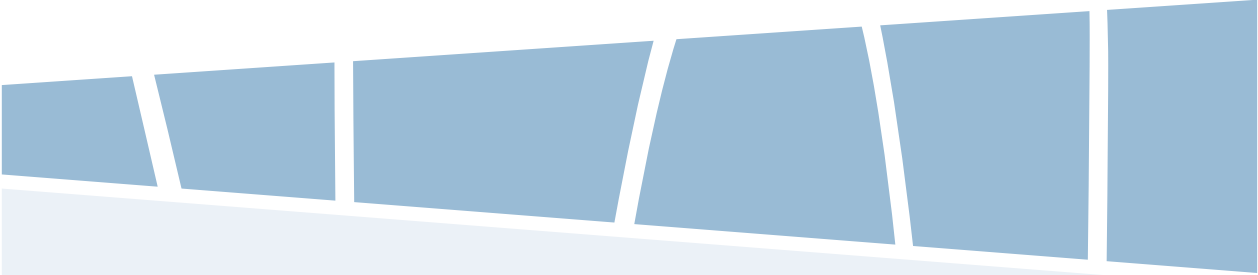


# FINANCIAL PERFORMANCE REPORTING

---

# 5



Independent Auditor's Report	248
Financial statements	251
Notes	264





Auditor-General for Australia



## INDEPENDENT AUDITOR'S REPORT

**To the Minister for Education  
To the Minister for Employment and Workplace Relations  
To the Minister for Social Inclusion**

### Scope

I have audited the accompanying financial statements of the Department of Education, Employment and Workplace Relations for the year ended 30 June 2010, which comprise: the 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.

### **The Responsibility of the Chief Executive for the Financial Statements**

The Department's Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***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 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 and fair presentation of

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT  
Phone (02) 6203 7500 Fax (02) 6273 5355  
Email [ian.mcphie@anao.gov.au](mailto:ian.mcphie@anao.gov.au)

the financial statements 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 accounting policies used and the reasonableness of accounting estimates made by the Department's Chief Executive, 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 the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

#### **Auditor's 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 2010 and its financial performance and cash flows for the year then ended.

Australian National Audit Office





Ian McPhee  
Auditor-General

Canberra  
10 September 2010

**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 2010 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 PSM  
Chief Executive  
10 September 2010

Signed   
Craig Storen  
Chief Finance Officer  
10 September 2010

**Department of Education, Employment and Workplace Relations**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2010*

	Notes	2010 \$'000	2009 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	565,731	546,253
Suppliers	3B	295,604	1,341,458
Grants	3C	5,015	-
Depreciation and amortisation	3D	98,162	78,881
Finance costs	3E	348	591
Write-down and impairment of assets	3F	386	7,378
Losses from sale of assets	3G	119	-
<b>Total expenses</b>		<b>965,365</b>	<b>1,974,561</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	55,633	64,255
<b>Total own-source revenue</b>		<b>55,633</b>	<b>64,255</b>
<b>Gains</b>			
Sale of assets	4B	29	65
Other	4C	25,922	23,993
<b>Total gains</b>		<b>25,951</b>	<b>24,058</b>
<b>Total own-source income</b>		<b>81,584</b>	<b>88,313</b>
<b>Net cost of services</b>		<b>883,781</b>	<b>1,886,248</b>
Revenue from Government	4D	849,701	1,883,901
<b>Deficit attributable to the Australian Government</b>		<b>(34,080)</b>	<b>(2,347)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation adjustment to infrastructure, plant and equipment		-	11,341
Revaluation adjustment to provision for restoration obligations		-	4,584
<b>Total other comprehensive income</b>		<b>-</b>	<b>15,925</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>		<b>(34,080)</b>	<b>13,578</b>

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 2010

	Notes	2010 \$'000	2009 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5A	2,226	5,215
Trade and other receivables	5B	186,368	184,763
Accrued revenue	5C	565	594
<b>Total financial assets</b>		<b>189,159</b>	<b>190,572</b>
<b>Non-financial assets</b>			
Land and buildings	6A/6C	102,338	78,433
Infrastructure, plant and equipment	6B/6C	57,452	55,541
Intangibles	6D/6E	123,323	117,408
Inventories	6F	449	580
Other	6G	24,812	14,889
<b>Total non-financial assets</b>		<b>308,374</b>	<b>266,851</b>
<b>Total assets</b>		<b>497,533</b>	<b>457,423</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	29,568	17,576
Other	7B	74,374	55,343
<b>Total payables</b>		<b>103,942</b>	<b>72,919</b>
<b>Provisions</b>			
Employee provisions	8A	167,874	147,595
Other	8B	7,181	8,120
<b>Total provisions</b>		<b>175,055</b>	<b>155,715</b>
<b>Total liabilities</b>		<b>278,997</b>	<b>228,634</b>
<b>NET ASSETS</b>		<b>218,536</b>	<b>228,789</b>
<b>EQUITY</b>			
Retained surplus		4,815	40,632
Reserves		35,778	35,778
Contributed equity		177,943	152,379
<b>Total equity</b>		<b>218,536</b>	<b>228,789</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 2010**

	Retained Earnings		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period	40,632	42,338	35,778	19,853	152,379	144,585	228,789	206,776
Adjustment for errors <sup>1</sup>	-	4,748	-	-	-	-	-	4,748
<b>Adjusted opening balance</b>	<b>40,632</b>	<b>47,086</b>	<b>35,778</b>	<b>19,853</b>	<b>152,379</b>	<b>144,585</b>	<b>228,789</b>	<b>211,524</b>
<b>Comprehensive income</b>								
Other comprehensive income – Changes in asset revaluation reserves	-	-	-	15,925	-	-	-	15,925
Surplus (Deficit) for the period	(34,080)	(2,347)	-	-	-	-	(34,080)	(2,347)
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(34,080)</b>	<b>(2,347)</b>	<b>-</b>	<b>15,925</b>	<b>-</b>	<b>-</b>	<b>(34,080)</b>	<b>13,578</b>
<b>Transactions with owners</b>								
<b>Distributions to owners</b>								
Returns of capital:								
Restructuring (Note 9)	(2,337)	-	-	-	-	-	(2,337)	-
Return of special account balance (Note 24)	-	(3,234)	-	-	-	-	-	(3,234)
Return of NTER unspent appropriation	-	(873)	-	-	-	-	-	(873)
<b>Contributions by owners</b>								
Appropriation (equity injection)	-	-	-	-	25,564	7,794	25,564	7,794
Transfer quarantined funds to Finance	-	-	-	-	-	-	-	-
Restructuring (Note 9)	600	-	-	-	-	-	600	-
<b>Sub-total transactions with owners</b>	<b>(1,737)</b>	<b>(4,107)</b>	<b>-</b>	<b>-</b>	<b>25,564</b>	<b>7,794</b>	<b>23,827</b>	<b>3,687</b>
Transfers between equity components	-	-	-	-	-	-	-	-
<b>Closing balance as at 30 June</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>

<sup>1</sup> The adjustment for errors relates to an adjustment to the appropriation receivable balance to align the balance with the Appropriations Cash Management system maintained by the Department of Finance and Deregulation.

The above statement should be read in conjunction with the accompanying notes.

## Department of Education, Employment and Workplace Relations

### CASH FLOW STATEMENT

for the period ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		63,230	96,761
Net GST received		34,087	40,746
Appropriations		842,897	1,873,966
Other		2,270	-
<b>Total cash received</b>		<b>942,484</b>	<b>2,011,473</b>
<b>Cash used</b>			
Employees		536,743	544,556
Suppliers		316,907	1,371,419
Grants		4,710	-
<b>Total cash used</b>		<b>858,360</b>	<b>1,915,975</b>
<b>Net cash flows from operating activities</b>	10	<b>84,124</b>	<b>95,498</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of infrastructure, plant, equipment and intangibles		126	96
Proceeds from sales of land and buildings		490	-
<b>Total cash received</b>		<b>616</b>	<b>96</b>
<b>Cash used</b>			
Purchase of infrastructure, plant and equipment		23,171	22,020
Purchase /development of intangibles		57,411	58,568
Purchase of land and buildings		30,766	23,672
<b>Total cash used</b>		<b>111,348</b>	<b>104,260</b>
<b>Net cash flows used by investing activities</b>		<b>(110,731)</b>	<b>(104,164)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		25,564	9,590
<b>Total cash received</b>		<b>25,564</b>	<b>9,590</b>
<b>Cash used</b>			
Returns to the OPA		1,945	6,195
<b>Total cash used</b>		<b>1,945</b>	<b>6,195</b>
<b>Net cash flows from financing activities</b>		<b>23,619</b>	<b>3,395</b>
<b>Net decrease in cash held</b>		<b>(2,989)</b>	<b>(5,271)</b>
Cash and cash equivalents at the beginning of the reporting period		5,215	10,486
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>2,226</b>	<b>5,215</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 2010*

	2010	2009
	\$'000	\$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Sublease rental income <sup>1</sup>	(14,935)	(28,261)
GST recoverable on commitments	(67,374)	(36,910)
<b>Total commitments receivable</b>	<b>(82,309)</b>	<b>(65,171)</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Land and buildings	-	39,038
<b>Total capital commitments</b>	<b>-</b>	<b>39,038</b>
<b>Other commitments</b>		
Operating leases <sup>1</sup>	654,840	252,595
IT commitments <sup>2</sup>	53,492	85,792
Research and development	6,147	4,361
Other <sup>3</sup>	26,859	24,215
<b>Total other commitments</b>	<b>741,338</b>	<b>366,963</b>
<b>Net commitments by type</b>	<b>659,029</b>	<b>340,830</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	(18,564)	(24,406)
From one to five years	(32,365)	(34,280)
Over five years	(31,380)	(6,485)
<b>Total commitments receivable</b>	<b>(82,309)</b>	<b>(65,171)</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	-	37,300
From one to five years	-	1,738
Over five years	-	-
<b>Total capital commitments</b>	<b>-</b>	<b>39,038</b>
<b>Operating lease commitments<sup>1</sup></b>		
One year or less	94,133	75,604
From one to five years	228,445	148,810
Over five years	332,262	28,181
<b>Total operating lease commitments</b>	<b>654,840</b>	<b>252,595</b>
<b>IT commitments<sup>2</sup></b>		
One year or less	44,179	68,614
From one to five years	9,313	17,178
Over five years	-	-
<b>Total IT commitments</b>	<b>53,492</b>	<b>85,792</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 2010*

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Research and development commitments</b>		
One year or less	<b>2,246</b>	2,166
From one to five years	<b>3,901</b>	2,195
Over five years	-	-
<b>Total research and development commitments</b>	<b>6,147</b>	4,361
<b>Other commitments <sup>3</sup></b>		
One year or less	<b>18,642</b>	19,001
From one to five years	<b>8,217</b>	5,214
Over five years	-	-
<b>Total other commitments</b>	<b>26,859</b>	24,215
<b>Net commitments by maturity</b>	<b>659,029</b>	340,830

NB: Commitments are GST inclusive where relevant.

<sup>1</sup> Operating leases included are effectively non-cancellable and comprise:

<b>Nature of lease</b>	<b>General description of leasing arrangement</b>
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 \$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 2010*

	2010 \$'000	2009 \$'000
<b>Contingent assets</b>		
Claims for damages or costs	<u>54</u>	<u>239</u>
<b>Total contingent assets</b>	<u>54</u>	<u>239</u>
<b>Contingent liabilities</b>		
Claims for damages or costs	<u>1,216</u>	<u>1,412</u>
<b>Total contingent liabilities</b>	<u>1,216</u>	<u>1,412</u>
<b>Net contingent assets (liabilities)</b>	<u>(1,162)</u>	<u>(1,173)</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 2010**

The following non-financial non-current assets were added in 2009-10 (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 equity	-	-	20,000	-	5,564	-	25,564
By purchase - appropriation ordinary annual services	-	-	31,948	23,171	51,831	16	106,966
Assets received as gifts/donations	-	-	-	11	-	-	11
<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 asset additions</b>	-	-	52,006	23,182	57,395	16	132,599

The following non-financial non-current assets were added in 2008-09:

	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 equity	-	-	-	-	9,590	-	9,590
By purchase - appropriation ordinary annual services	-	230	24,032	22,020	48,900	78	95,260
<b>Total additions funded in the current year</b>	-	230	24,032	22,020	58,490	78	104,850
<b>Additions recognised in 2008-09 – to be funded in future years</b>							
Restoration obligations	-	-	1,095	-	-	-	1,095
<b>Total additions to be funded in future years</b>	-	-	1,095	-	-	-	1,095
<b>Total asset additions</b>	-	230	25,127	22,020	58,490	78	105,945

## Department of Education, Employment and Workplace Relations

### SCHEDULE OF ADMINISTERED ITEMS

	Notes	2010 \$'000	2009 \$'000
<b>Income administered on behalf of Government</b>			
<i>for the period ended 30 June 2010</i>			
<b>Revenue</b>			
<b>Taxation revenue</b>			
Other	15A	<u>99,242</u>	93,607
<b>Total taxation revenue</b>		<u>99,242</u>	93,607
<b>Non-taxation revenue</b>			
Interest	15B	656,291	867,496
Commonwealth asset recoveries	15C	24,195	16,477
Other	15D	<u>955,115</u>	254,121
<b>Total non-taxation revenue</b>		<u>1,635,601</u>	1,138,094
<b>Total revenues administered on behalf of Government</b>		<u>1,734,843</u>	1,231,701
<b>Gains</b>			
Fair value gains from financial instruments	15E	<u>195,436</u>	-
<b>Total gains administered on behalf of Government</b>		<u>195,436</u>	-
<b>Total income administered on behalf of Government</b>		<u>1,930,279</u>	1,231,701
<b>Expenses administered on behalf of Government</b>			
<i>for the period ended 30 June 2010</i>			
<b>Expenses from ordinary activities</b>			
Employee benefits	16A	42,812	-
Suppliers	16B	2,879,368	2,775,992
Subsidies	16C	945,027	870,260
Personal benefits	16D	19,797,266	18,157,613
Grants	16E	17,224,808	15,302,948
Finance costs	16F	540,064	695,922
Write-down and impairment of assets	16G	208,812	491,619
CAC Act body payment item	16H	<u>70,289</u>	68,407
<b>Total expenses from ordinary activities administered on behalf of Government</b>		<u>41,708,446</u>	38,362,761
<b>Losses</b>			
Fair value losses	16I	<u>472,411</u>	1,014,533
<b>Total losses administered on behalf of Government</b>		<u>472,411</u>	1,014,533
<b>Total expenses administered on behalf of Government</b>		<u>42,180,857</u>	39,377,294

The above statement should be read in conjunction with the accompanying notes.

## Department of Education, Employment and Workplace Relations SCHEDULE OF ADMINISTERED ITEMS

	Notes	2010 \$'000	2009 \$'000
<b>Assets administered on behalf of Government</b>			
<i>as at 30 June 2010</i>			
<b>Financial assets</b>			
Cash and cash equivalents	17A	1,301	415
Receivables	17B	16,274,925	13,904,831
Investments accounted for using the equity method	17C	1,790,783	1,556,737
<b>Total financial assets</b>		<b>18,067,009</b>	<b>15,461,983</b>
<b>Non-financial assets</b>			
Inventories	17D	1,390	729
Other	17E	3,715	6,511
<b>Total non-financial assets</b>		<b>5,105</b>	<b>7,240</b>
<b>Total assets administered on behalf of Government</b>		<b>18,072,114</b>	<b>15,469,223</b>
<b>Liabilities administered on behalf of Government</b>			
<i>as at 30 June 2010</i>			
<b>Payables</b>			
Suppliers	18A	146,331	239,840
Subsidies	18B	19,964	39,943
Personal benefits	18C	865,336	762,690
Grants	18D	99,409	82,006
Other	18E	55,711	88,080
<b>Total payables</b>		<b>1,186,751</b>	<b>1,212,559</b>
<b>Provisions</b>			
Provision for grants	18F	5,039,000	4,209,000
<b>Total provisions</b>		<b>5,039,000</b>	<b>4,209,000</b>
<b>Total liabilities administered on behalf of Government</b>		<b>6,225,751</b>	<b>5,421,559</b>

The above statement should be read in conjunction with the accompanying notes.

## Department of Education, Employment and Workplace Relations

### SCHEDULE OF ADMINISTERED ITEMS

	Notes	2010 \$'000	2009 \$'000
<b>Administered cash flows</b>			
<i>for the period ended 30 June 2010</i>			
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Interest		32	5
Net GST received		1,394,186	1,069,483
Levies		97,548	93,607
Other		2,706,182	1,811,977
<b>Total cash received</b>		<b>4,197,948</b>	<b>2,975,072</b>
<b>Cash used</b>			
Suppliers		4,329,687	3,739,386
Subsidies		965,006	865,956
Personal benefits		23,477,580	21,087,996
Grant		17,082,318	15,158,169
Interest		37	-
CAC Act body payment item		70,289	68,407
Employees		42,812	-
<b>Total cash used</b>		<b>45,967,729</b>	<b>40,919,914</b>
<b>Net cash flows used by operating activities</b>		<b>(41,769,781)</b>	<b>(37,944,842)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Investments		-	287,237
<b>Total cash received</b>		<b>-</b>	<b>287,237</b>
<b>Cash used</b>			
Loans made		15,000	-
Investments		-	1,112
Transfers to other entities		-	6,483,945
<b>Total cash used</b>		<b>15,000</b>	<b>6,485,057</b>
<b>Net cash flows used by investing activities</b>		<b>(15,000)</b>	<b>(6,197,820)</b>
<b>Net Decrease in Cash Held</b>		<b>(41,784,781)</b>	<b>(44,142,662)</b>
Cash and cash equivalents at the beginning of the reporting period		415	6,209,482
Cash from the Official Public Account for:			
- Appropriations		43,663,089	39,728,022
- Administered GST appropriations		1,367,517	1,063,877
- Special accounts		837,362	77,953
<b>Total cash from the Official Public Account</b>		<b>45,867,968</b>	<b>40,869,852</b>
Cash to the Official Public Account for:			
- Appropriations		(1,841,893)	(1,760,819)
- Return of GST appropriations to the OPA		(1,399,886)	(1,094,710)
- Special accounts		(840,522)	(80,728)
<b>Total cash to the Official Public Account</b>		<b>(4,082,301)</b>	<b>(2,936,257)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	17A	<b>1,301</b>	<b>415</b>

The above statement should be read in conjunction with the accompanying notes.

## Department of Education, Employment and Workplace Relations SCHEDULE OF ADMINISTERED ITEMS

	Notes	2010 \$'000	2009 \$'000
<b>Administered commitments</b>			
<i>as at 30 June 2010</i>			
<b>BY TYPE</b>			
<b>Commitments receivable</b>			
GST recoverable on commitments		(2,628,501)	(1,178,881)
<b>Total commitments receivable</b>		<b>(2,628,501)</b>	<b>(1,178,881)</b>
<b>Commitments payable</b>			
<b>Other commitments</b>			
Employment programs		5,923,018	5,411,819
Goods and services <sup>1</sup>		536,183	687,368
Grants		8,255,838	10,612,832
Legislative obligations <sup>2</sup>		26,355,066	41,021,447
Research and development		-	1,204
Other		5,238	73,098
<b>Total other commitments</b>		<b>41,075,343</b>	<b>57,807,768</b>
<b>Net commitments by type</b>		<b>38,446,842</b>	<b>56,628,887</b>
<b>BY MATURITY</b>			
<b>Commitments receivable</b>			
<b>Other commitments receivable</b>			
One year or less		(1,199,381)	(516,167)
From one to five years		(1,429,120)	(662,714)
<b>Total commitments receivables</b>		<b>(2,628,501)</b>	<b>(1,178,881)</b>
<b>Commitments payable</b>			
<b>Other commitments</b>			
One year or less		20,967,921	16,059,831
From one to five years		20,107,396	41,747,937
Over five years		26	-
<b>Total other commitments</b>		<b>41,075,343</b>	<b>57,807,768</b>
<b>Net commitments by maturity</b>		<b>38,446,842</b>	<b>56,628,887</b>

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* and *Schools Assistance Act 2008*.

The above statement should be read in conjunction with the accompanying notes.



**Department of Education, Employment and Workplace Relations**  
**SCHEDULE OF ADMINISTERED ITEMS**

	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Administered contingencies</b> as at 30 June 2010		
<b>Administered contingent assets</b>		
Claims for damages or costs	<b>18,701</b>	20,011
Other	<b>9,000</b>	23,070
<b>Total administered contingent assets</b>	<b>27,701</b>	43,081
<b>Administered contingent liabilities</b>		
Claims for damages or costs	<b>30,191</b>	-
Other	<b>-</b>	4,347
<b>Total administered contingent liabilities</b>	<b>30,191</b>	4,347
<b>Net administered contingent assets (liabilities)</b>	<b>(2,490)</b>	38,734

Details of each class of contingent liabilities and contingent assets 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 Occurring after the Balance Sheet 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**

## 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.

For 2009-10 the department's structure changed from nine outcomes to five outcomes. The transition from the old outcome structure to the new outcome structure is outlined in detail in Table 1.4 – Transition from outcomes and outputs to outcomes and programs on page 38 of the 2009-10 Portfolio Budget Statement.

A high level mapping of the department's old outcome structure to the new outcome structure is show in the table below.

Outcome structure – 2009-10 Financial Year	Outcome Structure – 2008-09 Financial Year
Outcome 1: Early Childhood Education and Child Care	Outcome 1: Early Childhood Education and Child Care
Outcome 2: School Education	Outcome 2: School Education
Outcome 3: Tertiary, Youth and International	Outcome 3: Higher Education
Outcome 3: Tertiary, Youth and International	Outcome 4: Vocational Education and Training
Outcome 2: School Education	Outcome 5: Transitions and Youth
Outcome 3: Tertiary, Youth and International	Outcome 6: International Influence
Outcome 4: Employment	Outcome 7: Labour Market Assistance
Outcome 4: Employment	Outcome 8: Workforce Participation
Outcome 5: Workplace Relations	Outcome 9: 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 appropriations 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 required by section 49 of the *Financial Management and Accountability Act 1997* and are general purpose financial statements.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2009; 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

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

be reliably measured. However, assets and liabilities arising under Agreements Equally Proportionately Unperformed 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 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 2009-10 financial statements was changed from 6% to the 10 year government bond rate as at the reporting date (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	2009-10 \$m	HELP Receivable – Discount rate	2008-09 \$m
5.2%	13,708	5.6%	11,634
6.0%	13,203	6.0%	11,463

- The fair value of the Provision for Unfunded University Superannuation (2009-10 \$5.039 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 2010 is 5.2% (2008-09: 5.6%).

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 revised standards that were issued prior to the signing of the Statement by the Chief Executive and Chief Finance Officer 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 entity:

- AASB 7 Financial Instruments: Disclosures
- AASB 101 Presentation of Financial Statements
- AASB 116 Property, Plant and Equipment
- AASB 1048 Interpretation of Standards

##### Future Australian Accounting Standard Requirements

The following new standards, revised standards, amending standards were issued by the Australian Accounting Standards Board prior to the signing of the Statement by the Chief Executive and Chief Finance Officer, are not expected to have a financial impact on the entity:

- AASB 7 Financial Instruments: Disclosures
- AASB 9 Financial Instruments

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- AASB 124 Related Party Disclosures
- AASB 1053 Application of Tiers of Australian Accounting Standards
- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]
- AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

#### 1.5 Revenue

##### Revenue from Government

Amounts appropriated for departmental outputs for the year (adjusted for any formal additions and reductions) are recognised as revenue 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.

##### Other types of 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.

#### 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.

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 agency or authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

##### Sale of assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

#### 1.7 Transactions with the Government as Owner

##### Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in contributed equity in that year.

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Restructuring of administrative arrangements

Net assets received from, or relinquished to, another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

#### Other distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

#### **1.8 Employee Benefits**

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured at net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the department's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2010. 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 superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the department's employees. The department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

#### **1.9 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 and cash equivalents includes cash on hand, cash held with outsiders, demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

#### **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.

#### 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, cost is used. The department has no such instruments.

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 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.

Other 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.

#### 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*.



## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 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 agency's accounts immediately prior to the restructuring.

