



**Australian Government**  
**Department of Employment  
and Workplace Relations**

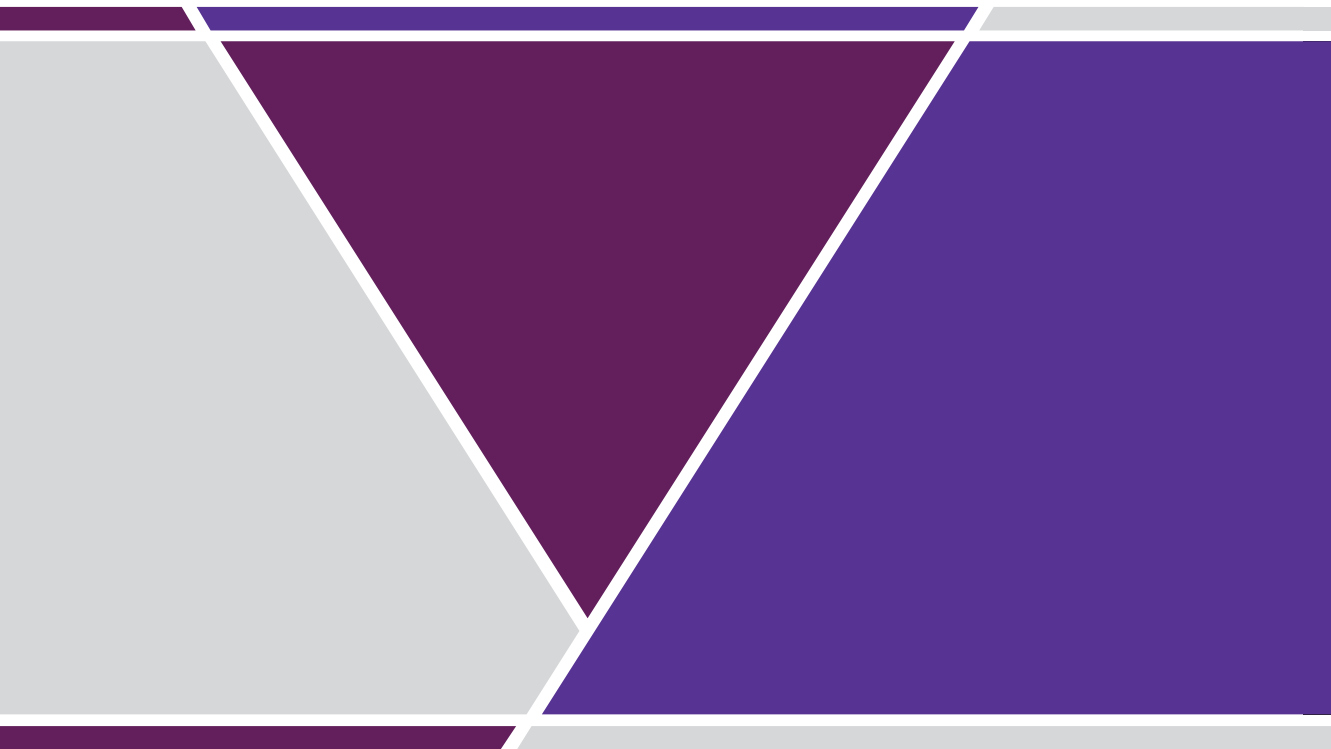
# Annual Report 2022–23





**Australian Government**  
**Department of Employment  
and Workplace Relations**

# Annual Report 2022–23



## Acknowledgment of Country

The Department of Employment and Workplace Relations acknowledges the Traditional Owners and Custodians of Country throughout Australia and acknowledges their continuing connection to land, water and community. We pay our respects to the people, the cultures and the elders past and present.

The Department of Employment and Workplace Relations acknowledges diversity and respectfully uses the terms 'Indigenous' and 'First Nations people' interchangeably throughout this document.

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The document must be attributed as the Department of Employment and Workplace Relations Annual Report 2022–23.

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**Australian Government**  
**Department of Employment**  
**and Workplace Relations**

Secretary  
Natalie James

The Hon Tony Burke MP  
Minister for Employment and Workplace Relations  
Minister for the Arts  
Parliament House  
Canberra ACT 2600

The Hon Brendan O'Connor MP  
Minister for Skills and Training  
Parliament House  
Canberra ACT 2600

Dear Ministers

It is my pleasure to submit to you the Department of Employment and Workplace Relations Annual Report 2022–23 for presentation to the Parliament as required by subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

The report has been prepared in accordance with section 46 of the PGPA Act. It meets the requirements of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) in relation to annual reports for non-corporate Commonwealth entities and includes the department's annual performance statements.

Also included in the report are the department's audited financial statements, prepared in accordance with the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015.

As required by section 17AG(2)(b) of the PGPA Rule, I certify that I am satisfied that in 2022–23 the department:

- prepared fraud risk assessments and fraud control plans
- had in place appropriate fraud prevention, detection, investigation, recording and reporting mechanisms that met the needs of the department
- took all reasonable measures to appropriately deal with fraud relating to the department.

The appendices also provide the following:

- Information about activities funded to assist people to obtain and maintain paid work, as required under section 1062D of the *Social Security Act 1991*
- Trade Support Loans Program 2022–23 annual report, as required under section 103 of the *Trade Support Loans Act 2014*
- Student Identifier Registrar 2022–23 annual report, as required under section 51 of the *Student Identifiers Act 2014*
- Jobs and Skills Australia 2022–23 annual report, as required under section 28 of the *Jobs and Skills Australia Act 2022*.

Yours sincerely

Natalie James

5 October 2023

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# 1 Overview

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“We support people to have safe, secure and well-paid work with the skills for a sustainable future.”



# Secretary's review



Photo by Elesä Kurtz © The Canberra Times/ACM

**I respectfully acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, water and community. I pay my respect to the people, cultures, and elders past and present. I thank First Nations people in my department, in communities and among those we collaborate with for your insight and patience as we work together to learn from and honour the world's oldest continuing living culture.**

I am pleased to introduce the first annual report for the Department of Employment and Workplace Relations (the department), which was established as a new Commonwealth entity on 1 July 2022.

Our new department brought together 3 key labour market programs and activities, and this report sets out the substantial work of the people of #TeamDEWR in 2022–23.

## **Fostering a productive and competitive labour market**

On 4 July 2022 the department launched Workforce Australia – a new approach to employment services delivery, which sees those who are most work ready use an online system with the support of the department's Digital Services Contact Centre. People who need more intensive case management can access a new network of providers delivering more targeted services. Assisting service providers and participants through these changes was a key focus for the department.

The Pacific Australia Labour Mobility scheme joined our department from the Department of Foreign Affairs and Trade. It has surged in size from 8,000 PALM workers in March 2020 to more than 39,000 at 30 June 2023, to help address workforce shortages in rural and regional Australia.

## Stewardship of Australia's skills system

The department progressed reforms to the institutional framework for the skills system, establishing more collaborative, tripartite arrangements that work alongside governments to collectively solve skills and workforce challenges. We supported the establishment of Jobs and Skills Australia to develop critical and credible advice on skills and labour shortages based on expert analysis and engagement across industries and sectors. The department also established a national network of 10 industry owned and led Jobs and Skills Councils. The councils give effect to the Australian Government's commitment to tripartism. They bring together employers and unions to work in partnership with governments and the education sector to address shared workforce and skills needs.

We are partnering with states and territories to develop a new National Skills Agreement that will make targeted investments in critical reforms such as TAFE Centres of Excellence and improving foundation skills.

## Delivering the government's workplace relations reforms

Implementing the Australian Government's workplace relations reform agenda was a critical achievement this year. The department supported the development and passage of 3 separate Acts of Parliament that amended fair work laws. This included paid family and domestic violence leave, the Secure Jobs, Better Pay package, and protecting worker entitlements. We also supported the development and passage of work health and safety reforms that implemented key recommendations from the Boland Review<sup>1</sup>.

We assisted the government's engagement with the Fair Work Commission and the courts. This included interventions by the Minister for Employment and Workplace Relations in significant matters such as the *Qantas v TWU* High Court appeal, and the government's engagement with the Aged Care Work Value Case in the Fair Work Commission. This resulted in an interim increase to modern award minimum wages of 15% for aged care workers in direct care and other roles. We also made a significant contribution to the government's submission to the Fair Work Commission's Annual Wage Review – the review resulted in an 8.6% increase to the national minimum wage.

## Integrating and delivering across government

As we deliver within each of these outcomes, we must also integrate across employment services, skills and training and workplace relations. This is essential to design holistic solutions for a productive and fair labour market that delivers what people, communities and businesses need for a sustainable future.

We are helping governments meet key challenges that demand integrated responses – including transforming to a net zero economy, advancing gender equality and Closing the Gap.

The transition to a net zero economy is one of the most significant transformations Australia has faced. Our experts across employment, workplace relations and skills have worked across government to inform the remit and priorities for the new Net Zero Economy Agency.

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<sup>1</sup> The Boland Review is the first national review of the model work health and safety (WHS) laws since their development and implementation and produced 34 recommendations to improve clarity and consistency.

The department retains a strong role working alongside the agency to develop and implement skills and employment measures tailored for existing workers and new industries based on local needs. We expanded our network of resources in place – introducing 4 additional Local Employment Facilitators to guide regional consultation and collaboration.

We have worked closely with our colleagues across government to develop the roadmap for the Australian labour market set out in the Employment White Paper. Led by Treasury, the white paper lays the foundation for a more inclusive and productive labour market that can meet the demands of the future, for the benefit of all Australians.

Our workplace relations reforms have advanced gender equality, including by prioritising women's safety and addressing gender-based undervaluation of work. The Australian Skills Guarantee announced in the 2023–24 Budget will provide national targets for women apprentices and trainees on Australian Government-funded major projects.

We have established a new departmental approach to embed the Priority Reforms for Closing the Gap, re-framing how we support and engage First Nations people and communities. We have consulted and engaged with the Coalition of Peaks on reforms to ParentsNext – a pre-employment program for parents – and how to assist First Nations people moving from prison to work through the Time to Work Employment Service. A dedicated team was established within our Skills and Training Group to listen to and be guided by First Nations people, organisations and communities. I and others from the department have spent time in remote communities to hear what people need in order to design solutions that work. Alice Springs and its surrounds has been a focus. We have worked closely with the National Indigenous Australians Agency, the Northern Territory Government and local communities and organisations on long-term solutions for a better, safer future for Central Australia.

## **Establishing the department of great jobs**

Our people initiatives in 2022–23 have been designed to realise the culture we aspire to – one of collaboration and curiosity, where listening and openness are central to our work. We are cultivating a culture of inclusion, belonging and respect so our people feel safe at work and can perform at their best. We have established employee diversity networks and appointed Senior Executive Service champions, reviewed workplace flexibility, and refreshed our approach to remote work.

I am honoured to lead the Department of Employment and Workplace Relations and proud of what we have achieved in our first year.

### **Natalie James**

Secretary

## Portfolio

Ministers as at 30 June 2023



### Minister for Employment and Workplace Relations

Minister for the Arts

The Hon Tony Burke MP



### Minister for Skills and Training

The Hon Brendan O'Connor MP



### Assistant Minister for Employment

(from 31 May 2023)

Assistant Minister for Competition,  
Charities and Treasury

The Hon Dr Andrew Leigh MP

## Department of Employment and Workplace Relations

### Purpose

We support people to have safe, secure and well-paid work with the skills for a sustainable future.

### Role and functions

In the midst of fast-paced social, economic and global changes, we support our ministers and the government by designing and delivering programs, policies, legislation and frameworks. We focus on providing the levers to equip Australians – who are starting, advancing or changing their career with the relevant skills, knowledge and experience to gain or regain employment.

We support a world-leading vocational education and training sector offering apprenticeships, cadetships and traineeships and helping to address future skill demands – driving better outcomes through an agile skills sector, in tune with market demands.

We work actively to fill skill gaps to support Australia's economic growth by identifying industries with skill shortages, including emerging industries fundamental to the prosperity of individuals, businesses and our nation.

Our work supports people to find and keep local, safe and secure jobs, which in turn enhances job security throughout the labour market and increases workforce participation. Secure jobs are vital for our nation to prosper – driving future economic growth and providing people with certainty.

We are galvanised to encourage supportive workplace environments, underpinned by a safety net of pay, conditions, and workplace rights and responsibilities that both employers and employees can have confidence in.

### Responsibilities

In accordance with the Administrative Arrangements Order of 1 June 2022 and subsequent orders on 23 June 2022, the Department of Employment and Workplace Relations was established as a new Commonwealth entity on 1 July 2022 with responsibility for:

- employment policy, labour market programs and skills and training policy regulation and programs (transferred from the former Department of Education, Skills and Employment).
- workplace relations policy development, advocacy and implementation and work health and safety, rehabilitation and compensation (transferred from the Attorney-General's Department)
- domestic operations and policy for the Pacific Australia Labour Mobility scheme (transferred from the Department of Foreign Affairs and Trade).

## Accountable authority

Natalie James, Secretary of the Department of Employment and Workplace Relations, was the department's accountable authority for the majority of 2022–23, commencing her role on 11 July 2022. Further details are provided in Table 1.1.

