on regional and remote areas is for children attending in the census week, based on location of services according to the Australian Standard Geographic Classification.

d For WA, it is assumed that the ratio of disabled students in the non-government system is the same as in the government system.

- e In SA, children in preschool in the year before full-time school include 4- and 5-year-old children only.
- f In the ACT there are no regions classified as remote. In the ACT preschool students may be counted in more than one special needs group.
- g NT preschools data includes Catholic Remote schools. Data for children from non-English speaking backgrounds is of a quality too poor to report. Aboriginal and Torres Strait Islander children and children with disability in preschools include 3-year-old children. Aboriginal and Torres Strait Islander children aged 4 years in preschool are a proxy for children in preschool in the year before full-time school. Children with disability aged 4 and 5 years in preschool are a proxy for children in preschool in the year before full-time school.
- h Data for Australia for children in services is the total of the sum of the states and territories for which data is available, and should not be interpreted as national data. All other data for Australia represents all states and territories and can be considered as national data.
- i Data is not directly comparable between jurisdictions because there is no national definition or standard on children with disability. In Victoria, children with disability in preschool services are children identified as having additional needs by the qualified early childhood teacher delivering the funded kindergarten program. In Queensland, the definition of disability refers to a diagnosed disability.

Source: Steering Committee for the Review of Government Service Provision 2011, *Report on government services 2011*, Commonwealth of Australia, Table 3A.16.

### Indicator 5—Proportion of students at or above the national minimum standard in reading and numeracy for students in schools participating in the Literacy and Numeracy National Partnership in years 3, 5 and 7

The National Partnership Agreement on Literacy and Numeracy between the Commonwealth, state and territory governments aims to deliver sustained improvements in literacy and numeracy outcomes for all students, especially those who are falling behind.

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

The national partnership has been implemented in different ways in each state and territory, and performance measures and targets are negotiated bilaterally with each jurisdiction. Performance under the national partnership agreement is assessed by the COAG Reform Council. The council's role is to assess the extent to which targets negotiated between each jurisdiction and the Commonwealth have been met. The council's first report on the national partnership was published in April 2011 and is available on the council's website at [www.coagreformcouncil.gov.au](http://www.coagreformcouncil.gov.au).

The council report notes that the diverse range of reform strategies implemented by jurisdictions are not intended to support a comparative analysis of performance. In addition, jurisdictions did not have comparable starting points in terms of literacy and numeracy outcomes and there is significant variation in the level of ambition of reform targets set in each bilateral agreement. It is therefore not possible to provide a succinct report against this indicator in 2010–11.

The council report includes recommendations for COAG about providing simpler, standardised and more transparent public performance reporting under the national partnership. DEEWR will work to refine this indicator, in line with any changes to reporting implemented by COAG, in order to meet future reporting requirements.

### Indicator 5—Proportion of students at or above the national minimum standard in reading and numeracy for Indigenous students in years 3, 5, 7 and 9

In 2010, nationally across all domains, around 70 per cent of Aboriginal and Torres Strait Islander students were at or above the national minimum standard compared to 94 per cent for non-Aboriginal and Torres Strait Islander students. The percentage of Aboriginal and Torres Strait Islander students at or above the national minimum standards ranged from 62.7 per cent for Year 9 grammar and punctuation to 79 per cent for Year 3 writing.

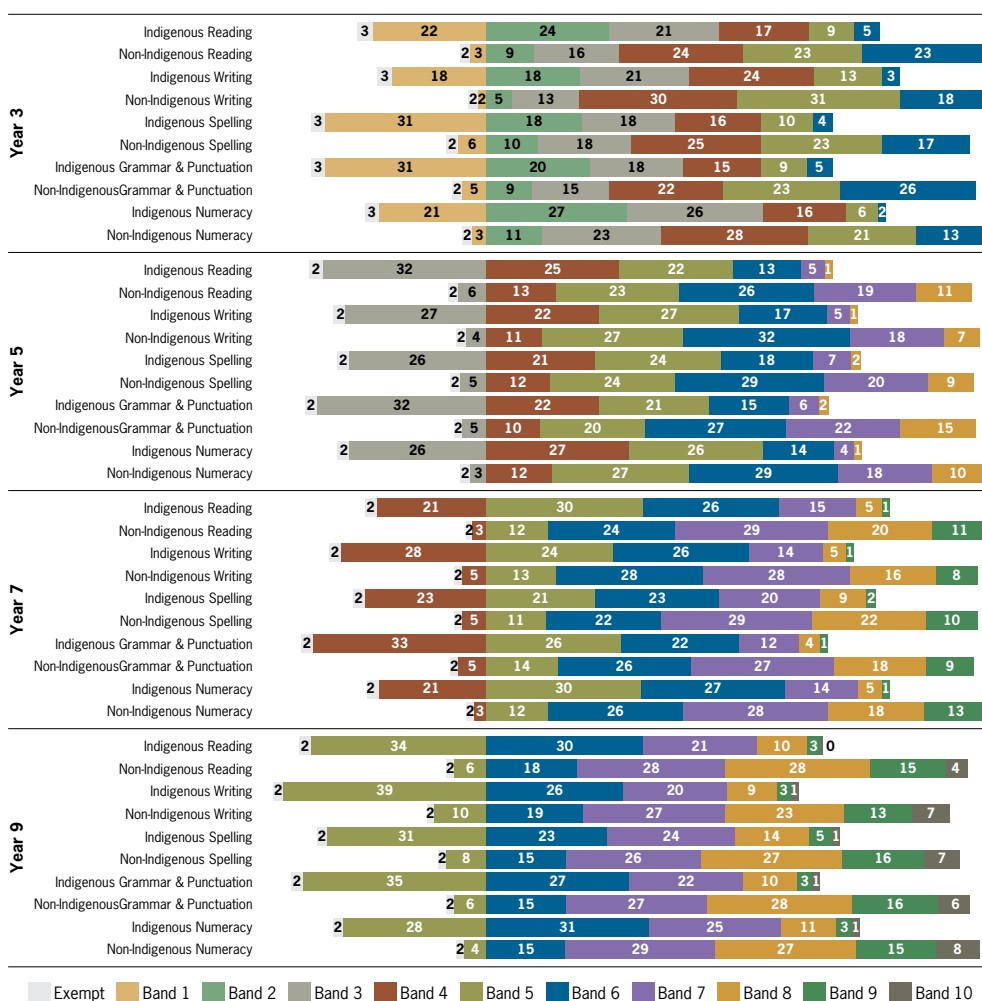
Since 2009, there have been some small decreases in the gaps between the percentages of Aboriginal and Torres Strait Islander and other Australian students at or above the national minimum standard. The largest decrease in the gap of 2.5 percentage points occurred in both Year 3 numeracy and Year 7 reading. The percentages of Aboriginal and Torres Strait Islander

and other Australian students at or above the national minimum standard in these domains and year levels increased from 2009–10, with Aboriginal and Torres Strait Islander students showing a greater increase.

Over the same period there were also increases in the gaps between the percentages of Aboriginal and Torres Strait Islander and other Australian students at or above the national minimum standard in some areas, and in particular for Year 9 numeracy where the increase in the gap was 2.9 percentage points. The gap between Aboriginal and Torres Strait Islander and other Australian student results for Year 9 numeracy increased because the decrease in the percentage of students achieving at or above the national minimum standard was larger for Aboriginal and Torres Strait Islander students (75 per cent in 2009 to 70.4 per cent in 2010) than for other Australian students (96 per cent in 2009 to 94.3 per cent in 2010).

Chart 11 shows the percentage distribution of Aboriginal and Torres Strait Islander students across the achievement bands for all domains compared to the percentage distribution of other Australian students for 2010. The chart highlights the comparison of percentages of Aboriginal and Torres Strait Islander and other Australian students below the national minimum standard.

**Chart 11: Percentage distribution of students across the NAPLAN achievement bands, 2010**



Source: Australian Curriculum, Assessment and Reporting Authority (ACARA) 2010, *National Report for 2010, National Assessment Program – Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy*.

In 2010, for the first time, data on student 'gain' was available. Student gain is a measure of the increase in achievement for the same cohort of students (for example, Year 3 in 2008 and Year 5 in 2010).

Table 66 shows that in the Year 3 to Year 5 cohort the gains for Aboriginal and Torres Strait Islander students were similar to those of other Australian students in all domains except spelling, where the gains for Aboriginal and Torres Strait Islander students were statistically significant and exceeded those for other Australian students. This was largely due to the statistically significant gains made in spelling by Aboriginal and Torres Strait Islander students in Victoria.

In the Year 5 to Year 7 cohort the gains for Aboriginal and Torres Strait Islander students were statistically significant and exceeded those for other Australian students in reading and grammar and punctuation. In all other domains the Aboriginal and Torres Strait Islander and other Australian student gains were similar.

In the Year 7 to Year 9 cohort the gains for Aboriginal and Torres Strait Islander students and other Australian students were similar for all domains.

**Table 66: Percentage gains for students in various cohorts across the NAPLAN domains, 2010**

Cohort by year	Domain	Average gain	Average gain Indigenous students	Average gain non-Indigenous students	Difference Indigenous and non-Indigenous students
3 to 5	Reading	86.9	95.9	86.4	9.5
	Writing	71.0	72.2	70.9	1.3
	Spelling	87.6	103.8	86.7	17.1
	Grammar and punctuation	96.5	103.9	96.1	7.8
	Numeracy	91.9	89.3	92.1	-2.8
5 to 7	Reading	61.6	73.6	60.9	12.7
	Writing	47.0	48.5	46.7	1.8
	Spelling	60.9	66.4	60.5	5.9
	Grammar and punctuation	38.9	52.8	38.1	14.7
	Numeracy	71.9	69.5	71.9	-2.4
7 to 9	Reading	37.2	39.1	36.9	2.2
	Writing	34.0	32.2	33.7	-1.5
	Spelling	39.8	41.4	39.5	1.9
	Grammar and punctuation	49.9	55.2	49.3	5.9
	Numeracy	40.1	39.0	39.9	-0.9

Source: Australian Curriculum, Assessment and Reporting Authority (ACARA) 2010, *National Report for 2010, National Assessment Program – Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy*.



### Priority area 3: Improving outcomes for people living with disability

Indicator 6—Proportion of job seekers with disability in employment, education or training three months after participation in employment services

Job Services Australia and Disability Employment Services play an important role in promoting social inclusion and participation of people with disability. The department measures the employment, education and training outcomes of job seekers with disability who participate in these services. Outcomes data show how job seekers in this group benefit from participation in employment services (see Table 67).

**Table 67: Proportion of job seekers with disability in employment, education and training three months after participation in employment services**

Indicator	Program	2010–11
Proportion of job seekers with disability in employment, education and training three months after participation in employment services	Job Services Australia/ Disability Employment Services	42.3%

## Appendix 5 Tripartite consultation on International Labour Organization matters

This report on tripartite consultations on International Labour Organization (ILO) matters has been prepared in accordance with Australia's commitments under the ILO Tripartite Consultation (International Labour Standards) Convention, 1976 (Convention No. 144). Australia ratified the convention in June 1979.

Tripartite consultation on ILO matters, including international labour standards, occurs through:

- » regular meetings of the International Labour Affairs Committee (ILAC), a committee of the National Workplace Relations Consultative Council
- » direct consultation between the department and the representative worker and employer organisations (the social partners)—that is, the Australian Council of Trade Unions, the Australian Chamber of Commerce and Industry, and the Australian Industry Group.

ILAC was established in 1978 under section 12(1) of the then *National Labour Consultative Council Act 1977* (replaced by the *National Workplace Relations Consultative Council Act 2002*). Its terms of reference require it to consider matters of substance relating to the ILO and other relevant international bodies.

In 2010–11, ILAC met three times: 1 November 2010, 25 February 2011 and 3 May 2011.

Article 5 of Convention No. 144 requires consultation on several matters. A summary of these matters, and the way in which the Australian Government responded to them in 2010–11, follows.

### Government replies to questionnaires

The social partners were invited to contribute to a variety of Australian Government responses to ILO questionnaires and reports throughout 2010–11.

#### Tabling of HIV and AIDS Recommendation 2010 (No. 200)

The social partners were invited to comment on a new recommendation, adopted by the ILO in June 2010, which was designed to strengthen the contribution of the world of work to universal access to HIV prevention, treatment, care and support.

As required by the ILO, the department tabled the recommendation in the Australian Parliament on 15 June 2011 with an accompanying submission detailing the extent to which the recommendation is given effect in Australia and further action in relation to the recommendation.

#### 2011 International Labour Conference

The One-Hundredth Session of the International Labour Conference held on 1–17 June 2011 covered the following technical items:

- » decent work for domestic workers (standard setting—second discussion)
- » general discussion on labour administration and inspection
- » recurrent discussion on the strategic objective of social security.

The technical items covered at the conference were discussed at the ILAC meetings of 25 February 2011 and 3 May 2011. Consultations with social partners on the technical items were also undertaken in the margins of the conference.