#### 1.16 Infrastructure, Plant and Equipment including Land and Buildings

##### Asset recognition threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, (or \$50,000 for leasehold improvements) which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to the restoration obligation provisions in property leases taken up by the department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the department's leasehold improvements with a corresponding provision for restoration obligations recognised.

##### Revaluations

Fair values for each class of asset are determined as shown below:

<i>Asset Class</i>	<i>Fair value measured at</i>
Land	Market selling price
Buildings excluding leasehold improvements	Market selling price
Buildings – Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

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 through the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

##### Depreciation

Depreciable infrastructure, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the department using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

<i>Asset Class</i>	<i>2010</i>	<i>2009</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 2010. 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

Computer equipment was brought to account as part of infrastructure, plant and equipment for the first time as at 30 June 2010. The asset is to be written off to its estimated residual value over the estimated useful life using the straight-line method of depreciation.

#### **1.17 Intangibles**

The department's intangibles comprise purchased and internally developed computer 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).

Computer 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 (2008-09: 2-5 years).

All software assets were assessed for indications of impairment as at 30 June 2010.

#### **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 are capable of being 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 agency 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 agency on behalf of the Government and reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in Note 19: Administered Reconciliation Table.

#### 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, derecognition 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.

Receivables not subject to concessional treatment are carried at cost. 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 2010. 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 new 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;
- State and Territory Grants (Note 16E) for all payments made to State and Territory Governments for the period 1 July 2008 to 31 December 2009.

#### 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 an obligation 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 are the main tool to detect 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.

#### Payments to CAC Act bodies

From 2008-09, payments to Comcare from amounts appropriated for that purpose are classified as administered expenses of the relevant portfolio department. The appropriation to the department is disclosed in Tables A1, A2, B1 and C in Note 23.

#### **Note 2. Events Occurring after the Balance Sheet Date**

In 2009 the Australian Government announced changes to its governance arrangements for international education. These changes include the transfer of responsibility for promotion and marketing of Australia's international education and training to the Australian Trade Commission (Austrade). These functions are currently within the department and will be transferred from 1 July 2010.

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). These functions will transfer from 1 July 2010.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 3. Expenses

	2010	2009
	\$'000	\$'000
<b>Note 3A. Employee benefits</b>		
Wages and salaries <sup>2</sup>	380,722	391,283
Superannuation <sup>1</sup> :		
Defined contribution plans	22,007	20,345
Defined benefit plans	54,846	53,510
Leave and other entitlements	92,770	76,894
Separations and redundancies	10,980	-
Other <sup>2</sup>	4,406	4,221
<b>Total employee benefits</b>	<b>565,731</b>	<b>546,253</b>

<sup>1</sup> The prior year comparatives have been reclassified between Defined contribution plans and Defined benefit plans.

<sup>2</sup> The prior year comparatives have been reclassified between wages and salaries and other.

### Note 3B. Suppliers

#### Goods and services

Centrelink services <sup>1</sup>	-	1,012,766
IT services	66,056	61,410
Contractors	32,762	55,094
Consultants	32,609	36,565
Resources received free of charge	21,769	19,823
Travel	18,500	23,534
Property	12,724	16,419
Other	40,472	41,219
<b>Total goods and services</b>	<b>224,892</b>	<b>1,266,830</b>

#### Goods and services are made up of:

Provision of goods – external parties	5,905	7,389
Rendering of services – related entities <sup>2</sup>	16,429	1,037,219
Rendering of services – external parties	202,558	222,222
<b>Total goods and services</b>	<b>224,892</b>	<b>1,266,830</b>

#### Other supplier expenses

Operating lease rentals – external parties:		
Minimum lease repayments <sup>2</sup>	63,603	67,231
Contingent rentals	2,293	4,341
Workers compensation expenses	4,816	3,056
<b>Total other supplier expenses</b>	<b>70,712</b>	<b>74,628</b>
<b>Total supplier expenses</b>	<b>295,604</b>	<b>1,341,458</b>

<sup>1</sup> From 1 July 2009 Centrelink was directly appropriated by Government for services provided to DEEWR.

<sup>2</sup> The prior year comparatives have been reclassified.

### Note 3C. Grants

Public sector:		
Australian Government Entities (related entities)	131	-
Private sector:		
Non-profit organisations	4,381	-
Other	503	-
<b>Total grants</b>	<b>5,015</b>	<b>-</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Note 3D. Depreciation and amortisation</b>		
<b>Depreciation:</b>		
Infrastructure, plant and equipment	19,441	27,288
Buildings	76	74
Buildings – leasehold improvements	<u>26,675</u>	<u>17,781</u>
<b>Total depreciation</b>	<u>46,192</u>	<u>45,143</u>
<b>Amortisation:</b>		
Intangibles:		
Computer software	<u>51,970</u>	<u>33,738</u>
<b>Total amortisation</b>	<u>51,970</u>	<u>33,738</u>
<b>Total depreciation and amortisation</b>	<u>98,162</u>	<u>78,881</u>
<b>Note 3E. Finance costs</b>		
Unwinding of discount on provision for restoration obligations	<u>348</u>	591
<b>Total finance costs</b>	<u>348</u>	<u>591</u>
<b>Note 3F. Write-Down and impairment of assets</b>		
Asset write-downs and impairments from:		
Receivables - goods and services	(2)	152
Impairment of infrastructure, plant and equipment	-	766
Impairment of intangibles	-	1,615
Write-off of non-financial assets – infrastructure, plant and equipment	262	3,761
Write-off of non-financial assets – land and buildings	406	946
Write-off of non-financial assets – intangibles	-	18
Impairment of inventory held for distribution	<u>(280)</u>	<u>120</u>
<b>Total write-down and impairment of assets</b>	<u>386</u>	<u>7,378</u>
<b>Note 3G. Losses from sale of assets</b>		
<b>Infrastructure, plant and equipment</b>		
Proceeds from sale	(126)	-
Carrying value of assets sold	<u>245</u>	-
<b>Net loss from infrastructure, plant and equipment</b>	<u>119</u>	-
<b>Net loss from the sale of assets</b>	<u>119</u>	-

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 4. Income

	2010	2009
	\$'000	\$'000

#### Revenue

#### **Note 4A. Sale of goods and rendering of services**

Provision of goods – external parties	1,298	1,166
Rendering of services – related entities <sup>1</sup>	25,264	43,367
Rendering of services – external parties <sup>1</sup>	29,071	19,722
<b>Total sale of goods and rendering of services</b>	<b>55,633</b>	<b>64,255</b>

<sup>1</sup> The prior year comparatives have been reclassified between Rendering of services – related entities and external parties.

#### 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>29</b>	<b>-</b>

##### Infrastructure, plant and equipment

Proceeds from sale	-	96
Carrying value of assets sold	-	(31)
<b>Net gain from infrastructure, plant and equipment</b>	<b>-</b>	<b>65</b>

#### **Net gain from the sale of assets**

<b>29</b>	<b>65</b>
-----------	-----------

#### **Note 4C. Other gains**

Resources received free of charge	21,769	19,823
Gain on write back of goods and services impairment allowance account	-	402
Gain on write back of workers compensation	617	1,194
Gain on write back of leave transfers	610	1,203
Gain on write back of restoration provision	860	1,051
First time recognition of assets	11	-
Subleased rent	1,411	-
Other	644	320
<b>Total other gains</b>	<b>25,922</b>	<b>23,993</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2010 \$'000	2009 \$'000
Revenue from Government		
<b>Note 4D.</b> Revenue from Government		
Appropriations:		
Departmental outputs	<u>849,701</u>	<u>1,883,901</u>
<b>Total revenue from Government</b>	<u><u>849,701</u></u>	<u><u>1,883,901</u></u>



## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Note 5. Financial Assets</b>		
<b>Note 5A. Cash and cash equivalents</b>		
Special Accounts	-	3,082
Cash on hand or on deposit	<u>2,226</u>	<u>2,133</u>
<b>Total cash and cash equivalents</b>	<u><b>2,226</b></u>	<u><b>5,215</b></u>
<b>Note 5B. Trade and other receivables</b>		
<b>Goods and Services:</b>		
Goods and services - related entities	1,608	6,031
Goods and services - external parties	<u>1,148</u>	<u>1,224</u>
<b>Total receivables for goods and services</b>	<u><b>2,756</b></u>	<u><b>7,255</b></u>
<b>Appropriation receivable:</b>		
For existing outputs	175,151	170,117
Special Accounts	<u>1,945</u>	<u>1,439</u>
<b>Total appropriations receivable</b>	<u><b>177,096</b></u>	<u><b>171,556</b></u>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	<u>6,608</u>	<u>6,050</u>
<b>Total other receivables</b>	<u><b>6,608</b></u>	<u><b>6,050</b></u>
<b>Total trade and other receivables (gross)</b>	<u><b>186,460</b></u>	<u><b>184,861</b></u>
Less impairment allowance account:		
Goods and services	<u>(92)</u>	<u>(98)</u>
<b>Total impairment allowance account</b>	<u><b>(92)</b></u>	<u><b>(98)</b></u>
<b>Total trade and other receivables (net)</b>	<u><b>186,368</b></u>	<u><b>184,763</b></u>
Receivables are expected to be recovered in:		
No more than 12 months	186,368	184,763
More than 12 months	<u>-</u>	<u>-</u>
<b>Total trade and other receivables (net)</b>	<u><b>186,368</b></u>	<u><b>184,763</b></u>
Receivables are aged as follows:		
Not overdue	185,385	183,865
Overdue by:		
0 to 30 days	217	220
31 to 60 days	80	260
61 to 90 days	15	72
More than 90 days	<u>763</u>	<u>444</u>
<b>Total receivables (gross)</b>	<u><b>186,460</b></u>	<u><b>184,861</b></u>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'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	(92)	(98)
<b>Total impairment allowance account</b>	<b>(92)</b>	<b>(98)</b>

### Reconciliation of the Impairment Allowance Account:

#### 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>

#### Movement in relation to 2009

	Goods and services	Total
	\$'000	\$'000
<b>Opening balance</b>	(534)	(534)
Amounts written off	(152)	(152)
Amounts recovered and reversed	186	186
Increase/decrease recognised in net surplus	402	402
<b>Closing balance</b>	<b>(98)</b>	<b>(98)</b>

	2010 \$'000	2009 \$'000
<b>Note 5C. Accrued revenue</b>		
Goods and services	565	594
<b>Total accrued revenue</b>	<b>565</b>	<b>594</b>

Total accrued revenue is expected to be recovered in:

No more than 12 months	565	594
More than 12 months	-	-
<b>Total accrued revenue</b>	<b>565</b>	<b>594</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 6. Non-Financial Assets

	2010 \$'000	2009 \$'000
<b>Note 6A. Land and buildings</b>		
Freehold land at fair value	1,123	1,348
Buildings on freehold land:		
Fair value	2,345	2,576
Accumulated depreciation	<u>(180)</u>	<u>(118)</u>
<b>Total buildings on freehold land</b>	<b><u>3,288</u></b>	<b><u>3,806</u></b>
Leasehold improvements:		
Work in progress	184	4,643
Fair value	185,166	131,347
Accumulated depreciation	<u>(86,300)</u>	<u>(61,363)</u>
<b>Total leasehold improvements</b>	<b><u>99,050</u></b>	<b><u>74,627</u></b>
<b>Total land and buildings</b>	<b><u>102,338</u></b>	<b><u>78,433</u></b>

There is one residential property to be sold within the next 12 months. The property has a net book value of \$485,580 as at 30 June 2010.

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 \$1,001,520 as at 30 June 2010.

Revaluation increments of nil for buildings on freehold land (2009: increment of \$79,000) and nil for leasehold improvements (2009: increment of \$11,332,000) were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet in 2009. A decrement of nil for land (2009: decrement of \$70,000) was debited in 2009 to the asset revaluation reserve by asset class and included in the equity section of the balance sheet as an offset to previous revaluation increments for the class.

No indicators of impairment were found for land and buildings.

### **Note 6B. Infrastructure, plant and equipment**

Work in progress	-	429
Fair value	145,756	132,324
Accumulated depreciation	<u>(88,304)</u>	<u>(77,212)</u>
<b>Total infrastructure, plant and equipment</b>	<b><u>57,452</u></b>	<b><u>55,541</u></b>

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 (2009: nil).

Infrastructure, plant and equipment assets were assessed for impairment with an amount of nil being expensed (2009: \$766,000).

**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 (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>
<b>Additions:</b>						
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)
<b>Disposals:</b>						
From disposal of entities or operations (including restructuring)	-	-	(639)	(639)	(150)	(789)
Other	(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	-	(180)	(86,300)	(86,480)	(88,304)	(174,784)
<b>Net book value as of 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**

**Note 6C (cont'd) – Reconciliation of the opening and closing balances of property, plant and equipment (2008-09)**

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Total Land and Buildings \$'000	Infrastructure, Plant and Equipment \$'000	Total \$'000
<b>As at 1 July 2008</b>						
Gross book value	1,418	2,267	106,104	109,789	130,686	240,475
Accumulated depreciation and impairment	-	(44)	(49,209)	(49,253)	(65,298)	(114,551)
<b>Net book value 1 July 2008</b>	<b>1,418</b>	<b>2,223</b>	<b>56,895</b>	<b>60,536</b>	<b>65,388</b>	<b>125,924</b>
Additions:						
By purchase	-	230	25,127	25,357	22,020	47,377
Revaluations and impairments recognised in other comprehensive income	(70)	79	11,332	11,341	-	11,341
Impairments recognised in the operating result	-	-	-	-	(766)	(766)
Reclassification	-	-	-	-	(21)	(21)
Depreciation expense	-	(74)	(17,781)	(17,855)	(27,288)	(45,143)
Disposals:						
Other disposals	-	-	-	-	(31)	(31)
Write-offs	-	-	(946)	(946)	(3,761)	(4,707)
<b>Net book value 30 June 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>
<b>Net book value as of 30 June 2009 represented by:</b>						
Gross book value	1,348	2,576	135,990	139,914	132,753	272,667
Accumulated depreciation	-	(118)	(61,363)	(61,481)	(77,212)	(138,693)
	<b>1,348</b>	<b>2,458</b>	<b>74,627</b>	<b>78,433</b>	<b>55,541</b>	<b>133,974</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2010	2009
	\$'000	\$'000
<b>Note 6D. Intangibles</b>		
<b>Computer software:</b>		
Internally developed – in progress	38,230	69,243
Internally developed – in use	275,214	187,108
Purchased	9,663	9,032
<b>Total computer software (gross)</b>	<b>323,107</b>	265,383
Accumulated amortisation – internally developed	(190,391)	(139,922)
Accumulated amortisation – purchased	(9,393)	(8,053)
<b>Total computer software (net)</b>	<b>123,323</b>	117,408
<b>Total intangibles</b>	<b>123,323</b>	117,408

Intangible assets were assessed for impairment with an amount of nil being expensed (2009: \$1,615,000 expensed).

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 (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
Reclassification	1,186	(712)	474
Amortisation	(51,957)	(13)	(51,970)
Disposals:			
Write-offs	-	-	-
<b>Net book value 30 June 2010</b>	<b>123,053</b>	<b>270</b>	<b>123,323</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>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**

**Note 6E (cont'd) – Reconciliation of the opening and closing balances of intangibles (2008-09)**

	Computer Software Internally Developed \$'000	Computer Software Purchased \$'000	Total \$'000
<b>As at 1 July 2008</b>			
Gross book value	200,935	9,064	209,999
Accumulated amortisation and impairment	(107,418)	(7,588)	(115,006)
<b>Net book value 1 July 2008</b>	<b>93,517</b>	<b>1,476</b>	<b>94,993</b>
Additions:			
By purchase	-	78	78
Internally developed	58,490	-	58,490
Impairments recognised in the operating result	(1,535)	(80)	(1,615)
Reclassifications	(872)	90	(782)
Amortisation	(33,171)	(567)	(33,738)
Disposals:			
Write-offs	-	(18)	(18)
<b>Net book value 30 June 2009</b>	<b>116,429</b>	<b>979</b>	<b>117,408</b>
<b>Net book value as of 30 June 2009 represented by:</b>			
Gross book value	256,351	9,032	265,383
Accumulated amortisation and impairment	(139,922)	(8,053)	(147,975)
	<b>116,429</b>	<b>979</b>	<b>117,408</b>



## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2010  
\$'000

2009  
\$'000

#### Note 6F. Inventories

##### Inventories held for distribution:

Inventory held for distribution	539	950
Impairment allowance for inventory held for distribution	(90)	(370)
<b>Total inventories held for distribution</b>	<b>449</b>	<b>580</b>
<b>Total inventories</b>	<b>449</b>	<b>580</b>

##### Reconciliation of the impairment allowance for inventory held for distribution:

##### 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	-	-
Closing balance	(90)	(90)

##### Movement in relation to 2009

	Inventory held for distribution	Total
	\$'000	\$'000
Opening balance	(250)	(250)
Amounts written off	-	-
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	(120)	(120)
Closing balance	(370)	(370)

#### Note 6G. Other non-financial assets

Prepayments	24,812	14,889
<b>Total other non-financial assets</b>	<b>24,812</b>	<b>14,889</b>

Total other non-financial assets are expected to be recovered in:

No more than 12 months	20,914	14,142
More than 12 months	3,898	747
<b>Total other non-financial assets</b>	<b>24,812</b>	<b>14,889</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

2010	2009
\$'000	\$'000

#### Note 7A. Suppliers

Trade creditors and accruals	25,341	13,866
Operating lease rentals	4,227	3,710
<b>Total supplier payables</b>	<b>29,568</b>	<b>17,576</b>

Supplier payables expected to be settled within 12 months:

Related entities	2,576	5,666
External parties	23,058	8,213
<b>Total</b>	<b>25,634</b>	<b>13,879</b>

Supplier payables expected to be settled in greater than 12 months:

Related entities	-	-
External parties	3,934	3,697
<b>Total</b>	<b>3,934</b>	<b>3,697</b>
<b>Total supplier payables</b>	<b>29,568</b>	<b>17,576</b>

Settlement is usually made within 30 days.

#### Note 7B. Other payables

Salaries and wages	10,086	15,035
Superannuation	1,509	1,131
Separations and redundancies	10,766	-
Other employee benefits	335	286
Lease incentives	26,071	6,483
Unearned income	8,769	9,596
Payable to the Official Public Account	-	403
Accrued expenses	16,838	22,409
<b>Total other payables</b>	<b>74,374</b>	<b>55,343</b>

Total other payables are expected to be settled in:

No more than 12 months	49,856	50,791
More than 12 months	24,518	4,552
<b>Total other payables</b>	<b>74,374</b>	<b>55,343</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 8. Provisions

	2010	2009
	\$'000	\$'000

#### Note 8A. Employee provisions

Leave	<u>167,874</u>	147,595
<b>Total employee provisions</b>	<u><b>167,874</b></u>	<u>147,595</u>

Total employee provisions are expected to be settled in:

No more than 12 months	138,205	106,196
More than 12 months	<u>29,669</u>	<u>41,399</u>
<b>Total employee provisions</b>	<u><b>167,874</b></u>	<u>147,595</u>

#### Note 8B. Other provisions

Provision for restoration obligations	<u>7,181</u>	8,120
<b>Total other provisions</b>	<u><b>7,181</b></u>	<u>8,120</u>

Total other provisions are expected to be settled in:

No more than 12 months	1,380	986
More than 12 months	<u>5,801</u>	<u>7,134</u>
<b>Total other provisions</b>	<u><b>7,181</b></u>	<u>8,120</u>

	Provision for restoration obligations	Total
<b>Carrying amount at 1 July 2009</b>	<b>8,120</b>	<b>8,120</b>
Additional provisions made	58	58
Amounts adjusted after revaluation	-	-
Amounts reversed	(1,345)	(1,345)
Unwinding of discount or change in discount rate	<u>348</u>	<u>348</u>
<b>Closing balance 30 June 2010</b>	<u><b>7,181</b></u>	<u><b>7,181</b></u>

The department currently has 21 (2009: 27) 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 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 of Education, Employment and Workplace Relations 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 net book values of assets and liabilities transferred by the department for which no consideration was received as at the date of transfer were:

	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><u>2,337</u></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><u>600</u></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 2009-2010

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>	<u>2,320</u>
<b>Net liabilities assumed</b>	<u>2,320</u>

There are no income and expenses for the functions assumed as the restructuring was effective 1 July 2009.

### Administered Restructuring 2008-2009

The Higher Education Endowment Fund Special Account was abolished by the *Nation-building Funds (Consequential Amendments) Act 2008* on 31 December 2008. The balance of the account was transferred to the Education Investment Fund. The Department of Finance and Deregulation assumed responsibility for the investment of funds through the Future Fund Management Agency.

In respect of functions relinquished, the following assets and liabilities were transferred by the department:

	2009 \$'000
<b>Department of Finance and Deregulation</b>	
<b>Assets relinquished</b>	
Cash and cash equivalents	6,483,945
<b>Total assets relinquished</b>	<u>6,483,945</u>
<b>Liabilities relinquished</b>	
Payables	(165)
<b>Total liabilities relinquished</b>	<u>(165)</u>
<b>Net assets relinquished</b>	<u>6,483,780</u>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 10. Cash Flow Reconciliation

	2010 \$'000	2009 \$'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	2,226	5,215
Balance Sheet	2,226	5,215
<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	(883,781)	(1,886,248)
Add revenue from Government	849,701	1,883,901
<b>Adjustment for non-cash items</b>		
First time recognition of computer software	(11)	-
Gains on disposal of assets	(29)	(65)
Other gains	(2,731)	(4,170)
Depreciation/ amortisation	98,162	78,881
Net write-down and impairment of assets	386	7,378
Net losses from sale of assets	119	-
Finance costs – unwinding of discount on provision for restoration obligations	348	591
<b>Changes in assets/liabilities</b>		
Decrease/(increase) in net receivables	(2,614)	12,293
Decrease/(increase) in accrued income	29	83
Decrease/(increase) in inventories	131	21
Decrease/(increase) in prepayments	(9,923)	9,198
Increase/(decrease) in employee provisions	22,462	17,444
Increase/(decrease) in suppliers payable	(6,858)	(12,664)
Increase/(decrease) in other provisions	(762)	(591)
Increase/(decrease) in other payables	19,496	(10,554)
<b>Net cash from operating activities</b>	<u>84,124</u>	<u>95,498</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	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Contingent assets</b>						
Balance from previous period	-	-	239	1,161	239	1,161
New	-	-	-	81	-	81
Re-measurement	-	-	(20)	(274)	(20)	(274)
Assets recognised	-	-	(158)	(725)	(158)	(725)
Expired	-	-	(7)	(4)	(7)	(4)
<b>Total contingent assets</b>	-	-	54	239	54	239
<b>Contingent liabilities</b>						
Balance from previous period	-	93,300	1,412	1,609	1,412	94,909
New	-	-	25	137	25	137
Re-measurement	-	(93,300)	(115)	(225)	(115)	(93,525)
Liabilities recognised	-	-	(97)	(83)	(97)	(83)
Obligations expired	-	-	(9)	(26)	(9)	(26)
<b>Total contingent liabilities</b>	-	-	1,216	1,412	1,216	1,412
<b>Net contingent assets (liabilities)</b>						
					(1,162)	(1,173)

## 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 \$1.216 million (2009: \$1.412 million).

The schedule also reports contingent assets in respect of claims for damages of \$0.054 million (2009: \$0.239 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 2010, the department had contingent assets likely to be received in respect of damages and claims that are not quantifiable. There were 21 open matters in the hands of the department's legal representatives (2009:35). 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 \$0.022 million (2009: nil) contingent assets where the likelihood of receipt is remote. The value of contingent liabilities where the likelihood of payment is remote is \$0.180 million (2009: \$0.213 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. Actual remuneration paid to Senior Executives<sup>1</sup>

##### Executive Remuneration

	2010	2009 <sup>3</sup>
The number of senior executives who received:		
Less than \$145,000 <sup>2</sup>	14	7
\$145,000 to \$159,999	8	6
\$160,000 to \$174,999	3	2
\$175,000 to \$189,999	9	8
\$190,000 to \$204,999	22	15
\$205,000 to \$219,999	29	12
\$220,000 to \$234,999	36	29
\$235,000 to \$249,999	22	27
\$250,000 to \$264,999	11	19
\$265,000 to \$279,999	13	15
\$280,000 to \$294,999	11	9
\$295,000 to \$309,999	4	18
\$310,000 to \$324,999	3	7
\$325,000 to \$339,999	2	7
\$340,000 to \$354,999	2	1
\$355,000 to \$369,999	3	3
\$370,000 to \$384,999	2	3
\$385,000 to \$399,999	-	1
\$400,000 to \$414,999	1	1
\$415,000 to \$429,999	-	2
\$445,000 to \$459,999	-	1
\$460,000 to \$474,999	-	2
\$490,000 to \$504,999	-	1
\$505,000 to \$519,999	-	1
\$535,000 to \$549,999	1	-
\$550,000 to \$564,999	1	-
\$625,000 to \$639,999	-	1
<b>Total</b>	<b>197</b>	<b>198</b>

<sup>1</sup> For the purpose of this note disclosure remuneration includes:

- (a) Salary (including payment for annual leave taken)
- (b) Movement in annual leave and long service leave provisions
- (c) Superannuation (post employment benefits)
- (d) Motor vehicle and other allowances
- (e) Reportable fringe benefits.