**Table 1.1: Details of accountable authority during the reporting period, 2022–23**

Name	Position title	Period as the accountable authority or member within the reporting period	
		Start date (1 July 2022 or after)	End date (30 June 2023 or before)
Natalie James	Secretary	11 July 2022	30 June 2023
Nathan Smyth	Acting Secretary	1 July 2022	10 July 2022

During this timeframe Martin Hehir, Deputy Secretary Workplace Relations, Nathan Smyth, Deputy Secretary Employment and Workforce, and Nadine Williams, then Deputy Secretary Skills and Training, acted in the position of Secretary at various times.

# Our portfolio entities

At 30 June 2023

## Asbestos and Eradication Agency

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### Justine Ross – Chief Executive Officer

Outcome: Assist in the prevention of exposure to asbestos fibres and the elimination of disease in Australia through coordinating the implementation of the National Strategic Plan for Asbestos Awareness and Management in Australia.

For further information, visit [www.asbestossafety.gov.au](http://www.asbestossafety.gov.au)

## Australian Skills Quality Authority

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### Saxon Rice – Chief Executive Officer

Outcome: Through our regulation and partnership with stakeholders, ensure quality vocational education and training so that students, employers, the community and governments have confidence in the integrity of national qualifications issued by training providers.

For further information, visit [www.asqa.gov.au](http://www.asqa.gov.au)

## Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL)

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### Darlene Perks – Chief Executive Officer

Outcome: Responsible for the Coal Mining Industry Long Service Leave Fund, Coal LSL connects employers and employees with long service leave for the good of Australia's black coal mining industry.

For further information, visit [www.coallsl.com.au](http://www.coallsl.com.au)

## Comcare

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### Greg Vines – Chief Executive Officer

Outcome: Promote and enable safe and healthy work.

For further information, visit [www.comcare.gov.au](http://www.comcare.gov.au)

## Fair Work Commission

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### Murray Furlong – General Manager

Outcome: Simple, fair and flexible workplace relations for employees and employers through the exercise of powers to set and vary minimum wages and modern awards, facilitate collective bargaining, approve agreements, deal with disputes, and promote the financial transparency and effective governance of registered employee and employer organisations.

For further information, visit [www.fwc.gov.au](http://www.fwc.gov.au)

## Fair Work Ombudsman

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### Sandra Parker PSM – Fair Work Ombudsman

Outcome: Compliance with workplace relations legislation through advice, education and, where necessary, enforcement.

For further information, visit [www.fairwork.gov.au](http://www.fairwork.gov.au)

## Safe Work Australia

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### Michelle Baxter PSM – Chief Executive Officer

Outcome: Healthier, safer, and more productive workplaces through improvements to Australian work health and safety and workers' compensation arrangements.

For further information, visit [www.safeworkaustralia.gov.au](http://www.safeworkaustralia.gov.au)

## Seafarers Safety, Rehabilitation and Compensation Authority

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### Barry Sherriff – Accountable Authority and Chairperson

Outcome: Promote and enable safe and healthy work.

For further information, visit [www.seacare.gov.au](http://www.seacare.gov.au)

Note:

The Australian Building and Construction Commission was abolished from 6 February 2023. **The Fair Work Ombudsman** has responsibility for enforcing the *Fair Work Act 2009* across the entire building and construction industry.

The National Construction Industry Forum was established on 1 July 2023 as a statutory advisory body. The Registered Organisations Commission was abolished from 6 March 2023. Regulatory powers and functions have transferred to the **Fair Work Commission**.



# Departmental structure

At 30 June 2023<sup>2</sup>



**Secretary**

Natalie James



**Nathan Smyth**  
*Deputy Secretary*

## EMPLOYMENT AND WORKFORCE

Workforce Australia for Individuals

Workforce Australia for Businesses

Workforce Australia Provider Support

Employment Policy Analytics

Evidence and Assurance

Pacific Labour Operations



**Anna Faithfull**  
*Deputy Secretary*

## SKILLS AND TRAINING

Industry Engagement and Quality

VET Data, Loans and Compliance

Strategic Policy and Projects

Apprenticeships and Foundation Skills

Careers and International Skills

National Skills Agreement Taskforce

<sup>2</sup> This infographic reflects substantial positions held on 30 June 2023.



**Martin Hehir**  
*Deputy Secretary*

**WORKPLACE  
RELATIONS**

Entitlements Safeguards

Safety and Industry Policy

Workplace Relations Legal

Employment Conditions

Jobs and Skills Australia Director



**Deborah Jenkins**  
*Deputy Secretary*

**CORPORATE AND  
ENABLING SERVICES**

People and Communication

Digital Solutions

Finance and Budget

Technology Services

Legal and Assurance

Statutory officers

Student Identifiers Registrar

# We are #TeamDEWR...

## Key highlights



The department was **established** on **1 July 2022** and, since then, we have made progress towards establishing **our identity** through the development of our **purpose** statement as part of our **culture** program.



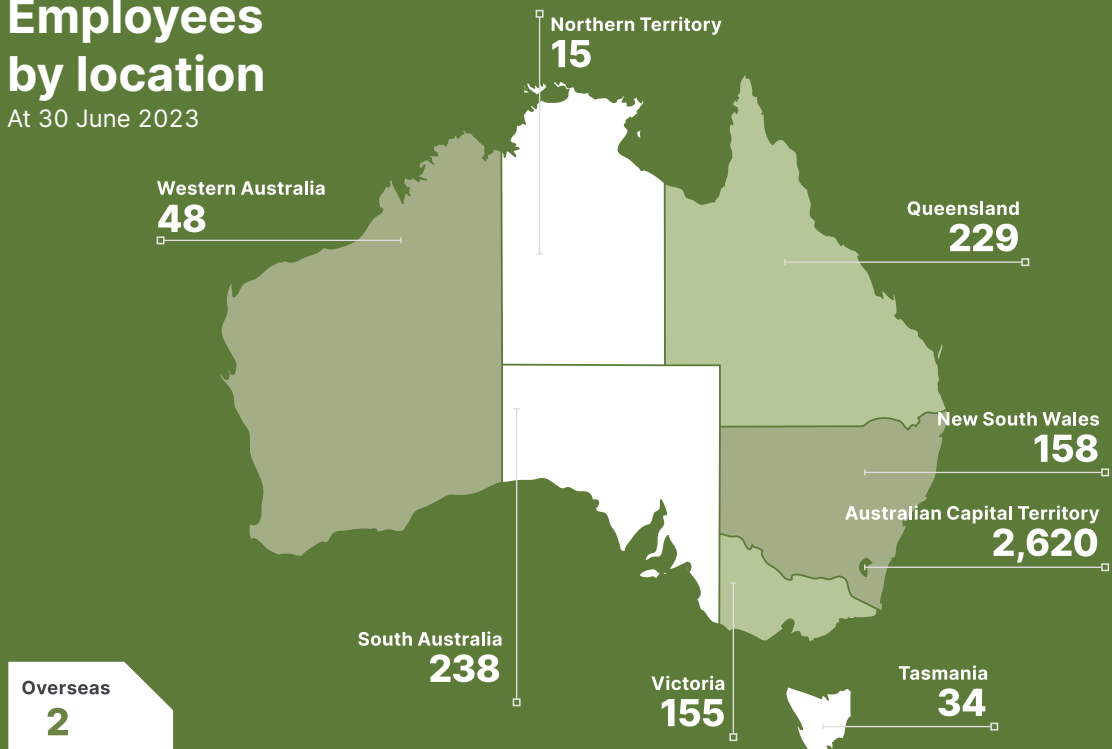
The department's **gender pay gap** as at **30 June 2023** was **-0.1% in favour of women**.<sup>3</sup>



The department has **established 5 Diversity and Inclusion Employee Networks** and **appointed Diversity Champions**, who **work together** to foster an **inclusive** workplace that **values** the **diversity** of **our people**.

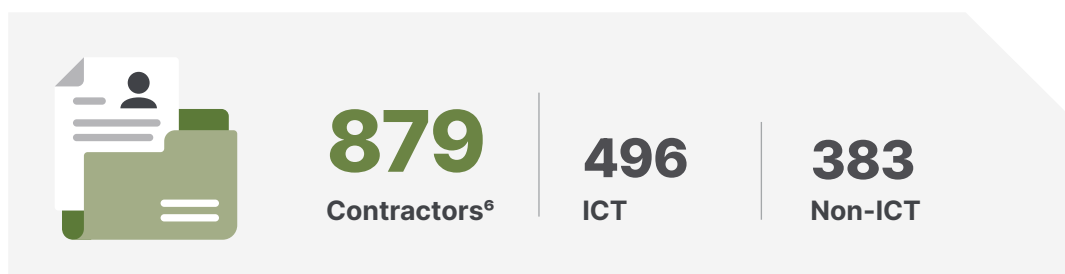
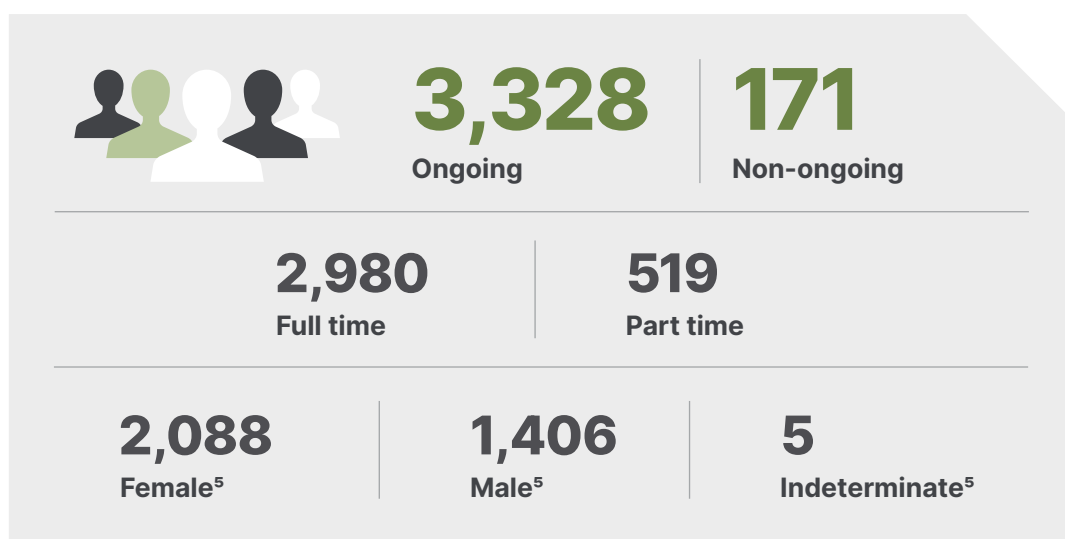
## Employees by location

At 30 June 2023



## Our people

# 3,499 employees<sup>4</sup>



<sup>3</sup> Further information on how the Gender pay gap is calculated is available at [www.wgea.gov.au](http://www.wgea.gov.au).

<sup>4</sup> Department of Employment and Workplace Relations employee data, headcount at 30 June 2023.

<sup>5</sup> Based on 3 options of Male, Female or X (Indeterminate/Intersex/Unspecified) provided to respondents when asked to specify their gender.

<sup>6</sup> Department of Employment and Workplace Relations workforce data, contractor headcount at 30 June 2023.

Contractors are engaged by the department on a temporary basis to undertake a defined task or for a defined period under the supervision of APS staff. This may include where specialist skillsets are required that are not available in the department, or where an engagement of either ongoing or non-ongoing employees is not appropriate.

ICT = Information and Communications Technology

# Workplace relations consultation

The Workplace Relations Group consulted widely to inform policy development and multiple pieces of legislation in 2022–23.

## Fair Work Legislation Amendment (Closing Loopholes) Bill 2023 (Closing Loopholes Bill)

The department led a significant consultation process on the measures in the Closing Loopholes Bill, which was introduced to Parliament in September 2023.

### What we did



Boosted the consultation process in response to stakeholder feedback



Published information for the public on the measures for consultation and invited written submissions and responses on the measures proposed for the bill



Conducted meetings and forums, as well as meetings of the National Workplace Relations Consultative Council, Committee on Industrial Legislation, and Workplace Relations Ministers

### Who we spoke to

- Commonwealth, state and territory governments
- Business and industry representatives
- Individual employers
- Employee representatives
- Academics
- Community groups

### What we achieved

**Extensive consultation** on Fair Work Legislation Amendments (Closing Loopholes) Bill 2023 Bill introduced to Parliament in **September 2023**

**Over 160** organisations made **over 220** submissions to proposed measures for the bill

Information on the proposed measures published on the department's website

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

**Over 75 meetings** with stakeholders on the measures in the bill

# Protecting workers from workplace injury

In 2022–23 we supported the delivery of measures to protect workers from workplace injury and assist them in their recovery. We strengthened the penalty framework for safety breaches through the Work Health and Safety Amendment Bill 2022, which passed in March 2023. This bill adopts amendments to the model work health and safety (WHS) laws from the review of the model WHS laws final report published in December 2018. Amendments to the Work Health and Safety Regulation 2011 which came into effect on 1 April 2023 also adopt changes to the model WHS laws, clarifying the requirement for duty holders to manage psychosocial risks at work.