### Article 19 report on selected unratified conventions

The Australian Government was required to respond to a questionnaire on unratified ILO conventions and recommendations which is requested annually under Article 19 of the ILO Constitution. In 2010–11 Australia was required to report on fundamental ILO conventions that it has not ratified, of which there is one:

- » Convention No. 138, Minimum Age Convention, 1973.

ILAC members were informed of this obligation at meetings on 1 November 2010 and 25 February 2011.

### Re-examination at appropriate intervals of unratified conventions and of recommendations

At the ILAC meetings of 1 November 2010, 25 February 2011 and 3 May 2011, members discussed the following unratified ILO instruments:

- » Convention No. 129, Labour Inspection (Agriculture) Convention, 1969
- » Convention No. 138, Minimum Age Convention, 1973
- » Convention No. 162, Asbestos Convention, 1986
- » Convention No. 169, Indigenous and Tribal Peoples Convention, 1989
- » Convention No. 175, Part-Time Work Convention, 1994
- » Convention No. 177, Home Work Convention, 1996
- » Convention No. 186, Maritime Labour Convention, 2006
- » Protocol No. 155, Protocol of 2002 to the Occupational Safety and Health Convention, 1981.

During 2010–11 ILAC noted, with respect to Convention No. 162, Convention No. 175 and Protocol No. 155, that all states and territories had confirmed that their law and practice was compliant with these instruments and had expressed their support for ratification. ILAC members were further advised that ratification of these instruments would take place in 2011.

The United Nations International Convention on the Protection of the Rights of all Migrant Workers and Their Families was also discussed at the ILAC meeting on 1 November 2010.

### Questions arising out of reports made to the ILO under Article 22 of the ILO Constitution

In late 2010, in accordance with Article 22 of the ILO Constitution, the Australian Government submitted reports to the ILO on the following ratified ILO conventions. The social partners were invited to comment on these reports and were provided with final copies.

- » Convention No. 29, Forced Labour Convention, 1930
- » Convention No. 42, Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934
- » Convention No. 81, Labour Inspection Convention, 1947
- » Convention No. 88, Employment Service Convention, 1948
- » Convention No. 105, Abolition of Forced Labour Convention, 1957
- » Convention No. 155, Occupational Safety and Health Convention, 1981
- » Convention No. 159, Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983
- » Convention No. 182, Worst Forms of Child Labour Convention, 1999.

The Australian Council of Trade Unions provided comments to the ILO on these reports.

The social partners were also invited to contribute to reports required under the ILO Constitution in relation to certain ratified conventions. Reports are due to be submitted to the ILO in September 2011 for the following ratified conventions:

- » Convention No. 10, Minimum Age (Agriculture) Convention, 1921
- » Convention No. 11, Right of Association (Agriculture) Convention, 1921
- » Convention No. 87, Freedom of Association and Protection of the Right to Organise Convention, 1948
- » Convention No. 98, Right to Organise and Collective Bargaining Convention, 1949
- » Convention No. 99, Minimum Wage Fixing Machinery (Agriculture) Convention, 1951
- » Convention No. 100, Equal Remuneration Convention, 1951
- » Convention No. 111, Discrimination (Employment and Occupation) Convention, 1958
- » Convention No. 112, Minimum Age (Fishermen) Convention, 1959
- » Convention No. 122, Employment Policy Convention, 1964
- » Convention No. 123, Minimum Age (Underground Work) Convention, 1965
- » Convention No. 131, Minimum Wage Fixing Convention, 1970
- » Convention No. 144, Tripartite Consultation (International Labour Standards) Convention, 1976
- » Convention No. 156, Workers with Family Responsibilities Convention, 1981
- » Convention No. 158, Termination of Employment Convention, 1982
- » Convention No. 173, Protection of Workers' Claims (Employer's Insolvency) Convention, 1992.

## Appendix 6 Commonwealth involvement in proceedings before courts and tribunals

This appendix describes matters dealt with by courts or tribunals in 2010–11 that involved participation by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations or funding provided by the department.

### Fair Work Australia

#### Annual Wage Review 2010–11

On 18 March 2011, the Australian Government lodged its submission to Fair Work Australia's Annual Wage Review 2010–11. The Government's submission recommended that any increase to the national minimum wage and award wages in 2011 should reflect changes in living costs and other changes in the economic environment since the last minimum wage rise in 2010, such as employment, wages growth, inflation and productivity outcomes.

On 13 May 2011, the Government lodged a post-budget submission which updated the Minimum Wage Panel with the Government's 2011–12 macroeconomic forecasts as well as relevant budget measures and other data released since the initial submission was lodged. The panel held consultation hearings with key stakeholders over three days, beginning on 16 May 2011. Officials from DEEWR and the Treasury attended the consultation hearings to outline the Government's position.

On 3 June 2011, the panel released its decision to set the new national minimum wage at \$589.30 per week, or \$15.51 per hour, with effect from the first full pay period on or after 1 July 2011.

#### Application for an Equal Remuneration Order in the Social and Community Services Industry (Case No. C2010/3131)

On 11 March 2010, the Australian Municipal, Administrative, Clerical and Services Union, on behalf of itself and four other unions, filed an application under the *Fair Work Act 2009* for an equal remuneration order for social and community services workers. The application, which has been varied during the course of the proceedings, seeks significant pay increases for these workers. A full bench of Fair Work Australia handed down a preliminary decision in the matter on 16 May 2011 which, among other things, sought further submissions from the parties to assist the bench in determining an appropriate remedy in the case. In accordance with directions issued by Fair Work Australia in the case, the Government filed submissions on 18 November 2010 and 4 March 2011; a third submission will be filed in July 2011. The matter is listed for further hearings in August 2011.

## Appendix 7 Advertising and market research

Details of payments made to advertising, market research, polling, media advertising and direct mail organisations by the department in 2010–11 are listed in the following tables. Where the total paid is less than \$11 200 (inclusive of GST) details have not been included. This is consistent with section 311A of the *Commonwealth Electoral Act 1918*.

**Table 68: Advertising agencies**

Procurement reference no.	Contract no.	Organisation	Service provided	Total \$ paid in 2010–11
26226	83324	Newd Corp. Pty Ltd	Development of creative materials for the Child Care Assistance Awareness campaign	1 003 040.50
<b>Total</b>				<b>1 003 040.50</b>

**Table 69: Market research and polling organisations**

Procurement reference no.	Contract no.	Organisation	Service provided	Total \$ paid in 2010–11
23578	80290	Bloomberg L. P	Data service subscription for 2009–10	27 340.46
26227	83340	Blue moon Unit Trust	Developmental and product testing market research for My University website, HELP and VET FEE-HELP programs	207 130.00
25919	83000	Hall & Partners Open Mind Pty Ltd	Market research with working age Australians and employers in relation to their language, literacy and numeracy communication needs, stigma and barriers	243 930.00
25432	83475	Lighthouse Data Collection Pty Ltd	Fieldwork services for the 2011 Metro Survey	57 420.00
26220	83258	Orima Research Pty Ltd	Market research services for the Child Care Assistance Awareness campaign	387 512.00
25198	83730	The Australian Council for Educational Research Limited	Development of a University Experience Survey	195 320.00
24859	81566	Universities Australia	National survey of international students studying in Australian higher education sector	28 000.00
9042	76555	Wallis Consulting Group Pty Ltd	Conduct of the Longitudinal Surveys of Australian Youth 2006–2011	1 177 494.70
<b>Total</b>				<b>2 324 147.16</b>

Table 70: Media advertising organisations

Procurement reference no.	Contract no.	Organisation	Service provided	Total \$ paid in 2010–11
26118	83047	Adcorp Australia Limited	2011 Indigenous Staff Scholarship program	20 175.39
26228	83135	Adcorp Australia Limited	Advertising of the 2011 Endeavour Awards	18 789.35
26970	83912	Adcorp Australia Limited	Provision of advertising services for National Literacy and Numeracy Week 2011	19 503.00
27116	84039	Adcorp Australia Limited	Advertising of the 2012 Endeavour Awards	17 823.00
27137	84072	Adcorp Australia Limited	Advertising of positions available in the Australian Skills Quality Authority	13 416.34
4500011678	4500011678	Adcorp Australia Limited	Workplace English Language and Literacy resource 2009–10 advertisement	21 336.05
4500020792	4500020792	Adcorp Australia Limited	Advertising of Language, Literacy and Numeracy Practitioner Scholarships program	25 049.01
4500026907	4500026907	Adcorp Australia Limited	Workplace English Language and Literacy resource 2010–11 advertisement	24 614.19
4500027757	4500027757	Adcorp Australia Limited	Adult Learners Week 2011	18 540.44
4500028943	4500028943	Avant Card Pty Ltd	Production of Avant Cards promoting a career in early childhood and providing information on the Government's Early Childhood Workforce initiatives	13 123.00
26462	83425	Mediabrand Australia Pty Ltd	Indigenous Youth Leadership program	11 475.65
26613	83565	Mediabrand Australia Pty Ltd	Advertising services for the Child Care Assistance Awareness campaign	6 910 388.00
26800	83728	Mediabrand Australia Pty Ltd	Advertising services for National Youth Week 2011	20 216.87
25754	83580	Sensis Pty Ltd	Provision of DEEWR's White Pages and Yellow Pages listing and directory assistance throughout Australia	516 885.00
<b>Total</b>				<b>7 651 335.29</b>

Table 71: Direct mail organisations

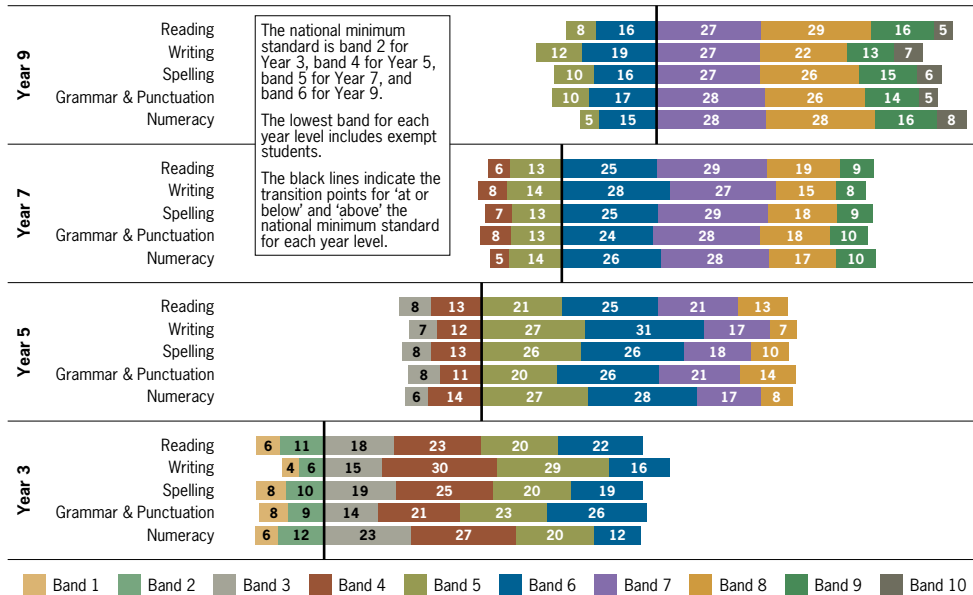
Procurement reference no.	Contract no.	Organisation	Service provided	Total \$ paid in 2010–11
26924	83812	Blue Star Group Australia Pty Limited	Distribution of printed material for National Literacy and Numeracy Week 2011	24 821.06
23381	79928	Salamat Document Management	Job seeker and employer direct mail for the new employment services campaign	312 000.00
<b>Total</b>				<b>336 821.06</b>

## Appendix 8 Errors in the 2009–10 annual report

This appendix details errors identified in the 2009–10 annual report and the relevant corrections.

### Outcome 2

On page 38, under 'Indigenous students achieving national minimum standards in literacy and numeracy', Chart 2.2 should be replaced with the chart below as the data was not aligned to the right domains.



On page 43, in the last sentence under 'Establishment Assistance' the figure should have been \$358 533 not \$358 533 408.

On page 48, under 'Quality Outcomes Program—other initiatives', in the third sentence the words 'national awards for excellence in school music education and' should be deleted.

### Outcome 4

On page 115, under 'Key achievements' the sixth dot point should have read 'Changes were introduced to Youth Allowance from 1 July 2009 to support the Youth Compact and the National Youth Participation Requirements agreed by COAG in April 2009'.

### Part 3—Corporate accountability

On page 180, under 'Consultancies' the first paragraph should have read 'During 2009–10, 169 new consultancies were entered into, involving total actual expenditure of \$17 393 133. In addition, 66 ongoing consultancy contracts were active during 2009–10, involving total actual expenditure of \$10 541 629.'