<sup>2</sup> Senior Executive with acting arrangements or part year service are excluded where remuneration is less than \$145,000.

<sup>3</sup> As a consequence of the change in the reporting requirements for Senior Executives the 2009 comparative has been restated to align to the new reporting requirements.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Total expense recognised in relation to Senior Executive employment

	\$	\$
Short-term employee benefits:		
Salary	31,290	36,312
Changes in annual leave provisions	570	450
Performance bonus <sup>4</sup>	7	2,243
Other <sup>5</sup>	5,829	4,752
Total Short-term employee benefits	<u>37,696</u>	<u>43,757</u>
Superannuation (post-employment benefits)	5,424	5,206
Changes in long service leave provisions	1,418	1,352
<b>Total</b>	<u><u>44,538</u></u>	<u><u>50,315</u></u>

During the year the entity paid \$108,291 in termination benefits to senior executives (2009: \$2,358,781). Termination benefits have not been included in the above amounts for both 2010 and 2009.

#### Notes

<sup>4</sup> Only SES officers on Australian Workplace Agreements are eligible for performance bonuses.

<sup>5</sup> 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. Salary Packages for Senior Executives

Average annualised remuneration packages<sup>1</sup> for substantive Senior Executives employed as at 30 June:

	As at 30 June 2010			As at 30 June 2009		
	No. SES	Base salary (including annual leave)	Total remuneration package <sup>1</sup>	No. SES	Base salary (including annual leave)	Total remuneration package <sup>1</sup>
Total remuneration:						
Less than \$145,000	-	-	-	-	-	-
\$145,000 to \$159,999	-	-	-	-	-	-
\$160,000 to \$174,999	2	125,044	172,300	3	123,994	171,089
\$175,000 to \$189,999	13	136,120	184,623	16	135,471	182,251
\$190,000 to \$204,999	55	148,467	199,551	60	145,462	195,320
\$205,000 to \$219,999	35	160,260	212,610	42	160,128	211,249
\$220,000 to \$234,999	25	170,802	224,532	10	169,244	223,518
\$235,000 to \$249,999	11	186,569	243,649	17	184,903	240,529
\$250,000 to \$264,999	15	196,736	256,547	11	198,167	255,364
\$265,000 to \$279,999	15	211,982	272,939	9	211,627	270,889
\$280,000 to \$294,999	6	221,730	285,683	1	216,638	280,000
\$295,000 to \$309,999	1	244,038	309,000	-	-	-
\$310,000 to \$324,999	-	-	-	2	255,705	320,000
\$325,000 to \$339,999	3	260,689	331,567	4	260,116	325,181
\$340,000 to \$354,999	2	273,137	347,200	2	266,898	340,000
\$355,000 to \$369,999	2	287,500	361,774	-	-	-
\$445,000 to \$459,999	-	-	-	1	365,670	457,080
\$460,000 to \$474,999	1	376,640	470,790	-	-	-
<b>Total</b>	<b>186</b>		<b>470,790</b>	<b>178</b>		

<sup>1</sup>The total remuneration package includes:  
(a) Agreed base salary (including annual leave entitlement)  
(b) Superannuation (post employment benefits)  
(d) Motor vehicle and other allowances  
(e) Reportable fringe benefits.

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Major differences between Note 12A and 12B**

Note 12A includes amounts paid (and payable) to Senior Executive (including acting arrangements and part year service where the \$145,000 threshold was reached during the year). Note 12B reflects only substantive Senior Executive packages in existence as at 30 June for all SES including those on secondment to other agencies and on long term leave.

Note 12A disclosed senior executive remuneration based on:

- (a) Salary (including payment for annual leave taken)
- (b) Movements in annual leave and long service leave provisions
- (c) Superannuation (post employment benefits)
- (d) Motor vehicles and other allowances
- (e) Reportable fringe benefits.

These amounts may differ to the remuneration package amounts disclosed in Note 12B depending on: the amount of leave taken during the year, part-year service, periods of leave without pay, acting arrangements, changes to base salary, salary for superannuation purposes and allowances during the year, and revaluations of employee provisions.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 13. Remuneration of Auditors

	2010	2009
	\$'000	\$'000
Financial statement audit services are provided free of charge to the Department.		
The fair value of the services provided was	1,740	1,740
<b><i>Total fair value of services provided</i></b>	<b><u>1,740</u></b>	<b><u>1,740</u></b>

No other services were provided by the Auditor-General.

### Note 14. Financial Instruments

#### Note 14A. Categories of financial instruments

##### Financial Assets

Loans and receivables:

Cash and cash equivalents	2,226	5,215
Goods and services	2,756	7,255
Accrued revenue	565	594
<b><i>Carrying amount of financial assets</i></b>	<b><u>5,547</u></b>	<b><u>13,064</u></b>

##### Financial liabilities

At amortised cost:

Trade creditors	25,341	13,866
Accrued expenses	16,838	22,409
<b><i>Carrying amount of financial liabilities</i></b>	<b><u>42,179</u></b>	<b><u>36,275</u></b>

#### Note 14B. Net income and expense from financial assets

##### Loans and receivables

Impairment <sup>1</sup>	(2)	152
<b><i>Net gain/(loss) loans and receivables</i></b>	<b><u>(2)</u></b>	<b><u>152</u></b>
<b><i>Net gain/(loss) from financial assets</i></b>	<b><u>(2)</u></b>	<b><u>152</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 comparative has been restated

## 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 2010 \$'000	Fair value 2010 \$'000	Carrying amount 2009 \$'000	Fair value 2009 \$'000
<b>Financial assets</b>				
Loans and receivables:				
Cash and cash equivalents	2,226	2,226	5,215	5,215
Goods and services	2,756	2,664	7,255	7,157
Accrued revenue	565	565	594	594
<b>Total</b>	<b>5,547</b>	<b>5,455</b>	<b>13,064</b>	<b>12,966</b>
<b>Financial liabilities</b>				
At amortised cost:				
Trade creditors	25,341	25,341	13,866	13,866
Accrued expenses	16,838	16,838	22,409	22,409
<b>Total</b>	<b>42,179</b>	<b>42,179</b>	<b>36,275</b>	<b>36,275</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 2010: \$2,756,000 (2009: \$7,255,000). The department has assessed the risk of the default on payment and has allocated in 2010: \$92,000 (2009: \$98,000) 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.

	2010 \$'000	2009 \$'000
<b>Financial assets</b>		
Loans and receivables:		
Cash and cash equivalents	2,226	5,215
Goods and services	2,756	7,255
Accrued revenue	565	594
<b>Total</b>	<b>5,547</b>	<b>13,064</b>

In relation to the department's gross credit risk there is no collateral held however in 2010: 17 (2009: 12) 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 2010 \$'000	Not Past Due Nor Impaired 2009 \$'000	Past Due Or Impaired 2010 \$'000	Past Due Or Impaired 2009 \$'000
Loans and receivables:				
Cash and cash equivalents	2,226	5,215	-	-
Goods and services	1,681	6,259	1,075	996
Accrued revenue	565	594	-	-
<b>Total</b>	<b>4,472</b>	<b>12,068</b>	<b>1,075</b>	<b>996</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 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
Accrued revenue	-	-	-	-	-
<b>Total</b>	<b>217</b>	<b>80</b>	<b>15</b>	<b>671</b>	<b>983</b>

#### Ageing of financial assets that are past due but not impaired for 2009

	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	220	260	72	346	898
Accrued revenue	-	-	-	-	-
<b>Total</b>	<b>220</b>	<b>260</b>	<b>72</b>	<b>346</b>	<b>898</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 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>

#### Maturities for non-derivative financial liabilities 2009

	On demand \$'000	Within 1 year \$'000	1 to 5 years \$'000	2 to 5 years \$'000	>5 years \$'000	Total \$'000
At amortised cost:						
Trade creditors	-	13,866	-	-	-	13,866
Accrued expenses	-	22,409	-	-	-	22,409
<b>Total</b>	<b>-</b>	<b>36,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,275</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

<b>Note 15. Income Administered on Behalf of Government</b>		
	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Revenue</b>		
<b>Taxation Revenue</b>		
<b>Note 15A. Other taxes</b>		
Levies (other than agricultural)	99,242	93,607
<b>Total other taxes</b>	<b>99,242</b>	<b>93,607</b>
<b>Non-taxation revenue</b>		
<b>Note 15B. Interest</b>		
Other sources	32	19
Loans	656,259	867,477
<b>Total interest</b>	<b>656,291</b>	<b>867,496</b>
<b>Note 15C. Commonwealth assets recoveries</b>		
Special Employee Entitlements Scheme for Ansett Group Employees (SEESA) recoveries	5,381	7,687
General Employee Entitlements and Redundancy Scheme (GEERS) recoveries	18,814	8,790
<b>Total Commonwealth assets recoveries</b>	<b>24,195</b>	<b>16,477</b>
<b>Note 15D. Other revenue</b>		
Education investment fund special account	837,323	77,763
First time recognition of assets	-	117,710
Other	117,792	58,648
<b>Total other revenue</b>	<b>955,115</b>	<b>254,121</b>
<b>Note 15E. Fair value gains from financial instruments</b>		
Gains from remeasuring financial instruments held at fair value through profit or loss	195,436	-
<b>Total fair value gains from financial instruments</b>	<b>195,436</b>	<b>-</b>



## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 16. Expenses Administered on Behalf of Government

	2010	2009
	\$'000	\$'000
<b>Expenses</b>		
<b><u>Note 16A.</u> Employee benefits</b>		
Wages and salaries <sup>1</sup>	42,812	-
<b>Total employee benefits</b>	<b>42,812</b>	<b>-</b>
<b><u>Note 16B.</u> Suppliers</b>		
<b>Goods and services</b>		
Labour market assistance to job seekers and industry	1,606,833	1,460,664
Assistance to people with disabilities	685,735	555,019
Vocational and industry training	442,622	563,682
Other	144,178	196,627
<b>Total goods and services</b>	<b>2,879,368</b>	<b>2,775,992</b>
<b>Goods and services are made up of:</b>		
Rendering of services – related entities	306,609	152,273
Rendering of services – external parties	2,572,759	2,623,719
<b>Total goods and services</b>	<b>2,879,368</b>	<b>2,775,992</b>
<b>Total supplier expenses</b>	<b>2,879,368</b>	<b>2,775,992</b>
<b><u>Note 16C.</u> Subsidies</b>		
Payable to related entities:		
Industrial relations	99,242	93,607
Payable to external parties:		
Vocational and industry training	826,892	759,939
Labour market assistance to job seekers and industry	14,331	16,714
Industrial relations	10	-
School education – specific funding	4,552	-
<b>Total subsidies</b>	<b>945,027</b>	<b>870,260</b>

<sup>1</sup> The department administers the Remuneration Tribunal Act 1973 and the Remuneration and Allowances Act 1990. The department makes determinations under the Acts enabling the payment of certain allowances to Members of the Senate and the House of Representatives and to Judicial Office Holders. These payments are made on behalf of DEEWR by the Department of House of Representatives, the Department of the Senate and the Attorney General's Department. These payments were previously recognised in those departments' financial statements.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010	2009
	\$'000	\$'000
<b>Note 16D. Personal benefits</b>		
Direct:		
Higher education	83	3
Student assistance	2,811,607	2,655,012
Assistance to families with children	8,883,506	8,641,888
Vocational and industry training	73,807	128,033
Assistance to the aged	712,588	854,694
Assistance to people with disabilities	123,973	118,534
Assistance to the unemployed	6,965,417	5,584,348
Labour market assistance to job seekers and industry	62,221	64,604
Schools – non Government schools	6,790	8,509
School education – specific funding	3,063	1,800
Indirect:		
Industrial relations	154,211	100,188
<b>Total personal benefits</b>	<b>19,797,266</b>	<b>18,157,613</b>
<b>Note 16E. Grants</b>		
Public sector:		
Australian Government entities (related entities)	6,222	2,624
State and Territory Governments	6,531,018	8,416,961
Nation Building transfers	3,055,222	-
Private sector:		
Non-profit organisations	837,048	1,457,508
Multi-jurisdictional sector	6,665,096	5,248,940
Other	130,202	176,915
<b>Total grants</b>	<b>17,224,808</b>	<b>15,302,948</b>
<b>Note 16F. Finance costs</b>		
Other interest payments	37	47
Unwinding of discount (concessional loans)	540,027	695,875
<b>Total finance costs</b>	<b>540,064</b>	<b>695,922</b>
<b>Note 16G. Write-down and impairment of assets</b>		
Asset write-down and impairments from:		
Impairment of personal benefits receivable	22,259	42,876
Impairment of Unfunded University Superannuation	186,000	447,000
Write-down of other receivables	2,600	1,743
Impairment of goods and services and other receivables	(2,047)	-
<b>Total write-down and impairment of assets</b>	<b>208,812</b>	<b>491,619</b>

**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2010	2009
	\$'000	\$'000
<b>Note 16H. Payments to CAC Bodies</b>		
Comcare	70,289	68,407
<b>Total payments to CAC bodies</b>	<b>70,289</b>	<b>68,407</b>
<b>Note 16I. Fair value losses</b>		
Losses from remeasuring financial instruments held at fair value through profit or loss	-	443,237
Actuarial loss on Unfunded University Superannuation	472,411	571,296
<b>Total fair value losses</b>	<b>472,411</b>	<b>1,014,533</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

	2010	2009
	\$'000	\$'000
<b>Financial Assets</b>		
<b>Note 17A. Cash and cash equivalents</b>		
Cash on hand or on deposit	1,301	415
<b>Total cash and cash equivalents</b>	<b>1,301</b>	<b>415</b>
<b>Note 17B. Receivables</b>		
<b>Goods and services:</b>		
Goods and services receivable - external	25,113	29,843
<b>Total goods and services receivables</b>	<b>25,113</b>	<b>29,843</b>
<b>Advances and loans:</b>		
HECS/HELP	13,708,505	11,462,829
Student Financial Supplement Scheme	762,580	811,100
Other Loans	18,743	-
<b>Total advances and loans</b>	<b>14,489,828</b>	<b>12,273,929</b>
<b>Other receivables:</b>		
GST receivable from Australian Taxation Office	51,450	87,739
Personal benefits receivable	1,515,633	1,308,046
Unfunded University Superannuation	1,398,870	1,179,000
Other	915	26,946
<b>Total other receivables</b>	<b>2,966,868</b>	<b>2,601,731</b>
<b>Total receivables (gross)</b>	<b>17,481,809</b>	<b>14,905,503</b>
<b>Less impairment allowance account:</b>		
Goods and services	(1,654)	(2,538)
Personal benefits	(272,230)	(249,971)
Unfunded University Superannuation	(933,000)	(747,000)
Other	-	(1,163)
<b>Total impairment allowance account</b>	<b>(1,206,884)</b>	<b>(1,000,672)</b>
<b>Total receivables (net)</b>	<b>16,274,925</b>	<b>13,904,831</b>
Total receivables are expected to be recovered in:		
No more than 12 months	1,312,030	1,198,902
More than 12 months	14,962,895	12,705,929
<b>Total trade and other receivables (net)</b>	<b>16,274,925</b>	<b>13,904,831</b>

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
Receivables were aged as follows:		
Not overdue	15,972,639	13,688,868
Overdue by:		
0 to 30 days	13,497	13,860
31 to 60 days	8,874	10,102
61 to 90 days	8,242	11,281
More than 90 days	1,478,557	1,181,392
<b>Total receivables (gross)</b>	<b>17,481,809</b>	<b>14,905,503</b>
The impairment allowance account is aged as follows:		
Not overdue	(935,310)	(2,999)
Overdue by:		
0 to 30 days	(2,204)	(1,677)
31 to 60 days	(1,457)	(1,342)
61 to 90 days	(1,357)	(1,516)
More than 90 days	(266,556)	(993,138)
<b>Total impairment allowance account</b>	<b>(1,206,884)</b>	<b>(1,000,672)</b>
Goods and services receivables are with entities external to the Australian Government. Credit terms were within 30 days (2009: 30 days).		
<b>Reconciliation of the impairment allowance accounts:</b>		
<b>Movement in relation to 2010:</b>		
	<b>Receivables</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<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	(206,212)	(206,212)
<b>Closing balance</b>	<b>(1,206,884)</b>	<b>(1,206,884)</b>
<b>Movement in relation to 2009:</b>		
	Receivables	Total
	\$'000	\$'000
<b>Opening balance</b>	(531,174)	(531,174)
Amounts written off	(22,121)	(22,121)
Amounts recovered and reversed	22,121	22,121
Increase/decrease recognised in net surplus	(469,498)	(469,498)
<b>Closing balance</b>	<b>(1,000,672)</b>	<b>(1,000,672)</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Note 17C. Investments</b>		
Investments:		
Comcare <sup>1</sup>	5,507	-
Australian National University <sup>2</sup>	1,748,493	1,536,633
Australian Institute for Teaching and School Leadership <sup>3</sup>	4,811	2,767
Australian Learning and Teaching Council <sup>4</sup>	20,825	17,337
Australian Curriculum, Assessment and Reporting Authority <sup>5</sup>	11,147	-
Coal Mining Industry Corporation <sup>6</sup>	-	-
<b>Total investments</b>	<b>1,790,783</b>	<b>1,556,737</b>
Total investments are expected to be recovered in:		
No more than 12 months	-	-
More than 12 months	1,790,783	1,556,737
<b>Total investments</b>	<b>1,790,783</b>	<b>1,556,737</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* – provides a national focus for the enhancement of learning and teaching in Australian higher education providers.

<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

	2010 \$'000	2009 \$'000
<b>Non-financial assets</b>		
<b>Note 17D. Inventories</b>		
Inventories held for distribution	1,390	729
<b>Total inventories</b>	<b>1,390</b>	<b>729</b>
During 2010, \$66,652 of the impairment provision for inventory held for distribution was recognised as a gain (2009 expense of: \$103,000).		
No items of inventory were recognised at fair value less cost to sell. All inventory is expected to be distributed in the next 12 months.		
<b>Note 17E. Other non-financial assets</b>		
Prepayments	3,715	6,511
<b>Total other non-financial assets</b>	<b>3,715</b>	<b>6,511</b>
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	3,715	6,511
More than 12 months	-	-
<b>Total other non-financial assets</b>	<b>3,715</b>	<b>6,511</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>Note 18A. Suppliers</b>		
Trade creditors and accruals	146,331	239,840
<b>Total suppliers</b>	<b>146,331</b>	<b>239,840</b>
Supplier payables expected to be settled within 12 months:		
Related entities	752	-
External parties	145,579	239,840
<b>Total</b>	<b>146,331</b>	<b>239,840</b>
<b>Total suppliers</b>	<b>146,331</b>	<b>239,840</b>
Settlement is usually made within 30 days.		

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Note 18B. Subsidies</b>		
Payable to related entities	17,240	15,546
Payable to external parties	2,724	24,397
<b>Total subsidies</b>	<b>19,964</b>	<b>39,943</b>
Total subsidies are expected to be settled in:		
No more than 12 months	19,964	39,943
More than 12 months	-	-
<b>Total subsidies</b>	<b>19,964</b>	<b>39,943</b>
<b>Note 18C. Personal benefits</b>		
Direct	863,293	761,914
Indirect	2,043	776
<b>Total personal benefits</b>	<b>865,336</b>	<b>762,690</b>
Total personal benefits are expected to be settled in:		
No more than 12 months	865,336	762,690
More than 12 months	-	-
<b>Total personal benefits</b>	<b>865,336</b>	<b>762,690</b>
<b>Note 18D. Grants</b>		
Public sector:		
State and Territory Governments	8,030	687
Local Governments	32,114	21,494
Private sector:		
Non-profit organisations	29,709	36,953
Commercial entities	29,556	22,872
<b>Total grants</b>	<b>99,409</b>	<b>82,006</b>
Total grants are expected to be settled in:		
No more than 12 months	99,409	82,006
More than 12 months	-	-
<b>Total grants</b>	<b>99,409</b>	<b>82,006</b>
Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.		
<b>Note 18E. Other payables</b>		
GST payable	55,711	88,080
<b>Total other payables</b>	<b>55,711</b>	<b>88,080</b>
Total other payables are expected to be settled in:		
No more than 12 months	55,711	88,080
More than 12 months	-	-
<b>Total other payables</b>	<b>55,711</b>	<b>88,080</b>



## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Provisions</b>		
<b>Note 18F. Provisions for grants</b>		
Unfunded University Superannuation	5,039,000	4,209,000
<b>Total provisions for grants</b>	<b>5,039,000</b>	<b>4,209,000</b>
Total provisions for grants are expected to be settled in:		
No more than 12 months	184,427	154,049
More than 12 months	4,854,573	4,054,951
<b>Total provisions for grants</b>	<b>5,039,000</b>	<b>4,209,000</b>
<b>Note 19. Administered Reconciliation Table</b>		
<b>Opening administered assets less administered liabilities as at 1 July</b>	<b>10,047,664</b>	17,174,137
Adjustment for change in accounting policies	-	-
Adjustment for errors	(492)	1,373
<b>Adjusted opening administered assets less administered liabilities</b>	<b>10,047,172</b>	17,175,510
Plus: Administered income	1,930,279	1,231,701
Less: Administered expenses (non CAC)	(42,110,568)	(39,308,887)
Less: Payments to CAC Act bodies	(70,289)	(68,407)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses (non CAC)	8,493,530	5,612,309
Annual appropriations for payment to CAC Act bodies	5,898	5,772
Special appropriations (limited) (non CAC)	126,368	236,102
Special appropriations (limited) paid to CAC Act bodies	-	-
Special appropriations (unlimited) (non CAC)	34,972,902	33,925,954
Special appropriations (unlimited) paid to CAC Act bodies	64,391	62,635
Special accounts	(3,160)	(563)
Transfers to OPA	(1,841,893)	(1,840,981)
Restructuring	(2,320)	(6,483,780)
Administered revaluations taken to/from reserves	234,045	(499,698)
Other movements	8	(3)
<b>Closing administered assets less administered liabilities as at 30 June</b>	<b>11,846,363</b>	10,047,664

**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	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Contingent assets</b>								
Balance from previous period	-	-	20,011	22,374	23,070	-	43,081	22,374
New	-	-	22	344	9,000	23,070	9,022	23,414
Re-measurement	-	-	23,675	16,057	-	-	23,675	16,057
Assets recognised	-	-	(25,007)	(18,715)	(23,070)	-	(48,077)	(18,715)
Expired	-	-	-	(49)	-	-	-	(49)
<b>Total contingent assets</b>	-	-	18,701	20,011	9,000	23,070	27,701	43,081
<b>Contingent liabilities</b>								
Balance from previous period	-	5,000	-	-	4,347	-	4,347	5,000
New	-	-	30,191	-	-	4,347	30,191	4,347
Re-measurement	-	(5,000)	-	-	-	-	-	(5,000)
Liabilities recognised	-	-	-	-	(4,347)	-	(4,347)	-
<b>Total contingent liabilities</b>	-	-	30,191	-	-	4,347	30,191	4,347
<b>Net contingent assets (liabilities)</b>								
							(2,490)	38,734

## 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 \$30.191 million (2009: \$4.347 million). The estimated contingent asset is \$27.701 million (2009: \$43.081 million).