At a meeting of WHS Ministers in February 2023, we agreed to a national approach to a range of reforms for dealing with silicosis and silica-related diseases in workers. We are progressing a range of measures announced in the 2023–24 Budget, totalling \$10 million over 4 years, to increase protections for workers from the harmful effects of respirable crystalline silica, including expanding the functions of the Asbestos Safety and Eradication Agency to include silicosis and silica-related diseases.

We have also supported work to improve access to workers' compensation arrangements for firefighters who contract certain cancers. Amendments were made to the *Safety, Rehabilitation and Compensation Act 1988* and associated regulations to streamline the claims process, allowing firefighters covered under the Act to focus on their treatment and recovery.

**“In 2022–23 we supported the delivery of measures to protect workers from workplace injury and assist them in their recovery.”**

## 2 Performance statements

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## Statement by the accountable authority

I, as the accountable authority of the Department of Employment and Workplace Relations, present the 2022–23 Annual Performance Statements of the department, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.



Natalie James  
Secretary  
Department of Employment and Workplace Relations

5 October 2023



# Purpose, outcomes and programs

The Department of Employment and Workplace Relations supports people to have safe, secure and well-paid work, with the skills for a sustainable future.

## Outcome 1

## Outcome 2

## Outcome 3

### OUR OUTCOME STATEMENTS

Foster a productive and competitive labour market through policies and programs that assist job seekers into work, including secure work, and meet employer and industry needs.

Promote growth in economic productivity and social wellbeing through access to quality skills and training.

Facilitate jobs growth, including secure work, through policies and programs that promote fair, productive and safe workplaces.

### OUR PROGRAMS AND KEY ACTIVITIES

#### Program 1.1 – Employment Services

- Provide quality services to job seekers and employers
- Reduce risk of long-term unemployment
- Support job seekers, including youth, to achieve sustainable employment
- Support parents to improve their work readiness and prepare for employment.

#### Program 2.1 – Building Skills and Capability

- Enhance the quality of vocational education and training (VET)
- Respond to national future skills needs through access to VET graduates with the required skills
- Improve language, literacy, numeracy and digital literacy (LLND) skills for target groups.

#### Program 2.2 – VET Student Loans

- Reduce barriers to undertaking quality vocational education and training.

#### Program 3.1 – Workplace Support

- Administer and advise on legal and policy frameworks
- Administer and implement programs and services.

Note: Programs are as published in the 2022–23 Corporate Plan and the October 2022–23 Employment and Workplace Relations Portfolio Budget Statements (PBS) and are reflective of the reporting period.

Program 3.2 covers the Comcare Workers' Compensation Scheme and is managed by Comcare. Comcare reports against this program and associated performance measures in its annual report.

## Analysis

Established as a new Commonwealth entity on 1 July 2022, the department brings together employment and workforce, skills and training, and workplace relations functions.

In its inaugural year, the department has progressed a number of key priorities for the government and has worked towards supporting people to have safe, secure and well-paid work, with the skills for a sustainable future.

### Employment and workforce

The Australian Government's employment and pre-employment programs help people prepare for, find and take up jobs.

The department is responsible for employment services, primarily focused on helping people on income support who are required to look for work. These services are supported by providers contracted by the government across Australia.

The Australian Government's new employment program, Workforce Australia, began on 4 July 2022. Workforce Australia supports people to access services in 2 ways. The first is a digital service run by the department, Workforce Australia Online, which provides people who are able to access support through a digital service with an online platform to do so. The second, Workforce Australia Services, is aimed at participants who need greater support and is delivered via a national network of outsourced employment services providers. Specialist providers operating in select regions across Australia support specific cohorts, such as those who are culturally and linguistically diverse, refugees, First Nations people, or ex-offenders.

The number of people receiving employment services from providers reduced from 559,422 at 4 July 2022 to 453,727 at 30 June 2023. This 19% reduction reflects the performance of the labour market, with participants moving off income support and therefore off the caseload, and the transfer of participants to services provided by Workforce Australia Online or other services. The reduction in caseload was seen across participants accessing both short-term and long-term income support. There was a steady increase in the proportion of participants who received a service during any month in 2022–23.

At the introduction of Workforce Australia Online the caseload was 167,913. It initially decreased and then from December 2022 stabilised to approximately 155,000–160,000 individuals.

Transition to Work is Workforce Australia's specialist youth employment service. It provides targeted services to young people to support their transition from school to further education or employment. The program operates across all Workforce Australia regions.

The program was expanded in 2022–23 to support a greater proportion of young people experiencing more complex non-vocational barriers. More young people were supported and there was a consequent increase in the caseload from 23,064 to 38,802 (an increase of 68%). During this period, providers achieved more than 83,401 job and activity placements and 7,236 employment and education outcomes.

There are also a number of other employment and pre-employment specialist programs, including programs to support First Nations people who are prisoners, and parents who are preparing for work (the Time to Work Employment Service and ParentsNext).

The Time to Work Employment Service supports First Nations people who are in prison to move into paid work on release. It was extended by one year to 30 June 2024 to continue to allow time for the department to work in partnership with stakeholders to explore ways to improve prison-to-work transitions for First Nations people.

In 2022–23 around three-quarters of ParentsNext participants increased their work readiness and just over a third completed training or education or participated in employment. On 5 May 2023 the government announced the immediate lifting of mutual obligations for ParentsNext participants and its commitment to replacing the ParentsNext program with a new, voluntary service when the current program ends on 30 June 2024. The design of this new service is being informed by extensive consultation with parents, community groups, experts, service providers and others with an interest in how we can better support parents to achieve their personal goals for education and employment when they choose to.

Self-Employment Assistance replaced the New Business Assistance with NEIS program (NEIS) to support small businesses through flexible services including workshops, business plan development, free accredited training, coaching and advice, as well as financial support where eligible. The Self-Employment Assistance program supported the transition of 5,046 participants from NEIS and engaged 17,229 new participants. To better assist participants, the program's eligibility criteria were expanded to include people who are currently in work or study, and people living in Community Development Program regions, in remote Australia.

## **Workforce participation**

The department delivers a number of programs to support workforce participation.

The Local Jobs Program is a place-based initiative that brings together local expertise and resources to improve labour market functioning and local delivery of a range of employment services in 51 employment regions across Australia.

The Local Jobs Program recognises that there are unique and variable labour markets within regions across Australia, as well as the importance of local knowledge in understanding the needs of both businesses and individuals. In 2022–23 the program provided funding for 105 locally designed and delivered activities, with a total value of \$8.1 million, to supplement local servicing, including to support improved labour market participation. The program has also delivered a further 8 projects, worth a total of \$1.2 million, designed to address national priorities that tackle structural barriers to employment and support job creation where it is most needed.

The Workforce Specialists initiative commenced in February 2023. It involved the establishment of a panel of 22 Workforce Specialists who can be engaged to deliver strategic projects to meet the workforce needs of identified industries and occupations. Key priorities for Workforce Specialist projects include First Nations employment; supporting disadvantaged cohorts into work; the clean energy sector; and secure and rewarding jobs.

Harvest Trail Services and the Harvest Trail Information Service were introduced in July 2020 to connect workers with employers in harvest areas across Australia by providing information on and placing people into seasonal horticultural jobs. Over 12,000 vacancies were advertised and 9,000 work placements were made in major horticultural regions across Australia in 2022–23.

The Pacific Australia Labour Mobility (PALM) scheme is Australia's primary temporary migration program responding to labour shortages and supporting Australia's strategic interests in the Pacific. The PALM scheme helps to fill unskilled to semi-skilled jobs in rural and regional Australia and in agriculture and food processing nationally by offering eligible employers access to a pool of reliable, productive workers from the Pacific Islands and Timor-Leste when there are not enough Australian workers to do the job. Participation in the PALM scheme has surged. The scheme grew from 8,000 workers in March 2020 to over 39,000 at 30 June 2023, with 423 participating employers.

To strengthen domestic operations, consolidation and insourcing of the domestic delivery of the PALM scheme into the department will occur, this will be informed by stakeholder submissions, which concluded in January 2023. The department is focusing on a gradual transfer of existing onshore delivery services from the Pacific Labour Facility while maintaining the integrity of the scheme. The revised PALM scheme deed and guidelines will see changes to program settings that strengthen worker safeguards.

Insourcing the PALM scheme will also support and grow Australian Public Service (APS) capability. It will facilitate the department putting people and communities at the centre of policy and programs while building the knowledge and capability of the APS.

The strengthening of domestic operations builds on the expansion of the PALM scheme to address longstanding workforce issues by increasing the number of PALM scheme growers from just over 24,400 workers to 35,000 by June 2023. This target was achieved by December 2022.

## Skills and training

The skills and training sector plays a vital role in creating a stronger economy and a better future for Australians. The department has taken a system-based approach to support the sector to be dynamic, engaged and committed to building a more robust skills system through tripartite engagement between employers, unions and governments. The department has engaged positively with states and territories on the development of a new National Skills Agreement, including in relation to settings and funding to strengthen the skills and training sector. The department is inclusive of, and responsive to, the needs of students and other learners who are at the centre of our policy and programs, particularly those who have experienced historical disadvantage in the labour market.

## Responding to national priorities

During 2022–23 the department progressed key future skills reform priorities for the VET system through a number of activities.

The department partnered with states and territories to deliver \$1 billion in funding through the 12-month National Skills Agreement for 180,000 Fee-Free TAFE and vocational education places across Australia in 2023, as well as the \$50 million TAFE Technology Fund and \$7 million for essential VET data infrastructure reforms.

Establishing Jobs and Skills Australia in November 2022 was an early priority of the government to help address Australia's economy-wide skills shortages, lead research and analysis, harness insights from industry, undertake workforce forecasting and prepare capacity studies for emerging and growing industries.

In 2023, Jobs and Skills Australia's functions and ongoing governance arrangements were settled through amendments to the *Jobs and Skills Australia Act 2022*. This enables the appointment of a Commissioner and

Deputy Commissioners, and the establishment of a tripartite Ministerial Advisory Board. The board will guide the work of Jobs and Skills Australia. Ahead of the establishment of the Ministerial Advisory Board, a time-limited tripartite Consultative Forum, established by the Minister, has supported Jobs and Skills Australia during the interim establishment phase, which included contributing to the development of the 2023–24 Annual Work Plan.

The Jobs and Skills Councils program was also established in 2022–23 to enhance industry's role in the VET sector by bringing industry perspectives to the national training system. It consists of a national network of 10 industry-owned and industry-led organisations that provide industry with a stronger, more strategic voice in ensuring Australia's VET sector delivers stronger outcomes for learners and employers.

### **Supporting priority cohorts**

The department continues to focus on improving the skills of, and providing pathways for, those who have encountered barriers to accessing the labour market.

The department has partnered with state and territory governments to deliver fee-free TAFE and vocational education places. Priority access is available for First Nations people, young people (17-24), people out of work or receiving income support, unpaid carers, women facing economic insecurity, women undertaking study in non-traditional fields, people with disability and certain categories of visa holders.

We have seen progress in increasing the number of women in training, including through establishing VET trade pathways for women returning to work from career breaks and in areas where women are under-represented. As at 31 December 2022 there were 113,495 women in an apprenticeship or traineeship, an increase of 14.6% compared to 31 December 2021.

Supporting Australians to access the language, literacy, numeracy and digital literacy skills training they need as a pathway to further education, training or employment is another department priority. Initiatives to support this cohort include the Skills for Education and Employment (SEE) program, the Foundation Skills for Your Future (FSFYF) program and the Remote Community Pilots (RCP) program.

In 2022–23 the SEE program helped nearly 20,000 job seekers with basic foundational training to improve their language, literacy, numeracy and digital literacy skills. For the FSFYF program, 25 projects were approved for funding to deliver training to a minimum of 580 participants. The RCP program is delivered in 4 communities and assisted 705 participants.

The government has engaged with a range of organisations and key stakeholders to inform the development of a redesigned SEE program to commence from 1 July 2024. The redesigned SEE program includes 2 distinct but complementary streams of training, including a First Nations stream to deliver whole-of-community LLND skills training through place-based grants.

### **Supporting apprentices and students**

The department is building the foundations for supporting apprentices and students through improved data collection, enhanced data analytics and administering the VET Student Loans program. A number of initiatives were progressed in these areas in 2022–23.

The department is implementing a new model for Australian Apprenticeships services and supports that are more accessible, will increase completion rates and will provide better quality support for apprentices from commencement to completion. A request for tender for Australian Apprenticeships support services is in progress.

As part of the Australian Government's Powering Australia plan, the department launched the New Energy Apprenticeships Program, available to Australian apprentices working in the clean energy sector.

The department implemented Phase 1 and ongoing program management of the Australian Apprenticeships Incentive System, aiming to get apprentices working in secure jobs that are in demand.

As part of the department's focus on improving data analytics to benefit apprentices and students, it iteratively released improvements to the Apprenticeships Data Management System and launched [www.apprenticeships.gov.au](http://www.apprenticeships.gov.au) as a single source of apprenticeship information.

The department continued to develop the Australian Skills Guarantee, which will use government investment in major projects to help train the next generation of skilled workers, ensuring that 1 in 10 workers on major federally funded government projects is an apprentice, trainee or paid cadet. The Skills Guarantee will also introduce national targets for women to increase the proportion of women working on major projects and drive long-term sustainable change to reduce gender segregation in the apprenticeship system.