### Appendix 6—Advertising and market research

On page 221, in Table A6.2—Market research and polling organisations, the following contract information should have been included:

Procurement reference no.	Contract no.	Organisation	Service provided	Total \$ paid in 2009–10
9042	76555	Wallis Consulting Group Pty Ltd	Conduct of the Longitudinal Surveys of Australian Youth 2006–2011	713 080.00



### Appendix 7—Consultants and consultancy services

On page 223, under 'Summary of active consultancies' the paragraph should have read 'During 2009–10, 169 new consultancies were entered into, involving total actual expenditure of \$17 393 133. In addition, 66 ongoing consultancy contracts were active during 2009–10, involving total actual expenditure of \$10 541 629.'

On page 231, the contract with procurement reference number 25377 should have been excluded.

The following contracts should have been included in Table A7.1—Consultancy contracts let in 2009–10:

Group	Procurement reference no.	Contract no.	Consultant name	Description	Contract price \$	Selection process	Justification
Curriculum Assessment and Teaching	20829	83318	Australian Council for Educational Research	Staff in Australia's Schools Survey 2010	483 797.00	OT	B
	26422	83377	Australian Council for Educational Research	Consultancy services for the Organisation for Economic Co-operation and Development Teaching and Learning International survey	446 480.00	OT	B
	24681	82215	Australian Council for Educational Research	The implementation and coordination of the Fifth Cycle of the Organisation for Economic Co-operation and Development Programme for International Student Assessment 2012	2 289 755.05	OT	B
Early Childhood Quality	25091	81797	Griffith University	Development of the Framework for school age care	86 637.00	SS	B
	26144	83131	Australian Council for Educational Research	Development of an assessment and rating process for the National Quality Standard	185 200.00	OT	C
Finance and Business Services	25679	82560	The Nous Group	Information technology consultation services	77 298.02	OT	B
Higher Education	26267	83366	The trustee for Phillips KPA Unit Trust	Analysis of the public benefits of higher education	73 590.00	OT	B
Indigenous Economic Strategy	24860	81548	University of Melbourne	Provision of management and business professionals and administrative services	90 900.00	SS	B
	25146	81878	Cuttagee Consulting Pty Ltd	Advice in relation to demanded strategies and improved outcomes for disadvantaged jobseekers	13 000.00	SS	C
National Schools and Youth Partnerships	25304	81879	Turner, David John	Development of Partnership Broker resources	13 750.00	SS	B
	25845	82832	Business Aspect	Technical advice for a high-speed broadband tender process	100 400.00	OT	B
	26186	83174	The trustee for Phillips KPA Unit Trust	Research to support the consultations of the Business – School Connections Roundtable	108 570.00	OT	C
Skills	20829	79320-WO006	Urbis Pty Ltd	Foundation Skills Taster Course evaluation	213 023.15	OT	B
	25222	82210	NCVER	Projections of the supply of tradespeople for 2015 and 2020 relating to the resources sector	35 640.00	OT	B
Workplace Relations Policy	25342	82218	Mercer (Australia) Pty Ltd	Provision of research	77 997.15	RS	C
<b>Subtotal</b>					<b>4 296 037.37</b>		

## Appendix 9 Agency resource statements and resources for Outcomes

<b>Agency Resource Statement—2010–11</b>			
	<b>Actual Available Appropriations for 2010–11</b>	<b>Payments Made 2010–11</b>	<b>Balance Remaining</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Ordinary Annual Services</b>			
<b>Departmental appropriation</b>			
Prior year departmental appropriation	180,060	151,330	28,730
Departmental appropriation	817,875	679,852	138,023
S.31 Relevant agency receipts	43,772	43,772	-
<b>Total</b>	<b>1,041,707</b>	<b>874,954</b>	<b>166,753</b>
<b>Administered expenses</b>			
Outcome 1	383,355	384,068	
Outcome 2	387,890	387,857	
Outcome 3	1,887,941	1,798,636	
Outcome 4	2,928,315	2,724,324	
Outcome 5	168,460	164,811	
Payments to CAC Act Bodies	8,372	8,372	
<b>Total</b>	<b>5,764,333</b>	<b>5,468,068</b>	
<b>Total ordinary annual services</b>	<b>6,806,040</b>	<b>6,343,022</b>	
<b>Other services</b>			
<b>Administered expenses</b>			
<b>Specific payments to States, ACT, NT and local government</b>			
Outcome 2	1,750,494	1,757,489	
<b>Total</b>	<b>1,750,494</b>	<b>1,757,489</b>	
<b>Departmental non-operating</b>			
Prior year departmental appropriation			-
Equity injections	5,917	5,917	-
Previous years' outputs			-
<b>Total</b>	<b>5,917</b>	<b>5,917</b>	<b>-</b>
<b>Total other services</b>	<b>1,756,411</b>	<b>1,763,406</b>	
<b>Total available annual appropriations</b>	<b>8,562,451</b>	<b>8,106,428</b>	

<b>Agency Resource Statement—2010–11</b>			
	<b>Actual Available Appropriations for 2010–11</b>	<b>Payments Made 2010–11</b>	<b>Balance Remaining</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Special appropriations</b>			
<b>Special appropriations limited by criteria/entitlement</b>			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>		3,588,425	
<i>Flexibility in Achieving Australia's Skills Act 2005</i>		-	
<i>Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004</i>		-	
<i>Schools Assistance Act 2008</i>		7,084,494	
<i>Indigenous Education (Targeted Assistance) Act 2000</i>		175,980	
<i>Higher Education Support Act 2003</i>		9,401,830	
<i>Student Assistance Act 1973</i>		277,066	
<i>Social Security (Administration) Act 1999</i>		16,621,818	
<i>Skilling Australia's Workforce Act 2005</i>		-	
<i>Coal Mining Industry (LSL) Funding Act 1992</i>		-	
<i>Remuneration and Allowances Act 1990</i>		4,823	
<i>Remuneration and Tribunal Act 1973</i>		4,059	
<i>Safety, Rehabilitation and Compensation Act 1988</i>		45,303	
<i>Asbestos-related Claims (Management of Commonwealth Liabilities Act) 2005</i>		22,314	
<b>Total special appropriations</b>		<b>37,226,112</b>	
<b>Special Accounts</b>			
Opening Balance	6,534		
Appropriation receipts	405,001		
Appropriation receipts - other agencies	-		
Non-appropriation receipts to Special Accounts	5,722		
Payments made		410,776	
Closing Balance			6,481

<b>Outcome 1</b>			
	<b>Budget</b>	<b>Actual expenses</b>	<b>Variation</b>
	<b>(2010–11)</b>	<b>(2010–11)</b>	<b>(2010–11)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Administered expenses</b>			
<b>Program 1.1: Support for the Child Care System</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Child Care Services Support	340,345	308,500	-31,845
Jobs Education and Training (JET) Child Care Fee Assistance	52,675	65,328	12,653
<b>Total for Program 1.1</b>	<b>393,020</b>	<b>373,828</b>	<b>-19,192</b>
<b>Program 1.2: Child Care Fee Assistance</b>			
<b>Special Appropriations</b>			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>			
Child Care Benefit	2,105,241	2,207,970	102,729
Child Care Rebate	1,495,573	1,562,590	67,017
<b>Total for Program 1.2</b>	<b>3,600,814</b>	<b>3,770,560</b>	<b>169,746</b>
<b>Program 1.3: Early Childhood Education</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Early Childhood Education- Universal Access	3,000	2,806	-194
<b>Total for Program 1.3</b>	<b>3,000</b>	<b>2,806</b>	<b>-194</b>
<b>Outcome 1 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary Annual Services (Appropriation Bill No 1)	396,020	376,634	-19,386
Other services (Appropriation Bill No. 2)	-	-	-
Special Appropriations	3,600,814	3,770,560	169,746
Special Accounts	-	-	-
<b>Departmental expenses</b>			
Ordinary Annual Services (Appropriation Bill No 1)	84,043	89,144	5,101
Revenues from independent sources (Section 31)	1,397	609	-788
Special Appropriations	-	-	-
Special Accounts	-	-	-
Expenses not requiring appropriation in the Budget year	1,799	7,602	5,803
<b>Total for Outcome 1</b>	<b>4,084,073</b>	<b>4,244,549</b>	<b>160,476</b>
<b>Average staffing level (number)</b>	<b>472</b>	<b>584</b>	<b>112</b>

<b>Outcome 2</b>			
	<b>Budget</b>	<b>Actual expenses</b>	<b>Variation</b>
	<b>(2010–11)</b>	<b>(2010–11)</b>	<b>(2010–11)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Administered expenses</b>			
<b>Program 2.1: Government Schools National Support</b>			
<b>Administered expenses</b>	-	-	-
<b>Special Appropriations</b>	-	-	-
<b>Total for Program 2.1</b>	-	-	-
<b>Program 2.2: Non-government Schools National Support</b>			
<b>Special Appropriations</b>			
<i>Schools Assistance Act 2008</i>	7,112,006	7,088,066	-23,940
<i>Indigenous Education (Targeted Assistance) Act 2000</i>	146,475	175,900	29,425
<b>Total for Program 2.2</b>	<b>7,258,481</b>	<b>7,263,966</b>	<b>5,485</b>
<b>Program 2.3: Schools Support</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Rewards for School Improvement	3,993	-	-3,993
Empowering Local Schools	-	-	-
Reward Payments for Great Teachers	-	-	-
Teach Next	-	-	-
National Trade Cadetship	2,500	-	-2,500
Online Diagnostic Tools	2,847	-	-2,847
National Asian Languages in Schools	28,194	28,128	-66
Grants and Awards	3,978	3,939	-39
National School Chaplaincy Program	49,858	49,810	-48
Helping Children with Autism	5,265	5,242	-23
Quality Outcomes	56,963	54,518	-2,445
Framework for Open Learning	3,306	3,201	-105
Supplementary Funding for School Operations	4,000	4,000	-
Local Schools Working Together	18,230	18,287	57
Indigenous Education	51,825	37,219	-14,606
<b>Total for Program 2.3</b>	<b>230,959</b>	<b>204,344</b>	<b>-26,615</b>
<b>Program 2.4: Trade Training</b>			
<b>Other Services (Appropriation Bill No 2)</b>			
Trade Training Centres (Non-government)	91,246	68,368	-22,878
<b>Total for Program 2.4</b>	<b>91,246</b>	<b>68,368</b>	<b>-22,878</b>
<b>Program 2.5: Digital Education Revolution</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Digital Education Revolution Project Pool	40,431	40,369	-62
<b>Other Services (Appropriation Bill No 2)</b>			
Digital Education Revolution (Non-government)	37,000	37,000	-
<b>Total for Program 2.5</b>	<b>77,431</b>	<b>77,369</b>	<b>-62</b>
<b>Program 2.6: National Action Plan on Literacy and Numeracy</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
National Action Plan on Literacy and Numeracy (Non-Government)	14,814	10,321	-4,493
<b>Total for Program 2.6</b>	<b>14,814</b>	<b>10,321</b>	<b>-4,493</b>
<b>Program 2.7: Education Infrastructure (referred to as Building the Education Revolution)</b>			
<b>Other Services (Appropriation Bill No 2)</b>			
Building the Education Revolution (Non-government)	1,750,598	1,645,126	-105,472
<b>Total for Program 2.7</b>	<b>1,750,598</b>	<b>1,645,126</b>	<b>-105,472</b>

<b>Outcome 2</b>			
	<b>Budget</b>	<b>Actual expenses</b>	<b>Variation</b>
	<b>(2010–11)</b>	<b>(2010–11)</b>	<b>(2010–11)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Program 2.8: Smarter Schools- Low SES School Communities National Partnership</b>			
Administered expenses	-	-	-
Special Appropriations	-	-	-
<b>Total for Program 2.8</b>	-	-	-
<b>Program 2.9: Smarter Schools- Improving Teacher Quality National Partnership</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Teacher Quality (Non government)	3,798	3,719	-79
<b>Total for Program 2.9</b>	<b>3,798</b>	<b>3,719</b>	<b>-79</b>
<b>Program 2.10: More support for students with disabilities</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Students with Disabilities	-	-	-
<b>Other Services (Appropriation Bill No 2)</b>			
Students with Disabilities (Non Government)	-	-	-
<b>Total for Program 2.10</b>	-	-	-
<b>Program 2.11: Youth Support</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Youth Attainment and Transitions NP	115,960	116,065	105
Youth Engagement	7,294	7,111	-183
<b>Special Account Expenses:</b>			
National Youth Affairs Research Scheme Special Account	240	114	-126
<b>Total for Program 2.11</b>	<b>123,494</b>	<b>123,290</b>	<b>-204</b>
<b>Program 2.12: School Student Assistance</b>			
<b>Special Appropriations</b>			
<i>Student Assistance Act 1973</i>			
ABSTUDY—Secondary	136,807	137,588	781
Assistance for Isolated Children	69,379	61,958	-7,421
<b>Special Account Expenses:</b>			
Superannuation Payments for ATAS Tutors	5	-	-5
<b>Total for Program 2.12</b>	<b>206,191</b>	<b>199,546</b>	<b>-6,645</b>
<b>Outcome 2 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary Annual Services (Appropriation Bill No 1)	413,256	381,929	-31,327
Other services (Appropriation Bill No. 2)	1,878,844	1,750,494	-128,350
Special Appropriations	7,464,667	7,463,512	-1,155
Special Accounts	245	114	-131
<b>Departmental expenses</b>			
Ordinary Annual Services (Appropriation Bill No 1)	170,814	127,532	-43,282
Revenues from independent sources (Section 31)	2,632	928	-1,704
Special Appropriations	-	-	-
Special Accounts	-	-	-
Expenses not requiring appropriation in the Budget year	13,765	18,293	4,528
<b>Total for Outcome 2</b>	<b>9,944,223</b>	<b>9,742,802</b>	<b>-201,421</b>
<b>Average staffing level (number)</b>	<b>1,062</b>	<b>838</b>	<b>-224</b>