### *Unquantifiable Contingencies*

At 30 June 2010, 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 (2009: \$43,852). The value of Contingent Liabilities where the likelihood of payment is remote is \$11.490 million (2009: \$1.462 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

	2010 \$'000	2009 \$'000
<b>Note 21A. Categories of financial instruments</b>		
<b>Financial Assets</b>		
Available for sale:		
Investments	1,790,783	1,556,737
<b>Total</b>	<b>1,790,783</b>	<b>1,556,737</b>
Loans and receivables:		
Cash and cash equivalents	1,301	415
Goods and services receivable	25,113	29,843
Other receivables	915	26,946
<b>Total</b>	<b>27,329</b>	<b>57,204</b>
Fair value through profit and loss (designated):		
HECS/HELP loans	13,708,505	11,462,829
Student Financial Supplement Scheme	762,580	811,100
Other loans	18,743	-
<b>Total</b>	<b>14,489,828</b>	<b>12,273,929</b>
<b>Carrying amount of financial assets</b>	<b>16,307,940</b>	<b>13,887,870</b>
<b>Financial Liabilities</b>		
At amortised cost:		
Trade creditors	146,331	239,840
Subsidies payable	19,964	39,943
Grants payable	99,409	82,006
<b>Total</b>	<b>265,704</b>	<b>361,789</b>
<b>Carrying amount of financial liabilities</b>	<b>265,704</b>	<b>361,789</b>
<b>Note 21B. Net income and expense from financial assets</b>		
<b>Available for sale</b>		
Gain/loss recognised in equity	234,046	(499,699)
<b>Net gain/(loss) available for sale</b>	<b>234,046</b>	<b>(499,699)</b>
<b>Loans and receivables</b>		
Interest revenue	32	229,785
Write-down and Impairment	(553)	(1,743)
<b>Net gain/(loss) loans and receivables</b>	<b>(521)</b>	<b>228,042</b>
<b>Fair value through profit and loss</b>		
Designated as such:		
Interest revenue	656,259	637,711
Unwinding of discount	(540,027)	(695,875)
Fair value gain/(losses)	195,436	(443,237)
<b>Net gain/(loss) at fair value through profit and loss</b>	<b>311,668</b>	<b>(501,401)</b>
<b>Net gain from financial assets</b>	<b>545,193</b>	<b>(773,058)</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 2010 \$'000	Carrying amount 2009 \$'000	Fair value 2010 \$'000	Fair value 2009 \$'000
<b>Financial assets</b>				
Available for sale:				
Investments	1,790,783	1,566,737	1,790,783	1,566,737
Loans and receivables financial assets:				
Cash at bank and on hand	1,301	415	1,301	415
Receivables for goods and services	25,113	29,843	23,459	27,305
Other receivables	915	26,946	915	25,783
Fair value through profit and losses (designated):				
HECS/HELP loans	13,708,505	11,462,829	13,708,505	11,462,829
Student Financial Supplement Scheme	762,580	811,100	762,580	811,100
Other loans	18,743	-	18,743	-
<b>Total</b>	<b>16,307,940</b>	<b>13,897,870</b>	<b>16,306,286</b>	<b>13,894,169</b>
<b>Financial liabilities</b>				
At amortised cost:				
Trade creditors	146,331	239,840	146,331	239,840
Subsidies payable	19,964	39,943	19,964	39,943
Grants payable	99,409	82,006	99,409	82,006
<b>Total</b>	<b>265,704</b>	<b>361,789</b>	<b>265,704</b>	<b>361,789</b>
<b>Fair value measurements categorised by fair value hierarchy</b>				
	Level 1: Market Values \$'000	Level 2: Market Inputs \$'000	Level 3: Non Market inputs \$'000	Total \$'000
<b>Financial assets at fair value</b>				
Investments	-	-	1,790,783	1,790,783
HECS/HELP loans	-	-	13,708,505	13,203,297
Student Financial Supplement Scheme	-	-	762,580	762,580
Other loans	-	-	18,743	18,743
<b>Total</b>	<b>-</b>	<b>-</b>	<b>16,280,611</b>	<b>15,775,403</b>
<b>Reconciliation of Level 3 fair value hierarchy</b>				
		Investments \$'000	Loans \$'000	Total \$'000
<b>Financial assets at fair value</b>				
Opening balance 1 July 2009		1,556,737	12,273,929	13,830,666
Total gains or losses for the period recognised in profit or loss <sup>1</sup>		234,046	179,232	413,278
New loans made during the period			3,496,012	3,496,012
Loan repayments made during the period			(1,459,344)	(1,459,344)
<b>Closing balance</b>		<b>1,790,783</b>	<b>14,489,829</b>	<b>16,280,612</b>

<sup>1</sup> The gains or losses of (\$413.278 million) are presented in the schedule of administered items under Notes 15B Interest, 16D Personal benefits, 16F Finance costs, and 16I Fair value losses.

## 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.

	2010 \$'000	2009 \$'000
<b>Financial assets</b>		
Available for sale:		
Investments	1,790,783	1,556,737
Loan and receivables financial assets:		
Cash at bank and on hand	1,301	415
Goods and services receivables	25,113	29,843
Other receivables	915	26,946
Fair value through profit and loss (designated):		
HECS/HELP loans	13,708,505	11,462,829
Student Financial Supplement Scheme	762,580	811,100
Other loans	18,743	-
<b>Total</b>	<b>16,307,940</b>	<b>13,887,870</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 \$1,654,000 in 2010 (2009: \$2,538,000).

Other receivables \$0 in 2010 (2009: \$1,163,000).

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

	Not Past Due Nor Impaired 2010 \$'000	Not Past Due Nor Impaired 2009 \$'000	Past Due Or Impaired 2010 \$'000	Past Due Or Impaired 2009 \$'000
Available for sale:				
Investments	1,790,783	1,556,737	-	-
Loans and receivables financial assets:				
Cash at bank and on hand	1,301	415	-	-
Goods and services receivables	19,886	26,181	5,227	3,662
Other receivables	-	11,847	915	15,099
Fair value through profit and loss (designated):				
HECS/HELP loans	13,708,505	11,462,829	-	-
Student Financial Supplement Scheme	762,580	811,100	-	-
Other loans	18,743	-	-	-
<b>Total</b>	<b>16,301,798</b>	<b>13,869,109</b>	<b>6,142</b>	<b>18,761</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
Goods and services and other receivables	540	587	105	3,256	4,488
<b>Total</b>	<b>540</b>	<b>587</b>	<b>105</b>	<b>3,256</b>	<b>4,488</b>

### Ageing of financial assets that are past due but not impaired for 2009

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Goods and services receivable	432	28	62	602	1,124
Other receivables	1,544	234	1,005	11,153	13,936
<b>Total</b>	<b>1,976</b>	<b>262</b>	<b>1,067</b>	<b>11,755</b>	<b>15,060</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 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

#### Maturities for non-derivative financial liabilities 2009

	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	-	239,840	-	-	-	239,840
Subsidies	-	39,943	-	-	-	39,943
Grants payable	-	82,006	-	-	-	82,006
<b>Total</b>	-	361,789	-	-	-	361,789

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'. Due to the transfer of the Higher Education Investment Fund on 31 December 2008 DEEWR has no exposure to interest rate risk.

### 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

<b>Note 21H. Concessional loans</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>HECS/HELP loans</b>		
Nominal value	<b>20,351,324</b>	18,052,117
Less: Unexpired discount	<b>(1,939,013)</b>	(2,193,600)
Less: Impairment	<b>(4,703,805)</b>	(4,395,688)
Carrying Value	<b>13,708,506</b>	11,462,829
<b>Student Financial Supplement Scheme</b>		
Nominal value	<b>2,370,497</b>	2,320,100
Less: Unexpired discount	<b>(294,517)</b>	(195,600)
Less: Impairment	<b>(1,313,400)</b>	(1,313,400)
Carrying Value	<b>762,580</b>	811,100
<b>Child Care loans</b>		
Nominal value	<b>18,743</b>	-
Less: Unexpired discount	-	-
Less: Impairment	-	-
Carrying Value	<b>18,743</b>	-
<b>Total</b>	<b>14,489,829</b>	12,273,929

### 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 the introduction of Accounting Standard AASB 1044 and UIG51 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 2009-10 AASB 119 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 provides an estimate of the provision. The Australian Government Actuary 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 \$1.399 billion (2009: \$1.179 billion). In recognition of the uncertain nature of the receivable, an impairment allowance for doubtful debts against that receivable has also been recognised of \$0.933 billion (2009: \$0.747 billion). The annual financial statements include a total unfunded superannuation liability of \$5.039 billion (2009: \$4.209 billion) of which the Commonwealth's share is estimated to be \$4.573 billion (2009: \$3.777 billion).

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 23. Appropriations

Table A1: Acquittal of authority to draw cash from the consolidated revenue fund for ordinary annual services appropriations for the period 1 July 2009 to 30 June 2010

Particulars	Administered Expenses			
	Outcome 1 \$'000	Outcome 2 \$'000	Outcome 3 \$'000	Outcome 4 \$'000
Balance brought forward from previous period ( <i>Appropriation Acts</i> ) <sup>1</sup>	87,668	94,895	220,780	258,394
Adjustment to reflect amount determined by Finance Minister <sup>2</sup> / prior year adjustments	(2,735)	13,378	-	-
<b>Revised balance brought forward from previous period (<i>Appropriation Acts</i>)</b>	<b>84,933</b>	<b>108,273</b>	<b>220,780</b>	<b>258,394</b>
<i>Appropriation Act:</i>				
Appropriation Act (No. 1, 3 & 5) 2009-2010 as passed	474,804	468,908	2,808,936	2,640,672
Appropriations reduced ( <i>Appropriation Act</i> sections 10, 11 & 12)	(77,319)	(38,702)	(102,913)	(182,606)
Advance to the Finance Minister ( <i>Appropriation Act</i> section 13)	-	-	-	-
Indigenous Employment Special Account – receipts ( <i>Appropriation Act</i> section 14)	3,334	21,255	-	-
<i>FMA Act:</i>				
Repayments to the Commonwealth ( <i>FMA Act</i> section 30)	1,359	10,264	53,639	19,965
Appropriations to take account of recoverable GST ( <i>FMA Act</i> section 30A)	26,271	30,988	56,261	235,711
Relevant agency receipts ( <i>FMA Act</i> section 31)	-	-	-	-
Adjustment of appropriations on change of entity/function ( <i>FMA Act</i> section 32)	-	-	-	2,320
<b>Total appropriation available for payments</b>	<b>513,382</b>	<b>600,986</b>	<b>3,036,703</b>	<b>2,974,456</b>
Cash payments made during the year (GST inclusive)	(404,043)	(469,537)	(2,056,993)	(2,729,371)
Appropriations credited to special accounts (GST exclusive)	-	-	-	-
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations	<b>109,339</b>	<b>131,449</b>	<b>979,710</b>	<b>245,085</b>
Represented by				
Cash at bank and on hand	-	-	-	-
Departmental appropriations receivable				
Undrawn, unexpired administered appropriations	<b>109,339</b>	<b>131,449</b>	<b>979,710</b>	<b>245,085</b>
Net GST payable (to)/from the ATO	-	-	-	-
Adjustments under s101.13 of the Finance Minister's Orders not reflected above	-	-	-	-
Total as at 30 June	<b>109,339</b>	<b>131,449</b>	<b>979,710</b>	<b>245,085</b>

<sup>1</sup>The department changed its outcome structure in 2009-10. The balance brought forward from previous periods reflects the change in outcome structure.

<sup>2</sup>The Minister for Finance issued a determination on 28 April 2010 to change the amount determined as brought forward from the previous period.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Table A1: Acquittal of authority to draw cash from the consolidated revenue fund for ordinary annual services appropriations for the period 1 July 2009 to 30 June 2010 (continued)

Particulars	Administered Expenses		Departmental Outputs	Total
	Outcome 5	Payments to CAC Act bodies		
	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period ( <i>Appropriation Acts</i> ) <sup>1</sup>	74,763	-	156,166	892,666
Adjustment to reflect amount determined by Finance Minister <sup>2</sup> /prior year adjustments	-	-	20,090	30,733
<b>Revised balance brought forward from previous period (<i>Appropriation Acts</i>)</b>	<b>74,763</b>	-	<b>176,256</b>	<b>923,399</b>
<i>Appropriation Act:</i>				
Appropriation Act (No. 1, 3 & 5) 2009-2010 as passed	166,584	5,898	859,418	7,425,220
Appropriations reduced ( <i>Appropriation Act</i> sections 10, 11 & 12)	(61,471)	-	(902)	(463,913)
Advance to the Finance Minister ( <i>Appropriation Act</i> section 13)	10,364	-	-	10,364
Indigenous Employment Special Account receipts ( <i>Appropriation Act</i> section 14)	-	-	-	24,589
<i>FMA Act:</i>				
Repayments to the Commonwealth ( <i>FMA Act</i> section 30)	3,312	-	-	88,539
Appropriations to take account of recoverable GST ( <i>FMA Act</i> section 30A) <sup>3</sup>	1,784	-	34,875	385,890
Relevant agency receipts ( <i>FMA Act</i> section 31)	-	-	57,851	57,851
Adjustment of appropriations on change of entity function ( <i>FMA Act</i> section 32)	-	-	(10,585)	(8,265)
<b>Total appropriation available for payments</b>	<b>195,336</b>	<b>5,898</b>	<b>1,116,913</b>	<b>8,443,674</b>
Cash payments made during the year (GST inclusive)	(190,383)	(5,898)	(934,743)	(6,790,968)
Appropriations credited to special accounts (GST exclusive)	-	-	-	-
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations Represented by	<b>4,953</b>	-	<b>182,170</b>	<b>1,652,706</b>
Cash at bank and on hand	-	-	<b>2,226</b>	<b>2,226</b>
Departmental appropriations receivable	-	-	<b>175,151</b>	<b>175,151</b>
Undrawn, unapplied administered appropriations	<b>4,953</b>	-	-	<b>1,470,536</b>
Net GST payable (to)/from the ATO	-	-	<b>4,793</b>	<b>4,793</b>
Adjustments under s101.13 of the Finance Minister's Orders not reflected above	-	-	-	-
Total as at 30 June	<b>4,953</b>	-	<b>182,170</b>	<b>1,652,706</b>

<sup>1</sup>The department changed its outcome structure in 2009-10. The balance brought forward from previous periods reflects the change in outcome structure.

<sup>2</sup>The Minister for Finance issued a determination on 28 April 2010 to change the amount determined as brought forward from the previous period.

<sup>3</sup>The amounts in this line for Departmental outputs are calculated on an accrual basis to the extent that an expense may have been incurred that includes GST but has not been paid by year end.

Departmental and non-operating appropriations do not lapse at financial year-end. However the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request the Finance Minister to reduce the 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 outputs 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.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Table A2: Acquittal of authority to draw cash from the consolidated revenue fund for ordinary annual services appropriations for the period 1 July 2009 to 30 June 2010 (reductions in Administered Items)

Particulars	Administered Expenses			
	Outcome 1 \$	Outcome 2 \$	Outcome 3 \$	Outcome 4 \$
<b>Reduction in administered items<sup>1</sup></b>				
Total administered items appropriated	478,138,115.20	490,162,839.51	2,808,936,000.00	2,640,672,000.00
Less administered items required by the agency per <i>Appropriation Act</i> section 11 <sup>2</sup>				
<i>Appropriation Act (No. 1) 2009-2010</i>	395,801,458.10	386,037,723.24	1,897,318,921.25	2,487,831,281.22
<i>Appropriation Act (No. 3) 2009-2010</i>	217,090.91	-	-	-
<i>Appropriation Act (No. 5) 2009-2010</i>	-	-	-	-
Total administered items required by the agency				
Spent	368,800,065.58	358,713,184.89	1,829,225,967.09	2,395,586,174.33
Retention	27,218,483.63	27,324,538.35	68,092,954.16	92,245,106.89
<b>Total reduction in administered items - effective 2010-2011</b>	<b>82,119,565.99</b>	<b>104,125,116.27</b>	<b>911,617,078.75</b>	<b>152,840,718.78</b>
Particulars	Administered Expenses		Departmental Outputs	Total
	Outcome 5	Payments to CAC Act bodies		
<b>Reduction in administered items<sup>1</sup></b>				
Total administered items appropriated	176,948,000.00			6,594,856,954.71
Less administered items required by the agency per <i>Appropriation Act</i> section 11 <sup>2</sup>				-
<i>Appropriation Act (No. 1) 2009-2010</i>	139,575,000.00			5,306,564,383.81
<i>Appropriation Act (No. 3) 2009-2010</i>	33,492,479.43			33,709,570.34
<i>Appropriation Act (No. 5) 2009-2010</i>	-			-
Total administered items required by the agency				
Spent	171,995,258.35			5,124,320,650.24
Retention	1,072,221.08			215,953,304.11
<b>Total reduction in administered items - effective 2010-2011</b>	<b>3,880,520.57</b>			<b>1,254,583,000.36</b>

<sup>1</sup>Numbers in this table are disclosed to the cent.

<sup>2</sup>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 and the amounts in the Total Reduction row will be reflected in Table A1 in the 2010-11 Financial Statements in the row 'Appropriations reduced (Appropriation Act Sections 10, 11 & 12)'.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Table A2: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations for the period 1 July 2008 to 30 June 2009

Particulars	Administered Expenses					
	Outcome 1 \$'000	Outcome 2 \$'000	Outcome 3 \$'000	Outcome 4 \$'000	Outcome 5 \$'000	Outcome 6 \$'000
Balance brought forward from previous period ( <i>Appropriation Acts</i> )	49,680	187,957	43,367	55,167	5,151	1,237
Adjustment to reflect amount determined by Finance Minister	1,816	(2,475)	(41,924)	39,841	2,229	2,062
<b>Revised balance brought forward from previous period (<i>Appropriation Acts</i>)</b>	<b>51,496</b>	<b>185,482</b>	<b>1,443</b>	<b>95,008</b>	<b>7,380</b>	<b>3,299</b>
<i>Appropriation Act:</i>						
<i>Appropriation Act (No. 1, 3 &amp; 5) 2008-09 as passed</i>	429,652	298,861	40,123	1,622,508	144,765	39,571
<i>Appropriation (Economic Security Strategy) Act No. 1 2008-09 as passed</i>	-	-	-	117,300	-	-
<i>Appropriation reduced (Appropriation Act section 10, 11 &amp; 12)</i>	(51,496)	(179,318)	-	(30,180)	(3,743)	(402)
<i>Advance to the Finance Minister (Appropriation Act section 13)</i>	-	-	-	-	-	-
<i>Indigenous Employment Special Account receipts (Appropriation Act section 14)</i>	-	-	-	-	-	-
<i>FMA Act:</i>						
Repayments to the Commonwealth ( <i>FMA Act section 30</i> )	3,672	21	384	6,713	55	1,444
Appropriations to take account of recoverable GST ( <i>FMA Act section 30A</i> )	34,399	26,238	259	39,668	11,380	169
Relevant agency receipts ( <i>FMA Act section 31</i> )	-	-	-	-	-	-
Adjustment of appropriations on change of entity function ( <i>FMA Act section 32</i> )	17,095	-	-	-	-	-
<b>Total appropriation available for payments</b>	<b>484,818</b>	<b>331,284</b>	<b>42,209</b>	<b>1,851,017</b>	<b>159,837</b>	<b>44,081</b>
Cash payments made during the year (GST inclusive)	(397,150)	(247,716)	(30,817)	(1,645,143)	(152,372)	(39,719)
Appropriations credited to special accounts (GST exclusive)	-	-	-	-	-	-
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations	<b>87,668</b>	<b>83,568</b>	<b>11,392</b>	<b>205,874</b>	<b>7,465</b>	<b>4,362</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Table A2: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations for the period 1 July 2008 to 30 June 2009 (continued)

Particulars	Administered Expenses					
	Outcome 1 \$'000	Outcome 2 \$'000	Outcome 3 \$'000	Outcome 4 \$'000	Outcome 5 \$'000	Outcome 6 \$'000
<b>Represented by</b>						
Cash at bank and on hand	-	-	-	-	-	-
Departmental appropriations receivable	87,668	83,568	11,392	205,874	7,465	4,362
Undrawn, unapplied administered appropriations						
Adjustments under s101.13 of the Finance Minister's Orders not reflected above						
<b>Total as at 30 June</b>	<b>87,668</b>	<b>83,568</b>	<b>11,392</b>	<b>205,874</b>	<b>7,465</b>	<b>4,362</b>
<b>Reduction in administered items<sup>1</sup></b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total administered items appropriated	429,652,000.00	298,861,000.00	40,123,000.00	1,739,808,000.00	144,765,000.00	39,571,000.00
Less administered items required by the agency per <i>Appropriation Act</i> section 11 <sup>2</sup>						
<i>Appropriation Act</i> (No. 1) 2008-09	352,332,631.00	279,766,151.00	32,639,621.00	1,432,098,000.00	142,118,225.00	39,263,525.00
<i>Appropriation Act</i> (No. 3) 2008-09	-	3,614,822.00	-	62,216,000.00	-	-
<i>Appropriation Act</i> (No. 5) 2008-09	-	-	-	57,780,135.00	-	-
<i>Appropriation (Economic Security Strategy) Act</i> No. 1 2008-09 as passed	-	-	-	92,300,000.00	-	-
Total administered items required by the agency	352,332,631.00	283,380,973.00	32,639,621.00	1,644,394,135.00	142,118,225.00	39,263,525.00
<b>Total reduction in administered items - effective 2009-10</b>	<b>77,319,369.00</b>	<b>15,480,027.00</b>	<b>7,483,379.00</b>	<b>95,413,865.00</b>	<b>2,646,775.00</b>	<b>307,475.00</b>

<sup>1</sup> Numbers in this section are disclosed to the dollar.

<sup>2</sup> Administered items for 2008-2009 are reduced to these amounts when these financial statements are tabled in the Parliament as part of the Department of Education, Employment and Workplace Relations 2008-2009 annual report. This reduction is effective in 2009-10 and the amounts in the Total reduction row are reflected in Table A1 in the 2009-10 financial statements in the row 'Appropriations reduced (Appropriation Act sections 10, 11 & 12)'.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Table A2: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations for the period 1 July 2008 to 30 June 2009 (continued)

Particulars	Administered Expenses				Payments to CAC Act bodies	Departmental Outputs	Total
	Outcome 7	Outcome 8	Outcome 9				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period ( <i>Appropriation Acts</i> )	322,477	119	69,280	-	-	256,148	990,583
Adjustment to reflect amount determined by Finance Minister	22,122	-	(27,622)	-	-	4,748	797
<b>Revised balance brought forward from previous period (<i>Appropriation Acts</i>)</b>	<b>344,599</b>	<b>119</b>	<b>41,658</b>	-	-	<b>260,896</b>	<b>991,380</b>
<i>Appropriation Act:</i>							
<i>Appropriation Act (No. 1, 3 &amp; 5) 2008-09 as passed</i>	2,283,165	1,806	181,239	5,772	-	1,907,892	6,955,354
<i>Appropriation (Economic Security Strategy) Act No. 1 2008-09 as passed</i>	-	-	-	-	-	-	117,300
<i>Appropriation reduced (Appropriation Act section 10, 11 &amp; 12)</i>	(252,233)	(119)	(37,798)	-	-	(139,654)	(694,943)
<i>Advance to the Finance Minister (Appropriation Act section 13)</i>	-	-	-	-	-	-	-
<i>Indigenous Employment Special Account receipts (Appropriation Act section 14)</i>	-	9,961	-	-	-	-	9,961
<i>FMA Act:</i>							
<i>Repayments to the Commonwealth (FMA Act section 30)</i>	83,989	-	3,902	-	-	150	100,330
<i>Appropriations to take account of recoverable GST (FMA Act section 30A)</i>	205,107	189	136	-	-	40,693	358,238
<i>Relevant agency receipts (FMA Act section 31)</i>	-	-	-	-	-	84,126	84,126
<i>Adjustment of appropriations on change of entity function (FMA Act section 32)</i>	-	-	-	-	-	(75)	17,020
<b>Total appropriation available for payments</b>	<b>2,664,627</b>	<b>11,956</b>	<b>189,137</b>	<b>5,772</b>	<b>5,772</b>	<b>2,154,028</b>	<b>7,938,766</b>
<i>Cash payments made during the year (GST inclusive)</i>	(2,406,479)	(8,696)	(114,374)	(5,772)	(5,772)	(1,997,862)	(7,046,100)
<i>Appropriations credited to special accounts (GST exclusive)</i>	-	-	-	-	-	-	-
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations	<b>258,148</b>	<b>3,260</b>	<b>74,763</b>	-	-	<b>156,166</b>	<b>892,666</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Table A2: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations for the period 1 July 2008 to 30 June 2009 (continued)

Particulars	Administered Expenses					Departmental Outputs	Total
	Outcome 7	Outcome 8	Outcome 9	Payments to CAC Act bodies			
	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
<b>Represented by</b>							
Cash at bank and on hand	-	-	-	-	-	2,133	2,133
Departmental appropriations receivable						154,033	154,033
Undrawn, unexpired administered appropriations	258,148	3,260	74,763				736,500
Adjustments under s101.13 of the Finance Minister's Orders not reflected above							-
<b>Total as at 30 June</b>	<b>258,148</b>	<b>3,260</b>	<b>74,763</b>			<b>156,166</b>	<b>892,666</b>
<b>Reduction in administered items<sup>1</sup></b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>		<b>\$</b>
Total administered items appropriated	2,283,165,000.00	11,767,376.03	181,239,000.00				5,168,951,376.03
Less administered items required by the agency per Appropriation Act section 11 <sup>2</sup>							-
Appropriation Act (No. 1) 2008-09	2,100,785,322.00	11,438,376.00	108,592,000.00				4,499,033,851.00
Appropriation Act (No. 3) 2008-09	-	246,313.00	1,595,000.00				67,672,135.00
Appropriation Act (No. 5) 2008-09	-	-	9,581,545.00				67,361,680.00
Appropriation (Economic Security Strategy) Act No. 1 2008-09 as passed	-	-	-				92,300,000.00
Total administered items required by the agency	2,100,785,322.00	11,684,689.00	119,768,545.00				4,726,367,666.00
<b>Total reduction in administered items - effective 2009-10</b>	<b>182,379,678.00</b>	<b>82,687.03</b>	<b>61,470,455.00</b>				<b>442,583,710.03</b>

<sup>1</sup> Numbers in this section are disclosed to the dollar.