In 2020 the department launched the National Careers Institute's Your Career website. This year the website achieved approximately 5.7 million page views and 2.7 million users. Your Career provides people with reliable and accurate careers information, resources and support irrespective of their age or career stage.

The department also redeveloped the VET [www.training.gov.au](http://www.training.gov.au) portal to better support its 3.8 million users, including registered training organisations, VET regulators, state and territory skills bodies and students.

The department continues to work closely with key agencies including the Australian Skills Quality Authority, the National Centre for Vocational Education Research and the Student Identifiers Registrar, and to collaborate across the APS to align portfolio priorities across migration, education, transition to net zero greenhouse gas emissions, the care economy, digital transition, sovereign capability, and defence.

## Workplace relations

Supporting the government to implement its workplace relations reform agenda was a critical priority in 2022–23.

This included providing policy advice to government, working with the Office of Parliamentary Counsel to develop draft legislation, and supporting the passage of legislation through parliament. Four workplace relations bills were introduced into and passed by parliament during the year.

The department designed and executed an extensive and agile program of consultation. Stakeholder relationships were maintained and enhanced across the board with portfolio agencies; Commonwealth, state and territory government agencies; groups external to government, including peak employer and employee representative bodies, academics and community groups; and individual employers. Over the period more than 130 consultation meetings were held about the proposed reforms.

Consultative processes to establish policy concepts, prior to government approval, involved engaging in confidential discussions, inviting written submissions from the public, facilitating high-level stakeholder contributions, enabling exchanges and understanding discrete views.

The department also delivered programs and services intended to promote fair, productive and safe workplaces.

The Fair Entitlements Guarantee (FEG) program pays certain workplace entitlements to employees whose employers are affected by insolvency. During 2022–23 the FEG program met its timeliness (average processing time) and accuracy performance targets, and paid \$124.6 million to 6,182 claimants.

The FEG Recovery Program funds insolvency practitioners and takes direct action to recover funds for the Commonwealth and other creditors in insolvencies where FEG has been paid, to improve rates of recovery of FEG payments and uphold the integrity of the FEG program as a scheme of last resort. During 2022–23 the program expended funding of \$18.5 million to pursue recovery of FEG payments, and \$26.7 million was returned to government as a result of the activities of the FEG Recovery Program.

The Federal Safety Commissioner promotes safety on Australian construction worksites. During 2022–23 the Office of the Federal Safety Commissioner met its performance target of reducing work-related injuries among companies covered under the Work Health and Safety Accreditation Scheme. The scheme continues to increase in coverage and at the end of 2022–23 included 567 accredited construction companies across Australia. The scheme provides onsite WHS audits as well as educating accredited companies to improve workplace safety.

# Results

## Overview of performance results

As a new entity, the department developed a purpose statement and a suite of appropriate performance measures, as published in the 2022–23 Corporate Plan.<sup>1</sup> The department will continue to review and revise performance measures and targets so they remain appropriate and reflect changes to our programs, priorities and operating environment.

The department had 15 reportable performance measures in 2022–23, with 19 targets to assess performance against the 10 key activities that were undertaken to achieve the department’s purpose. The department reports on how it has performed by measuring a range of outputs and outcomes. One performance measure (WR002) uses the measurement of an output as a proxy indicator of efficiency.

The department attained the majority of its 19 performance targets: 15 were achieved and 4 were not achieved. This achievement was spread across the department’s work areas. Three of the targets that were not achieved relate to Workforce Australia performance measures. These were newly established measures for the 2022–23 reporting period as a result of the introduction of Workforce Australia as the Australian Government’s new employment program. Targets for 2 of these measures have been revised for the 2023–24 reporting period (EM001 and EM003). The other target that was not achieved relates to a workplace relations measure (WR001). Further detailed analysis is provided in the annual performance results from page 29.

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1 For 2022–23 the department is reporting on 3 measures relating to the new Workforce Australia program. An additional 3 measures will be reported on in 2023–24 as data will then be available for these measures (refer to the 2023–24 Corporate Plan, performance measures EM002, EM005 and EM006). As indicated in the 2022–23 Corporate Plan, data for these measures is not available for the current reporting period.

The 2022–23 Corporate Plan included additional measures (refer to WR003 and WR004 in this section) that were not published in the October 2022–23 PBS.



Outcome 1 performance summary				
Performance measure	Program	DEWR reference code	Result rating	Page reference
Number of registered Workforce Australia Digital Platform users who log in to the platform	1.1	EM001	Not achieved	29
Number of employers that lodge a vacancy through the Workforce Australia Digital Platform	1.1	EM003	Not achieved	30
Proportion of Workforce Australia Services participants who receive a service during any month	1.1	EM004	Not achieved	31
Proportion of ParentsNext participants who increase their work readiness	1.1	EM007	Achieved	32
Proportion of ParentsNext participants who complete training or education or participate in employment	1.1	EM008	Achieved	33

Outcome 2 performance summary				
Performance measure	Program	DEWR reference code	Result rating	Page reference
Proportion of VET graduates who are satisfied with the overall quality of the training	2.1	SK001	(a) Achieved (b) Achieved (c) Achieved	35
Proportion of VET graduates who are employed or enrolled in further study after training	2.1	SK002	(a) Achieved (b) Achieved (c) Achieved	37
Maintain the number of apprenticeship commencements	2.1	SK003	Achieved	39
Proportion of participant assessments in targeted programs that increase one or more levels on the Australian Core Skills Framework (ACSF) or the Digital Literacy Skills Framework (DLSF)	2.2	SK005	Achieved	40
Proportion of VET student loans students who are satisfied with the quality of their training provider	2.2	SK006	Achieved within the margin of error	41
Proportion of VET student loans students who complete units of study	2.2	SK007	Achieved	43

### Outcome 3 performance summary

Performance measure	Program	DEWR reference code	Result rating	Page reference
Proportion of assessed economic data and analysis to support the effective operation of the workplace relations system that is timely	3.1	WR001	Not achieved	45
Average processing time for initial claims under the Fair Entitlements Guarantee program	3.1	WR002	Achieved	46
Proportion of claim payments made under the Fair Entitlements Guarantee program that are correct	3.1	WR003	Achieved	47
Total Recorded Injury Frequency Rate (TRIFR) collectively reported by accredited companies under the Work Health and Safety Accreditation Scheme	3.1	WR004	Achieved	48

## Results

### 1

#### Outcome 1

Measure EM001 (PM063)	Number of registered Workforce Australia Digital Platform users <sup>2</sup> who log in to the platform
<b>Target</b>	2,000,000 unique users or more
<b>Result rating</b>	Not achieved
<b>Result value</b>	1,460,085 unique users
<b>Analysis</b>	<p>This measure demonstrates engagement with the Workforce Australia Digital Platform (WADP) over time, along with supporting the departmental goal of providing a platform that is available and beneficial to all Australians, regardless of income support status and program settings.</p> <p>The measure assesses use of the platform as an indicator of the department delivering a quality service to all Australians, and a platform that meets the needs of a wide range of participants.</p> <p>The target for this measure was not achieved for the 2022–23 financial year. Between 4 July 2022<sup>3</sup> and 30 June 2023, 1,460,085 unique users logged into the WADP, which was 73.0% of the target.</p> <p>Since the transition to Workforce Australia, fewer new unique users have logged into the WADP each month, decreasing from 608,187 in July 2022 to 57,401 in June 2023.</p> <p>Results for this measure reflect a decrease in the caseload size (both online and provider services) since the transition to Workforce Australia, along with a strengthened labour market. This has resulted in fewer than expected participants needing to use online employment services. This measure is dependent on the underlying labour market, as fewer Australians looking for employment results in fewer potential users.</p> <p>To drive improvement on this measure, the department will continue to promote Workforce Australia for individuals regularly through broadcast communication via the department's social media channels, website and newsroom. Materials are also produced for providers and stakeholders to share and amplify key messages. The department will also continue to develop paid communication campaigns via social media and digital advertising, as well as individual communication strategies to promote various programs and initiatives.</p> <p>Measures related to the WADP, including this measure, will be reviewed ahead of the 2024–25 Portfolio Budget Statements.</p>

2 A registered WADP user is any individual registered as using the platform, including those who voluntarily use the platform for job search purposes.

3 The WADP commenced operation on 4 July 2022.

<b>Measure</b> EM001 (PM063)	<b>Number of registered Workforce Australia Digital Platform users<sup>2</sup> who log in to the platform</b>
<b>Methodology</b>	The count of unique registered WADP users who log in to the platform during a 12-month period.
<b>Source</b>	DEWR employment services administrative data
<b>Contributing program</b>	1.1 Employment Services
<b>Key activity</b>	Provide quality services to job seekers and employers

<b>Measure</b> EM003 (PM066)	<b>Number of employers that lodge a vacancy through the Workforce Australia Digital Platform</b>
<b>Target</b>	25,000 unique users or more
<b>Result rating</b>	Not achieved
<b>Result value</b>	17,821 unique users
<b>Analysis</b>	<p>This measure indicates of the number of employers directly engaging with the WADP, along with supporting the departmental goal of providing a platform that is available and beneficial to employers.</p> <p>The measure assesses engagement of employers with the platform as an indicator of the department delivering a quality service to employers.</p> <p>The target for this measure was not achieved for the 2022–23 financial year. Between 4 July 2022 and 30 June 2023, 17,821 unique employers advertised a vacancy on the WADP, which was 71.3% of the target.</p> <p>Since the transition to Workforce Australia, fewer unique employers have advertised at least one vacancy on the WADP each month, decreasing from 2,998 in July 2022 to 834 in June 2023.</p> <p>As an employer can only be counted once, results for this measure are not necessarily an indication of the number of jobs advertised on the WADP.</p> <p>Significant work across the department is being undertaken to promote the WADP and engage with employers. This includes promotion of the WADP to in-demand industries, webinars with employers, Employer Liaison Officers at the national level, Employment Facilitators at the local level, and engaging with industry, business bodies and employers to demonstrate the benefits of the WADP.</p> <p>Measures related to the WADP, including this measure, will be reviewed ahead of the 2024–25 Portfolio Budget Statements.</p>

<b>Measure</b> EM003 (PM066)	<b>Number of employers that lodge a vacancy through the Workforce Australia Digital Platform</b>
<b>Methodology</b>	The count of unique employers <sup>4</sup> that directly engage with the WADP by logging into the system and lodging a vacancy during a 12-month period.
<b>Source</b>	DEWR employment services administrative data
<b>Contributing program</b>	1.1 Employment Services
<b>Key activity</b>	Provide quality services to job seekers and employers

<b>Measure</b> EM004 (PM064)	<b>Proportion of Workforce Australia Services participants who receive a service during any month</b>
<b>Target</b>	80% or higher
<b>Result rating</b>	Not achieved
<b>Result value</b>	72.0%
<b>Analysis</b>	<p>Workforce Australia Services providers engaged with participants regularly to address their barriers to employment and increase their work readiness.</p> <p>The measure assesses the success of the department in reducing the risk of long-term unemployment among participants, through the delivery of services to participants and moving them closer to employment.</p> <p>The target for this measure was not achieved for the 2022–23 financial year. Between 4 July 2022 and 30 June 2023 the participant servicing rate was 72.0%.</p> <p>Compared to the first 6 months of Workforce Australia Services, cumulative results against this measure have substantially improved in 2023, from 67.1% to 77.6%, demonstrating the department’s continual improvement to service delivery.</p> <p>Results for this performance measure were affected by the initial transition to Workforce Australia through the temporary suspension of mutual obligation<sup>5</sup> requirements and by further suspensions due to natural disasters. If the department were to account for the suspension of mutual obligations, the rate for 2022–23 would be higher, but less than the target.</p>

4 Unique employers are only those that directly engage with the WADP via a myGovID linked account.

5 ‘Mutual obligation’ refers to a requirement for recipients to undertake activities that improve their chances of finding work, now or in the future, to be eligible for certain payments (JobSeeker, Youth Allowance, Parenting Payment, Special Benefit). Requirements must be tailored for individual circumstances and differ in different employment and pre-employment services.

Measure EM004 (PM064)	Proportion of Workforce Australia Services participants who receive a service during any month
	<p>This measure is included in the Workforce Australia Services Provider Performance Framework (PPF) and aligns the incentive between the department and providers to assist participants and address their barriers. The department is undertaking corrective action as part of the PPF, whereby provider leads in the department maintain a partnership with providers to improve their performance. Sharing performance data with providers occurs monthly and enables providers to improve their servicing and better progress participants towards employment.</p> <p>These results may differ from results produced in the PPF due to the inclusion for this measure of 2 additional employment regions: Yarrabah and Norfolk Island. Also, unlike the PPF, this measure does not take into account suspensions of mutual obligations.</p>
<b>Methodology</b>	<p>Numerator: Participants in the denominator who have received at least one service facilitated by the site provider. Services include attended appointments, job placements, attended activities, and Employment Fund usage.</p> <p>Denominator: Participants pending and/or commenced on a site provider's caseload for at least 50% of the month's business days.</p> <p>The numerator and denominator are then aggregated to the program level and summed over the 12-month assessment period before the percentage is calculated.</p>
<b>Source</b>	DEWR employment services administrative data
<b>Contributing program</b>	1.1 Employment Services
<b>Key activity</b>	Reduce risk of long-term unemployment

Measure EM007 (PM046)	Proportion of ParentsNext <sup>6</sup> participants who increase their work readiness
<b>Target</b>	75% or higher
<b>Result rating</b>	Achieved
<b>Result value</b>	77.39%
<b>Analysis</b>	<p>Analysis of previous data demonstrates incremental increases in this measure over time. Previous results were:</p> <ul style="list-style-type: none"> <li>■ 2021–22: 75.27%</li> <li>■ 2020–21: 75.02%.</li> </ul>

6 On 5 May 2023 the government immediately paused all compulsory requirements for participants in ParentsNext and announced that the ParentsNext program will cease on 30 June 2024.