<b>Outcome 3</b>			
	<b>Budget</b>	<b>Actual expenses</b>	<b>Variation</b>
	<b>(2010–11)</b>	<b>(2010–11)</b>	<b>(2010–11)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Administered expenses</b>			
<b>Program 3.1: Higher Education Support</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Tertiary Education Quality and Standards Agency	11,991	9,683	-2,308
Indigenous Higher Education Advisory Council	301	200	-101
Higher Education Special Projects	2,000	2,000	-
Superannuation Payments for Former Commissioners	81	76	-5
Centre for Finance and International Regulation	-	-	-
<b>Special Appropriations</b>			
<i>Higher Education Support Act 2003</i>			
Commonwealth Grant Scheme	5,065,208	5,006,310	-58,898
Higher Education Participation and Partnerships Program	84,849	78,126	-6,723
Disability Support Program	6,137	6,267	130
Indigenous Support Program	35,789	35,869	80
Diversity and Structural Adjustment	32,185	18,109	-14,076
Superannuation Program—Higher Education <sup>1</sup>	274,897	305,000	30,103
Quality Initiatives	29,493	28,040	-1,453
Open Learning Initiative	280	278	-2
National Institutes	181,370	181,369	-
Commonwealth Scholarships	102,293	69,340	-32,953
Higher Education Special Projects (Capital Development Pool)	75,170	61,869	-13,301
<b>Special Accounts</b>			
<i>Education Investment Fund</i>	383,303	383,303	-
<b>Total for Program 3.1</b>	<b>6,285,347</b>	<b>6,185,839</b>	<b>-99,508</b>
<b>Program 3.2: HELP</b>			
<b>Special Appropriations</b>			
<i>Higher Education Support Act 2003</i>			
Higher Education Loan Programmes (HELP) <sup>1</sup>	1,351,678	1,078,211	-273,467
<b>Total for Program 3.2</b>	<b>1,351,678</b>	<b>1,078,211</b>	<b>-273,467</b>
<b>Program 3.3: Tertiary Student Assistance</b>			
<b>Special Appropriations</b>			
<i>Student Assistance Act 1973</i>			
ABSTUDY—Tertiary	66,183	73,258	7,075
<i>Social Security Act 1991</i>			
Austudy	389,999	418,819	28,820
Youth Allowance	2,656,776	2,555,704	-101,072
Fares Allowance	1,177	698	-479
<b>Total for Program 3.3</b>	<b>3,114,135</b>	<b>3,048,479</b>	<b>-65,656</b>
<b>Program 3.4: Vocational Education and Training</b>			
<b>Special Appropriations</b>			
<i>Skilling Australia's Workforce Act 2005</i>			
Vocational Education and Training Recurrent Funding	-	18	18
<b>Total for Program 3.4</b>	<b>-</b>	<b>18</b>	<b>18</b>

<b>Outcome 3</b>			
	<b>Budget</b>	<b>Actual expenses</b>	<b>Variation</b>
	<b>(2010–11)</b>	<b>(2010–11)</b>	<b>(2010–11)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Program 3.5: VET National Support</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
National Centre for Vocational Education Research	652	652	-
Australian Apprenticeship Centres	201,636	209,240	7,604
Support for Australian Apprenticeships	1,090,350	1,065,224	-25,126
Australian Apprenticeship Workforce Skills Development	285,155	254,965	-30,190
Australian Apprenticeship Access Program	87,817	90,914	3,097
Workplace English Language and Literacy	26,467	21,863	-4,604
Language, Literacy and Numeracy	86,431	77,684	-8,747
Critical Skills Investment Fund	200	202	2
National Foundation Skills Strategy	4,108	1,384	-2,724
<b>Special Accounts</b>			
<i>Education Investment Fund</i>	21,698	21,698	-
<i>COAG National Licensing System</i>	-	3,268	3,268
<b>Total for Program 3.5</b>	<b>1,804,514</b>	<b>1,747,094</b>	<b>-57,420</b>
<b>Program 3.6: International Education Support</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
International Education and Training	58,380	58,328	-52
Assessment Subsidy for Overseas Trained Professionals	772	772	-
Education Services for Overseas Students Assurance Fund	14,300	7,200	-7,100
<b>Total for Program 3.6</b>	<b>73,452</b>	<b>66,300</b>	<b>-7,152</b>
<b>Outcome 3 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary Annual Services (Appropriation Bill No 1)	1,870,641	1,800,387	-70,254
Special Appropriations	10,353,484	9,917,285	-436,199
Special Accounts	405,001	408,269	3,268
<b>Departmental expenses</b>			
Ordinary Annual Services (Appropriation Bill No 1)	160,450	172,061	11,611
Revenues from independent sources (Section 31)	22,367	21,211	-1,156
Special Appropriations			-
Special Accounts			-
Expenses not requiring appropriation in the Budget year	30,456	38,750	8,294
<b>Total for Outcome 3</b>	<b>12,842,399</b>	<b>12,357,963</b>	<b>-484,436</b>
<b>Average staffing level (number)</b>	1,031	1,177	146

1 Actual expenses relate to actuarial assessments of the value of assets and liabilities. The outcome is dependent on numerous factors that cannot be reliably forecast.



<b>Outcome 4</b>			
	<b>Budget</b>	<b>Actual expenses</b>	<b>Variation</b>
	<b>(2010–11)</b>	<b>(2010–11)</b>	<b>(2010–11)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Administered expenses</b>			
<b>Program 4.1: Employment Services</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Job Services Australia	1,505,480	1,540,443	34,963
Job Capacity Assessment	145,311	185,311	40,000
Jobs Fund	98,370	72,475	-25,895
National Green Jobs Corps	43,670	36,670	-7,000
Productive Ageing Package	4,483	1,859	-2,624
Insulation Workers Support	6,100	2,888	-3,212
<b>Total for Program 4.1</b>	<b>1,803,414</b>	<b>1,839,646</b>	<b>36,232</b>
<b>Program 4.2: Indigenous Employment</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Indigenous Employment Program	152,436	147,921	-4,515
Indigenous Public Sector Employment	1,211	-	-1,211
<b>Total for Program 4.2</b>	<b>153,647</b>	<b>147,921</b>	<b>-5,726</b>
<b>Program 4.3: Disability Employment Services</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Employment Assistance and Other Services	28,242	28,946	704
Disability Employment Services	706,918	713,896	6,978
<b>Total for Program 4.3</b>	<b>735,160</b>	<b>742,842</b>	<b>7,682</b>
<b>Program 4.4: Working Age Payments</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Compensation and Debt Relief	198	-	-
<b>Special Appropriations</b>			
<i>Social Security (Administration) Act 1999</i>			
Mobility Allowance	129,944	129,999	55
Newstart Allowance	6,205,860	6,148,714	-57,146
Parenting Payment (Single)	4,524,470	4,531,454	6,984
Parenting Payment (Partnered)	1,046,542	1,048,067	1,525
Partner Allowance (Benefit)	25,279	25,097	-182
Partner Allowance (Pension)	191,246	191,325	79
Pensioner Education Supplement	82,477	85,877	3,400
Sickness Allowance	85,858	85,159	-699
Utilities Allowance	24,975	21,218	-3,757
Widow Allowance	407,583	405,975	-1,608
Youth Allowance (other)	685,145	707,547	22,402
<b>Total for Program 4.4</b>	<b>13,409,577</b>	<b>13,380,432</b>	<b>-28,947</b>
<b>Outcome 4 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary Annual Services (Appropriation Bill No 1)	2,692,419	2,730,409	37,990
Special Appropriations	13,409,379	13,380,432	-28,947
Special Accounts	-	-	-
<b>Departmental expenses</b>			
Ordinary Annual Services (Appropriation Bill No 1)	293,896	309,305	15,409
Revenues from independent sources (Section 31)	4,903	2,517	-2,386
Special Accounts	-	-	-
Expenses not requiring appropriation in the Budget year	67,452	58,988	-8,464
<b>Total for Outcome 4</b>	<b>16,468,049</b>	<b>16,481,651</b>	<b>13,602</b>
<b>Average staffing level (number)</b>	<b>2,102</b>	<b>2,117</b>	<b>15</b>

<b>Outcome 5</b>			
	<b>Budget</b>	<b>Actual expenses</b>	<b>Variation</b>
	<b>(2010–11)</b>	<b>(2010–11)</b>	<b>(2010–11)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Administered expenses</b>			
<b>Program 5.1: Employee Assistance</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
General Employee Entitlements and Redundancy Scheme	188,508	151,488	-37,020
<b>Special Appropriations</b>			
<i>Coal Mining Industry (LSL) Funding Act 1992</i>	118,900	123,821	4,921
<b>Total for Program 5.1</b>	<b>307,408</b>	<b>275,309</b>	<b>-32,099</b>
<b>Program 5.2: Workplace Assistance</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Protected Action Ballots Scheme	1,600	927	-673
Home Workers Code of Practice Program	1,000	1,000	-
International Labour Organisation—Subscription	8,183	7,354	-829
Fair Work Education and Information Campaign	650	131	-519
<b>Total for Program 5.2</b>	<b>11,433</b>	<b>9,412</b>	<b>-2,021</b>
<b>Program 5.3: Workers compensation payments</b>			
<b>Ordinary Annual Services (Appropriation Bill No 1)</b>			
Workers Compensation payment	8,809	8,372	-437
<b>Special Appropriations</b>			
<i>Asbestos related claims Act 200–s8(2)</i>	22,314	1,615	-20,699
<i>Safety, Rehabilitation &amp; Compensation Act–s90D</i>	43,030	266,697	223,667
<b>Total for Program 5.3</b>	<b>74,153</b>	<b>276,684</b>	<b>202,531</b>
<b>Program 5.4: Parliamentarians' and Judicial Office Holders' Remuneration and Entitlements</b>			
<b>Special Appropriations</b>			
<i>Remuneration Tribunal Act 1973–s7(13) Remuneration (including salary) or allowances</i>	4,058	4,059	1
<i>Remuneration and Allowances Act 1990</i>	4,823	4,823	-
<b>Total for Program 5.4</b>	<b>8,881</b>	<b>8,882</b>	<b>1</b>
<b>Outcome 5 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary Annual Services (Appropriation Bill No 1)	199,941	160,900	-39,041
Special Appropriations	193,125	409,387	216,262
<b>Departmental expenses</b>			
Ordinary Annual Services (Appropriation Bill No 1)	28,405	48,938	20,533
Revenues from independent sources (Section 31)	16,752	18,149	1,397
Special Accounts			-
Expenses not requiring appropriation in the Budget year	1,066	7,560	6,494
<b>Total for Outcome 5</b>	<b>439,289</b>	<b>644,934</b>	<b>205,645</b>
<b>Average staffing level (number)</b>	<b>402</b>	<b>373</b>	<b>-29</b>

## Acronyms

ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
AEI	Australian Education International
ANAO	Australian National Audit Office
APEC	Asia–Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
BER	Building the Education Revolution
CGS	Commonwealth Grant Scheme
COAG	Council of Australian Governments
DASA	Diversity and Structural Adjustment Fund
DEEWR	Department of Education, Employment and Workplace Relations
DES	Disability Employment Service
ESOS	Education services for overseas students
EU	European Union
GEERS	General Employee Entitlements and Redundancy Scheme
HECS	Higher Education Contribution Scheme
HELP	Higher Education Loan Program
ICT/IT	information and communication technology
IHEAC	Indigenous Higher Education Advisory Council
ILAC	International Labour Affairs Committee
ILO	International Labour Organization
JCA	Job Capacity Assessment
JSA	Job Services Australia
LLN	language, literacy and numeracy
LLNP	Language, Literacy and Numeracy Program
Low-SES	low socioeconomic status
MKY	Mura Kaimel - Yarrangi Committee
MoU	Memorandum of understanding
NAPLAN	National Assessment Program—Literacy and Numeracy
NCVER	National Centre for Vocational Education Research
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational health and safety
RAP	Reconciliation Action Plan
TEQSA	Tertiary Education Quality and Standards Agency
UNESCO	United Nations Educational, Scientific and Cultural Organization
VET	Vocational education and training
WELL	Workplace English Language and Literacy Program

## Compliance Index

This report is prepared in accordance with the Requirements for Annual Reports approved by the Joint Committee of Public Accounts and Audit under subsections 63(2) and 70(2) of the *Public Service Act 1999*. This index lists mandatory and recommended reporting items.