<sup>2</sup> Administered items for 2008-2009 were reduced to these amounts when these financial statements were tabled in the Parliament as part of the Department of Education, Employment and Workplace Relations 2008-2009 annual report. This reduction is effective in 2009-2010 and the amounts in the Total Reduction row are reflected in the Total Reduction row in the 2009-2010 financial statements in the row 'Appropriations reduced Appropriations Act sections 10, 11 & 12'.



**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Table B1: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations**

Particulars	Operating						Non – operating	
	Outcome 1			Outcome 2			Payments to CAC Act bodies	
	SPPs	MAE	NAE	SPPs	MAE	NAE	2010	2009
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance brought forward from previous period (Appropriation Acts)	67,573	1	-	845,311	356	-	-	-
Adjustment to reflect amount determined by Finance Minister				(20,687)				
<b>Revised balance brought forward from previous period (Appropriation Acts)</b>	67,573	1	-	824,624	356	-	-	-
Appropriation Act:								
Appropriation Act (No. 2, 4 & 6) 2009-2010 as passed	-	107,734	-	3,734,221	717,576	-	-	-
Other annual appropriation acts	-	-	-	-	987,200	-	-	-
Appropriation reduced (Appropriation Act sections 12, 13 & 14)	(59,569)	-	-	(819,448)	-	-	-	-
Advance to the Finance Minister (Appropriation Act section 15)	-	-	-	-	-	-	-	-
FMA Act:								
Repayments to the Commonwealth (FMA Act Section 30)	-	1	-	12,692	30,246	-	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-	-	307,276	75,919	-	-	-
Transfer of agency functions (FMA Act section 32)	-	-	-	-	-	-	-	-
<b>Total appropriations available for payments</b>	<b>8,004</b>	107,736	-	<b>4,059,365</b>	1,811,297	-	-	-
Cash payments made during the year (GST inclusive)	(3,723)	(40,163)	-	(3,399,001)	(965,986)	-	-	-
Appropriations credited to special accounts (GST exclusive)	-	-	-	-	-	-	-	-
Balance of authority to draw cash from the consolidated revenue fund for other than ordinary annual services appropriations	4,281	67,573	-	660,364	845,311	-	-	-
<b>Represented by:</b>								
Cash at bank and on hand	-	-	-	-	-	-	-	-
Departmental appropriation receivable	-	-	-	-	-	-	-	-
Undrawn, unexpired administered appropriations	4,281	67,573	-	660,364	845,311	-	-	-
Net GST payable (to/from) the ATO	-	-	-	-	-	-	-	-
Adjustments under s101.13 of the Finance Ministers Orders not reflected above	-	-	-	-	-	-	-	-
<b>Total as at 30 June</b>	<b>4,281</b>	67,573	-	<b>660,364</b>	845,311	-	-	-

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Table B1: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations (continued)**

Particulars	Non – operating								Total	
	Equity		Loans		Previous Years' Outputs		Admin assets and liabilities		2010	2009
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	\$'000	\$'000
Balance brought forward from previous period ( <i>Appropriation Acts</i> )	-	4,579	-	-	-	-	-	-	912,884	4,936
Adjustment to reflect amount determined by Finance Minister <b>Revised balance brought forward from previous period (Appropriation Acts)</b>	-	4,579	-	-	-	-	-	-	(20,687)	4,936
<i>Appropriation Act:</i>										
Appropriation Act (No.2, 4 &6) 2009-2010 as passed	25,564	7,794	-	-	16,084	-	-	-	3,775,869	833,104
Other annual appropriation acts	-	-	-	-	-	-	-	-	-	987,200
Appropriation reduced ( <i>Appropriation Act</i> sections 12, 13 & 14)	-	(2,783)	-	-	-	-	-	-	(879,017)	(2,783)
Advance to the Finance Minister ( <i>Appropriation Act</i> section 15)	-	-	-	-	-	-	-	-	-	-
<i>FMA Act:</i>										
Repayments to the Commonwealth ( <i>FMA Act</i> Section 30)	-	-	-	-	-	-	-	-	12,692	30,247
Appropriations to take account of recoverable GST ( <i>FMA Act</i> section 30A)	-	-	-	-	-	-	-	-	307,276	75,919
Transfer of agency functions ( <i>FMA Act</i> section 32)	-	-	-	-	-	-	-	-	-	-
<b>Total appropriations available for payments</b>	<b>25,564</b>	<b>9,590</b>	-	-	<b>16,084</b>	-	-	-	<b>4,109,017</b>	<b>1,928,623</b>
Cash payments made during the year (GST inclusive)	(25,564)	(9,590)	-	-	(16,084)	-	-	-	(3,444,372)	(1,015,739)
Appropriations credited to special accounts (GST exclusive)	-	-	-	-	-	-	-	-	-	-
Balance of authority to draw cash from the consolidated revenue fund for other than ordinary annual services appropriations	-	-	-	-	-	-	-	-	664,645	912,884
<b>Represented by:</b>										
Cash at bank and on hand	-	-	-	-	-	-	-	-	-	-
Departmental appropriation receivable	-	-	-	-	-	-	-	-	-	-
Undrawn, unapplied administered appropriations	-	-	-	-	-	-	-	-	664,645	912,884
Net GST payable (to/from) the ATO	-	-	-	-	-	-	-	-	-	-
Adjustments under s101.13 of the Finance Ministers Orders not reflected above	-	-	-	-	-	-	-	-	-	-
<b>Total as at 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>664,645</b>	<b>912,884</b>

**Department of Education, Employment and Workplace Relations  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Table B1: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations (reduction in administered items)**

Particulars	Operating										Total	
	Outcome 1			Outcome 2			NAE				NAE	
	SPPs		NAE	SPPs		NAE	SPPs		NAE	SPPs		NAE
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Reduction in administered items<sup>1</sup></b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total administered items appropriated	-	107,734,000.00	-	-	-	3,734,221,000.00	1,704,776,000.00	-	-	-	3,734,221,000.00	1,812,510,000.00
Less administered items required by the agency per Appropriation Act section 12 <sup>2</sup>	-	38,483,265.00	-	-	-	3,080,742,758.24	533,656,993.00	-	-	-	3,080,742,758.24	572,140,258.00
Appropriation Act (No. 2) 2009-2010	-	9,681,582.00	-	-	-	-	-	-	-	-	-	9,681,582.00
Appropriation Act (No. 4) 2009-2010	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation Act (No. 6) 2009-2010	-	-	-	-	-	-	-	-	-	-	-	-
Other annual appropriation acts	-	-	-	-	-	-	358,804,695.00	-	-	-	-	358,804,695.00
Total administered items required by the department	-	-	-	-	-	-	-	-	-	-	-	-
Spent	-	40,160,822.86	-	-	-	3,073,857,670.51	859,485,297.00	-	-	-	3,073,857,670.51	899,626,119.86
Retention	-	8,004,024.50	-	-	-	6,885,087.73	32,996,391.00	-	-	-	6,885,087.73	41,000,415.50
Total reduction in administered items - effective 2010-2011	-	59,569,152.64	-	-	-	653,478,241.76	812,314,312.00	-	-	-	653,478,241.76	871,883,464.64

<sup>1</sup>Numbers in this table are disclosed to the cent.

<sup>2</sup>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 and the amounts in the Total Reduction row will be reflected in Table B1 in the 2010-11 Financial Statements in the row 'Appropriations reduced (Appropriation Act Sections 12, 13 & 14)'.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Table C: Acquittal of authority to draw cash from the consolidated revenue fund - special appropriations (unlimited amount)**

<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	Outcome 1	
	2010	2009
	\$'000	\$'000
Purpose: An Act to enable the payment of family assistance to support families. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	3,362,897	3,238,685
Repayments to the Commonwealth (FMA Act section 30)	(52,431)	(42,105)
Total charged to appropriation	3,310,466	3,196,580
<i>Estimated actual</i>	3,198,890	3,105,997

<i>States Grants (Primary and Secondary Education Assistance) Act 2000 - Section 111</i>	Outcome 2	
	2010	2009
	\$'000	\$'000
Purpose: An Act to grant financial assistance to the States for 2001 to 2004 for primary and secondary education, and for related purposes. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	-	21,508
Repayments to the Commonwealth (FMA Act section 30)	-	-
Total charged to appropriation	-	21,508
<i>Estimated actual</i>	-	-

<i>Schools Assistance (Learning Together - Achievement Through Choice and Opportunity) Act 2004 - Section 133</i>	Outcome 2	
	2010	2009
	\$'000	\$'000
Purpose: An Act to grant financial assistance to the States for 2005 to 2008 for primary and secondary education, and for related purposes. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	3,233	4,497,730
Repayments to the Commonwealth (FMA Act section 30)	-	(1,972)
Total charged to appropriation	3,233	4,495,758
<i>Estimated actual</i>	-	4,544,825

<i>Schools Assistance Act 2008 - Section 167</i>	Outcome 2	
	2010	2009
	\$'000	\$'000
Purpose: An Act to grant financial assistance to the States for 2005 to 2008 for primary and secondary education, and for related purposes. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	6,494,164	2,952,933
Repayments to the Commonwealth (FMA Act section 30)	(8,731)	(525)
Total charged to appropriation	6,485,433	2,952,408
<i>Estimated actual</i>	6,473,622	2,973,050

<i>Indigenous Education (Targeted Assistance) Act 2000 - Section 13</i>	Outcome 2	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide targeted financial assistance to advance the education of Indigenous persons, and for other related purposes. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	35,261	20,539
Repayments to the Commonwealth (FMA Act section 30)	-	-
Total charged to appropriation	35,261	20,539
<i>Estimated actual</i>	35,261	20,539

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<i>Student Assistance Act 1973 - Section 55A</i>	Outcome 2	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide certain benefits to certain students and for other purposes. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	206,121	202,253
Repayments to the Commonwealth (FMA Act section 30)	(5,406)	(3,543)
Total charged to appropriation	200,715	198,710
<i>Estimated actual</i>	196,213	211,574

Note: FMA s27(1) (drawing rights), delegation has been provided to Centrelink

<i>Student Assistance Act 1973 - Section 55A</i>	Outcome 3	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide certain benefits to certain students and for other purposes. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	65,358	57,931
Repayments to the Commonwealth (FMA Act section 30)	(551)	(1,149)
Total charged to appropriation	64,807	56,782
<i>Estimated actual</i>	63,617	53,614

Note: FMA s27(1) (drawing rights), delegation has been provided to Centrelink

<i>Flexibility in Achieving Australia's Skills Act 2005 - Section 23</i>	Outcome 2	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide certain benefits to certain students and for other purposes. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	118,454	81,529
Repayments to the Commonwealth (FMA Act section 30)	(493)	-
Total charged to appropriation	117,961	81,529
<i>Estimated actual</i>	135,728	96,408

<i>Higher Education Support Act 2003 - Section 164-25</i>	Outcome 3	
	2010	2009
	\$'000	\$'000
Purpose: An Act to grant financial assistance to support the higher education system for individuals and universities. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	8,672,695	8,020,999
Repayments to the Commonwealth (FMA Act section 30)	(45,069)	(279,283)
Total charged to appropriation	8,627,626	7,741,716
<i>Estimated actual</i>	6,788,272	7,783,600

<i>Skilling Australia's Workforce Act 2005 - Section 40</i>	Outcome 3	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide income support assistance for individuals. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	888	714,347
Repayments to the Commonwealth (FMA Act section 30)	(160)	(1,865)
Total charged to appropriation	728	712,482
<i>Estimated actual</i>	2,875	642,173

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<b>Legislation: Social Security Administration Act 1999 - Section 242</b>	Outcome 2	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide income support assistance for individuals. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	-	765,457
Repayments to the Commonwealth (FMA Act section 30)	-	(6,597)
<b>Total charged to appropriation</b>	<b>-</b>	<b>758,860</b>
<i>Estimated actual</i>	-	603,461

Note: FMA s27(1) (drawing rights), delegation has been provided to Centrelink

<b>Legislation: Social Security Administration Act 1999 - Section 242</b>	Outcome 3	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide income support assistance for individuals. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	2,501,285	1,581,544
Repayments to the Commonwealth (FMA Act section 30)	(17,495)	(11,954)
<b>Total charged to appropriation</b>	<b>2,483,790</b>	<b>1,569,590</b>
<i>Estimated actual</i>	2,552,832	1,488,461

Note: FMA s27(1) (drawing rights), delegation has been provided to Centrelink

<b>Legislation: Social Security Administration Act 1999 - Section 242</b>	Outcome 4	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide income support assistance for individuals. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	13,602,280	12,193,167
Repayments to the Commonwealth (FMA Act section 30)	(2,210)	(114,710)
<b>Total charged to appropriation</b>	<b>13,600,070</b>	<b>12,078,457</b>
<i>Estimated actual</i>	13,422,517	11,996,970

Note: FMA s27(1) (drawing rights), delegation has been provided to Centrelink

<b>Legislation: Coal Mining Industry (Long Service Leave Funding) Act 1992</b>	Outcome 5	
	2010	2009
	\$'000	\$'000
Purpose: An Act to manage the long service leave entitlement of the Coal Mining Industry. All transactions under this Act are recognised as administered items.		
Cash payments made during the year	97,549	90,392
Repayments to the Commonwealth (FMA Act section 30)	(97,549)	(90,392)
<b>Total charged to appropriation</b>	<b>-</b>	<b>-</b>
<i>Budget Estimate</i>	96,753	90,000

<b>Legislation: Judicial and Statutory Officers (Remuneration and Allowances) Act 1984 (Refer to the Attorney General's Department 2008-09 Annual Report for actual drawing amounts against these special appropriations)</b>	Outcome 5	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide for relocation allowance payable to the Solicitor General. This special appropriation is administered by the Department of Education, Employment and Workplace Relations, but the department does not draw on the appropriation for this Act.		
Cash payments made during the year	-	-
<i>Budget Estimate</i>	-	-

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<i>Legislation: Remuneration and Allowances Act 1990 – Section 8</i>	Outcome 5	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide for the remuneration and allowances of holders and judicial offices, Secretaries of Departments and holders of public offices, Senators and Members of the House of Representatives, Ministers and office holders of the Parliament related matters.		
This special appropriation is administered by the Department of Education, Employment and Workplace Relations, but the department does not draw on the appropriation for this Act. The Department of the House of Representatives draws down for this act.		
Cash payments made during the year	19,474	19,029
<i>Budget Estimate</i>	20,294	20,019

<i>Legislation: Remuneration Tribunal Act 1973 – Section 7 (13)</i>	Outcome 5	
	2010	2009
	\$'000	\$'000
Purpose: An Act to inquire into, and determine or provide advice on, remuneration and related matters.		
This special appropriation is administered by the Department of Education, Employment and Workplace Relations. The department does not draw on the appropriation for this Act instead these are drawn down by the Department of the House of Representatives, the Department of the Senate and the Attorney General's Department		
Cash payments made during the year – Department of the House of Representatives	6,852	6,145
Cash payments made during the year – Department of the Senate	13,344	12,816
Cash payments made during the year – Attorney General's Department	3,047	3,045
Total cash payments made during the year	23,243	22,006
<i>Budget Estimate</i>	22,815	22,216

<i>Legislation: Safety, Rehabilitation and Compensation Act 1988 (SRC Act)</i>	Outcome 5	
	2010	2009
	\$'000	\$'000
Purpose: An Act to provide for the payment of workers compensation claims and associated expenses in accordance with the provisions of the SRC Act.		
This special appropriation is administered by the Department of Education, Employment and Workplace Relations. The department draws on the appropriation for this Act and transfers the amounts to Comcare for payment to external parties.		
Cash payments made during the year	41,000	11,869
Repayments to the Commonwealth (FMA Act section 30)	-	(5)
Total charged to appropriation	41,000	11,864
<i>Budget Estimate</i>	47,997	-

<i>Legislation: Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005</i>	Outcome 5	
	2010	2009
	\$'000	\$'000
Purpose: An Act to assign responsibility for the management of certain liabilities relating to asbestos-related claims, and for related purposes.		
This special appropriation is administered by the Department of Education, Employment and Workplace Relations. The department draws on the appropriation for this Act and transfers the amounts to Comcare for payment to external parties.		
Cash payments made during the year	23,391	50,771
Repayments to the Commonwealth (FMA Act section 30)	-	-
Total charged to appropriation	23,391	50,771
<i>Budget Estimate</i>	23,394	-

Totals for unlimited special appropriations	2010	2009
	\$'000	\$'000
Payments made	35,037,198	33,988,589
Budget estimate	33,081,080	33,652,907

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Table D: Acquittal of authority to draw cash from the consolidated revenue fund - special appropriation (limited amount)

<b><i>Indigenous Education (Targeted Assistance) Act 2000 - Section 14</i></b>	2010	2009
	\$'000	\$'000
Purpose: An Act to provide targeted financial assistance to advance the education of Indigenous persons, and for related persons. All transactions under this Act are recognised as administered items.		
Amount available brought forward from previous period	108,422	185,124
Appropriation for reporting period	119,513	159,400
Appropriations to take account of recoverable GST ( <i>FMA Act</i> section 30A)	-	-
Available for payments	227,935	344,524
Cash payments made during the year (GST inclusive)	126,368	236,102
Appropriations credited to Special Accounts	-	-
Appropriations lapsed	-	-
Amount available carried to the next period and as represented by:	101,567	108,422
Cash	-	-
Departmental appropriation receivable	-	-
Undrawn, unexpired administered appropriations	101,567	108,422
<b>Total</b>	<b>101,567</b>	<b>108,422</b>

<b><i>Legislation: Air Passenger Ticket Levy (Collection) Act 2001</i></b>	2010	2009
	\$'000	\$'000
Purpose: To provide a safety net arrangement for former employees of the Ansett Group of Companies. All transactions under this Act are recognised as administered items. Appropriation limited to \$500,000,000.		
Amount available brought forward from previous period	264,481	256,794
Appropriation for reporting period	5,381	7,687
Appropriations to take account of recoverable GST ( <i>FMA Act</i> section 30A)	-	-
Available for payments	269,862	264,481
Cash payments made during the year (GST inclusive)	-	-
Appropriations credited to Special Accounts	-	-
Appropriations lapsed	-	-
Amount available carried to the next period and as represented by:	269,862	264,481
Cash	-	-
Departmental appropriation receivable	-	-
Undrawn, unexpired administered appropriations	269,862	264,481
<b>Total</b>	<b>269,862</b>	<b>264,481</b>



**Department of Education, Employment and Workplace Relations**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Table E: Disclosure by agent in relation to annual and special appropriations

<i>Legislation: Textile, Clothing and Footwear Strategic Investment Program Act 1999</i>	Department of Innovation, Industry, Science and Research	
	2010	2009
	\$'000	\$'000
Total receipts	1,458	1,036
Total payments	1,873	1,141
<b>Balance of receipts and payments for administered, for each responsible agency</b>	<b>(415)</b>	<b>(105)</b>

<i>Legislation: Higher Education Support Act 2003</i>	Department of Innovation, Industry, Science and Research	
	2010	2009
	\$'000	\$'000
Total receipts	1,357,670	1,262,962
Total payments	1,357,670	1,262,962
<b>Balance of receipts and payments for administered, for each responsible agency</b>	<b>-</b>	<b>-</b>

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 24. Special Accounts

Services for Other Entities and Trust Monies Special Account - Departmental	2010	2009
	\$'000	\$'000
<i>Establishing Instrument: Financial Management and Accountability Act 1997; section 20</i>		
<i>Appropriation: Financial Management and Accountability Act 1997; section 21</i>		
<i>Purpose: For the receipt of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.</i>		
Balance carried from previous period	-	-
Appropriation for reporting period	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Realised investments	-	-
Other receipts	-	3,234
<b>Total increase</b>	-	3,234
Payments made:		
GST payments	-	-
Other payments	-	(3,234)
<b>Total decrease</b>	-	(3,234)
<b>Balance carried to next period (excluding investment balances) and represented by:</b>	-	-
Cash – held in the Official Public Account	-	-
Cash - held by the agency	-	-
<b>Total balance carried to the next period</b>	-	-

This account was established under Financial Management and Accountability Determination 2008/14 on 3 June 2008.

Other Trust Monies - Departmental	2010	2009
	\$'000	\$'000
<i>Establishing Instrument: Financial Management and Accountability Act 1997; section 20</i>		
<i>Appropriation: Financial Management and Accountability Act 1997; section 21</i>		
<i>Purpose: For the receipt of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.</i>		
Balance carried from previous period	-	2,709
Appropriations for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Other receipts	-	-
<b>Total increase</b>	-	2,709
Payments made:		
Payments made to employees	-	-
Payments made to suppliers	-	-
Other payments	-	(2,709)
<b>Total decrease</b>	-	(2,709)
<b>Balance carried to next period (excluding investment balances) and represented by:</b>	-	-
Cash – held in the Official Public Account	-	-
Cash - held by the agency	-	-
<b>Total balance carried to the next period</b>	-	-

This account was abolished on 3 June 2008 under Financial Management and Accountability Determination 2008/16 – Special Accounts Abolition. The abolition came into effect once the balance of the account reached zero.

## Department of Education, Employment and Workplace Relations

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Services For Other Government and Non-government Bodies - Departmental	2010	2009
	\$'000	\$'000
<i>Establishing Instrument: Financial Management and Accountability Act 1997; section 20</i>		
<i>Appropriation: Financial Management and Accountability Act 1997; section 21</i>		
<i>Purpose: for expenditure in connection with the services performed for other Governments and bodies that are not FMA agencies.</i>		
Balance carried from previous period	-	525
Appropriation for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Other receipts	-	-
<b>Total increase</b>	-	525
Payments made:		
GST payments	-	-
Other payments	-	(525)
<b>Total decrease</b>	-	(525)
<b>Balance carried to next period (excluding investment balances) and represented by:</b>	-	-
Cash – held in the Official Public Account	-	-
Cash - held by the agency	-	-
<b>Total balance carried to the next period</b>	-	-

This account was abolished on 3 June 2008 under Financial Management and Accountability Determination 2008/16 – Special Accounts Abolition. The abolition came into effect once the balance of the account reached zero.