Measure EM007 (PM046)	Proportion of ParentsNext <sup>6</sup> participants who increase their work readiness
	<p>Typically, the more time parents spend in the program, and consequently the more work readiness assessments they complete, the more likely it is that improvements in work readiness will be observed.</p> <p>The data for calculating the measure result is derived from the outcomes of participant work readiness assessments. Providers conduct the assessments and record results in the Outcomes Star Online system.</p> <p>To be included in the population for analysis, a participant must have had at least 2 work readiness<sup>7</sup> assessments, with at least one of these in the 2022–23 performance period. In 2022–23, 13,481 ParentsNext participants had at least 2 assessments conducted. The number of participants in this population who increased their work readiness was 10,433.</p>
<b>Methodology</b>	Number of parents who increase their work readiness based on their results in the Work Star assessment <sup>8</sup> tool, over the total number of parents who have had more than one work readiness assessment using the tool.
<b>Source</b>	Work Star Online Service User Report
<b>Contributing program</b>	1.1 Employment Services
<b>Key activity</b>	Support parents to improve their work readiness and prepare for employment

Measure EM008 (PM068)	Proportion of ParentsNext <sup>9</sup> participants who complete training or education or participate in employment
<b>Target</b>	20% or higher
<b>Result rating</b>	Achieved
<b>Result value</b>	34.8%
<b>Analysis</b>	The result shows that ParentsNext was successful in achieving its aims of helping parents work towards education and employment goals. For the July 2022 to June 2023 period, 98,920 participants were on the caseload for more than 3 months and 34,400 (34.8%) attained employment or education.

- 7 Participants are considered to have increased their work readiness if they achieve a higher Work Star assessment score within the performance period than they scored on their first valid Work Star assessment in the program. Not all ParentsNext participants will have completed enough assessments to be captured in this measure.
- 8 Work Star assessments are conducted collaboratively between the provider and the participant, so results may not align with an individual's own assessment of their work readiness.
- 9 On 5 May 2023 the government immediately paused all compulsory requirements for participants in ParentsNext and announced that the ParentsNext program will cease on 30 June 2024.



Measure EM008 (PM068)	Proportion of ParentsNext <sup>9</sup> participants who complete training or education or participate in employment
	<p>Participants were more likely to achieve employment than education: 29,250 achieved employment and 8,408 achieved education (noting some participants achieved both, so the sum is more than 34,400).</p> <p>On 5 May 2023 the government announced changes with immediate effect which made participation in the program voluntary. These changes did not have a significant impact on the performance measure result given the proximity to the end of the financial year and the small impact on the denominator of commenced participants.</p> <p>Prior to 2022–23 the education and employment outcomes of participants of the ParentsNext program were not measured in the same way;<sup>10</sup> therefore the result of this measure cannot be directly compared to previous annual reports. For 2022–23 this measure was changed to better reflect the objectives of the program. Participants who completed training or education at any level or participated in employment in the performance period were measured.</p> <p>Administrative data was used to establish participants who were commenced on the caseload in the relevant performance period (1 July 2022 to 30 June 2023) and whether they either:</p> <ul style="list-style-type: none"> <li>■ found employment within the performance period, as indicated by declared earnings data, exits with stable employment, or approved/pending employment outcome claims</li> <li>■ completed education within the period.</li> </ul>
<b>Methodology</b>	Number of ParentsNext participants who complete training or education or participate in employment, over the number of participants in the program. <sup>11</sup>
<b>Source</b>	DEWR, program administrative data, including Department of Social Services declared earnings data
<b>Contributing program</b>	1.1 Employment Services
<b>Key activity</b>	Support parents to improve their work readiness and prepare for employment

10 From 2019–20 to 2021–22 the calculation used was the number of participants who completed accredited training of a higher level than their previous highest level of education or commenced employment for the first time in the performance period.

11 Data used in the calculation excludes participants who have been commenced in the program for fewer than 91 days.

## 2

## Outcome 2

Measure SK001 (PM029)	Proportion of VET graduates <sup>12</sup> who are satisfied with the overall quality of the training <sup>13</sup>
<b>Target</b>	(a) All graduates: 85% or higher (b) First Nations graduates: 85% or higher (c) Female graduates: 85% or higher
<b>Result rating</b>	(a) Achieved (b) Achieved (c) Achieved
<b>Result value</b>	(a) All graduates: 88.9% (b) First Nations graduates: 91.5% (c) Female graduates: 88.8%
<b>Analysis</b>	<p>This measure indicates the proportion of graduates who completed nationally recognised training delivered by a registered training organisation and are satisfied with the overall quality of the training. The measure aims to provide an overarching system-wide insight into the quality of the sector from the perspective of graduates.</p> <p>The measure result exceeds the target of 85% for all 3 identified graduate cohorts.</p> <p>From 2018 to 2021, students undertaking VET consistently reported high levels of satisfaction with the training they received (as shown in Figure 2.1).</p> <p>Graduate satisfaction with the training overall in 2022 for all 3 identified graduate cohorts was statistically similar to the 2021 results. There was no apparent effect on satisfaction levels for any of the 3 cohorts as a result of the social and economic restrictions put in place to manage the COVID-19 pandemic in 2020 and 2021. Results slightly improved for the overall cohort and for female graduates in 2021 compared with 2020. This is despite National Centre for Vocational Education Research (NCVER) findings that highlight the adverse effects of the COVID-19 pandemic on businesses, training organisations and students.</p>

12 Graduates in this context refers to VET students who have completed a qualification.

13 The targets within this measure were expanded to include First Nations graduates and female graduates in line with the department's review of its performance measures that occurred after the 2022–23 PBS was tabled.

<b>Measure SK001 (PM029)</b>	<b>Proportion of VET graduates<sup>12</sup> who are satisfied with the overall quality of the training<sup>13</sup></b>
<b>Methodology</b>	<p>(a) Number of VET graduates who were satisfied or very satisfied with the overall quality of their training, over the total number of VET graduates.</p> <p>(b) Number of First Nations VET graduates who were satisfied or very satisfied with the overall quality of their training, over the total number of First Nations VET graduates.</p> <p>(c) Number of female VET graduates who were satisfied or very satisfied with the overall quality of their training, over the total number of female VET graduates.</p>
<b>Source</b>	NCVER VET Student Outcomes Survey
<b>Contributing program</b>	2.1 Building Skills and Capability
<b>Key activity</b>	Enhance the quality of vocational education and training

**Figure 2.1: Proportion of VET graduates who are satisfied with the overall quality of the training by year**



Measure SK002 (PM030)	Proportion of VET graduates <sup>14</sup> who are employed or enrolled in further study after training <sup>15</sup>
<b>Target</b>	(a) All graduates: 80% or higher (b) First Nations graduates: 80% or higher (c) Female graduates: 80% or higher
<b>Result rating</b>	(a) Achieved (b) Achieved (c) Achieved
<b>Result value</b>	(a) All graduates: 85.7% (b) First Nations graduates: 81.2% (c) Female graduates: 85.6%
<b>Analysis</b>	<p>Enrolment in further study or training is an indicator of the quality of education being provided, in recognition that study and training results in better employment outcomes. VET graduates continue to report strong labour market outcomes, including improved employment status after training, and receiving at least one job-related benefit from their training. Around a third report that they are enrolled in further study after training, with just over a fifth going into study at a higher training level.</p> <p>The measure result exceeds the target of 80% for all 3 identified graduate cohorts.</p> <p>The 2022 results for all 3 identified graduate cohorts saw a continued improvement in graduate employment or further study outcomes over the previous 2 years. Results have now returned to pre-pandemic levels (as shown in Figure 2.2). The decline in 2019 and 2020, and then subsequent improvement in 2021, can be attributed to the effects of the social and economic restrictions put in place to manage the COVID-19 pandemic. Research reports by the NCVET have highlighted the adverse effects of the COVID-19 pandemic on businesses, training organisations and students.</p>
<b>Methodology</b>	<p>(a) Number of VET graduates who had a labour force status of 'employed' or were enrolled in further study at the time of the survey, over the total number of VET graduates.</p> <p>(b) Number of First Nations VET graduates who had a labour force status of 'employed' or were enrolled in further study at the time of the survey, over the total number of First Nations VET graduates.</p> <p>(c) Number of female VET graduates who had a labour force status of 'employed' or were enrolled in further study at the time of the survey, over the total number of female VET graduates.</p>
<b>Source</b>	NCVER VET Student Outcomes Survey

14 Graduates in this context refers to VET students who have completed a qualification.

15 The targets within this measure were expanded to include First Nations graduates and female graduates in line with the department's review of its performance measures that occurred after the 2022–23 PBS was tabled.

<b>Measure SK002 (PM030)</b>	<b>Proportion of VET graduates<sup>14</sup> who are employed or enrolled in further study after training<sup>15</sup></b>
<b>Contributing program</b>	2.1 Building Skills and Capability
<b>Key activity</b>	Enhance the quality of vocational education and training

Figure 2.2: Proportion of VET graduates who are employed or enrolled in further study after training by year



Measure SK003 (PM031) <b>Maintain the number of apprenticeship commencements</b>	
<b>Target</b>	Maintain numbers at pre COVID-19 levels (2019–20 commencements)
<b>Result rating</b>	Achieved
<b>Result value</b>	1.6% increase
<b>Analysis</b>	<p>We saw an increase in commencements in the first half of 2022–23 (July to December 2022), up by 1.6% compared to the first half of 2019–20 (July to December 2019). There were 64,240 commencements in the first 6 months of 2022–23 compared to 63,225 in the first 6 months of 2019–20.</p> <p>The increase can be attributed to the Australian Government’s implementation of the new Australian Apprenticeships Incentives System and fluctuations in the strength of sector and employment opportunities. The new incentives system focuses on priority occupations, ensuring support is targeted to the skills in demand in the Australian economy.</p> <p>The increase follows an initial decline attributed to the closure of the Boosting Apprenticeship Commencements measure on 30 June 2022.</p>
<b>Methodology</b>	Number of apprenticeship commencements in the first 6 months of the financial year (full financial year data for 2022–23 is not available at time of publication) compared to the number of commencements for the first 6 months of the reference year (the period immediately before impacts of COVID-19).
<b>Source</b>	NCVER, National Apprentice and Trainee Collection, December quarter 2022
<b>Contributing program</b>	2.1 Building Skills and Capability
<b>Key activity</b>	Respond to national future skills needs through access to VET graduates with the required skills

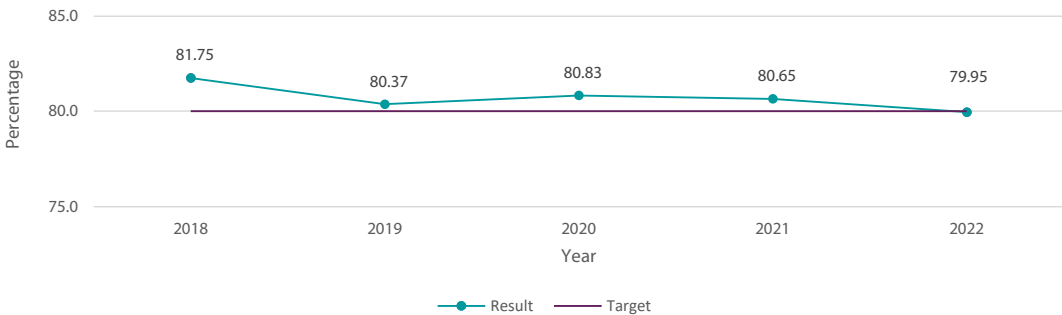
<b>Measure SK005 (PM032)</b>	<b>Proportion of participant assessments in targeted programs that increase one or more levels on the Australian Core Skills Framework (ACSF) or the Digital Literacy Skills Framework (DLSF)</b>
<b>Target</b>	80% or higher
<b>Result rating</b>	Achieved
<b>Result value</b>	93%
<b>Analysis</b>	<p>This measure helps the government to determine whether participants receiving tailored language, literacy, numeracy and digital (LLND) skills training in the Skills for Education and Employment (SEE) program and the Foundation Skills for Your Future (FSFYF) program are developing the critical LLND skills they need to improve their employment and training pathways.</p> <p>The ACSF is a tool which assists both specialist and non-specialist English language, literacy and numeracy practitioners to describe an individual's performance in the 5 core skills of learning, reading, writing, oral communication and numeracy. Digital skills are described using the DLSF. Together they provide a consistent national approach to identifying and developing the core skills in 3 diverse contexts: personal and community, workplace and employment, and education and training.</p> <p>In 2022–23, 93% of participant progress assessments achieved an increase in one or more levels of the 5 core skills of the ACSF or the DLSF as a result of undertaking training in these programs. This result is consistent with the result in 2021–22 (95%).</p>
<b>Methodology</b>	<p>Number of assessments undertaken by clients which achieve an increase to their ACSF or DLSF level in one or more indicators when assessed over the total number of assessments completed by program participants. The result value is calculated using a weighted average of results for the SEE and FSFYF programs. SEE represents 95% of all assessments for this measure.</p> <p>These assessments are captured:</p> <ul style="list-style-type: none"> <li>■ for SEE, in the KPI 2 attainment report available on the SEE online information system</li> <li>■ for FSFYF, through reports from providers.</li> </ul>
<b>Source</b>	ACSF/DLSF assessments completed by service providers
<b>Contributing program</b>	2.1 Building Skills and Capability
<b>Key activity</b>	Improve LLND for target groups