Part of Report	Description	Requirement	Page
	Letter of transmittal	Mandatory	iii
	Table of contents	Mandatory	iv
	Index	Mandatory	300
	Acronyms	Mandatory	297
	Contact officer(s)	Mandatory	ii
	Internet home page address and Internet address for report	Mandatory	ii
<b>Review by Secretary</b>	Review by departmental secretary	Mandatory	2–5
	Summary of significant issues and developments	Suggested	2–5
	Overview of department's performance and financial results	Suggested	159
	Outlook for following year	Suggested	5
	Significant issues and developments—portfolio	Portfolio departments—suggested	2–5
<b>Departmental Overview</b>	Overview description of department	Mandatory	5
	Role and functions	Mandatory	5
	Organisational structure	Mandatory	8–9
	Outcome and program structure	Mandatory	10
	Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	n/a
	Portfolio structure	Portfolio departments—mandatory	10
<b>Report on Performance</b>	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	15–131
	Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	15–131
	Where performance targets differ from the PB Statements/ PAES, details of both former and new targets, and reasons for the change	Mandatory	15–131
	Narrative discussion and analysis of performance	Mandatory	15–131

Part of Report	Description	Requirement	Page
	Trend information	Mandatory	15–131
	Performance of purchaser/provider arrangements	If applicable, suggested	15–131
	Significant changes in nature of principal functions/ services	Suggested	15–131
	Factors, events or trends influencing departmental performance	Suggested	15–131
	Contribution of risk management in achieving objectives	Suggested	15–131
	Social inclusion outcomes	If applicable, mandatory	271–279
	Performance against service charter customer service standards, complaints data and the department's response to complaints	If applicable, mandatory	113–114 151
	Discussion and analysis of the department's financial performance	Mandatory	159–161 166–261
	Discussion of any significant changes from the prior year or from budget	Suggested	n/a
	Agency resource statement and summary resource tables by outcomes	Mandatory	288–296
	Developments since the end of the financial year that have affected or may significantly affect the department's operations or financial results in future	If applicable, mandatory	n/a
<b>Management Accountability</b>			
<b>Corporate Governance</b>	Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines	Mandatory	iii
	Statement of the main corporate governance practices in place	Mandatory	148
	Names of the senior executive and their responsibilities	Suggested	6–9
	Senior management committees and their roles	Suggested	148
	Corporate and operational planning and associated performance reporting and review	Suggested	148
	Approach adopted to identifying areas of significant financial or operational risk	Suggested	149
	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	151
	How nature and amount of remuneration for SES officers is determined	Suggested	217–218
<b>External Scrutiny</b>	Significant developments in external scrutiny	Mandatory	161–162

Part of Report	Description	Requirement	Page
	Judicial decisions and decisions of administrative tribunals	Mandatory	161–162
	Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	161–162
<b>Management of Human Resources</b>	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	152
	Workforce planning, staff turnover and retention	Suggested	151–154
	Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	156–157
	Training and development undertaken and its impact	Suggested	152–153
	Occupational health and safety performance	Suggested	157–158
	Productivity gains	Suggested	4
	Statistics on staffing	Mandatory	153–157
	Enterprise or collective agreements, determinations, common law contracts and AWAs	Mandatory	156–157
	Performance pay	Mandatory	157
<b>Assets Management</b>	Assessment of effectiveness of assets management	If applicable, mandatory	160
<b>Purchasing</b>	Assessment of purchasing against core policies and principles	Mandatory	160
<b>Consultants</b>	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website. (Additional information as in Attachment D to be available on the Internet or published as an appendix to the report. Information must be presented in accordance with the pro forma as set out in Attachment D.)	Mandatory	160
<b>Australian National Audit Office Access Clauses</b>	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	Nil to report
<b>Exempt contracts</b>	Contracts exempt from the AusTender	Mandatory	161
<b>Financial Statements</b>	Financial Statements	Mandatory	165–261

Part of Report	Description	Requirement	Page
<b>Other mandatory information</b>	Occupational health and safety (section 74 of the <i>Occupational Health and Safety Act 1991</i> )	Mandatory	157–158
	Freedom of Information for the period 1 July 2010 to 30 April 2011 inclusive (see terms of subsection 8(1) of the <i>Freedom of Information Act 1982</i> as it existed prior to 1 May 2011)	Mandatory	269–270
	Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i> ) and statement on advertising campaigns	Mandatory	284–285
	Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> )	Mandatory	267–268
	Grant programs	Mandatory	161
	Disability reporting—explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory	264–266
	Correction of material errors in previous annual report	If applicable, mandatory	286
	List of requirements	Mandatory	298

**A**

*A shared responsibility:*  
*apprenticeships for the 21st century*, 72  
*Aboriginal and Torres Strait Islander Education Action Plan 2010–2014*, 27  
 ABS, see Australian Bureau of Statistics  
 ABSTUDY, 50, 59, 67, 68, 69, 86  
   employment, 108  
   tertiary and vocation education and training, 67, 69, 70, 293  
   secondary, 50, 51, 292  
 ACARA, see Australian Curriculum, Assessment and Reporting Authority  
 Advertising and market research, 284, 286  
 AEI, see Australian Education International  
 agreement making, 126, 209  
   collective agreements, 126  
   Workplace Agreements Database, 126  
 ANAO, see Australian National Audit Office  
 APEC, see Asia–Pacific Economic Cooperation  
 Apprentice Kickstart, 71, 72  
   Extension, 72  
 Apprenticeships for the 21st Century Expert Panel, 56, 72  
 Aramac State School, 38  
 Arbib, Senator the Hon Mark, 2, 11, 12, 144  
 asbestos, 112–3, 123, 129–30, 163, 231, 246, 281, 289, 296  
 ASEAN, see Association of Southeast Asian Nations  
 Asia Education Foundation, 36  
 Asia–Pacific Economic Cooperation (APEC), 80–1  
   Human Resources Development Working Group, 80  
 Asia–Pacific region, 78, 81, 82, 123  
 Assessment Subsidy for Overseas Trained Professionals, 80, 84, 294  
 Assistance for Isolated Children Scheme, 50, 51  
 Association of Southeast Asian Nations (ASEAN), 80  
 AusAID, see Australian Agency for International Development  
 Australian Agency for International Development (AusAID), 123, 128, 162  
 Australian Apprenticeship Workforce Skills Development, 74, 77, 294  
 Australian Apprenticeship, 55, 56, 72–4, 134  
   Australian Apprenticeships Access Program, 72, 77, 85–6, 294  
   Australian Apprenticeships Centres, 72, 77, 294  
   Support for, 72, 74, 77, 294  
 Australian Building and Construction Commission, 10, 151

Australian Bureau of Statistics (ABS), 22, 65, 99, 101, 124, 125, 126, 134, 273, 274, 275  
 Australian Children's Education and Care Quality Authority, 2, 16, 17  
 Australian Council of Trade Unions, 121, 129, 280, 281  
 Australian Curriculum, 3, 26  
 Australian Curriculum, Assessment and Reporting Authority (ACARA), 10, 26, 27, 29, 36, 40, 41, 47, 228, 277, 278  
 Australian Early Development Index, 17  
 Australian Education International (AEI), 57, 78, 80, 82, 83, 85, 87  
   AEI International Education Briefing 2011, 80  
 Australian Employment Covenant, 105  
 Australian Government Building and Construction OHS Accreditation Scheme, 119, 129  
 Australian Indigenous Minority Supplier Council, 103, 105, 160  
 Australian Information and Communications Technology in Education Committee, 39  
 Australian Institute of Aboriginal and Torres Strait Islander Studies, 144  
 Australian Institute for Teaching and School Leadership, 10, 46, 47, 228  
 Australian JobSearch, 95  
 Australian National Audit Office (ANAO), 150, 162  
 Australian National University, 62, 228  
 Australian Public Service Commission, 124, 130, 151, 152, 209, 210, 212, 223, 246  
   State of the Service Report, 264  
 Australian Qualifications Framework, 57, 75, 85  
 Australian Quality Training Framework, 57  
 Australian Skills Quality Authority, 56, 57, 151, 285  
 Australian Standard Geographical Classification, 68  
 Australian Universities Quality Agency, 62, 194  
*Australian vocational education and training statistics: students and courses 2010*, 71  
 Australian Youth Forum, 48  
 Austudy, 51, 67, 69, 70, 86, 99, 108, 293  
 Autism Spectrum Disorder, 34  
 awards, 35, 58, 60, 79, 129, 142, 286  
   Endeavour, 79, 84, 285  
   Prime Minister's Australia Asia, 79  
 Ayres, Mr Russell, 142

**B**

Baird, Mr Bruce AM, 56, 57, 83  
 Barcardine State School, 38  
 Barker, Ian, 11  
 Batchelor Institute of Indigenous Tertiary Education, 61, 62  
 BER, see Building the Education Revolution  
 Beyond Billabong, 145  
 bilateral agreements, 46, 47  
 Blackall State School, 38  
 Boediono, Prof Dr, 83  
 Bradley, Professor Denise, 82  
 Bradley Review see Review of Australian Higher Education  
 Brahim, Mr Kevin, 144, 145  
 Buduls, Ms Anna, 91  
 Building Australia's Future Workforce, 3, 5, 92, 108, 135, 136, 137  
 Building the Education Revolution, 27, 43, 291  
   Implementation Taskforce, 27  
   National School Pride Program, 43, 45  
   Primary Schools for the 21st Century, 43, 44, 45, 163  
   Science and Language Centres for 21st Century Secondary Schools, 43, 44

**C**  
 Capital Development Pool, 63  
 Canada, 82  
 Career Employment Australia, 35  
 Carter, Rebecca, 13  
 Central Queensland University, 60  
 Centre for Social Impact, 59  
 Centrelink, 13, 21, 23, 50, 51, 59, 80, 85–7, 93, 96, 99, 102, 111–2, 115, 135–6, 159, 161, 162, 193  
 CGS, see Commonwealth Grant Scheme  
 Chapman, Shona, 144  
 Charles Darwin University, 60, 61  
 Child Care Access Hotline, 17, 18  
 Child Care Benefit, 20, 21, 23, 290  
 Child Care Fee Assistance (Program 1.2), 21  
 Child Care Rebate, 17, 21, 22, 290  
 Child care services support, 20, 290  
 Children and Family Centres, 3, 16, 18, 19  
*Children (Education and Care Services National Law Application) Act 2010*, 17  
 China, 36, 81, 82, 98  
 Ching Yee, Mrs Tan, 82  
 Civics and Citizenship education, 34, 35  
 Closing the Gap, 3, 26, 41, 91, 92, 103, 104, 137, 144, 148, 153, 159, 271  
 COAG, see Council of Australian Governments  
*Coal Mining Industry (Long Service Leave Funding) Act 1992*, 119, 245