International Marketing of Education Special Account - Departmental	2010	2009
	\$'000	\$'000
<i>Establishing Instrument: Financial Management and Accountability Act 1997; section 20.</i>		
<i>Appropriation: Financial Management and Accountability Act 1997; section 21</i>		
<i>Purpose: to provide a source of finance to resource the international marketing of Australian education and training services.</i>		
Balance carried from previous period	3,082	5,543
Appropriation for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	44
Contributions from:		
Vocational Education and Training Sector	-	-
Higher Education Sector	6,220	6,082
Other receipts	2,044	2,465
<b>Total increase</b>	11,346	14,134
Payments made:		
GST payments	-	(46)
Other payments	(9,401)	(11,006)
<b>Total decrease</b>	(9,401)	(11,052)
<b>Balance carried to next period (excluding investment balances) and represented by:</b>	1,945	3,082
Cash – held in the Official Public Account	1,945	-
Cash - held by the agency	-	3,082
<b>Total balance carried to the next period</b>	1,945	3,082

The International Marketing of Education Special Account was activated on 17 August 2006 immediately after the abolition of the previous Australian International Education Foundation International Marketing Account per Financial Management and Accountability Determination 2006/42.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Safe Work Australia Special Account Establishment 2009 - Departmental	2010	2009
	\$'000	\$'000
<i>Establishing Instrument: Financial Management and Accountability Act 1997; section 20.</i>		
<i>Appropriation: Financial Management and Accountability Act 1997; section 21</i>		
<i>Purpose: to provide a source of finance to resource Safe Work Australia</i>		
Balance carried from previous period	1,439	-
Appropriation for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	9
Contributions from:		
The Australian Government	-	2,125
State and Territory Governments	-	1,909
<b>Total increase</b>	<b>1,439</b>	<b>4,043</b>
Payments made:		
GST payments	-	(213)
Other Payments	-	(2,391)
Transfer to Safe Work Australia	(1,439)	-
<b>Total decrease</b>	<b>(1,439)</b>	<b>(2,604)</b>
<b>Balance carried to next period (excluding investment balances) and represented by:</b>		
Cash – held in the Official Public Account	-	1,439
Cash - held by the agency	-	-
<b>Total balance carried to the next period</b>	<b>-</b>	<b>1,439</b>

The Safe Work Australia Special Account Establishment 2009 was activated on 1 April 2009 per Financial Management and Accountability Determination 2009/07. The balance in the special account was transferred to Safe Work Australia on 1 July 2009.

Services for Other Entities and Trust Moneys Special Account - Administered	2010	2009
	\$'000	\$'000
<i>Establishing Instrument: Financial Management and Accountability Act 1997; section 20</i>		
<i>Appropriation: Financial Management and Accountability Act 1997; section 21</i>		
<i>Purpose: For the receipt of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.</i>		
Balance carried from previous period	74	78
Appropriation for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Realised investments	-	-
Other receipts	3,169	-
<b>Total increase</b>	<b>3,243</b>	<b>78</b>
Payments made:		
GST payments	-	-
Other payments	-	(4)
<b>Total decrease</b>	<b>-</b>	<b>(4)</b>
<b>Balance carried to next period (excluding investment balances) and represented by:</b>		
Cash – held in the Official Public Account	3,243	74
Cash - held by the agency	-	-
<b>Total balance carried to the next period</b>	<b>3,243</b>	<b>74</b>

This account was established under Financial Management and Accountability Determination 2008/14 on 3 June 2008.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Higher Education Endowment Fund Special Account- Administered	2010	2009
	\$'000	\$'000
Establishing Instrument: <i>Higher Education Endowment Fund Act 2007</i>		
Appropriation: <i>Financial Management and Accountability Act 1997; section 21</i>		
<i>Purpose: To make grants of financial assistance to eligible higher education institutions in relation to capital expenditure and research facilities.</i>		
<b>Balance carried from previous period</b>	-	-
Appropriation for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Amounts transferred from investment account	-	6,485,058
Amounts credited to the special account	-	-
<b>Total increase</b>	-	6,485,058
Payments made:		
Investments debited from the special account (HEEF Act S23)	-	-
Other payments	-	(6,485,058)
<b>Total decrease</b>	-	(6,485,058)
<b>Balance carried to next period (excluding investment balances) and represented by:</b>	-	-
Cash – held in the Official Public Account	-	-
Cash - held by the agency	-	-
<b>Total balance carried to the next period</b>	-	-

The Higher Education Endowment Fund Special Account was abolished by the Nation-building Funds (Consequential Amendments) Act 2008 on 31 December 2008. The balance was transferred to the Education Investment Fund.

Higher Education Endowment Fund - Investment of Public Money - Administered	2010	2009
	\$'000	\$'000
Establishing Instrument: <i>Higher Education Endowment Fund Act 2007</i>		
<i>Purpose: To invest funds of the HEEF Special Account. This investment is managed by the Future Fund Management Agency.</i>		
<b>Balance carried from previous period</b>	-	6,197,820
Investments made on transfer of funds from the Special Account	-	-
Realised investments reinvested	-	13,865,957
Interest earned reinvested	-	287,237
<b>Total increase</b>	-	20,351,014
Payments made:		
Amounts transferred to operations	-	(1,112)
Investments realised	-	(13,865,957)
Amounts transferred to the Education Investment Fund	-	(6,483,945)
<b>Total decrease</b>	-	(20,351,014)
<b>Balance carried to next period (excluding investment balances) and represented by:</b>	-	-
Cash – held in the Official Public Account	-	-
Cash - held by the Future Fund Management Agency	-	-
<b>Total balance carried to the next period</b>	-	-

The Higher Education Endowment Fund Special Account was abolished by the Nation-building Funds (Consequential Amendments) Act 2008 on 31 December 2008. The balance was transferred to the Education Investment Fund. The Department of Finance and Deregulation took on responsibility for the investment of funds through the Future Fund Management Agency.

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Education Investment Fund - Administered	2010	2009
	\$'000	\$'000
Establishing Instrument: <i>Nation-building Funds (Consequential Amendments) Act 2008</i>		
Appropriation: <i>Financial Management and Accountability Act 1997; section 21</i>		
<i>Purpose: To make grants of financial assistance to eligible higher education institutions in relation to capital expenditure and research facilities.</i>		
<b>Balance carried from previous period</b>	-	-
Appropriation for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Amounts transferred from investment account	-	-
Amounts credited to the special account	837,323	77,763
<b>Total increase</b>	837,323	77,763
Payments made:		
Investments debited from the special account	-	-
Other payments	(837,323)	(77,763)
<b>Total decrease</b>	(837,323)	(77,763)
<b>Balance carried to next period (excluding investment balances) and represented by:</b>	-	-
Cash – held in the Official Public Account	-	-
Cash - held by the agency	-	-
<b>Total balance carried to the next period</b>	-	-

The Education Investment Fund Special Account was created by the Nation-building Funds (Consequential Amendments) Act 2008 on 31 December 2008

Superannuation Productivity Benefits Aboriginal Tutorial Assistance Scheme Tutors Special Account - Administered	2010	2009
	\$'000	\$'000
Establishing Instrument: <i>Financial Management and Accountability Act 1997; section 20</i>		
Appropriation: <i>Financial Management and Accountability Act 1997; section 21</i>		
<i>Purpose: to provide a source of finance for the liability for the Superannuation Productivity Benefit entitlements owing tutors contracted under the Aboriginal Tutorial Assistance Scheme (ATAS).</i>		
Balance carried from previous period	795	42
Appropriation for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Other receipts:		
Vocational Education and Training Sector	-	-
Higher Education Sector	-	-
Other receipts	37	753
<b>Total increase</b>	832	795
Payments made:		
Other payments	-	-
<b>Total decrease</b>	-	-
<b>Balance carried to next period (excluding investment balances) and represented by:</b>	832	795
Cash – held in the Official Public Account	832	795
Cash - held by the agency	-	-
<b>Total balance carried to the next period</b>	832	795

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

National Youth Affairs Research Scheme Account - Administered	2010	2009
	\$'000	\$'000
Establishing Instrument: <i>Financial Management and Accountability Act 1997; section 20.</i>		
Appropriation: <i>Financial Management and Accountability Act 1997; section 21.</i>		
Purpose: <i>For the receipt of monies from State Governments to meet expenditure in respect of the National Youth Affairs Research Scheme.</i>		
<b>Balance carried from previous period</b>	553	739
Appropriation for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Other receipts:		
Vocational Education and Training Sector	-	-
Higher Education Sector	-	-
Other receipts	-	-
<b>Total increase</b>	553	739
Payments made:		
GST payments	-	-
Other payments	(39)	(186)
<b>Total decrease</b>	(39)	(186)
<b>Balance carried to next period (excluding investment balances) and represented by:</b>	514	553
Cash – held in the Official Public Account	514	553
Cash - held by the agency	-	-
<b>Total balance carried to the next period</b>	514	553

The National Youth Affairs Research Scheme Account was activated on 17 August 2006 immediately after the abolition of the previous National Youth Affairs Research Scheme Special Account per Financial Management and Accountability Determination 2006/45.

Student Financial (Supplements) Scheme Special Account - Administered	2010	2009
	\$'000	\$'000
Establishing Instrument: <i>Student Financial Assistance Act 1973</i>		
Appropriation: <i>Financial Management and Accountability Act 1997; section 21.</i>		
Purpose: <i>The purpose of this account is to provide a source of finance for liabilities arising under the Students Financial Assistance Act 1973.</i>		
<b>Balance carried from previous period</b>	-	2,212
Appropriation for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Other receipts:		
Other receipts	-	-
<b>Total increase</b>	-	2,212
<b>Payments made:</b>		
GST payments	-	-
Transfer to the Official Public Account	-	(2,212)
<b>Total decrease</b>	-	(2,212)
<b>Balance carried to next period (excluding investment balances) and represented by:</b>	-	-
Cash – held in the Official Public Account	-	-
Cash - held by the agency	-	-
<b>Total balance carried to the next period</b>	-	-

## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

DEEWR has the following special account containing nil balances and for which there were no transactions debited or credited for the years ended 30 June 2009 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 the account is 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 childcare centre or another project funded under the capital replacement and upgrade program. The Special Account was abolished on 29 June 2010 with an effective date of 7 July 2010; refer Financial Management and Accountability Determination 2010/12.



## Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 25. Compensation and Debt Relief

	2010 \$'000	2009 \$'000
<b>Administered</b>		
6 'Act of Grace' expenses were incurred during the reporting period (2009: 1 expense)	28	1
31 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> . (2009: 25 waivers)	123	85
298,351 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> . (2009: 322,832 waivers)	23,009	22,458
6,901 waivers of amounts owing to the Australian Government were made pursuant to the <i>Student Assistance Act 1973</i> (2009: 126,711 waivers)	1,889	3,750
143 waivers of amounts owing to the Australian Government were made pursuant to the <i>New Tax System (Family Assistance) (Administration) Act 1999</i> (2009: nil waivers)	10,352	-
50 ex-gratia payments were provided for during the reporting period. (2009: 150 payments)	116	1,497
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2009: no payments)	-	-
No payments made or outstanding under section 73 of the <i>Public Service Act 1999</i> during the reporting period. (2009: no payments)	-	-
21 HECS debt waivers of amounts owing to the Commonwealth (Pre 2005) were made under the <i>Higher Education Funding Act 1988</i> (2009: 33 waivers)	27	20
3,199 HELP debt waivers of amounts owing to the Commonwealth (Post 2004) were made under the <i>Higher Education Support Act 2003</i> (2009: 5,864 waivers)	11,090	9,650
<b>Departmental</b>		
No 'Act of Grace' expenses were incurred during the reporting period (2009: no expenses).	-	-
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> . (2009: no waivers)	-	-
No ex-gratia payments were provided for during the period (2009: no payments)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) scheme during the reporting period (2009: no payments)	-	-
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 (2009: 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 2009-10 Annual Report. The department uses a cost allocation model to determine the attribution of its shared items.

In 2008-09 the department had nine outcomes. All comparatives have been amended to reflect the new five outcome structure.

### Note 26A. Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Expenses</b>								
Administered	3,685,386	3,692,055	10,413,009	10,080,815	11,849,772	11,295,024	15,839,780	14,027,614
Departmental	95,448	97,435	165,154	211,916	228,456	297,666	390,677	1,261,442
<b>Total</b>	<b>3,780,834</b>	<b>3,789,490</b>	<b>10,578,163</b>	<b>10,292,731</b>	<b>12,078,228</b>	<b>11,592,690</b>	<b>16,230,457</b>	<b>15,289,056</b>
<b>Income from non-government sector</b>								
Administered	-	-	-	-	-	-	-	-
Activities subject to cost recovery	43,871	143,855	39,464	2,764	1,696,088	961,291	18,452	19,969
Other	43,871	143,855	39,464	2,764	1,696,088	961,291	18,452	19,969
<b>Total administered</b>	<b>87</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>18,878</b>	<b>13,538</b>	<b>1,444</b>	<b>1,916</b>
Departmental	867	-	1,500	-	18,878	13,538	1,444	1,916
Activities subject to cost recovery	867	-	1,500	-	18,878	13,538	1,444	1,916
Other	867	-	1,500	-	18,878	13,538	1,444	1,916
<b>Total departmental</b>	<b>44,738</b>	<b>143,855</b>	<b>40,964</b>	<b>2,764</b>	<b>1,714,966</b>	<b>974,829</b>	<b>19,896</b>	<b>21,885</b>
<b>Other own-source income</b>								
Administered	-	-	-	-	-	-	-	-
Departmental	355	295	1,351	641	32,848	32,054	2,210	9,967
Other	355	295	1,351	641	32,848	32,054	2,210	9,967
<b>Total</b>	<b>3,735,741</b>	<b>3,645,340</b>	<b>10,535,848</b>	<b>10,289,326</b>	<b>10,330,414</b>	<b>10,585,807</b>	<b>16,208,351</b>	<b>15,257,204</b>
<b>Net cost of outcome delivery</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		
	2010 \$'000	2009 \$'000	2010 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2010 \$'000	2009 \$'000	
<b>Expenses</b>									
Administered	322,617	213,321	70,289	68,407	42,180,853	39,377,236			
Departmental	85,630	106,102			965,365	1,974,561			
<b>Total</b>	<b>408,247</b>	<b>319,423</b>	<b>70,289</b>	<b>68,407</b>	<b>43,146,218</b>	<b>41,351,797</b>			
<b>Income from non-government sector</b>									
Administered	-	-	-	-	-	-			
Activities subject to cost recovery	-	-	-	-	-	-			
Other	126,590	95,098			1,924,465	1,222,977			
<b>Total administered</b>	<b>126,590</b>	<b>95,098</b>			<b>1,924,465</b>	<b>1,222,977</b>			
Departmental	-	-	-	-	-	-			
Activities subject to cost recovery	7,680	5,434			30,369	20,888			
Other	-	-			-	-			
Total departmental	7,680	5,434			30,369	20,888			
<b>Total</b>	<b>134,270</b>	<b>100,532</b>			<b>1,954,834</b>	<b>1,243,865</b>			
<b>Other own-source income</b>									
Administered	-	-	-	-	-	-			
Departmental	14,451	24,469			51,215	67,426			
<b>Total</b>	<b>14,451</b>	<b>24,469</b>			<b>51,215</b>	<b>67,426</b>			
<b>Net cost of outcome delivery</b>	<b>259,526</b>	<b>194,422</b>	<b>70,289</b>	<b>68,407</b>	<b>41,140,169</b>	<b>40,040,506</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 can agree 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	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Departmental expenses</b>								
Employee benefits	58,097	47,798	97,198	88,569	140,546	122,013	220,814	226,962
Suppliers	30,356	28,762	50,788	53,295	73,438	73,418	115,379	136,567
Suppliers – Centrelink	-	13,000	-	53,220	-	83,417	-	863,128
Depreciation	6,871	7,178	16,688	15,540	13,743	17,038	53,989	31,474
Grants	36	-	334	-	517	-	162	-
Other	88	697	146	1,292	212	1,780	333	3,311
<b>Total</b>	<b>95,448</b>	<b>97,435</b>	<b>165,154</b>	<b>211,916</b>	<b>228,456</b>	<b>297,666</b>	<b>390,677</b>	<b>1,261,442</b>
<b>Departmental income</b>								
User charges	661	-	1,888	-	30,708	26,607	1,379	8,066
Income from government	91,188	96,840	155,494	210,827	172,788	251,675	359,037	1,248,661
Other	561	295	963	641	21,018	18,985	2,275	3,816
<b>Total</b>	<b>92,410</b>	<b>97,135</b>	<b>158,345</b>	<b>211,468</b>	<b>224,514</b>	<b>297,267</b>	<b>362,691</b>	<b>1,260,543</b>
<b>Departmental assets</b>								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Trade and other receivables	84	182	340	1,297	1,555	2,882	285	1,392
Accrued revenue	-	-	-	-	-	-	-	-
Land and buildings	10,944	7,170	18,670	15,471	21,038	16,965	43,139	31,264
Infrastructure, plant and equipment	4,138	2,005	10,179	12,693	8,278	21,898	30,890	13,731
Intangibles	7,722	4,060	23,332	21,169	26,084	36,583	57,509	46,120
Inventories	-	-	-	-	449	580	-	-
Other financial assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22,888</b>	<b>13,417</b>	<b>52,521</b>	<b>50,650</b>	<b>57,404</b>	<b>78,908</b>	<b>131,823</b>	<b>92,507</b>
<b>Departmental liabilities</b>								
Suppliers	3,173	1,608	5,411	3,469	6,013	3,794	12,494	7,009
Other payables	7,982	5,062	13,610	10,923	15,124	11,947	31,426	22,071
Employee provisions	18,016	13,501	30,721	29,128	34,138	31,861	70,933	58,865
Other provisions	771	743	1,314	1,603	1,460	1,753	3,034	3,238
<b>Total</b>	<b>29,942</b>	<b>20,914</b>	<b>51,056</b>	<b>45,123</b>	<b>56,735</b>	<b>49,355</b>	<b>117,887</b>	<b>91,183</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 <sup>*</sup>		Total	
	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Departmental expenses</b>						
Employee benefits	49,076	60,911			565,731	546,253
Suppliers	25,643	36,651			295,604	328,693
Suppliers – Centrelink	-	-			-	1,012,765
Depreciation	6,871	7,651			98,162	78,881
Grants	3,966				5,015	-
Other	74	889			853	7,969
<b>Total</b>	<b>85,630</b>	<b>106,102</b>			<b>965,365</b>	<b>1,974,561</b>
<b>Departmental income</b>						
User charges	20,997	29,582			55,633	64,255
Income from government	71,194	75,898			849,701	1,883,901
Other	1,134	321			25,951	24,058
<b>Total</b>	<b>93,325</b>	<b>105,801</b>			<b>931,285</b>	<b>1,972,214</b>
<b>Departmental assets</b>						
Cash and cash equivalents	-	-	2,226	5,215	2,226	5,215
Trade and other receivables	547	770	183,557	178,240	186,368	184,763
Accrued revenue	-	-	565	594	565	594
Land and buildings	8,547	7,563			102,338	78,433
Infrastructure plant and equipment	3,967	5,214			57,452	55,541
Intangibles	8,676	9,476			123,323	117,408
Inventories	-	-			449	580
Other financial assets	-	-	24,812	14,889	24,812	14,889
<b>Total</b>	<b>21,737</b>	<b>23,023</b>	<b>211,160</b>	<b>198,938</b>	<b>497,533</b>	<b>457,423</b>
<b>Departmental liabilities</b>						
Suppliers	2,477	1,696	-	-	29,568	17,576
Other payables	6,232	5,340	-	-	74,374	55,343
Employee provisions	14,066	14,240	-	-	167,874	147,595
Other provisions	602	783	-	-	7,181	8,120
<b>Total</b>	<b>23,377</b>	<b>22,059</b>	<b>-</b>	<b>-</b>	<b>278,997</b>	<b>228,634</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 can not 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	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Administered expenses</b>								
Subsidies	-	-	4,552	3,263	826,896	756,675	14,337	16,714
Personal benefits	3,347,991	3,288,998	208,911	949,392	2,686,439	1,843,964	13,399,714	11,975,071
Grants	281,688	365,876	10,130,694	8,966,543	6,688,512	5,968,471	113,823	2,058
Suppliers	53,469	10,716	68,736	161,560	448,339	568,503	2,292,559	2,015,688
Employee Benefits	-	-	-	-	-	-	-	-
Other	2,238	26,465	116	57	1,199,586	2,157,411	19,347	18,083
<b>Total</b>	<b>3,685,386</b>	<b>3,692,055</b>	<b>10,413,009</b>	<b>10,080,815</b>	<b>11,849,772</b>	<b>11,295,024</b>	<b>15,839,780</b>	<b>14,027,614</b>
<b>Administered income</b>								
Taxation	-	-	-	-	-	-	-	15,629
Non taxation revenue	43,871	143,855	39,464	2,764	1,696,088	961,291	18,452	4,340
<b>Total</b>	<b>43,871</b>	<b>143,855</b>	<b>39,464</b>	<b>2,764</b>	<b>1,696,088</b>	<b>961,291</b>	<b>18,452</b>	<b>19,969</b>
<b>Administered assets</b>								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables	202,105	104,584	2,081	853,052	15,128,106	12,067,038	872,972	776,339
Investments	-	-	15,958	2,767	1,769,318	1,553,970	-	-
Inventories	411	182	140	395	638	152	201	-
Other non financial assets	-	-	-	-	-	2,008	-	-
<b>Total</b>	<b>202,516</b>	<b>104,766</b>	<b>18,179</b>	<b>856,214</b>	<b>16,898,062</b>	<b>13,623,168</b>	<b>873,173</b>	<b>776,339</b>
<b>Administered liabilities</b>								
Suppliers	11,244	13,017	30,546	74,700	41,049	66,462	59,066	70,221
Subsidies	-	-	870	-	1,685	24,568	-	-
Personal benefits	523,133	424,722	2,783	28,294	54,514	29,927	282,907	279,747
Grants	17,970	11,509	24,180	44,720	20,736	25,777	28,463	-
Other payables	-	-	-	-	-	-	-	-
Provision for grants	-	-	-	-	5,039,000	4,209,000	-	-
<b>Total</b>	<b>552,347</b>	<b>449,248</b>	<b>58,379</b>	<b>147,714</b>	<b>5,156,984</b>	<b>4,355,734</b>	<b>370,436</b>	<b>349,968</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	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Administered expenses</b>								
Subsidies	99,242	93,608	-	-	-	-	945,027	870,260
Personal benefits	154,211	100,188	-	-	-	-	19,797,266	18,157,613
Grants	10,091	-	-	-	-	-	17,224,808	15,302,948
Suppliers	16,261	19,525	-	-	4	-	2,879,368	2,775,992
Employee Benefits	42,812	-	-	-	-	-	42,812	-
Other	-	-	70,289	68,407	-	58	1,291,576	2,270,481
<b>Total</b>	<b>322,617</b>	<b>213,321</b>	<b>70,289</b>	<b>68,407</b>	<b>4</b>	<b>58</b>	<b>42,180,857</b>	<b>39,377,294</b>
<b>Administered income</b>								
Taxation	99,242	77,978	-	-	-	-	99,242	93,607
Non taxation revenue	27,948	17,120	-	-	5,814	8,724	1,831,037	1,138,094
<b>Total</b>	<b>126,590</b>	<b>95,098</b>			<b>5,814</b>	<b>8,724</b>	<b>1,930,279</b>	<b>1,231,701</b>
<b>Administered assets</b>								
Cash and cash equivalents	-	-	-	-	1,301	415	1,301	415
Receivables	17,675	15,603	-	-	51,986	88,215	16,274,925	13,904,831
Investments	5,507	-	-	-	-	-	1,790,783	1,556,737
Inventories	-	-	-	-	-	-	1,390	729
Other non financial assets	3,715	4,503	-	-	-	-	3,715	6,511
<b>Total</b>	<b>26,897</b>	<b>20,106</b>			<b>53,287</b>	<b>88,630</b>	<b>18,072,114</b>	<b>15,469,223</b>
<b>Administered liabilities</b>								
Suppliers	1,421	9,369	-	-	3,005	6,071	146,331	239,840
Subsidies	17,240	15,546	-	-	169	(171)	19,964	39,943
Personal benefits	1,999	-	-	-	-	-	865,336	762,690
Grants	-	-	-	-	8,060	-	99,409	82,006
Other payables	-	-	-	-	55,711	88,080	55,711	88,080
Provision for grants	-	-	-	-	-	-	5,039,000	4,209,000
<b>Total</b>	<b>20,660</b>	<b>24,915</b>			<b>66,945</b>	<b>93,980</b>	<b>6,225,751</b>	<b>5,421,559</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 can not be reliably attributed to outcomes.