Measure SK006 (PM033)	Proportion of VET student loans students who are satisfied with the quality of their training provider
<b>Target</b>	80% or higher
<b>Result rating</b>	Achieved within the margin of error
<b>Result value</b>	79.95%
<b>Analysis</b>	<p>The result was achieved within the margin of error for this measure. Satisfaction with training providers indicates the quality of training being provided. Quality training leads to increased employment opportunities or further training and study.</p> <p>VET Student Loans (VSL) student surveys submitted through the electronic Commonwealth assistance form (e-CAF) for the 2022 calendar year indicate that VSL students undertaking VET continue to report high levels of satisfaction with their training provider.</p> <p>In recent years the program achieved the overall student satisfaction rate of 80%, as shown in Figure 2.3. The average movement between years from 2018 to 2022 was 0.68 percentage points; consequently the 0.70 percentage point decline from 80.65% in 2021 to 79.95% in 2022 is not viewed as significant.</p> <p>There has been an overall decline in student satisfaction in recent years, albeit only 1.8 percentage points from the high of 81.75% in 2018–19. The department is reviewing the data to determine whether any particular providers have affected the 2022–23 data, and plans to engage with VSL providers experiencing significant declines in their student satisfaction.</p> <p>The department will continue:</p> <ul style="list-style-type: none"> <li>■ taking student satisfaction into account when determining provider fee limits (i.e. the maximum amount the department will issue in loans for a given provider), approved courses, and re-approvals of providers as their respective periods of approval approach expiry</li> <li>■ encouraging providers to raise the quality of their training, through provider discussions and performance review.</li> </ul> <p>The regulation of training organisations is the responsibility of the Australian Skills Quality Authority (ASQA). The department will work more closely with ASQA in an effort to improve student satisfaction. The department also recently established a student-focused team to improve engagement with VSL students.</p>
<b>Methodology</b>	Number of VET student loans students who respond to the e-CAF survey and provide an average rating of 'satisfied' or 'very satisfied', over the total number of VET student loans students who respond to the e-CAF survey.



Measure SK006 (PM033)	Proportion of VET student loans students who are satisfied with the quality of their training provider
	<p>The satisfaction survey allows answers of very dissatisfied, dissatisfied, neither satisfied or dissatisfied, satisfied and very satisfied.</p> <p>The calculation is: (satisfied + very satisfied)/(Total responses)</p> <p>The margin of error is based on the 1,926 enrolments who did not submit any satisfaction survey, which is 5.54% of the population. Surveys from the 5.54% could have resulted in a satisfaction range of 81.06% to 75.52%. The margin of error with a 95% confidence level is 4.48%.</p>
<b>Source</b>	Student e-CAF survey results
<b>Contributing program</b>	2.2 VET Student Loans
<b>Key activity</b>	Reduce barriers to undertaking quality vocational education and training

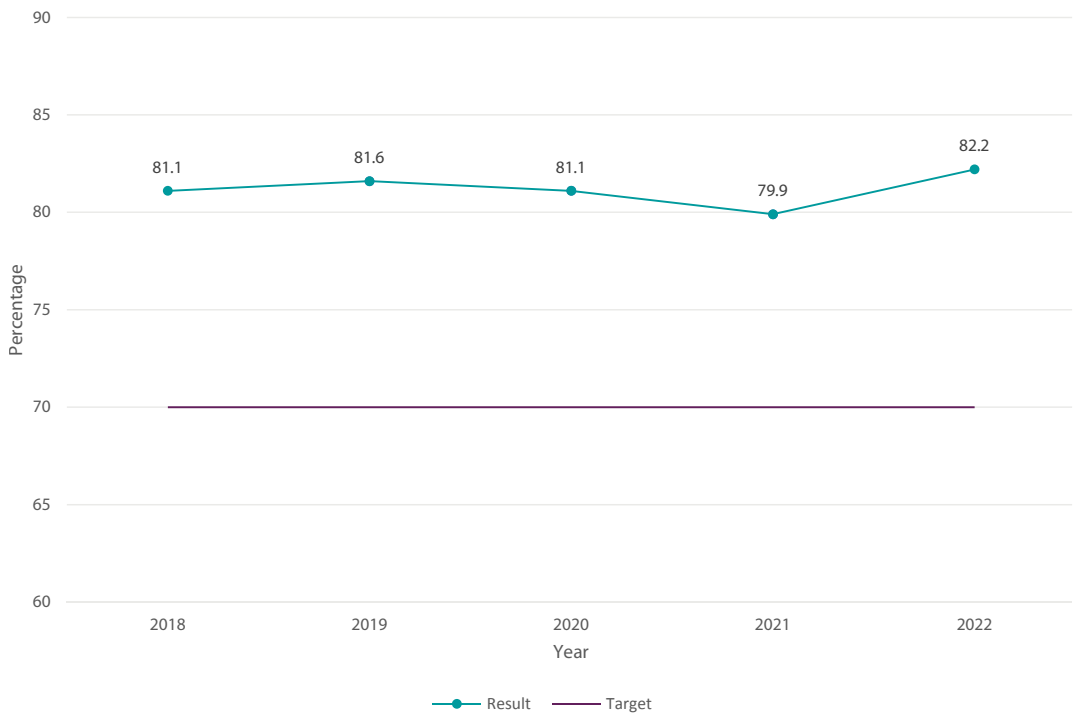
Figure 2.3: Reported student satisfaction rate by year (actual versus target)



Measure SK007 (PM034) Proportion of VET student loans students who complete units of study	
<b>Target</b>	70% or higher
<b>Result rating</b>	Achieved
<b>Result value</b>	82.19%
<b>Analysis</b>	<p>Completing units of study is an indication that VSL has successfully reduced or removed barriers to study.</p> <p>As shown in Figure 2.4, the result for this measure has consistently exceeded its annual target of 70% over the past 5 years. The unit of study completion rate saw a slight decline (down 1.2 percentage points) from 81.1% in 2020 to 79.9% in 2021, which is most likely attributable to the effects of the social and economic restrictions put in place to manage the COVID-19 pandemic during those years. While the unit completion rate dipped from 2020 to 2021, it rebounded strongly with an increase of 2.3 percentage points in 2022 to 82.2%. This is most likely due to units that could not be completed in 2021 due to COVID-19 restrictions subsequently being completed in 2022.</p> <p>VSL students continue to have strong units of study completion rates. To foster these consistently strong outcomes the department:</p> <ul style="list-style-type: none"> <li>■ continued its focus on approving/re-approving only high-quality providers for participation in the VSL program</li> <li>■ encouraged high-quality providers to continue to engage with the program (e.g. allowing higher provider fee limits up to the maximum amount the department will pay in loans for a given provider)</li> <li>■ monitored provider outcomes</li> <li>■ initiated discussions and performance reviews with providers as relevant.</li> </ul>
<b>Methodology</b>	<p>Number of reported equivalent full-time study load (EFTSL) units of study completed, over the total number of EFTSL units of study, excluding any ongoing courses.</p> <p>The results for student completion rates for each year are based on data extracted in July of the year following the reporting year. The lag before extraction of the data allows additional time for providers to complete their submissions of units of study data into the system.</p> <p>The completion rate is calculated from units studied and does not measure student completions.</p>
<b>Source</b>	DEWR program administrative data – student completions data submitted by VSL approved course providers through the department’s Tertiary Collection of Student Information

<b>Measure</b> SK007 (PM034)	<b>Proportion of VET student loans students who complete units of study</b>
<b>Contributing program</b>	2.2 VET Student Loans
<b>Key activity</b>	Reduce barriers to undertaking quality vocational education and training

Figure 2.4: Completion rate by year (actual versus target)



## 3

## Outcome 3

Measure WR001 (PM070)	Proportion of assessed economic data and analysis to support the effective operation of the workplace relations system that is timely
<b>Target</b>	100%
<b>Result rating</b>	Not achieved
<b>Result value</b>	80%
<b>Analysis</b>	<p>The department met the timeliness target for the Annual Wage Review submission.</p> <p>The department met the timeliness target for the Trends in Federal Enterprise Bargaining (Trends) report for the June 2022, September 2022 and March 2023 quarters.</p> <p>The department did not meet the timeliness target for the Trends report for the December quarter 2022 of publication by 31 March 2023. This was due to delays caused by an inability to access key hardware and software for some periods and a 16% increase in approved agreements to be analysed in the quarter. Issues with accessing key hardware and software were resolved and the December quarter 2022 Trends report was published on 3 May 2023.</p>
<b>Methodology</b>	<p>Timeliness will be assessed on compliance with the following deadlines:</p> <ul style="list-style-type: none"> <li>■ the government's submission to the Fair Work Commission's Annual Wage Review (available via <a href="http://www.fwc.gov.au">www.fwc.gov.au</a>) submitted by the deadline set by the Fair Work Commission at the start of each Annual Wage Review process</li> <li>■ each quarterly Trends in Federal Enterprise Bargaining report published on the department's website (<a href="http://www.dewr.gov.au">www.dewr.gov.au</a>) prior to the end of the subsequent quarter (for example, the September quarter report is to be published by 31 December).</li> </ul>
<b>Source</b>	Departmental resources and submissions
<b>Contributing program</b>	3.1 Workplace Support
<b>Key activity</b>	Administer and advise on legal and policy frameworks

Measure WR002 (PM071)	Average processing time for initial claims under the Fair Entitlements Guarantee program
<b>Target</b>	14 weeks or less
<b>Result rating</b>	Achieved
<b>Result value</b>	11.1 weeks
<b>Analysis</b>	<p>This target is used as a proxy measure for efficiency. Assessing claims for FEG entitlements involves working with insolvency practitioners and reconstructing employment records. The time it takes to finalise an individual claim depends on a number of factors, including some outside the department's control. The 14-week average processing target reflects an internal priority to reduce the overall processing time for claims.</p> <p>In 2022–23 the FEG program achieved an average processing time of 11.1 weeks. This performance shows FEG claims are being processed in a timely manner.</p>
<b>Methodology</b>	<p>Claims are managed in the FEG claims database, which records all relevant information relating to the claim and its lodgement, processing and payments. The time between applications and claims being considered effective (in accordance with the requirements under section 14 of the <i>Fair Entitlements Guarantee Act 2012</i>) and processed is calculated by the system. Data is collected continuously and reported monthly. The 14-week time frame is measured from when a claim is made effective to when a claim decision is made.</p> <p>The start of the 14-week period is the claim effective date and the end of the period is the decision-maker approved date. The time to process a claim is calculated by determining the period (in weeks) between the claim effective date and the decision-maker approved date for each claim. Outliers are considered in the 14-week result.</p> <p>The processed month is drawn from the decision-maker approved date. The average time to process is then calculated using the sum of the time to process each claim divided by the number of claims processed within the period.</p>
<b>Source</b>	eFEG system (SmartClient framework)
<b>Contributing program</b>	3.1 Workplace Support
<b>Key activity</b>	Administer and implement programs and services

Measure WR003 (PM072)	Proportion of claim payments made under the Fair Entitlements Guarantee program that are correct <sup>16</sup>
<b>Target</b>	95% or higher
<b>Result rating</b>	Achieved
<b>Result value</b>	95.4%
<b>Analysis</b>	<p>This target indicates the quality of the department's administration of the FEG program, which provides a safety net for unpaid entitlements for employees impacted by the liquidation or bankruptcy of their employer. It is important that payments are correct to ensure claimants receive payments they are entitled to.</p> <p>To determine whether FEG payments are correct, a random annual sample of 480 claim decisions (40 per month) are tested against 23 criteria to assess the accuracy of the decision. In 2022–23, 480 out of the total 8,542 claim decisions were tested and the results showed that 95.4% of the claim decisions tested were accurate.</p> <p>For the 22 claims (4.6%) that were inaccurate the main reasons for inaccuracy were not considering all information provided, incorrectly interpreting the governing instrument, and calculation error. Where a claim is found to be inaccurate, the department undertakes a review to correct the payment amount.</p>
<b>Methodology</b>	<p>The FEG Program Management Office administers an accuracy testing process that is based on assessing the accuracy of a random sample of 40 FEG claim decisions per month. Over the course of a year, the results of these monthly assessments provide an annual measure of FEG claim decision accuracy.</p> <p>Data is extracted from the eFEG system using an MS Excel audit sample tool and assessed against set accuracy criteria by an independent tester. Testing outcomes are recorded in the accuracy spreadsheet (MS Excel) and results are then recorded in the accuracy calculator tool (MS Excel), which provides the statistical result.</p> <p>Where an inaccuracy is identified, the FEG assessment team is given an opportunity to comment before the inaccuracy finding is confirmed.</p> <p>In the event that the FEG Program Management Office and the assessment team cannot agree on a final decision, the Assistant Secretary of the FEG Branch makes a final decision on whether the FEG payment was inaccurate. Results are then recorded in the accuracy spreadsheet and accuracy calculator tool, which provides the statistical result.</p>
<b>Source</b>	eFEG (SmartClient framework)

<sup>16</sup> This measure was included in the 2022–23 Corporate Plan in line with the department's review of its performance measures that occurred after the 2022–23 PBS was tabled.