- collective agreement, 124, 126  
DEEWR, 156, 157
- Collins, Senator the Hon Jacinta, 2, 10, 11, 12
- Comcare, 10, 112, 119, 128, 151, 158, 193, 225, 228, 231
- Commonwealth Disability Strategy, 264
- Commonwealth Fraud Control Guidelines 2011*, 150
- Commonwealth Grant Scheme (CGS), 58, 63, 293  
Enabling loading, 58, 63  
Medical student loading, 58, 63  
Regional loading, 58, 63  
Transitional loading, 58, 63
- Commonwealth Ombudsman, 84, 131, 161, 266  
*Talking in Language: Indigenous language interpreters and government communication*, 134, 161
- Commonwealth Procurement Guidelines, 104, 160, 265
- Commonwealth Register of Institutions and Courses for Overseas Students, 84
- Commonwealth Scholarships Program, 59  
Indigenous Access Scholarship, 59  
Indigenous Commonwealth Accommodation Scholarships, 59  
Indigenous Commonwealth Education Costs Scholarships, 59  
Relocation Scholarships, 59  
Student Start-up Scholarships, 59
- Commonwealth supported places, 58, 66
- Community Development Employment Projects, 104, 110
- Community Sector Wages Group, 127
- Community Work Placements—Green Army, 103
- Compact  
with Communities, 90  
with Retrenched Workers, 90, 92  
with Young Australians, 92
- Compensation payments (Program 4.5), 112–3, 296  
*Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005*, 112, 246  
*Safety, Rehabilitation and Compensation Act 1988*, 158, 246, 289
- consultants and consultancy services, 287
- corporate governance, 149
- Council of Australian Governments (COAG), 135, 159, 193, 294  
early childhood education and child care, 16, 17, 20, 274  
employment, 104, 286  
international, 78  
International Students Strategy for Australia, 56, 57, 78  
Reform Council, 40, 42, 46, 276  
schools, 31, 37, 49, 276  
tertiary, 67  
vocational education and training, 70, 71
- Cresswell, Ms Ara, 145
- Critical Skills Investment Fund, 55, 77, 134, 268, 294
- Crothers, Stone, 12
- Curran, Mr Boyd, 145
- Curtin University, 61
- Customer service, 113  
Employment Services Code of Practice, 113  
Employment Services Information Line, 113  
statistics (employment services), 113
- Cyclone Yasi Wage Assistance, 102
- D**
- data matching, 87, 112
- Dato' Sri Anifah Aman, the Hon, 82
- DASA, see Diversity and Structural Adjustment Fund
- DEEWR Implementation Steering Committee, 149
- DEEWR Indigenous Business Procurement Policy, 160
- DEEWR Strategic Plan 2008–2011*, 148, 264
- DEEWR Service Charter, 151, 266
- DEEWR's commitment to reconciliation, 141
- Defence Force Remuneration Tribunal, 130
- Departmental outputs, 23, 51, 85, 87, 114–5, 130–1
- Department of Broadband, Communications and the Digital Economy, 39
- Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), 34, 94, 118, 127, 135, 158, 161
- Department of Finance and Deregulation, 187, 192
- Department of Health and Ageing, 34, 135
- Department of Human Services (DHS), 23, 51, 85, 86, 94, 111, 112, 161, 211, 212
- Department of Immigration and Citizenship, 87, 112, 134, 161
- Department of Innovation, Industry, Science and Research, 60, 61, 247
- Department of Sustainability, Environment, Water, Population and Communities, 267
- Department of the Treasury, 31, 193
- DES, see Disability Employment Services
- DHS, see Department of Human Services
- Digital Education Revolution (Program 2.5), 27, 39, 291  
National Broadband Network, 39, 163  
National Secondary School Student Computer Fund, 39, 162
- disability, 93, 95, 106, 107, 264, 265, 276  
children with, 21, 271, 275, 276  
employees, 264, 265  
job seekers with, 138, 279  
people with, 4, 76, 90, 91, 92, 93, 94, 96, 97, 102, 106, 107, 108, 109, 134, 264, 265, 266, 271, 272, 279  
students with, 5, 33, 59, 134, 265
- Disability Discrimination Act 1992*, 134, 265
- Disability employment services (Program 4.3), 106, 295  
Disability Employment Services (DES), 90, 106, 107, 113, 114, 139, 266, 272, 279, 295  
Employment assistance and other services, 107
- Disability initiatives in DEEWR, 264  
Accessibility of information, 265  
Consulting, 265  
*DEEWR Disability Employment Plan 2009–2012*, 264  
Reasonable Adjustment Policy, 265  
Disability Champion, 264, 265  
Disability Employee Network, 264  
Disability Employment Committee, 264  
Grievance mechanisms, 266  
International Day of People with Disability, 265  
*Disability Services Act 1986*, 106
- Disability Standards for Education, 134
- Disability Support Pension, 93, 98, 99, 108
- disasters, 2, 5, 74, 75, 86, 91, 100, 102, 112  
Cyclone Yasi Wage Assistance, 102  
New Zealand, 100  
Japan, 100  
Support for individuals and communities affected by natural disasters, 102  
Queensland, 73, 125  
Queensland Natural Disasters Jobs and Skills Package, 4, 12, 91, 103
- Disney, Prof Julian AO, 91
- Diversity and Structural Adjustment Fund (DASA), 60–1
- Drakeford, Ms Carla, 68

- E**
- Early childhood education (Program 1.3), 2, 19, 20, 22, 65, 78, 83, 139, 158, 273, 290
  - Early learning and care centres, 20
  - Early Years Learning Framework, 17, 18
  - EAS, *see* East Asia Summit
  - East Asia Summit (EAS), 81, 82
    - Education Ministers Meeting, 81
    - Leaders Meeting, 81
    - Senior Education Officials Taskforce, 81
  - Ecologically sustainable development, 267–8
    - ICT Sustainability Plan 2010–2015*, 267
    - energy efficiency, 267
    - Environment Protection and Biodiversity Conversation Act 1999*, 267
    - water, 267
    - waste, 267
  - Economic analysis, 136
  - economic conditions, 92, 100
  - Edith Cowan University, 61
  - Education and Care Services National Law, 17, 18
    - Education and Care Services National Law Act 2010*, 16, 17
  - Education infrastructure (Program 2.7), 43, 291
    - Building the Education Revolution, 27, 43, 291
    - BER Implementation Taskforce recommendations, 43
    - Nation Building—Economic Stimulus Plan, 43
    - National School Pride Program, 43, 45
    - Program assurance, 44
    - Primary Schools for the 21st Century, 43, 44, 45, 163
    - Science and Language Centres for 21st Century Secondary Schools, 43, 44
  - Education Investment Fund (EIF), 61, 63, 222, 251, 293, 294
  - Education Services Australia, 36, 47
    - National Projects Element, 36
  - Education Services for Overseas Students (ESOS), 57, 83, 84
  - Education Services for Overseas Students Act 2000*, 55, 56, 78, 83, 84
  - Educators' Guide to the Early Years Learning Framework*, 18
  - EIF, *see* Education Investment Fund
  - Employee assistance (Program 5.1), 119, 296
    - Coal Mining Industry (Long Service Leave Funding) Act 1992*, 119, 296
    - General Employee Entitlements and Redundancy Scheme, 119, 296
  - Employer Broker Program, 93
  - Employer Incentives Scheme, 106
    - Supported Wage System, 106, 107
    - Wage Subsidy Scheme, 106, 107
  - Employment Assistance Fund, 106
  - National Disability Recruitment Coordinator, 106, 107
  - JobAccess service, 106
  - Employment services (Program 4.1), 3, 90, 91, 92, 93, 96, 97, 98, 103, 113, 138, 271, 272, 279, 285
    - Australian JobSearch, 95
    - Employment initiatives in remote Australia, 96
    - Golden Gurus program, 96, 139
    - Harvest Labour Services, 94
    - Job Services Australia, 4, 90, 92, 93, 95, 97, 98, 103, 114, 193, 272, 279, 295
    - Job Capacity Assessment, 93–4, 211, 212
    - Jobs Fund, 4, 90, 92, 94, 295
    - New Enterprise Incentive Scheme, 11, 94, 96, 114
    - Productive Ageing Package, 91, 95, 96, 295
    - Support for individuals and communities affected by natural disasters, 102
  - employment service providers, 4, 93, 108
  - Endeavour Awards, 79, 84, 285
  - Engagement with international organisations, 137
    - Organisation for Economic Co-operation and Development, 137
    - World Association of Public Employment Services, 137
  - English Language Intensive Courses for Overseas Students (ELICOS), 84, 85
  - enrolments, 2, 63, 64, 65, 273
    - international student, 84, 85
    - preschool, 22
    - postgraduate, 64
    - school, 30
    - student, 30, 31, 32, 38, 59, 84
    - undergraduate, 55, 58, 64, 68
  - Enterprise Based Productivity Places Program, 3, 56, 74
  - ESOS, *see* Education Services for Overseas Students
  - ESOS Legislation Amendment Act 2011*, 83
  - Establishment Assistance, 20, 286
  - Evans, Senator the Hon Chris, 2, 12, 14, 61, 68, 76, 81, 82, 83, 129
  - Evans, Trish, 13
  - Executive Meeting, 148
  - Experience+, 95
  - External scrutiny and liaison, 161
    - Judicial decisions and decisions of administrative tribunals, 161
    - Parliamentary committee inquiries, 162–3
    - Reports by the Auditor-General, 162
    - Reports on the operations of the department by the Commonwealth Ombudsman, 161
- F**
- FaHCSIA, *see* Department of Families, Housing, Community Services and Indigenous Affairs
  - Fair Work Act 2009*, 4, 118, 121, 123, 126, 127, 128, 130, 283
  - Fair Work Australia, 10, 118, 125, 126, 127, 129, 283
  - Fair Work framework, 4, 119, 128
  - Fair Work Ombudsman, 10, 151
  - Fair Work Principles, 120, 121
    - Cleaning Consultative Group, 120
  - Family Centred Employment Project, 135, 136, 137, 139
  - family day care, 20
  - Fanning, Ms Katrina, 144
  - Fary, Mr Geoff, 129
  - FEE-HELP, 66, 67
  - Financial management, 149, 150, 159
    - Asset management, 160
    - Consultancies, 160, 161, 181, 286, 287
    - Discretionary grants, 161
    - Exempt contracts, 161
    - Financial performance, 159
    - Purchasing, 160
  - Financial Management and Accountability Act 1997*, 150, 160, 184, 242, 243, 250, 251, 252, 253, 254
  - Flexible Funding Pool, 103
  - FOL, *see* freedom of information
  - Framework for Open Learning, 291
  - Framework for School Age Care, 17, 18, 287
  - fraud control, 149, 150
  - free trade agreement, 80, 123
  - freedom of information (FOI), 269
    - Access to documents, 270
    - Arrangements for outside participation, 269
    - Australian Information Commissioner, 269
    - Categories of documents held by the department, 269
    - Freedom of Information Act 1982*, 269–70
    - Organisation and functions and powers of the department, 269
  - Fresh Ideas for Work and Family Grants program, 118, 121, 122
  - Redstick Strategic Communications, 122

- full-time, 2, 16, 20, 68, 95, 109, 125, 153, 155  
 education, 50, 67, 273, 276  
 employment, 37, 63, 64, 65, 100  
 equivalents, 63, 64, 102  
 long day care, 22  
 students, 30, 31, 32, 37, 56, 60, 64, 66, 67, 273  
 Furlani, Joe, 11  
 Furness, Ryan, 12
- G**
- Garrett, the Hon Peter AM MP, 2, 12, 19, 35, 36, 47  
 GEERS, see General Employee Entitlements and Redundancy Scheme  
 General Employee Entitlements and Redundancy Scheme (GEERS), 4, 119–20, 131, 222, 234, 296  
 Fletchers' Freighters, 120  
 Geospatial and regional performance monitoring, 136  
 Australian Statistical Geography Standard, 136  
 online spatial analysis platform, 136  
 Gillard, Prime Minister the Hon Julia MP, 3, 4, 14, 47, 61, 82  
 global recession, 54, 75, 90, 92  
 Golden Gurus Program, 96, 139  
 Gonski, David AC, 3, 26  
 Governance, 148, 153  
 Committees, 148, 149, 152  
 Executive Meeting, 148  
 Government (schooling), 3, 26, 27, 28, 30, 31, 34, 35, 36, 37, 39, 40, 42, 43, 46, 47, 291  
 Government schools national support (Program 2.1), 31  
 Government Schools Specific Purpose Payment, 31  
 Intergovernmental Agreement on Federal Financial Relations, 31  
 Grant, Peter PSM, 91  
 Great Forest Australia, 268  
 Group of Eight Universities, 80  
 Group Training in the Trades Program, 74, 77  
 group training organisations, 76, 77  
 Guiren, Professor Yuan, 81
- H**
- Hackett, Professor Jeanette, 61  
 Harding, Professor Sandra, 68  
 Harvest Labour Services, 94  
 National Harvest Labour Information Service, 94  
 health and safety, see occupational health and safety  
 HECS, see Higher Education Contribution Scheme  
 HELP, see Higher Education Loan Program  
 Helping Children with Autism package, 34  
 Higher education equity programs, 58  
 Centre for Social Impact, 59  
 Higher Education Participation and Partnership Program, 58  
 Higher Education Disability Support Program, 59  
 Higher Education Loan Program (HELP) (Program 3.2), 55, 57, 65, 184, 185, 192, 254, 284, 293  
 FEE-HELP, 66, 67, 192  
 HECS-HELP, 65, 66, 67, 192, 226, 235, 236, 237, 238, 239, 241  
 OS-HELP, 66, 192  
 SAHELP, 66–7  
 VET FEE-HELP, 66, 67, 192, 284  
 Higher Education Student Statistical Collection, 59  
 Higher Education Support (Program 3.1), 57  
 Commonwealth Grant Scheme, 58, 63, 293  
 Commonwealth Scholarships Program, 59, 63  
 Diversity and Structural Adjustment Fund, 60  
 Education Investment Fund, 61, 63  
 Regional loading, 58  
 Higher Education Base Funding Review, 62  
 Higher education equity programs, 58, 63  
 Indigenous Support Program, 59  
 National institutes, 62  
 Structural Adjustment Fund, 61, 63  
 Superannuation Program, 62  
 Tertiary Education and Quality Standards Agency, 62  
 Higher Education Support Act 2003, 57, 62, 181, 192, 245, 254, 289, 293  
 Home Insulation Program, 91  
 Home Interaction Program for Parents and Youngsters, 3, 12, 17  
 homelessness, 4, 91, 134, 137, 271  
 Homelessness Delivery Review Board, 134  
 Prime Minister's Council on Homelessness, 134  
 Homeworkers Code of Practice program, 122  
 Council of Textile Fashion Industries of Australia, 122  
 Ethical Clothing Australia, 122  
 Homeworkers Code Committee Incorporated, 122  
 Hosking, Mr Peter, 268
- I**
- IEP, see Indigenous Employment Program  
 IHEAC, see Indigenous Higher Education Advisory Council  
 ILO, see International Labour Organization  
 Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM), 135–6, 139  
 Incentives for Higher Technical Skills program, 76  
 income support, 47, 50, 55, 56, 59, 67, 68, 69, 86, 87, 90, 91, 93, 94, 97, 98, 99, 100, 107, 108, 109, 110, 111, 112, 134, 135, 136, 139, 193, 245  
 Independent Review of the Job Seeker Compliance Framework, 91  
 India, 80, 83, 98  
 Indigenous Australian Government Development Program, 153  
 Indigenous Capital Assistance Scheme, 103  
 Indigenous Commonwealth Education Costs Scholarships, 59  
 Indigenous Coordination Centres, 158  
 Indigenous Economic Participation National Partnership Agreement, 104  
 Indigenous employment (Program 4.2), 103  
 Indigenous Capital Assistance Scheme, 103  
 Indigenous Economic Participation National Partnership Agreement, 104  
 Indigenous Employment Exchange Forum, 104  
 Indigenous Employment Program, 11, 72, 90, 92, 103, 105, 145, 295  
 Indigenous Opportunities Policy, 104  
 Indigenous Youth Careers Pathways Program, 12, 104  
 Indigenous Funding Guarantee, 32  
 Indigenous Higher Education Advisory Council (IHEAC), 60, 293  
 Aboriginal and Torres Strait Islander Researcher Network, 60  
 Universities Australia Indigenous Cultural Competency in Australian Universities Project, 60  
 Indigenous Elders and Leaders Awards, 60  
 Indigenous Staff Scholarships, 60  
 National Indigenous Higher Education Workforce Strategy, 60  
 Neville Bonner Memorial Scholarship, 60  
 Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People, 56, 60  
 Indigenous Supplementary Assistance program, 32  
 Indigenous Support Program, 59, 63, 293  
 National Aboriginal and Torres Strait Islander Education Policy, 59  
 Indigenous Youth Careers Pathways Program, 12, 104