Glossary	352
Acronyms	355
List of charts and tables	358
Department websites	360
Compliance index	363
Index	365



## GLOSSARY

---

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

Departmental Items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its inputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and service and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take into account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes Price, Quality and Quantity indicators. The interrelationships between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expenses	Total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation Methodology: The amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction. Their fair value can be affected by the conditions and the intentions of the asset holder.
<i>Financial Management and Accountability (FMA) Act 1997</i>	The principal legislation governing the proper use and management of public money and public property and other Australian Government resources. FMA Regulations and FMA Orders are made pursuant to the Act.
Financing transactions	The Government funds shortfalls in revenue over outlays by borrowing from financial markets or running down financial assets. Such activities are regarded as financing transactions. If a surplus of revenue over outlays is recorded then financing transactions will show how the surplus is used.
Forward estimates	A system of rolling three financial estimates. After the Budget is passed, the first year of the forward estimates becomes the base for next year's Budget bid, and another out-year is added to the forward estimates.
Government Finance Statistics (GFS)	The GFS reporting framework is a specialised statistical system designed to support economic analysis of the public sector. It allows comprehensive assessments to be made of the economic impact of government and is consistent with international statistical standards (the System of National Accounts 1993 (SNA93) and the international Monetary Funds' A Manual on Government Finance Statistics 2001).

Liabilities	Liabilities represent amounts owing on goods or services that have been received but not yet paid for. A liability shows the future commitment of the Agency's assets.
Loan Fund	Established by the FMA Act 1997, the Loan Fund contains all monies raised by loans on the public credit of the Australian Government. Expenditure from the Loan Fund is limited to the purpose for which monies were raised.
Net Annotated appropriation (Section 31 Receipts)	Section 31 receipts, also known as net annotated appropriations, are a form of appropriation which allows a department access to certain money it receives in payment of services. These monies are known as Section 31 Receipts, reflecting their authority under Section 31 of the FMA Act 1997.
Operating result	Equals revenue less expenses.
Outcomes	The government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions by the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Portfolio Budget Statements	Statements prepared by portfolios to explain the Budget appropriations in terms of outcomes.
Receipts	The total or gross amount received by the Australian Government. Each receipt item is either revenue, an offset within outlays, or a financing transaction. Receipts include taxes, interest, charges for goods and services, borrowings and Government Business Enterprise (GBE) dividends received.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Section 31 Receipts	See net annotated appropriation.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (FMA Act 1997, ss.22 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 of the FMA Act 1997) or through an Act of Parliament (referred to in s.21 of the FMA Act 1997).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing appropriations are a sub-category consisting of ongoing special appropriations—the amount appropriated will depend on circumstances specified in the legislation.

## Acronyms

ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACER	Australian Council for Education Research
ADF	Australian Defence Force
AEI	Australian Education International
AEDI	Australian Early Development Index
ANAO	Australian National Audit Office
ANU	Australian National University
APEC	Asia–Pacific Economic Cooperation
ATC	Australian Technical College
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
AWA	Australian Workplace Agreement
AYF	Australian Youth Forum
BER	Building the Education Revolution
CCB	Child Care Benefit
CCR	Child Care Rebate
CDEP	Community Development Employment Projects
CGS	Commonwealth Grant Scheme
COAG	Council of Australian Governments
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DASA	Diversity and Structural Adjustment
DEEWR	Department of Education, Employment and Workplace Relations
DEN	Disability Employment Network
DER	Digital Education Revolution
DES	Disability Employment Service
DIISR	Department of Innovation, Industry, Science and Research
DISC	DEEWR Implementation Steering Committee
DSP	Disability Support Pension
EAS	East Asia Summit
EFTSL	equivalent full-time student load
EIF	Education Investment Fund
EMS	Environmental Management System
ESA	Education Services Australia
ESOS	Education Services for Overseas Students
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FOI	Freedom of Information
FOLP	Framework for Open Learning Program
FTA	free trade agreement
FWA	Fair Work Australia

GEERS	General Employee Entitlements and Redundancy Scheme
GTO	group training organisation
GTPP	Group Training in the Trades Program
HECS	Higher Education Contribution Scheme
HELP	Higher Education Loan Program
HLS	Harvest Labour Services
IAGDP	Indigenous Australian Government Development Program
ICT	information and communication technology
IEP	Indigenous Employment Program
IHEAC	Indigenous Higher Education Advisory Council
IHTS	Incentives for Higher Technical Skills
ILAC	International Labour Affairs Committee
ILC	International Labour Conference
ILO	International Labour Organization
IWG	RAP Implementation Working Group
IYMP	Indigenous Youth Mobility Program
IYLP	Indigenous Youth Leadership Program
JCA	Job Capacity Assessment
JCPAA	Joint Committee of Public Accounts and Audit
JET	Jobs, Education and Training
LEC	Local Employment Coordinator
LLNP	Language, Literacy and Numeracy Program
low SES	low socioeconomic status
MCEECDYA	Ministerial Council for Education, Early Childhood Development and Youth Affairs
NALSSP	National Asian Languages and Studies in Schools Program
NAPLAN	National Assessment Program—Literacy and Numeracy
NCEIS	National Centre of Excellence for Islamic Studies
NCSEHE	National Centre for Student Equity in Higher Education
NCVER	National Centre for Vocational Education Research
NEA	National Education Agreement
NEIS	New Enterprise Incentive Scheme
NESA	National Employment Services Association
NOLS	National Occupation Licensing System
NTDET	Northern Territory Department of Education and Training
NTER	Northern Territory Emergency Response
NYW	National Youth Week
OECD	Organisation for Economic Co-operation and Development
OECECC	Office of Early Childhood Education and Child Care
OFSC	Office of the Federal Safety Commissioner
OHS	Occupational health and safety

PaCE	Parental and Community Engagement program
PACER	Parliament and Civic Education Rebate
PIRLS	Progress in International Reading Literacy Study
PISA	Programme for International Student Assessment
RAP	Reconciliation Action Plan
RTO	registered training organisation
SACS	social and community services
SEAMEO	Southeast Asian Ministers of Education Organization
STAT	Special Tertiary Admissions Test
TEQSA	Tertiary Education Quality and Standards Agency
TIMSS	Trends in International Mathematics and Science Study
TIP	Targeted Initiatives Program
TPP	Trans Pacific Partnership
TRA	Trades Recognition Australia
UNESCO	United Nations Educational, Scientific and Cultural Organization
VET	Vocational education and training
VEN	Vocational Education Broadband Network
VRS	Vocational Rehabilitation Services
WDL	working days lost
WELL	Workplace English Language and Literacy
WPI	Wage Price Index
WRMC	Workplace Relations Ministers' Council

## List of charts and tables

Charts		
Chart P1.1	Executive and departmental structure at 30 June 2010	12
Chart P1.2	Portfolio ministers, outcomes and programs structures, and agencies at 30 June 2010	14
Chart 2.1	Percentage of Year 3, 5, 7 and 9 Indigenous and non-Indigenous students at or above the national minimum standards in reading, writing, spelling, grammar and punctuation, and numeracy, NAPLAN 2009	37
Chart 2.2	Percentage of Year 3, 5, 7 and 9 students above, at or below the national minimum standards in reading, writing, spelling, grammar and punctuation, and numeracy, NAPLAN 2009	38
Chart 2.3	Apparent retention rates of full-time secondary students, Indigenous and non-Indigenous students from Years 7 and 8 to Year 12	41
Chart 2.4	Apparent retention rate of full-time students from Years 7/8 to Year 12, 2004 to 2009	53
Chart 3.1	Undergraduate commencements and completions for 2007–2009 calendar years	87
Chart 3.2	Australian Apprenticeships commencements, 2007–2009 calendar years	100
Chart 3.3	Australian Apprenticeships completions, 2007–2009 calendar years	100
Chart 3.4	International student enrolments, 2006 to 2009, by sector	109
Chart 4.1	Labour force participation rate and employment-to-population ratio: persons aged 15–64 years: trend data, June 1978 to June 2010	121
Chart 4.2	Average duration of unemployment per labour force member, June 1985 to June 2010	123
Chart 5.1	Federal collective agreements lodged/approved, 2008–09 and 2009–10	149
Tables		
Table 1.1	Key performance indicators for Program 1.1	19
Table 1.2	Effectiveness indicators for Program 1.1	20
Table 1.3	Key performance indicators for Program 1.2	22
Table 1.4	Effectiveness indicators for Program 1.2	23
Table 1.5	Key performance indicators for Program 1.3	26
Table 1.6	Effectiveness indicators for Program 1.3	27
Table 1.7	Departmental outputs performance information	28
Table 2.1	Key performance indicators for Program 2.1	34
Table 2.2	Effectiveness indicators for Program 2.1	40
Table 2.3	Full-time school enrolments (government and non-government) by level of education, Australia: 2007 to 2009	40
Table 2.4	Full-time school enrolments in government and non-government schools, Australia 2007 to 2009	41
Table 2.5	Key performance indicators for Program 2.2	42
Table 2.6	Effectiveness indicators for Program 2.2 (Non-government)	44
Table 2.7	Key performance indicators for Program 2.3	44
Table 2.8	Effectiveness indicators for Program 2.3	52
Table 2.9	Full-time school and preschool enrolments for Indigenous students	53
Table 2.10	Key performance indicators for Program 2.4	54
Table 2.11	Key performance indicators for Program 2.5	56
Table 2.12	Key performance indicators for Program 2.6	56
Table 2.13	Effectiveness indicators for Program 2.6	57
Table 2.14	Key performance indicators for Program 2.7	59
Table 2.15	Key performance indicators for Program 2.8	61
Table 2.16	Key performance indicators for Program 2.10	66
Table 2.17	Key performance indicators for Program 2.11	67
Table 2.18	Departmental outputs performance information	68
Table 3.1	Key performance indicators for Program 3.1	78
Table 3.2	Effectiveness indicators for Program 3.1	86
Table 3.3	Key performance indicators for Program 3.2	88
Table 3.4	Effectiveness indicators for Program 3.2	89
Table 3.5	Key performance indicators for Program 3.3	90
Table 3.6	Key performance indicators for Program 3.4	92
Table 3.7	Effectiveness indicators for Program 3.4	92
Table 3.8	Key performance indicators for Program 3.5	94
Table 3.9	Effectiveness indicators for Program 3.5	99
Table 3.10	Key performance indicators for Program 3.6	101



Table 3.11	2009–10 Endeavour Awards	103
Table 3.12	Effectiveness indicators for Program 3.6	108
Table 3.13	International students studying for higher level qualifications, 2006 to 2009	109
Table 3.14	Departmental outputs performance information	110
Table 3.15	Level of payment accuracy determined from random sample surveys for student income support payments, 2009–10	112
Table 4.1	Key performance indicators for Program 4.1	116
Table 4.2	Effectiveness indicators for Program 4.1	119
Table 4.3	Proportion of the workforce-age population on income support payments, full and part rate	121
Table 4.4	Average duration on full rate unemployment allowance, June 2005 to June 2010 (weeks)	123
Table 4.5	Average duration on full rate unemployment allowance, by disadvantaged groups, June 2005 to June 2010 (weeks)	124
Table 4.6	Key performance indicators for Program 4.2	125
Table 4.7	Effectiveness indicators for Program 4.2	125
Table 4.8	Key performance indicators for Program 4.3	128
Table 4.9	Effectiveness indicators for Program 4.3	129
Table 4.10	Effectiveness indicators for Program 4.4	134
Table 4.11	Level of payment accuracy determined from Random Sample Surveys for the Major Working Age Income Support Payments, 1 July 2009 to 30 June 2010	135
Table 4.12	Departmental outputs performance information	137
Table 5.1	Effectiveness indicators for Outcome 5	146
Table 5.2	Industrial disputation, 1985–86 to 2009–10	148
Table 5.3	Departmental outputs performance information	155
Table P3.1	Ongoing and non-ongoing full-time and part-time employees self identifying as Indigenous Australians, at 30 June 2010	162
Table P3.2	Employees, by classification and gender, at 30 June 2010 (2009)	163
Table P3.3	Employees, by employment status and gender, at 30 June 2010 (2009)	163
Table P3.4	Employees, by location and gender, at 30 June 2010 (2009)	164
Table P3.5	Separation statistics, by classification, 30 June 2010	164
Table P3.6	Employment agreement statistics, 30 June 2010	165
Table P3.7	Salary ranges, 30 June 2010	165
Table P3.8	Reported occupational health and safety incidents, by type, 2009–10	166
Table P3.9	Parliamentary workflow, 2009–10	168
Table P3.10	Appearances before, and submissions to, parliamentary committee inquiries	178
Table A2.1	Sustainability measures included in building design and construction by projects funded under the building the Education Revolution Program	190
Table A3.1	Freedom of information applications for access to departmental information, 2009–10	215
Table A6.1	Advertising agencies	221
Table A6.2	Market research and polling organisations	221
Table A6.3	Media advertising organisations	222
Table A6.4	Direct mail organisations	222
Table A7.1	Consultancy contracts let in 2009–10	224

## Department websites

The following websites are relevant to the operations of the department and associated portfolio agencies.

<b>Early childhood and child care</b>	
<a href="http://www.deewr.gov.au/Earlychildhood">www.deewr.gov.au/Earlychildhood</a>	Provides information including but not limited to: <ul style="list-style-type: none"> <li>» Careers in early childhood</li> <li>» Child Care for Families</li> <li>» Child Care for Services</li> <li>» Early Childhood Education</li> <li>» National Workforce Census</li> </ul>
<a href="http://www.mychild.gov.au">www.mychild.gov.au</a>	
<b>Schooling</b>	
<a href="http://www.deewr.gov.au/Schooling">www.deewr.gov.au/Schooling</a>	Provides information including but not limited to: <ul style="list-style-type: none"> <li>» Building the Education Revolution</li> <li>» Digital Education and Technology</li> <li>» Languages Education</li> <li>» Literacy and Numeracy</li> <li>» National Professional Standards for Teachers</li> <li>» National Smarter Schools Partnerships</li> <li>» New Pathway into Teaching initiative</li> <li>» Review of Funding for Schooling</li> <li>» Safe Schools</li> <li>» School Nutrition Program</li> <li>» Student Wellbeing</li> <li>» Teaching and Curriculum</li> </ul>
<a href="http://www.deewr.gov.au/student_income_support">www.deewr.gov.au/student_income_support</a>	Student Income Support
<a href="http://www.deewr.gov.au/Youth/OfficeForYouth">www.deewr.gov.au/Youth/OfficeForYouth</a>	Youth Initiatives
<a href="http://www.deewr.gov.au/youthallowance">www.deewr.gov.au/youthallowance</a>	Income Support For Students
<a href="http://www.acara.edu.au">www.acara.edu.au</a>	The Australian Curriculum, Assessment and Reporting Authority
<a href="http://www.aitsl.edu.au">www.aitsl.edu.au</a>	Australian Institute for Teaching and School Leadership
<a href="http://www.asiaeducation.edu.au">www.asiaeducation.edu.au</a>	Asia Education Foundation
<a href="http://www.asistm.edu.au">www.asistm.edu.au</a>	Australian Schools Innovation in Science, Technology and Mathematics
<a href="http://www.civicsandcitizenship.edu.au">www.civicsandcitizenship.edu.au</a>	Civics and Citizenship Education
<a href="http://www.jobguide.deewr.gov.au">www.jobguide.deewr.gov.au</a>	Job Guide
<a href="http://www.lsay.edu.au">www.lsay.edu.au</a>	Longitudinal Surveys of Australian Youth
<a href="http://www.mceecdya.edu.au">www.mceecdya.edu.au</a>	Ministerial Council for Education, Early Childhood Development and Youth Affairs
<a href="http://www.myfuture.edu.au">www.myfuture.edu.au</a>	My Future
<a href="http://www.scientistsinschools.edu.au">www.scientistsinschools.edu.au</a>	Scientists in Schools
<a href="http://www.tradetrainingcentres.deewr.gov.au">www.tradetrainingcentres.deewr.gov.au</a>	Trade Training Centres in Schools Program
<a href="http://www.valueseducation.edu.au">www.valueseducation.edu.au</a>	Values Education
<a href="http://www.youth.gov.au">www.youth.gov.au</a>	Youth Access
<b>Higher Education</b>	
<a href="http://www.deewr.gov.au/HigherEducation">www.deewr.gov.au/HigherEducation</a>	Provides information including but not limited to: <ul style="list-style-type: none"> <li>Commonwealth Scholarship Program</li> <li>Education Investment Fund</li> <li>Higher Education Participation and Partnerships Program</li> <li>Structural Adjustment Fund</li> <li>Student Assistance Estimator</li> <li>Youth Allowance</li> </ul>
<a href="http://www.deewr.gov.au/dsa">www.deewr.gov.au/dsa</a>	Diversity and Structural Adjustment Fund
<a href="http://www.deewr.gov.au/EndeavourAwards">www.deewr.gov.au/EndeavourAwards</a>	Endeavour Awards
<a href="http://www.deewr.gov.au/student_income_support">www.deewr.gov.au/student_income_support</a>	Student Income Support
<a href="http://www.deewr.gov.au/skills/productivityplaces">www.deewr.gov.au/skills/productivityplaces</a>	Productivity Places Program
<a href="http://www.deewr.gov.au/skillsforsustainability">www.deewr.gov.au/skillsforsustainability</a>	Skills for Sustainability
<a href="http://www.deewr.gov.au/tpdh">www.deewr.gov.au/tpdh</a>	Training Package Development Handbook
<a href="http://www.deewr.gov.au/well">www.deewr.gov.au/well</a>	Workplace English and Literacy Program
<a href="http://www.aei.gov.au">www.aei.gov.au</a>	Australian Education International
<a href="http://www.altc.edu.au">www.altc.edu.au</a>	Australian Teaching and Learning Council

<a href="http://www.australianapprenticeships.gov.au">www.australianapprenticeships.gov.au</a>	Australian Apprenticeships
<a href="http://www.australiantrainingawards.gov.au">www.australiantrainingawards.gov.au</a>	Australian Training Awards
<a href="http://www.cricos.deewr.gov.au">www.cricos.deewr.gov.au</a>	Commonwealth Register of Institutions and Courses for Overseas Students
<a href="http://www.goingtouni.gov.au">www.goingtouni.gov.au</a>	Going to uni—higher education for students in Australia
<a href="http://www.licencerecognition.gov.au">www.licencerecognition.gov.au</a>	Mutual recognition of licensed trade occupations
<a href="http://www.nceis.unimelb.edu.au">www.nceis.unimelb.edu.au</a>	National Centre of Excellence for Islamic Studies
<a href="http://www.ntis.gov.au">www.ntis.gov.au</a>	National Training Information Service
<a href="http://www.qualityteaching.deewr.gov.au">www.qualityteaching.deewr.gov.au</a>	Quality Teacher Programme
<a href="http://www.skillsandtraininginfo.com.au">www.skillsandtraininginfo.com.au</a>	Skills and Training Information
<a href="http://www.skillsaustralia.gov.au">www.skillsaustralia.gov.au</a>	Skills Australia
<a href="http://www.skillsinfo.gov.au">www.skillsinfo.gov.au</a>	Skills Info
<a href="http://www.studyinaustralia.gov.au">www.studyinaustralia.gov.au</a>	Study in Australia
<a href="http://www.studyoverseas.gov.au">www.studyoverseas.gov.au</a>	Study Overseas Portal
<a href="http://www.training.com.au">www.training.com.au</a>	National Training Information Service
<b>Employment</b>	
<a href="http://www.deewr.gov.au/Employment">www.deewr.gov.au/Employment</a>	Information including but not limited to: Australian Jobs Compliance Review Disability Employment Services Employer Brokers Golden Gurus Job Capacity Assessment Job Services Australia Jobs Fund Labour Market Information Portal National Green Jobs Corps New Enterprise Incentive Scheme Pacific Seasonal Worker Pilot Scheme
<a href="http://www.jobaccess.gov.au">www.jobaccess.gov.au</a>	JobAccess (for people with disability)
<a href="http://www.joboutlook.gov.au">www.joboutlook.gov.au</a>	Job Outlook
<a href="http://www.jobsearch.gov.au">www.jobsearch.gov.au</a>	JobSearch and Work for the Dole (for all job seekers)
<a href="http://www.jobwise.gov.au">www.jobwise.gov.au</a>	JobWise (for mature aged people)
<a href="http://www.keepaustraliaworking.gov.au">www.keepaustraliaworking.gov.au</a>	Keep Australia Working
<a href="http://www.skilledmigrant.gov.au">www.skilledmigrant.gov.au</a>	Skilled Migrants
<b>Workplace relations</b>	
<a href="http://www.deewr.gov.au/WorkplaceRelations">http://www.deewr.gov.au/WorkplaceRelations</a>	Information including but not limited to: Australia's Fair Work System Employee Entitlements Fair Work Education and Family Fresh Ideas for Work and Family Paid Parental Leave
<a href="http://www.deewr.gov.au/tra">www.deewr.gov.au/tra</a>	Trades Recognition Australia
<a href="http://www.abcc.gov.au">www.abcc.gov.au</a>	Office of the Australian Building and Construction Commissioner
<a href="http://www.comcare.gov.au">www.comcare.gov.au</a>	Comcare
<a href="http://www.dfrt.gov.au">www.dfrt.gov.au</a>	Defence Force Remuneration Tribunal
<a href="http://www.fsc.gov.au">www.fsc.gov.au</a>	Federal Safety Commissioner
<a href="http://www.fwo.gov.au">www.fwo.gov.au</a>	Fair Work Ombudsman
<a href="http://www.remtribunal.gov.au">www.remtribunal.gov.au</a>	Remuneration Tribunal
<a href="http://www.safeworkaustralia.gov.au">www.safeworkaustralia.gov.au</a>	Safe Work Australia
<a href="http://www.workplace.gov.au">www.workplace.gov.au</a>	Australian Workplace

<b>Indigenous</b>	
<a href="http://www.deewr.gov.au/Indigenous">www.deewr.gov.au/Indigenous</a>	Information including but not limited to: <ul style="list-style-type: none"> <li>» ABSTUDY</li> <li>» Community Festivals for Education Engagement</li> <li>» Early Childhood</li> <li>» Higher Education</li> <li>» Increasing Vocational Learning Opportunities</li> <li>» Indigenous Education Ambassadors Program</li> <li>» Indigenous Opportunities Policy</li> <li>» Indigenous Staff Scholarships</li> <li>» Indigenous Wage Subsidy</li> <li>» Learn Earn Legend!</li> <li>» Parental and Community Engagement Program</li> <li>» Reconciliation Action Plan</li> <li>» Schooling</li> <li>» Skills</li> <li>» Sporting Chance Program</li> <li>» Supplementary Recurring Assistance</li> <li>» Tutorial Assistance</li> <li>» What Works Program</li> <li>» Youth</li> </ul>
<a href="http://www.deewr.gov.au/Employment">www.deewr.gov.au/Employment</a>	Information including but not limited to: <ul style="list-style-type: none"> <li>» Indigenous Australian Apprenticeships resources</li> <li>» Australian Employment Covenant</li> </ul>
<a href="http://www.deewr.gov.au/IHEAC">www.deewr.gov.au/IHEAC</a>	Indigenous Higher Education Advisory Council
<a href="http://www.daretolead.edu.au">www.daretolead.edu.au</a>	Dare to Lead
<a href="http://www.workplace.gov.au">www.workplace.gov.au</a>	Participants in the Community Development Employment Projects
<b>Social inclusion</b>	
<a href="http://www.socialinclusion.gov.au">www.socialinclusion.gov.au</a>	Information including but not limited to: <ul style="list-style-type: none"> <li>» Addressing Homelessness</li> <li>» Social inclusion</li> <li>» Supporting Social Enterprise</li> <li>» Volunteering</li> </ul>