<b>Measure</b> WR003 (PM072)	<b>Proportion of claim payments made under the Fair Entitlements Guarantee program that are correct<sup>16</sup></b>
<b>Contributing program</b>	3.1 Workplace Support
<b>Key activity</b>	Administer and implement programs and services

<b>Measure</b> WR004 (PM073)	<b>Total Recorded Injury Frequency Rate (TRIFR) collectively reported by accredited companies under the Work Health and Safety Accreditation Scheme<sup>17</sup></b>
<b>Target</b>	Rate is lower than the previous calendar year (6.88 in 2021)
<b>Result rating</b>	Achieved
<b>Result value</b>	5.85
<b>Analysis</b>	<p>The TRIFR improved from 2021 to 2022. While construction activity increased strongly from 2021 to 2022 as COVID restrictions eased, the number of injuries reported did not increase; in fact it decreased slightly. This result is consistent with improvement in safety among accredited companies in the building and construction industry over a number of years.</p> <p>TRIFR is a measure commonly used by industry, companies and regulators for assessing safety performance. It is expressed as a rate of injury per 1 million hours worked.</p>
<b>Methodology</b>	Accredited companies report to the Office of the Federal Safety Commissioner (OFSC) twice annually on the number of safety incidents that have occurred on their sites and the number of work hours performed. The TRIFR for all accredited companies is calculated by dividing the total number of safety incidents for all companies by the total number of hours worked. The result is multiplied by 1 million to give a TRIFR per 1 million work hours. Due to the reporting time frames for accredited companies, this target is measured over the calendar year rather than the financial year.
<b>Source</b>	Directly from accredited companies
<b>Contributing program</b>	3.1 Workplace Support
<b>Key activity</b>	Administer and implement programs and services

17 This measure was included in the 2022–23 Corporate Plan in line with the department’s review of its performance measures that occurred after the 2022–23 PBS was tabled.

# Helping Australians seek employment

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We produced 22 high-quality interactive online training courses to help providers deliver support to job seekers through Workforce Australia programs. Featuring key information, video content, audio recordings, graphics, scenarios and knowledge checks, the courses have been widely praised by providers for their ability to translate new program policies into effective service delivery strategies for Australians seeking employment.

More than 72,000 completions have been recorded since the launch of the training modules, and individual satisfaction with the courses has consistently exceeded 95%. Survey feedback from providers has indicated that the training is helping them to deliver key Workforce Australia programs providing vital services to people seeking to find and maintain secure employment.

**‘It covered everything and in terminology a new person to the industry could understand’, one survey respondent said. Another noted that the courses were ‘Very relevant to my position and a VERY useful tool to help our clients into sustainable and lasting employment’.**



# 3 Management and accountability

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## Corporate governance

### Governance framework

The department's governance framework (Figure 3.1) provides a mechanism for oversight, transparency and collaboration in decision-making while supporting the department in meeting its objectives.

- The Executive Board, chaired by the Secretary, focuses on policy and organisational stewardship. It is the department's principal governance committee, advising the Secretary in executing the powers and functions of the accountable authority. The Board is responsible for setting the department's strategic direction, ensuring delivery against the Australian Government's objectives, and ensuring compliance with our legal and financial obligations.
- The Audit and Assurance Committee (AAC), a statutory requirement under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), provides independent review and advice to the Secretary.

Three sub-committees report to the Executive Board to advise on core activities and assist the Secretary in decision-making and oversight:

- People, Culture and Engagement Committee
- Major Projects and IT Committee
- Risk, Security and Governance Committee.

Each group – Corporate and Enabling Services; Workplace Relations; Skills and Training; and Employment and Workforce – also has internal governance arrangements in place to manage its policy and program deliverables.

Figure 3.1: Departmental governance framework, 2022–23

Legend:

Reporting to



## Audit and Assurance Committee

The department's AAC provides independent advice to the Secretary on the department's:

- financial reporting
- performance reporting
- systems of risk oversight and management
- systems of internal control.

The AAC's roles and responsibilities are set out in section 45 of the PGPA Act; section 17 of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule); and the AAC's charter, which determines its functions.

The AAC Charter is at [www.dewr.gov.au/about-department/resources/audit-and-assurance-committee-charter](http://www.dewr.gov.au/about-department/resources/audit-and-assurance-committee-charter).

The AAC met 5 times during the 2022–23 financial year. The first AAC meeting for the department was held on 8 September 2022 and was chaired by Mrs Jenny Morison AM. A further AAC meeting was held on 13 October 2022 with newly appointed members, with member Mr Jeff Lamond PSM acting as chair. A new chair, Ms Elizabeth Montano, was appointed on 13 October 2022. Ms Montano chaired and attended her first AAC meeting in December 2022.

As at 30 June 2023, the AAC had 4 external members. Table 3.1 provides details of the members' roles, remuneration (inclusive of GST), qualifications and experience.

As at 30 June 2023, the AAC was assisted by the following people:

- Senior Advisor:
  - › the Deputy Secretary, Corporate and Enabling Services (Chief Operating Officer)
- Advisors:
  - › First Assistant Secretary, Strategic Policy and Projects Division, Skills and Training Group
  - › Assistant Secretary, Funds and Payments Branch, Employment and Workforce Group
  - › Assistant Secretary, Workplace Relations Strategy Branch, Workplace Relations Group
- Observers:
  - › Chief Financial Officer
  - › Chief Information Officer
  - › Chief Risk Officer
  - › Chief Internal Auditor
  - › representatives from the Australian National Audit Office (ANAO).

The AAC has 2 sub-committees: the Financial Statements Sub-Committee (FSSC) and the Performance Reporting Sub-Committee (PRSC). These sub-committees assist the AAC to meet its financial and performance reporting obligations under the PGPA Rule. The AAC works closely with the Risk, Security and Governance Committee (RSGC), which further assists the AAC to meet its obligation to review the appropriateness of the department's systems of risk oversight and management.

**Table 3.1: Audit and Assurance Committee members, 2022–23**

Member name	Qualifications, knowledge, skills or experience
<p><b>Ms Elizabeth Montano</b> BA LLB FAICD</p>	<ul style="list-style-type: none"> <li>■ Bachelor of Arts (majoring in industrial relations) and Bachelor of Laws (UNSW)</li> <li>■ Fellow of the Australian Institute of Company Directors</li> <li>■ Former Commonwealth CEO, Senior Executive Service officer and financial services consultant and Senior Solicitor at King &amp; Wood Mallesons</li> <li>■ As CEO of the Australian Transaction Reports and Analysis Centre (AUSTRAC), was the first woman to lead a Commonwealth law enforcement/regulatory agency</li> <li>■ Over 20 years’ experience as chair, deputy chair and member of boards and audit and risk committees across a wide range of government and not-for-profit entities in regulation, law enforcement, scientific research, service delivery and social justice programs</li> <li>■ Broad-ranging experience in governance and the machinery of government, including in financial and performance reporting, risk, assurance, and program and project management and oversight</li> </ul>
<p><b>Mr Tim Youngberry</b> FCPA FCA CPFA BBus</p>	<ul style="list-style-type: none"> <li>■ Bachelor of Business (majoring in accounting)</li> <li>■ Fellow, CPA Australia; Fellow, Chartered Accountants Australia and New Zealand, Member, Chartered Institute of Public Finance and Accountancy (UK)</li> <li>■ Member, International Public Sector Accounting Standards Board (2010–2015)</li> <li>■ Held senior positions, including CFO, in large Commonwealth entities</li> <li>■ Has worked with the National Australia Bank, Ernst and Young, ANAO and Department of Finance</li> </ul>
<p><b>Mr Jeff Lamond PSM</b> BEc</p>	<ul style="list-style-type: none"> <li>■ Bachelor of Economics (majoring in economics and accounting), Graduate Diploma in Legal Studies</li> <li>■ Held senior positions, including as APS Merit Protection Commissioner, and internal ombudsman in 2 agencies</li> <li>■ Held roles as chair of Commonwealth audit, performance reporting and risk committees, and as a member of financial statement sub-committees for large and small government entities</li> <li>■ Experience in the government sector including employment, values and ethics and personnel</li> </ul>

Number of meetings attended	Total number of meetings held	Total annual remuneration (GST inc.)	Additional information (including role on committee)
3	5	\$66,000	<p>AAC Chair</p> <p>Ms Montano attended all meetings that she was contracted to attend. Remuneration includes attendance at sub-committee meetings, briefings to the Secretary, Chief Operating Officer and Executive Board and other interactions with the department.</p>
4	5	\$30,000	<p>AAC Member</p> <p>FSSC Chair</p> <p>Mr Youngberry attended all meetings that he was contracted to attend. Remuneration includes attendance at relevant sub-committee meetings.</p>
4	5	\$40,000	<p>AAC Member</p> <p>PRSC Chair</p> <p>Mr Lamond attended all but one meeting that he was contracted to attend. Remuneration includes attendance at relevant sub-committee meetings.</p> <p>While Mr Lamond was unable to attend one meeting due to scheduling conflicts, he was able to provide advice and commentary before the meeting.</p>

Member name	Qualifications, knowledge, skills or experience
<p><b>Ms Alexandra Spark</b></p> <p>GAICD FCA BCom</p>	<ul style="list-style-type: none"> <li>■ Bachelor of Commerce (majoring in accounting and business law and taxation)</li> <li>■ Fellow, Chartered Accountants Australia and New Zealand; Graduate, Australian Institute of Company Directors</li> <li>■ CA Risk Specialist (awarded by Chartered Accountants Australia and New Zealand with Australian Graduate School of Management)</li> <li>■ 25-year career as a financial statement auditor and advisor on governance, risk management and performance measurement matters</li> <li>■ Provided advice to public sector boards, committees, senior executives and leadership teams</li> <li>■ Led several reviews of risk management policy, framework and practice</li> </ul>
<p><b>Mrs Jenny Morison AM</b></p> <p>BEC FCA FAIM</p>	<ul style="list-style-type: none"> <li>■ Bachelor of Economics (Sydney University)</li> <li>■ Fellow Chartered Accountant</li> <li>■ Held senior positions in major international accounting firms and as a national board member of the Chartered Accountants Australia and New Zealand</li> <li>■ Held roles as chair of Commonwealth audit and risk committees and financial statement sub-committees for large and small government entities, including CFO of a public listed company</li> <li>■ Experience in accounting, commerce and government</li> <li>■ Member of the Order of Australia awarded for significant service to business in the field of accountancy, and to professional associations</li> </ul>
<p><b>Dr David Bryant</b></p> <p>PhD MBA BSc</p>	<ul style="list-style-type: none"> <li>■ Bachelor of Information Technology, MBA in Technology Management, Doctor of Philosophy in Management Information Systems, Australian Computer Society Certified Professional and Certified Practising Project Director (Australian Institute of Project Management)</li> <li>■ ICT sector experience, including ICT governance, risk management, ICT projects and services in the public sector environment</li> </ul>
<p><b>Mr Richard Eccles</b></p> <p>MA BA</p>	<ul style="list-style-type: none"> <li>■ Bachelor of Arts (ANU), Master of Arts (UNSW)</li> <li>■ Former Deputy Secretary (2010–2020) in several portfolios, including Department of Health and Aged Care, Department of the Prime Minister and Cabinet, Department of Communications and the Arts</li> <li>■ Advisory services to National Gallery of Australia and Canberra Health Services</li> </ul>

Number of meetings attended	Total number of meetings held	Total annual remuneration (GST inc.)	Additional information (including role on committee)
3	5	\$30,000	<p>AAC Member</p> <p>RSGC Chair</p> <p>Ms Spark attended all meetings that she was contracted to attend. Remuneration includes attendance at relevant sub-committee meetings.</p>
1	5	\$22,500	<p>Transitional Committee Chair</p> <p>Mrs Morison attended all meetings that she was contracted to attend.</p>
1	5	\$4,750	<p>Transitional Committee Member</p> <p>Dr Bryant attended all meetings that he was contracted to attend.</p>
1	5	\$8,415	<p>Transitional Committee Member</p> <p>Mr Eccles attended all meetings that he was contracted to attend.</p>



Member name	Qualifications, knowledge, skills or experience
<p><b>Mr Darren Box</b></p> <p>BBA (Acc)</p>	<ul style="list-style-type: none"> <li>■ Bachelor of Business (Acc), Fellow of CPA Australia</li> <li>■ Qualifications in professional coaching</li> <li>■ Highly experienced senior executive with over 30 years' experience spanning national social service to national security across the Commonwealth and United Kingdom</li> <li>■ Extensive financial management and organisational reform experience</li> <li>■ Held the position of Acting CEO at the Australian Federal Police (AFP) from January 2020 to October 2020</li> <li>■ Previously held senior leadership roles in federal agencies such as AFP, Department of Defence, and Department of Human Services</li> </ul>

APS = Australian Public Service

Number of meetings attended	Total number of meetings held	Total annual remuneration (GST inc.)	Additional information (including role on committee)
1	5	\$10,000	Transitional Committee Member  Mr Box attended all meetings that he was contracted to attend.