- Indigenous Youth Leadership Program, 12, 34, 35, 37, 285  
 Partnership Brokers, 36  
 Cape York Institute for Policy and Leadership, 36  
 Catholic Education Office Diocese of Townsville, 36  
 Dubbo College Senior Campus, 36  
 MADALAH Limited, 36  
 MADEC Australia, 36  
 Presbyterian Ladies' College Perth, 36  
 The Smith Family, 36  
 Yalari Limited, 36
- Indigenous Youth Mobility Program, 34, 35, 37, 146  
 Aboriginal Hostels, 35  
 AUSWIDE Projects, 35  
 Career Employment Australia, 35  
 Goulburn Ovens Institute of TAFE, 35  
 Nyaarla Projects, 35  
 Yarnteen, 35
- Indonesia, 36, 80, 81, 83, 123
- industrial disputation, 125–6  
*Industrial Disputes* (ABS), 125–6  
 working days lost, 125–6
- information and communication technology (ICT), 151, 267
- Information technology management, 151  
 services for other agencies, 151
- Innovation Fund, 93, 137
- Insulation Workers Adjustment Package, 91
- Intergovernmental Agreement for a National Licensing System for Specified Occupations, 55
- Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety, 118
- Internal audit, 149–50  
 Audit Committee, 150  
*Auditor-General Act 1997*, 150
- International education and training (Program 3.6), 78, 84, 209, 294
- Increasing the Profile of Australia's International Education Sector Program, 78
- International scholarships, 79, 84  
 Mobility programs, 78, 79, 84  
 Professional Services Development Program, 78, 84  
 Regional Links Program, 78
- International Labour Organization (ILO), 119, 123, 126, 130, 163, 280–2  
 Australia and ILO Partnership Agreement 2010–2015, 123  
 International Labour Affairs Committee, 280–1  
 International labour standards and priority conventions, 123
- IP Australia, 151
- J**  
 James, Natalie, 13  
 Japan, 36, 80, 81, 82, 100  
 JETCCFA, see Jobs Education and Training Child Care Fee Assistance  
 Job and Skills Development Officers, 103  
 Job Capacity Assessment, 93, 211, 212, 295  
 Job Network, 92  
 job placements, 92, 97, 107  
 Job Services Australia (JSA), 4, 90, 92, 95, 97, 98, 103, 114, 193, 272, 279, 295  
 Employer Broker Program, 93  
 Employment Services, 93  
 Innovation Fund, 93  
 Jobs and Training Compact, 90, 94, 109, 114, 139  
 Jobs Education and Training Child Care Fee Assistance (JETCCFA), 20  
 Jobs Fund, 4, 90, 92, 94, 295  
 Jones, Dr Chris, 68  
 JSA, see Job Services Australia
- K**  
 Karen Sheldon Hospitality (NT), 105  
 Keep Australia Working Jobs and Skills Expos, 91  
 Korea, 36, 80, 82  
 Kovacic, Mr John, 264–5
- L**  
 labour force participation rate, 98–9, 272  
 labour market, 2, 60, 63, 77, 80, 90, 91, 95, 97, 98, 100, 107, 108, 110, 114, 139, 223, 224  
 conditions, 100–1  
 Language, Literacy and Numeracy Program (LLNP), 56, 72, 75, 77, 85, 86, 109  
 Language, Literacy and Numeracy Practitioner Scholarships, 76, 285  
 Lee Dow, Prof Kwong AM, 55, 68  
 literacy and numeracy, 28, 31, 33, 40, 41, 42, 45, 46, 54, 71, 72, 75, 139, 276, 284, 294  
 2010 *National Assessment Program—Civics and Citizenship Years 6 and 10 Report*, 29  
 2011 *Progress in International Reading Literacy Study*, 30  
 National Assessment Program, 26, 28–30, 41, 42, 227, 278  
 National Partnership, 40, 41, 42, 45, 138, 272, 276  
 International assessments, 28, 30  
 Programme for International Student Assessment, 30, 137, 287  
 Progress in International Reading Literacy Study, 30  
 National Assessment Program—*Science Literacy Year 6 Report 2009*, 29  
 Trends in International Mathematics and Science Study, 30  
 Literacy, Numeracy and Special Learning Needs program, 33  
 LLNP, see Language, Literacy and Numeracy Program  
 Local Employment Coordinators, 90, 92  
 long-term unemployed, 97, 100, 102, 138, 271–2  
 Longreach School of Distance Education, 38  
 Longreach State High School, 38
- M**  
 MacNeill, Mr Felix, 268  
 Malaysia, 80, 82  
 Managing our business, 148  
 Manthorpe, Mr Michael, 144  
 Maric, Ms Mladjenka, 144  
 Maroochydore State School, 41  
 Marshall, Ms Helen, 129  
 mature-age, 91, 95, 96, 109, 139  
 McGregor, Ms Elizabeth, 68  
 McPherson, Justin, 12  
 mental health, 48, 134, 163  
 Michel, Elissa, 13  
 Milton, Mr Michael, 265  
 Ministerial Council for Education, Early Childhood Development and Youth Affairs, 2, 18, 27, 28, 39, 41, 228, 274  
 Ministerial Council for Tertiary Education and Employment, 39  
 Mobility Allowance, 108, 295  
 Muhammad Nuh, Prof. Dr, 83  
 Murdoch, Rebecca, 11  
 mychild.gov.au, 17, 18  
*My School 2.0*, 26, 27
- N**  
 Najib Tun Razak, Prime Minister, 82  
 NAPLAN, 26, 28–9, 41, 42, 51, 163, 277, 278  
 National Aborigines and Islanders Day Observance Committee (NAIDOC) Week, 144  
 National Action Plan on Literacy and Numeracy (Program 2.6), 40, 291  
 Literacy and Numeracy pilots, 40  
 National Agreement for Skills and Workforce Development, 70, 71, 72  
 National Asian Languages and Studies in Schools program, 36  
 Becoming Asia Literate: Grants to Schools, 36  
 Strategic Collaboration and Partnership Fund, 36  
 National Assessment Program—Literacy and Numeracy, see NAPLAN  
 National Broadband Network, 39, 163  
 National Broadband Network Co Ltd, 39  
 National Centre for Vocational Education Research (NCVER), 71, 73, 287, 294

- National Childcare Accreditation Council, 17
- National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007, 83
- National Conversation with Principals, 47
- National Disability Coordination Officers (NDCO) Program, 76, 77
- National Early Childhood Development Strategy, 17
- National Education Agreement, 31, 45
- National Green Jobs Corps, 103, 268, 295  
Supplement, 109
- National History Challenge, 35
- National Mental Health and Disability Employment Strategy, 137
- National Mental Health Reforms, 134
- National Occupational Licensing Authority, 56
- National Office of Overseas Skills Recognition, 83
- National Partnership Agreement for the Productivity Places Program, 71
- Agreement on Literacy and Numeracy, 40, 41, 42, 45, 138, 272, 276
- Agreement on Early Childhood Education, 17, 22, 273, 274
- Agreement on Indigenous Early Childhood Development, 3, 16, 17, 18, 19, 137
- Indigenous Economic Participation, 104
- on Youth Attainment and Transitions, 27, 48, 49
- Smarter Schools—Low Socio-economic Status School Communities, 27, 41, 45, 137, 292
- Smarter Schools—Improving Teacher Quality, 27, 46, 292
- National Professional Standards for Teachers, 27, 46
- National Quality Framework, 16, 17, 20  
for Early Childhood Education and Care, 16
- National Reconciliation Week, 13, 145
- National Resources Sector Employment Taskforce, 76
- National Resources Sector Workforce Strategy, 76, 134  
*Resourcing the future*, 76
- National School Chaplaincy Program, 34, 36, 291
- National School Pride Program, 43, 45
- National Schools Constitutional Convention, 35
- National Secondary School Student Computer Fund, 39, 162
- National Standards for Group Training Organisations, 76
- National Vocational Education and Training Regulator, 3, 163
- National Vocational Education and Training Regulator Act 2011*, 62
- National Workplace Education program, 118, 121
- Australian Council of Trade Unions, 121
- Union Education Foundation, 121
- National Workplace Relations Consultative Council, 280
- NCVER, see National Centre for Vocational Education Research
- NDCO, see National Disability Coordination Officers Program
- New Enterprise Incentive Scheme, 11, 94, 96, 114
- Newstart Allowance, 99, 107, 108, 109, 110, 111, 295
- Non-government (schooling), 26, 28, 30, 31, 32–3, 34, 35, 36, 37, 39, 40, 43, 45, 276
- Non-government schools national support (Program 2.2), 32
- Capital Grants—Non-government, 32
- Country Areas Program, 33
- English as a Second Language—New Arrivals—Non-government, 33
- Literacy, Numeracy and Special Learning Needs Program, 33
- Recurrent Grants—Non-government, 32
- School Languages Program, 33
- Short Term Emergency Assistance—Non-government, 32
- Norman, Lara, 13
- Northern Territory, 33, 37, 41, 82, 105, 121, 128, 135–6
- Northern Territory Emergency Response, 75
- Not-for-profit sector reforms, 137
- Not-for-Profit Sector Reform Council, 137
- Office for the Not-for-Profit Sector, 137
- Productivity Commission, 137
- O**
- Occupational health and safety (OHS), 118, 119, 128, 129–30, 157–8, 211
- Health, Safety and Wellbeing Strategy 2010–2012, 157
- investigations, 158
- reporting, 158
- Wellbeing Officer Network, 157
- Occupational Licensing National Law Act 2010*, 56
- OECD, see Organisation for Economic Co-operation and Development
- Office for Youth, 27, 48
- Australian Clearinghouse for Youth Studies, 48
- Australian Youth Affairs Coalition, 48
- Australian Youth Forum, 48
- Longitudinal Surveys of Australian Youth, 48, 284, 286
- National Youth Week, 48, 285
- Young Australian of the Year Award, 48
- youth centres, 48
- Youth Engagement Steering Committee, 48
- Office of Early Childhood Education and Child Care, 144, 148
- Office of the Federal Safety Commissioner, 119, 129, 131
- OFSC, see Office of the Federal Safety Commissioner
- OHS, see occupational health and safety
- Olive, Mr Mark, 144
- Open Universities Australia, 66
- Organisation for Economic Co-operation and Development (OECD), 30, 90, 98, 137, 287
- Centre for Educational Research and Innovation, 137
- Cooperative Action Programme on Local Economic and Employment Development, 137
- Education Policy Committee, 137
- Employment, Labour and Social Affairs Committee, 137
- Programme for International Student Assessment, 137
- Programme for the International Assessment of Adult Competencies, 137
- Teacher and Learning International Survey, 137
- O'Sullivan, Catherine, 13
- OS-HELP, 66, 192
- Our people, 151
- Employment agreements, 156
- Ethical standards, 151
- Hypothetical events, 151
- Occupational health and safety, 157
- Performance management systems, 154
- Recruitment, 153
- Remuneration and conditions of employment, 156
- Strategic people management and people capability, 152
- Workforce profile, 154
- Outback Hospitality Trade Training Centre, 38
- Overseas Students Ombudsman, 57
- Oxford University, 146