## 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	365
	Glossary	Mandatory	352
	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	2–7
	Summary of significant issues and developments	Suggested	2–7
	Overview of department's performance and financial results	Suggested	2–7
	Outlook for following year	Suggested	2–7
<b>Departmental Overview</b>	Overview description of department	Mandatory	8
	Role and functions	Mandatory	8
	Organisational structure	Mandatory	12
	Outcome and program structure	Mandatory	14
	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	14
<b>Report on Performance</b>	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	16–156
	Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	16–156
	Performance of purchaser/provider arrangements	If applicable, mandatory	16–156
	Where performance targets differ from the PB Statements/ PAES, details of both former and new targets, and reasons for the change	Mandatory	16–156
	Narrative discussion and analysis of performance	Mandatory	16–156
	Trend information	Mandatory	16–156
	Significant changes in nature of principal functions/services	Suggested	16–156
	Factors, events or trends influencing departmental performance	Suggested	16–156
	Contribution of risk management in achieving objectives	Suggested	16–156
	Performance against service charter customer service standards, complaints data and the department's response to complaints	If applicable, mandatory	168
	Discussion and analysis of the department's financial performance	Mandatory	179
	Agency resource statement and summary resource tables by outcomes	Mandatory	235
	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

Part of Report	Description	Requirement	Page
<b>Corporate Accountability</b>			
Corporate Governance	Statement of the main corporate governance practices in place	Mandatory	158
	Names of the senior executive and their responsibilities	Suggested	8–11
	Senior management committees and their roles	Suggested	
	Corporate and operational planning and associated performance reporting and review	Suggested	158
	Approach adopted to identifying areas of significant financial or operational risk	Suggested	159
	Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines	Mandatory	iii, 177
	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	158
External Scrutiny	Significant developments in external scrutiny	Mandatory	177–179
	Judicial decisions and decisions of administrative tribunals	Mandatory	177–179
	Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	177–179
Management of Human Resources	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	160–167
	Workforce planning, staff turnover and retention	Suggested	160–167
	Impact and features of collective agreements, determinations, common law contracts and AWAs	Suggested	160–167
	Training and development undertaken and its impact	Suggested	160–167
	Occupational health and safety performance	Suggested	160–167
	Statistics on staffing	Mandatory	160–167
	Enterprise or collective agreements, determinations, common law contracts and AWAs	Mandatory	160–167
	Performance pay	Mandatory	160–167
Assets Management	Assessment of effectiveness of assets management	If applicable, mandatory	180
Purchasing	Assessment of purchasing against core policies and principles	Mandatory	180
Consultants	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 <b>must</b> be presented in accordance with the pro forma as set out in Attachment D.)	Mandatory	180, 223–232
Australian National Audit Office Access Clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	nil to report
Exempt contracts	Contracts exempt from the AusTender	Mandatory	180
<b>Commonwealth Disability Strategy</b>	Report on performance in implementing the Commonwealth Disability Strategy	Mandatory	184
<b>Financial Statements</b>	Financial Statements	Mandatory	245–349
<b>Other Information</b>	Occupational health and safety (section 74 of the <i>Occupational Health and Safety Act 1991</i> )	Mandatory	165–167
	Freedom of Information (subsection 8(1) of the <i>Freedom of Information Act 1982</i> )	Mandatory	196–215
	Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i> ) and statement on advertising campaigns	Mandatory	221–222
	Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> )	Mandatory	189–195
	Grant programs	Mandatory	179
	Correction of material errors in previous annual report	If applicable, mandatory	233–234
	List of requirements	Mandatory	363–365

# Index

## A

Aboriginal Australians, *see* Indigenous Australians

ABC Learning, 10, 16, 17, 21,

ABSTUDY,  
     employment, 121, 131, 213  
     tertiary and vocation education and training, 80, 89, 90, 111, 112, 240  
     secondary, 67, 68, 69, 239

ACE National, vi, 207,  
 agreement making, 274  
     workplace relations, 141, 148, 214

Ansett Group employees, 196, 214, 302, 313, 334

APS Values and Code of Conduct, 158, 179

Asia-Pacific Economic Cooperation (APEC), 105

Asia-Pacific region, 76, 102, 142, 145

Assessment Subsidy for Overseas Trained Professionals, 104, 241

asset management, 180

Assistance for Isolated Children, 67, 68, 239

Auslan for Employment Program, 127, 128, 129

Australian Academy of Science, 48

Australian Apprenticeships, 2, 36, 95, 97, 99, 100, 110, 201, 211

Australian Apprenticeships Access Program, 111

Australian Apprenticeships Centres, 94–5, 201

Australian Apprenticeships Incentives Program, 95

Australian Building and Construction Commissioner,  
     Office of the, 13, 14, 151, 152, 361

Australian Council for Educational Research (ACER), 46, 226, 229

Australian Chamber of Commerce and Industry, 202, 216

Australian Council of Trade Unions, 202, 205, 216

Australian Curriculum, Assessment and Reporting Authority (ACARA), 5, 13–4, 31, 39, 185–6, 189, 196, 308

Australian Defence Force (ADF), 154

Australian Early Development Index (AEDI), 17–9, 25

Australian Education International (AEI), 101–2, 109–10, 181, 211

Australian Fair Pay Commission, 214

Australian Government Building and Construction OHS Accreditation Scheme, 153–4, 208

Australian Government Employment Bargaining Framework, 141–2

Australian Government Quality Teacher Program, 47

Australian Industrial Relations Commission, 148–50, 152, 214, 220

Australian Industry Group, 202, 216, 219

Australian Institute for Teaching and School Leadership, 13–4, 32, 47, 62, 308

Australian JobSearch, 186–7, 213

Australian Learning and Teaching Council, 13–4, 192, 308

Australian National Audit Office (ANAO), 58, 176, 178–9

Australian National University, 86, 103, 175, 225, 230, 308

Australian Quality Training Framework, 74, 94, 231

Australian Technical Colleges, 54, 196, 238

Australian Workplace Agreements (AWAs), 148, 164, 296

Australian Youth Forum (AYF), 31, 64–5, 199, 201

Austudy, 69, 89, 90, 111–2, 121, 131, 198, 240

Autism Spectrum Disorder (ASD), 45

awards  
     Australian Student Prize, 44, 46  
     Australian Training, 96, 191, 211  
     Australian Training Initiative, 96  
     Endeavour, 76, 102–4, 198, 204, 211  
     Minister's Awards for Excellence, 211  
     Prime Minister's Australia Asia, 76, 103

AWAs, *see* Australian Workplace Agreements

## B

benchmarks, 17, 26, 34

bilateral agreements, 26, 61, 150, 199

building and construction industry, 142, 150–2, 178, 196, 207–8, 214

Building the Education Revolution, vi, 3–5, 10, 31, 58–60, 68, 178–9, 189–90, 198, 201, 210, 224, 239

## C

Capital Development Pool, 77–8, 81, 240

Career and Transition Support, 64, 66

CCB, *see* Child Care Benefit

CCR, *see* Child Care Rebate

Centre for Social Impact, 84

Centrelink, 4, 28, 69, 79, 104, 111–2, 115, 118–9, 134–5, 169, 172, 174, 178, 185, 198, 206–7

CGS, *see* Commonwealth Grant Scheme

Child Care Benefit (CCB), 22–3, 28, 196–7, 237

Child Care Rebate (CCR), 4, 16, 22–23, 196–7, 221, 237

China, 103–4, 106

Civics and Citizenship education, 47–8

Closing the Gap, 5–6, 31, 41, 49, 51, 115, 159–62, 169, 171, 181

COAG, *see* Council of Australian Governments

*Coal Mining Industry (Long Service Leave Funding) Act 1992*, 143

collective agreements, 142, 148–9  
     DEEWR, 162, 164–5

Comcare, 13–4, 141–2, 152, 166, 167, 197, 214

Commonwealth Disability Strategy, 184, 234

Commonwealth Education Costs Scholarships, 80

Commonwealth Grant Scheme (CGS), 78, 203, 240

Commonwealth supported places, 77–9, 83, 88

Community Development Employment Projects (CDEP), 126, 133, 169

Community Festivals for Education Engagement program, 51

complaints, 3, 58, 136, 187–8, 207, 214

consultants and consultancy services, 180, 223

corporate governance, 168

Council of Australian Governments (COAG), 189, 199, 232  
     early childhood education and child care, 5, 16–8, 24, 185, 199  
     employment, 114–5, 213  
     international, 101, 108  
     schools, 30, 32–4, 38, 53, 57, 210  
     vocational education and training, 72, 75, 91, 93, 94, 191, 202, 245  
     tertiary, 89

culturally and linguistically diverse backgrounds, 120, 171, 174

## D

data matching, 112, 134

decision-making powers, 196–7

Defence Force Remuneration Tribunal (DFRT), 154–5

Departmental outputs, 28, 68–9, 110–1, 137, 155–6

Department of Corrective Services, 96

Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), 4, 119, 126, 141, 150, 168–9, 172, 175, 185, 206, 207, 213, 233

Department of Finance and Deregulation, 6, 10, 170, 180, 182, 291, 339

Department of Immigration and Citizenship, 112, 134, 142

Department of the Environment, Water, Heritage and the Arts, 126, 170, 245

Digital Education Revolution, 5, 32, 46, 55, 68, 200, 209, 238  
     disability,  
         children with, 20, 184  
         job seekers with, 4, 127  
         people with, 2, 98, 118–9, 127–32, 171, 174, 184–8, 207  
     students with, 40, 80, 186

Disability Employment Network (DEN), 127–9, 137, 196, 207, 213

Disability Employment Services, 4, 114–5, 127–30, 136, 138, 169, 178–9, 186–8, 196, 207, 213, 242

*Disability Services Act 1986*, 188, 196, 207

Disability Support Pension, 118, 121, 131, 207

Disadvantaged, 2, 4, 17, 21, 30, 62–3, 80, 114, 118, 171, 173

- Australians, 2, 55, 114, 173
- groups, 93, 123, 171, 174, 175
- job seekers, 4, 93, 116–7, 119
- students, 43

Diversity and Structural Adjustment Fund, 78, 82

Drought Assistance for Schools Measure, 44

## E

early childhood education and child care, 9–10, 16, 169, 182, 189, 199, 209, 225

early childhood services, 16, 17, 27, 199

Early Learning and Care Centres, 17, 26, 198

Ecologically sustainable development and environmental performance, 189

economic conditions, 122, 147

Education Entry Payment, 132

Education Investment Fund (EIF), 5, 74–5, 77–8, 82, 84–5, 190, 197, 203, 240–1

Education Services for Overseas Students (ESOS), 74, 107, 178, 197, 211

Education Revolution, 5, 30, 84, 169

employee entitlements safety net schemes, 143

employment service providers, 114, 117, 207, 228

English Language Intensive Courses for Overseas Students (ELICOS), 108–9

enrolments,

- international student, 76, 108–9
- preschool, 27, 53
- postgraduate, 77, 79, 86, 87, 108
- school, 40, 46, 53, 67
- student, 40, 44, 54, 172
- undergraduate, 73, 79, 89

Environmental Management System (EMS), 192

environmental performance, 189, 192–3

Establishment Assistance, 19, 43, 198

ethical standards, 158

Ex Gratia Payment, 132, 244

Executive Committees, 158

Executive Meeting, 158, 161

exempt contracts, 180

external scrutiny, 177

## F

*Fair Work Act 2009*, 2, 140–2, 144, 146, 148–53, 214, 219

Fair Work Australia, 6, 13–4, 141, 145, 147–8, 153, 214, 219

Fair Work Ombudsman, 13–4, 145, 170

Fair Work Principles, 141–2, 144

family day care, 16, 22, 24

FEE-HELP, 88–9, 197

fee-paying places, 73, 79, 88

Forward with Fairness, 6, 148

Framework for Open Learning Program, 45

fraud control, iii, 169, 177

free trade agreements, 104, 142

freedom of information, 196, 209, 215, 234

full rate, 120–4

full-time,

- education, 34, 68
- employment, 34, 40, 78, 86–7, 147
- long day care, 23
- students, 34, 40, 52–3, 88–9, 121

## G

GDP per hour worked, 146–7

General Employee Entitlements and Redundancy Scheme (GEERS), 11, 141–3, 155, 179, 198, 214, 244, 302, 313

global recession, 2–4, 8, 30, 67, 74–5, 87, 92, 95, 97, 99, 101, 114–5, 117–8, 120, 133–4, 179

GoodStart, 17, 21

governance, 9, 73–4, 104, 150, 158, 168, 176, 199, 209, 274

government schools, 49

- enrolments, 40–1
- funding and grants, 30, 33

group training organisations, 94, 97, 99

## H

Harvest Labour Services, 115, 118

health and safety, *see* occupational health and safety

hearing loss, 49, 50

HECS, *see* Higher Education Contribution Scheme

Helping Children with Autism package, 44–5, 238

Higher Education Contribution Scheme (HECS-HELP), 74, 88–9

Higher Education Disability Support Program, 80

Higher Education Endowment Fund, 9, 84

Higher Education Equity Support Program, 80

Higher Education Loan Program (HELP), 74, 87–8, 194, 240

Higher Technical Skills, 94, 98

Home Interaction Program for Parents and Youngsters, 17–8, 181

homeless people, 114, 171–2

Homeworkers Code of Practice program, 145

## I

Inclusion and Professional Support Program, 184, 188, 198–9

income support, 5, 12, 68, 89–91, 111–2, 114, 117–8, 121–2, 130–5, 171, 174–5, 198, 206–7, 213

India, 76, 104, 106–7, 181

Indigenous Australians, 2, 6–7, 115, 161, 162, 169, 171

- employment, 4, 114, 124, 126, 199, 204
- education, 5, 32, 200
- vocational education and training, 91, 93, 98, 103

Indigenous Coordination Centres, 168, 233

Indigenous Education Action Plan 2010–2014, 30, 32

Indigenous employment, 6, 114, 125–6, 161, 204, 212

Indigenous Employment Program, 4, 97, 114–5, 124–6, 138, 169, 199, 204, 212, 242

Indigenous Higher Education Advisory Council (IHEAC), 81, 110, 203, 240

Indigenous Support Program, 78, 80, 240

Indigenous Youth Leadership Program, 34–5, 40, 67

Indigenous Youth Mobility Program, 34, 36, 40, 67

Indonesia, 45, 104–5

industrial disputation, 147–8

industry skills councils, 75, 93, 95, 107

Intergovernmental Agreement for Regulatory and Operational Reform in OHS, 140–1

International Labour Affairs Committee (ILAC), 208, 216–8

International Labour Organization (ILO), 11, 141–2, 145–6, 208, 216–8

Investing in Our Schools Programme, 42

## J

Japan, 45, 104–6

Job Capacity Assessment, 118–9, 207, 213, 242, 290, 291

Job Network, 116, 119, 178

job placements, 116–7, 129

Job Services Australia, 4, 114–7, 119, 124, 126, 136, 138, 169, 172, 180, 205, 207, 213, 221, 242, 274,

JobAccess, 130, 186, 213

Jobs and Training Compact, 118, 138

Jobs Education and Training (JET) Child Care Fee Assistance, 19–20, 237

Jobs Fund, 116, 118, 172, 242

## K

Keep Australia Working, vi, 4, 75, 115, 118, 204–5, 212

Korea, Republic of, 45, 104, 106

## L

labour force participation rate, 120–1

language conventions, 33, 36–8, 57

Language, Literacy and Numeracy Program (LLNP), 98, 99, 101, 111, 132

Language, Literacy and Numeracy Supplement, 132

literacy and numeracy, 3, 30, 32–3, 36, 40, 43, 49, 51, 55–7, 61, 93, 200–1

Literacy, Numeracy and Special Learning Needs program, 43, 198



Local Employment Coordinators, 4, 115, 118, 181, 204, 212  
 long-term unemployed, 122–4

## M

mathematics, 5, 31, 39, 46, 48, 79, 88  
 mature age, 46, 114–5, 120–1, 124, 131, 205, 212, 242, 361  
 McCarthy, Blake, 96  
 mental health, 213, 222  
 Mentor Marketplace program, 65–7  
 migration, 158, 178  
*Migration Act 1958*, 197  
 ministers and parliamentary secretaries, 28, 68–9, 110–1, 137, 156  
 Mobility Allowance, 131, 242  
 model Work Health and Safety Act, 140, 142  
 mychild website, 16–8, 209, 360  
*My School* website, 5, 31, 39

## N

National Accommodation Scholarships, 77, 80  
 National Action Plan,  
   on Literacy and Numeracy, 56–7, 238  
   to Build Social Cohesion, Harmony and Security, 83  
 National Asian Languages and Studies in Schools program (NALSSP), 45, 210, 238  
 National Centre for Vocational Education Research (NCVER), 89, 92, 175, 203, 228, 231, 241  
 National Centre of Excellence for Islamic Studies, 78, 83  
 National Disability Recruitment Coordinator, 127–9  
 National Early Childhood Development Strategy, 5, 17–8, 173  
 National Employment Standards, 140–1, 145, 149  
 National Green Jobs Corps, 3, 115, 132, 181, 207, 214, 242  
 National Institutes Program, 86  
 National Mental Health and Disability Employment Strategy, 172, 185, 213  
 National Partnership,  
   Agreement on Literacy and Numeracy, 56–7, 200  
   Agreement on Productivity Places Program, 93, 95  
   Agreement on Early Childhood Education, 17–8, 26, 199  
   Agreement on Indigenous Early Childhood Development, 17–8, 199  
   on Youth Attainment and Transitions, 32, 64, 66  
   Smarter Schools—Low Socio-economic Status School Communities, 32, 61  
   Smarter Schools—Improving Teacher Quality, 32, 61  
 National Priority Scholarships, 77, 80  
 National Quality Council, 75, 190

National Quality Framework, 5, 16, 169  
 National School Chaplaincy Program, 44, 45, 200, 210, 238  
 National School Drug Education Strategy, 49  
 National Secondary School Computer Fund, 32, 56, 200  
 National Workplace Relations Consultative Council, 150, 208, 216  
 New Enterprise Incentive Scheme (NEIS), 115, 117, 214, 226, 233  
 Newstart Allowance, 115, 130–1, 133–4, 198, 242  
 non-government schools, 40, 43, 55, 198, 210  
   enrolments, 41  
   funding and grants, 30, 41–3, 233  
 Northern Territory, 18, 36, 40, 49, 51–2, 93, 98, 122, 164, 169, 174, 193, 206  
 Northern Territory Emergency Response, 27, 49

## O

occupational health and safety (OHS), 6, 11, 140–1, 151–4, 166, 207–8, 214  
 OECD, *see* Organisation for Economic Co-operation and Development  
 Office for Youth, 31, 64, 201  
 Office of Early Childhood Education and Child Care, 199, 209  
 Office of the Federal Safety Commissioner, 142, 153–4, 155, 207, 214  
 OHS, *see* occupational health and safety  
 Ombudsman,  
   Commonwealth, 179, 187  
   Fair Work, 13–4, 145, 170  
 Organisation for Economic Co-operation and Development (OECD), 38–9, 76, 105, 172, 175–6  
 OS-HELP, 88–9  
 out-of-pocket costs/expenses, 22–3

## P

Parenting Payment, 115, 131, 133–5, 198, 242  
 Parliament and Civics Education Rebate, 44, 47–8  
 parliamentary committee inquiries, 177–8  
 part rate, 121–2  
 Partner Allowance, 131, 242  
 Pensioner Education Supplement, 132, 242  
 People and Leadership Committee, 158, 160–2  
 people with disability, *see* disability, people with  
 Post-Program Monitoring survey, 119, 125, 136–8, 228  
 Productivity Places Program, 2, 74–5, 92, 94, 95  
   National Partnership Agreement on, 93  
 Professional Services Development Program, 75, 101–2

Programme for International Student Assessment (PISA), 34, 38–9, 176  
 Protected Action Ballots Scheme, 246, 244

## Q

Quality Initiatives, 74, 240  
 Quality Teacher Program, 47

## R

Random Sample Survey Program, 111–2, 135,  
 Reconciliation Action Plan (RAP), 7, 159–60, 161  
 recurrent grants,  
   non-government, 42  
 recycling, 191, 194–5, 219  
 Regional Links Program, 102, 105–6  
 Remuneration Tribunal, 152, 154–5  
*Remuneration Tribunal Act 1973*, 154, 244  
 research and evaluation, 137, 175, 206, 209  
 Review of Australian Higher Education (Bradley Review), 5, 75–7, 79, 82, 90, 173, 202, 211  
 risk management, 158, 169–70, 228

## S

Safe Work Australia, 6, 13–4, 142, 155, 166, 170, 214  
 Safety, Rehabilitation and Compensation Commission, 197  
*Safety, Rehabilitation and Compensation Act 1988*, 153, 197, 236  
 scholarships, 35, 50, 73, 76, 80, 84, 90, 101–2  
 school education, 5, 34, 42, 62, 189  
   post, 3, 6, 34, 72, 92, 98  
 school enrolments,  
   full-time, 40–1, 53  
   Indigenous students, 53  
   preschool, 53  
 School Languages Program (SLP), 43, 233–4  
 School Nutrition Program, 49  
*Schools Assistance Act 2008*, 41, 42, 198, 210, 234, 236, 238  
*Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004*, 42, 198, 210  
 Science by Doing project, 48  
 Scientists in Schools program, 48  
 Sickness Allowance, 121, 131, 242  
 skilled migration, 101, 114  
 Skilling Australia for the Future, 75  
 Skills Australia, 7, 116, 191  
 skills shortages, 3, 53, 104, 116  
 social inclusion, 3, 8, 33, 74, 76, 116, 127, 172–3, 184  
*Social Security Act 1991*, 112, 134, 198, 240  
 State network, 168, 181, 233  
 Structural Adjustment Fund, 82, 203  
 Supplementary funding for school operations, 46, 238

Support for Small Businesses on Regional University Campuses Program, 78, 83

Supported Wage System, 127–9

surveys, 136, 137, 172, 206

- Child Care Provider, 20
- DEEWR staff, 167
- Employers' Recruitment Experiences, 116
- longitudinal, 175, 213, 222
- Post-Program Monitoring, 119, 125, 136–8, 228
- Skills for a Sustainable Future employer, 191
- stakeholders, 143
- Teaching and Learning International, 176

Sustainability Assistance, 19

## T

TAFE, 26, 56, 85, 90, 92, 96, 190, 198, 202–3

Templeman, Graham, 130

Torres Strait Islander, 7, 31, 51, 65, 80, 159, 160–1, 178, 185, 245

Trade Training Centres in Schools Program, 33, 54, 55, 200, 210, 360

Training and Learning Bonus, 75, 132

Transition to Independent Living Allowance, 65–7, 199, 201

Transitional Costs Program, 86

## U

unemployment, 2–3, 8, 58, 120, 122–4, 172, 175, 217–8,

Unicare University Child Care Club, 24

United Nations Educational, Scientific and Cultural Organization (UNESCO), 105

universal access to early childhood education, 17, 26–7

Unlawful Termination Assistance Scheme, 143, 155, 244

Utilities Allowance, 133, 242

## V

Values Education, 47, 360

VET FEE-HELP, 3, 74, 88–9, 197, 202, 211, 273

Vocational Rehabilitation Services (VRS), 127–9, 196, 207, 213,

voluntary work, 131, 171

## W

Wage Subsidy Scheme, 127–9

wage price index (WPI), 146–7

waste management, 192, 195

Western Australia, vi, 18, 24, 32, 36, 50–1, 54, 81, 84, 96, 140, 150–1, 164, 169, 190, 308

Widow Allowance, 132, 242

work experience, 4, 115–8, 124, 126–7, 132

work experience placements, 117, 124

workers compensation, *see* occupational health and safety

workforce participation, 4, 10, 16, 61, 92, 116, 140, 175, 265

workforce planning, 61, 161

Working age payments, 130, 133, 135, 242

working days lost, 146–8

Workplace Authority, 148, 152

Workplace English Language and Literacy (WELL) Program, 94, 97, 211

Workplace Modifications Scheme, 127–9

*Workplace Relations Act 1996*, 141, 148

*Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008*, 149

Workplace Relations Ministers' Council, 140, 208, 214, 217

## Y

young people, 2–3, 7–8, 30–1, 33–6, 40, 64–8, 74, 83, 89, 93, 95, 114, 119, 124, 130, 144, 171, 174, 199, 201, 210

Youth Allowance, 3, 115, 121, 130–5, 173, 178–9, 198, 242

- students, 67–9, 89–91, 111, 112

Youth Allowance (other), 123, 124, 130–5, 242

Youth Engagement, 64, 66, 199, 201, 239

YouthLinX, 66–7

[www.deewr.gov.au](http://www.deewr.gov.au)