## P

Paid Parental Leave scheme, 118, 119, 127

Parental Income Test, 50, 68, 69

Parenting Payment, 98, 99, 108, 109, 110, 111, 295

Parliament and Civics Education Rebate, 34

Parliamentarians' and judicial office holders' remuneration and entitlements (Program 5.3), 124, 296

parliamentary committee inquiries, 162–3

Partner Allowance, 99, 109, 295

Paul, Lisa AO PSM, 5, 81

Pensioner Education Supplement, 109, 295

Personal Support Program, 91, 93

People and Leadership Committee, 152

people with disability, *see* disability, people with

Phillips, Aunty Jannette, 144

Post-Program Monitoring survey, 98, 113, 115

Prakash, Professor Ved, 83

Primary Schools for the 21st Century, 43, 44, 45, 163

Prime Ministers Australia Asia Awards, 79

Productive Ageing Package, 91, 95, 96, 295

Experience+, 95

productivity, 2, 3, 5, 31, 47, 54, 55, 57, 63, 71, 74, 90, 92, 106, 118, 121, 124, 125, 126, 130, 134, 136, 159, 283

Productivity Places Program, 72, 74, 77

Enterprise Based, 3, 74

National Partnership Agreement for the, 71

Professional Services Development Program, 78, 84

Protected Action Ballots Scheme, 123, 296

*Public Service Act 1999*, 151, 156, 254

## Q

Quality Initiatives, 293

quality teachers, 46

Queensland Natural Disasters Jobs and Skills Package, 4, 12, 91, 103

## R

Ralston, Prins, 11

Ramingining School, 41

Random Sample Survey Program, 86, 111

RAP, *see* Reconciliation Action Plan

Reconciliation Action Plan (RAP), 142, 144, 145, 148

communications, 142

*DEEWR Reconciliation Action Plan 2011–2014*, 146

RAP Implementation Sub-committee, 142

Reconciliation Australia, 142, 145

Recruitment, 153

Aboriginal and Torres Strait Islander recruitment, 153

Entry-level programs, 153

Identified Positions Policy, 154

Recurrent Grants, 32

Regional Links Program, 78

*Remuneration and Allowances Act 1990*, 124, 212, 223, 245, 246, 289, 296

Remuneration and conditions of employment, 156

DEEWR Collective Agreement 2009–2011, 156, 157

Performance pay, 157

Salary arrangements and non-salary benefits, 156

Remuneration Tribunal, 124, 128, 130, 210, 212, 223, 246, 296

*Remuneration Tribunal Act 1973*, 124

*Report on government services 2011*, 22, 274, 276

research and evaluation, 114, 139, 269

Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People, 56, 60

Review of Australian Higher Education (Bradley Review), 55, 57, 59, 62, 68

Review of Base Funding, 55, 62

Richards, Ms Rebecca, 146

risk management, 55, 78, 83, 84, 148, 149, 193

framework, 149

Risk Management Benchmarking Survey, 149

Rural and Regional Taskforce, 55, 68

Rural Tertiary Hardship Fund, 55, 68, 69

## S

SA-HELP, 66–7

Safe Work Australia, 4, 130, 151, 211, 250

*Safety, Rehabilitation and Compensation Act 1988*, 128, 158, 246, 289

Sarra, Dr Chris, 145

Saunders, Sue, 142

School Languages Program, 33

*Schools Assistance Act 2008*, 32, 33, 181, 245, 289, 291

School student assistance (Program 2.11), 50, 292

ABSTUDY—Secondary, 50–1

Assistance for Isolated Children scheme, 50–1

Youth Allowance—Secondary, 50–1

Schools support (Program 2.3), 34, 291

Asia Education Foundation, 35

Civics and Citizenship Education, 34, 35

Helping Children with Autism Package, 34

Indigenous Youth Leadership Program, 34, 35

Indigenous Youth Mobility Program, 34, 35

National Asian Languages and Studies in Schools Program, 35

National School Chaplaincy Program, 34, 35

Parliament and Civics Education Rebate, 34

Positive Partnerships, 34

Sporting Chance Program, 34, 35

Science and Language Centres for 21st Century Schools, 43, 44

SEAM, *see* Improving School Enrolment and Attendance through Welfare Reform Measure

SEAMEO *see* Southeast Asian Ministers of Education Organization

Shaddock, Emeritus Professor Mr Tony, 265

Sickness Allowance, 99, 108, 295

Simpson Prize, 35

Singapore, 80, 82

Skills for Sustainable Growth package, 71

Apprentice Kickstart, 71

Smarter Schools, 27, 41, 45, 46, 292

Improving Teacher Quality, 27, 46, 292

Literacy and Numeracy, 27, 41

Low Socio-Economic Status School Communities, 27, 45, 292

National Partnerships, 41

Smarter Schools—Low Socio-economic Status School Communities National Partnership (Program 2.8), 45

National Education Agreement, 45

Smarter Schools—Improving Teacher Quality National Partnership (Program 2.9), 46

Australian Institute for Teaching and School Leadership, 46

National Conversation with Principals, 47

National Professional Standards for Teachers, 27, 46

reward funding, 41, 46

Teach for Australia initiative, 46

- Social inclusion, 2, 16, 31, 47, 57, 92, 134, 137, 264  
 Australian Social Inclusion Board, 137  
 National Social Inclusion Statement, 137  
 measurement framework, 137–8, 271–9
- Social innovation, 134, 138  
 Social Enterprise Development and Investment Fund, 138
- Social policy, 91, 134  
 Research Services Agreement, 139  
 initiatives for disadvantaged groups, 134  
 policy trials, 135
- Social Security Act 1991*, 192, 254, 293
- Southeast Asian Ministers of Education Organization (SEAMEO), 81  
 Council Conference, 81  
 SEAMEO–Australia Press Award, 81
- Southern Youth and Family Services, 49
- Sporting Chance Program, 36  
 School-based sports academies, 36  
 Education Engagement Strategies, 36
- State network, 158
- Strategic Collaboration and Partnership Fund, 36
- Structural Adjustment Fund, 61, 63
- Supplementary payments, 109  
 Approved Program of Work Supplement, 110  
 Community Development Employment Projects Participant Supplement, 110  
 Education Entry Payment, 110  
 Language, Literacy and Numeracy Supplement, 110  
 National Green Jobs Corps Supplement, 110  
 Pensioner Education Supplement, 110, 295  
 Training Supplement, 110  
 Utilities Allowance, 110, 295
- Support for individuals and communities affected by natural disasters, 102  
 Cyclone Yasi Wage Assistance, 102  
 Queensland Natural Disasters Jobs and Skills Package, 4, 12, 91, 103
- Support for the child care system (Program 1.1), 19, 20, 290
- Supported Wage System, 106, 107
- Sustainability Assistance, 20
- T**
- TAFE, 68, 70  
 TAFE Directors Australia, 80  
 Teach for Australia initiative, 46–7  
 Australian Council for Educational Research, 47  
 Phase 1 Summary Evaluation Report, 47
- Teaching and Learning Capital Fund, 56
- Teenage parents and jobless families, 135, 136
- Teng, Mr Chua, 82
- TEQSA, see Tertiary Education Quality and Standards Agency
- Tertiary Education Quality and Standards Agency (TEQSA), 3, 55, 56, 57, 62, 82, 151, 163, 194, 293
- Tertiary student assistance (Program 3.3), 67–70  
 ABSTUDY, 67–70  
 Austudy, 67–70  
 Relocation Scholarship, 69  
 Rural Tertiary Hardship Fund, 68, 69  
 Student Start-up Scholarship, 69  
 Youth Allowance (student), 67–70
- Torres Strait Islander, 145
- Tougher Rules for Job Seekers, 91
- Trade Training (Program 2.4), 37  
 Trade Training Centres in Schools Program, 27, 37–8, 51
- training.gov.au, 56
- Transition to Independent Living Allowance, 49  
 Southern Youth and Family Services, 49
- Transitional Costs Program, 58
- Tripartite consultation on International Labour Organization matters, 280
- U**
- unemployment, 5, 97, 100–2
- UNESCO, see United Nations Educational, Scientific and Cultural Organization
- United Nations Commission on the Status of Women, 135
- United Nations Educational, Scientific and Cultural Organization (UNESCO), 81–2
- Universal access to early childhood education, 2, 22
- Universities Australia, 60, 66, 81, 284
- University of Adelaide, 146
- University of Melbourne, 46, 62, 287
- University of New South Wales, 59
- University of Tasmania, 62
- University of Wollongong, 121
- V**
- Vang, Dr Nguyen Xuan, 83  
 very long-term unemployed, 3, 4, 91, 92, 97, 102
- VET FEE-HELP, 66, 67, 192, 284
- VET national support (Program 3.5), 71, 294  
 Apprenticeship commencements and completions, 73, 74  
 Australian Apprenticeship Access Program, 74, 77, 294  
 Australian Apprenticeship Workforce Skills Development, 74, 77, 294  
 Australian Apprenticeships Centres, 72,  
 Incentives for Higher Technical Skills Program, 76  
 Innovative community-based places, 75, 77  
 Language, Literacy and Numeracy Program, 56, 72, 75, 77, 85, 86, 109  
 National Disability Coordination Officer Program, 76, 77  
 National programs, 76  
 Support for Australian Apprenticeships, 72,  
 Workplace English Language and Literacy Program, 75, 77
- Victorian College of the Arts, 62
- Victorian Department of Education and Early Childhood Development, 49
- Vietnam, 80, 83
- Vinson, Prof Tony AM, 55, 68
- Vocational Education and Training (Program 3.4), 70, 293
- vocational education and training, 5, 35, 37, 51, 54, 62, 65, 70, 158, 250, 252
- W**
- Wage Subsidy Scheme, 106, 107  
 wages and earnings, 124  
 Australian Bureau of Statistics (ABS), 124  
*Australian National Accounts: National Income, Expenditure and Product*, 124  
 Minimum Wage Panel, 125, 283  
 wage price index, 124
- WELL Program, see Workplace English Language and Literacy Program
- West Belconnen Child and Family Centre, 19
- Western Australia, 37, 126, 155, 159, 228
- Widow Allowance, 99, 109, 295
- Willing, Mr Jeff, 129
- Wilson, Leann, 13
- Winton State School, 38
- Wiradjuri Echoes, 145

- Work Health and Safety Bill 2011, 118, 128
  - model Work Health and Safety Regulations, 118
- workers compensation, 112, 122, 128, 130, 195, 197, 211, 231, 246, 296
- workforce participation, 3, 5, 68, 92, 118, 127, 134, 139, 163
- Working age payments (Program 4.4), 91, 107, 111, 295
  - Newstart Allowance, 107
  - Mobility Allowance, 108
  - Parenting Payment (Partnered and Single), 108
  - Partner Allowance, 109
  - Sickness Allowance, 108
  - Supplementary Payments, 109
  - Widow Allowance, 109
  - Youth Allowance (other), 108
- working hours, 125
- Workplace Assistance (Program 5.2), 120
  - Fair Work Principles, 120
  - Fresh Ideas for Work and Family Grants program, 121
  - Homeworkers Code of Practice program, 122
  - International Labour Organization, 123
  - National Workplace Education program, 121
  - Protected Action Ballots Scheme, 123, 296
  - Workplace Education Projects in cleaning, security and construction, 121
- Workplace English Language and Literacy (WELL) Program, 72, 75, 77, 285, 294
- Workplace Modifications Scheme, 107
- Workplace relations implementation and safety, 129
  - Building and Construction Industry Improvement Act 2005*, 129
  - Office of the Federal Safety Commissioner, 129
  - reporting, 129
- Workplace relations legal, 128
  - Regulations, 128
  - Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011, 128
  - Work Health and Safety Bill 2011, 128
  - Workplace Relations Ministers' Council, 128
- Workplace relations policy, 126
  - A national workplace relations system for the private sector, 126
  - Building and construction industry, 127
  - Domestic Violence Workplace Rights and Entitlements Project, 127
  - Equal remuneration for social and community services workers case, 127
  - Paid Parental Leave, 127
  - World Trade Organization, 80

## Y

- Youth Allowance, 50–1, 67–70, 86, 87, 99, 286, 293
- Youth Allowance (other), 87, 101, 102, 108, 110, 111, 295
- Youth Attainment and Transitions, 27, 48, 49, 292
  - School Business Community Partnership Brokers, 49
  - Youth Connections, 49
- Youth Support (Program 2.10), 47, 292
  - National Partnership on Youth Attainment and Transitions, 48, 49
  - National Strategy for Young Australians*, 48
  - Office for Youth, 27, 48
  - Transition to Independent Living Allowance, 49
  - Youth Development and Support Program, 48

## Z

- Zenadh Kes Mari, 145



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