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## Fraud control

As a Commonwealth entity, the department must comply with section 10 of the PGPA Rule and ensure public resources are used appropriately to achieve its purpose and promote financial sustainability.

In 2022–23 the department adopted a fit-for-purpose Fraud Control Framework. The framework complements other arrangements in place to prevent, detect, investigate and report suspected fraud against the department’s programs and other interests. All reasonable measures have been taken to deal appropriately with instances of fraud related to the department.

The department has a centralised Fraud Prevention and Investigations team responsible for criminal investigations and all fraud control policies and activities. Departmental program areas remain responsible for their own assurance and compliance activities. Where assurance and compliance activities lead to the suspicion of fraud or corruption, these instances are referred to the Fraud Prevention and Investigations team.

In 2022–23 the department continued exploring solutions to more effectively manage fraud risk and incidents of fraud. This includes refining data and analytical capability, strengthening existing controls, improving tactical intelligence capabilities and implementing processes to reduce fraud risk.

The department maintains an anonymous reporting tool enabling staff, providers and members of the public to report suspicions of fraud and corruption anonymously and engage in ongoing anonymous dialogue with investigators. The department also continues to strengthen its capabilities in intelligence-sharing between government agencies through membership of the multi-agency Fraud Fusion Taskforce.

During the year, the Fraud Prevention and Investigations team developed the Corruption Control Policy, which assists officials to understand their roles, responsibilities and protections in relation to the newly established National Anti-Corruption Commission.

Proactive in its approach to fraud awareness, the department developed and delivered a comprehensive and innovative fraud communications plan in 2022–23. The plan included customised face-to-face and virtual fraud awareness training, as well as the development of ‘Fraud Files’ podcasts. These initiatives help staff recognise the warning signs of fraud and its potential consequences by examining real-life fraud cases which are based on historical investigations undertaken by the department.

## Corporate and business planning

### Planning and performance reporting framework

The department's Performance Framework provides a foundation of accountability and transparency, and guidance to staff on the development, monitoring and reporting of our performance.

The Performance Framework contains a cycle of performance planning, monitoring, reporting and evaluating, and is in line with the requirements of the PGPA Act, the PGPA Rule, and the Department of Finance's Resource Management Guides.

### Corporate plan

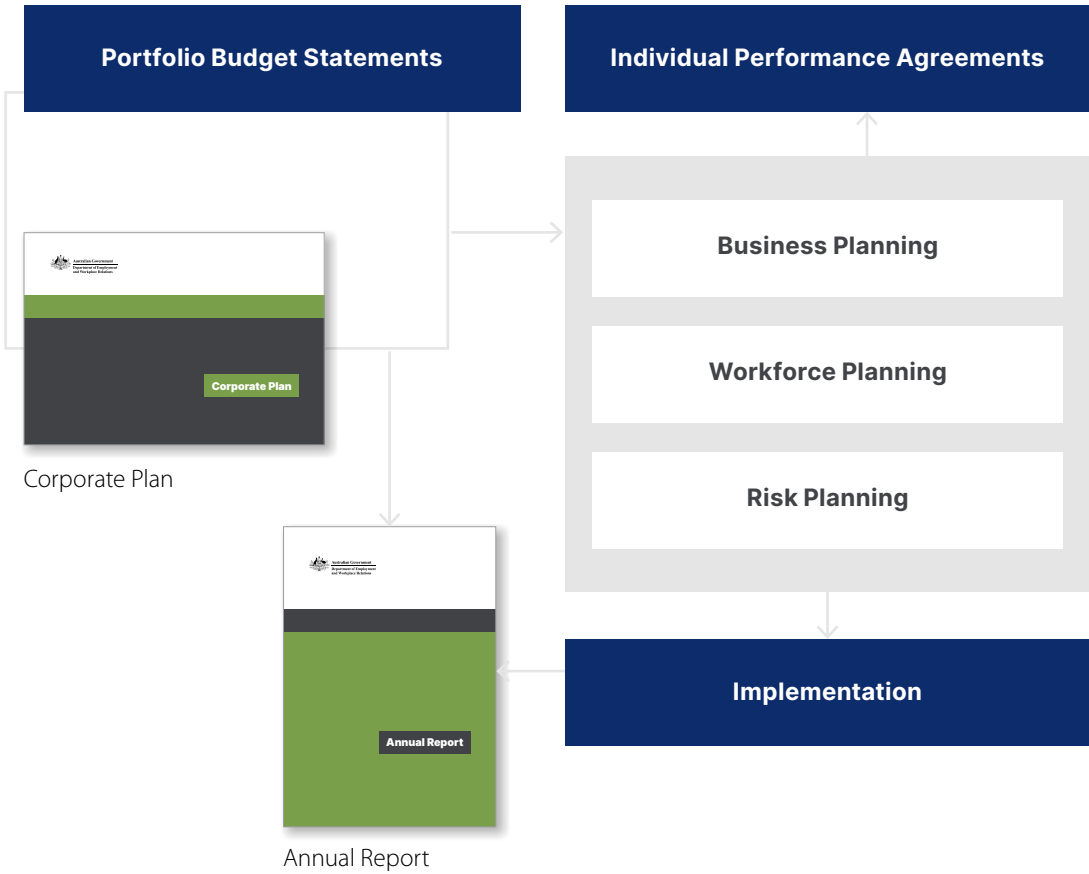
The corporate plan is the department's primary planning document and is a core element of the Commonwealth Performance Framework. The 2022–23 Corporate Plan outlined our purpose and key activities and detailed how success would be measured. It is an important part of the department's Performance Framework and provides a vital link between the Portfolio Budget Statements and the annual report.

As the department was a new entity established on 1 July 2022, under PGPA Rule 16E(7) the department was required to publish a corporate plan as soon as practicable after the plan had been prepared. The department's 2022–23 Corporate Plan was published on 28 April 2023.

The Executive Board monitors performance across the department. The annual performance statements in Part 2 of this report provide information on results of performance measures included in the 2022–23 Corporate Plan.

Figure 3.2 shows the relationship between key products in the planning and performance annual reporting cycle.

Figure 3.2: Annual planning cycle



## **Integrated planning**

The integrated planning process is undertaken annually and is aligned to the department's purpose. The process enables effective, strategic and considered planning to draw connections between business outcomes, workforce planning, and risk. Integrated planning enables teams to understand and articulate how their work contributes to the department's purpose.

## **Risk management**

In 2022–23 the department managed risk in accordance with section 16 of the PGPA Act and the Commonwealth Risk Management Policy.

Our risk management approach was set out in the department's Accountable Authority Instruction for Risk Management and through the Enterprise Risk Management Policy and Framework, which includes the department's desired risk appetite and tolerance.

Our risk management arrangements, including systems of internal control, were overseen by the Executive Board, supported by the RSGC and the AAC.

In particular, the RSGC focused on key enterprise risks, such as physical, personnel and cybersecurity risks, as well as fraud risks, business continuity and privacy. The RSGC has an independent external chair.

The department's Chief Risk Officer supported these governance arrangements by fostering a positive risk culture and ensuring our enterprise risk management arrangements were well embedded and understood by all officials.

We ensured that we engaged and worked with our internal and external stakeholders so that shared risks and governance arrangements were understood and managed collaboratively.

# People management

## Our people

We have committed to being a trusted organisation of curious thinkers, open communicators and high-performing public servants with the highest integrity. We invest in our people to build a diverse, sustainable and innovative workforce.

In 2022–23 we commenced developing and implementing a strategic people framework which sets in place the overarching direction, priorities and governance structures to build our workforce capability. We identified core and emerging priorities for our workforce to ensure we are suitably positioned to deliver on our purpose. Our framework will align with *Delivering for Tomorrow: APS Workforce Strategy 2025* and the priorities of the ongoing APS Reform agenda.

## Culture

Setting the standard as a fair, safe and productive employer is a core priority for the department. We invest in cultivating a diverse, contemporary and dynamic workforce with a curious and respectful culture in which our people can perform at their best. During the year, we commenced developing our culture program through extensive consultation and collaboration to inform our purpose, vision and mission. We will continue to implement the program through reinforcing desired workplace behaviours.

In 2022 we undertook a review of our workplace flexibility settings to identify opportunities to improve employee experience. Through a data and consultation informed approach, we launched a refreshed remote work form and information hub to support staff and managers to practise effective, collaborative and productive flexible working methods.

The department is committed to establishing a culture of inclusion and belonging, in alignment with the diversity and inclusion strategies of the APS and the Closing the Gap priorities. We have established our employee diversity and inclusion networks and appointed Senior Executive Service (SES) champions to ensure meaningful and impactful outcomes can be progressed and measured over time. These networks help to actively drive and promote diversity and inclusion initiatives, improve employment outcomes, and create a positive working experience in the day-to-day lives of our people.

**“Setting the standard as a fair, safe and productive employer is a core priority for the department.”**

The diversity and inclusion networks include:

- Aboriginal and Torres Strait Islander Network
- Dis/Ability and Carers Network
- Culturally and Linguistically Diverse (CALD) Network
- Gender Equity Network
- Pride Network.

The department is a member of the **Diversity Council of Australia**, the **Australian Network on Disability** and **Pride in Diversity**. We are also an accredited Breastfeeding Friendly Workplace and have facilities across our buildings to support this.

Secretary Natalie James is a member of **Champions of Change Coalition**, a globally recognised, innovative strategy for achieving gender equality, advancing more and diverse women in leadership, and building respectful and inclusive workplaces.

## Governance

A core priority in 2022–23 was the establishment of robust policy, governance structures and risk settings in relation to our people. We established our Consultative Committee, a mechanism to support genuine consultation with our employees and their representatives, and established our People, Culture and Engagement Committee to advise our Executive Board on strategic workforce management. Our culture program will explore further opportunities to build a positive risk culture and risk management capability.

## Attracting and developing talent

In 2022–23 the department participated in a broad range of talent attraction and career pathway initiatives to grow and develop our workforce.

To meet demand for core information and communications technology (ICT) skills, the department engaged entry-level employees from APS-wide programs, including digital graduates, apprentices and cadets. The department also participated in the APS Academy Campus pilot program at the University of Newcastle. This program aims to address data and digital skills shortages in the APS by accessing talent and capability in regional Australia. The department will continue to access talent and build digital capability through the APS Academy Campus model as the program expands to other regional areas.

The Australian Government Graduate Program is another critical talent pipeline for the department. The Australian Public Service Commission's Career Pathways initiative provides access to graduate talent across a range of generalist and specialist disciplines, including human resources, economics, legal, data and finance. Graduates develop and build capability through a structured program including on-the-job-training, multiple work placements and a formal learning and development program which includes a Graduate Certificate in Public Administration. In 2022–23 the department had 31 graduates complete the Graduate Certificate in Public Administration and 6 digital graduates complete either a Graduate Certificate in Networking and Cyber Security or a Graduate Certificate in Government Informatics.



In 2022–23 the department managed and administered APS-wide entry-level programs including the Indigenous Australian Graduate Development Program (IAGDP) and the Australian Government Apprenticeship Program (AGAP). The AGAP evolved from a pilot program to become part of the Australian Government Career Pathways initiative and was delivered across a number of APS agencies. This program seeks to attract talent that is not provided for in other APS career pathway programs and fills a gap in the current labour market, sourcing talent from a broader demographic and with different eligibility requirements. It provides meaningful opportunities for new starters in the APS and contributes to building and consolidating a one-APS approach to career pathways and entry-level programs.

The department also participates in the APS Career Starter Program and Human Resources School Leaver Program, which are designed to attract and support young future talent. These programs provide recent Year 12 graduates with an ongoing full-time role in the APS.

We develop our people through a learner-centred and technology-enabled learning and development framework, offering blended learning opportunities including face-to-face training, mobility opportunities and networking. Emerging priorities for the department are to grow our investment in leadership and people management, risk management, and data and digital capability.

The department supports broader capability development through corporately funded professional development activities. These include:

- a structured mentoring program, which matches APS-level staff with a more senior mentor to share knowledge and career insights to support professional development
- the Emerging Leaders program for APS 6 and EL 1 staff, which focuses on supporting individuals to build greater self-awareness and confidence to develop their management and leadership potential
- a suite of virtual classroom programs focused on key professional development areas such as effective communication, emotional intelligence and remote leadership
- support for participation in policy skills development programs, including the Crawford School of Public Policy's Policy Essentials program, targeting APS-level staff.

## **Non-salary benefits provided to employees**

The department maintains a positive workplace culture and strives to be an employer of choice. It offers employees:

- remote work arrangements and flexible work options such as variations to work schedules and compressed working weeks
- flex time for APS 1 to APS 6 employees (time off for extra hours worked on an hour-for-hour basis)
- generous leave entitlements, including 18 days per year of personal/sick leave; and paid leave for employees undertaking approved study, community service or Australian Defence Force service
- support for new parents, including paid lactation breaks
- access to salary packaging arrangements
- a paid closedown period over Christmas, without the requirement to use annual leave.

## Remuneration

On 7 July 2022 a determination under section 24(1) of the *Public Service Act 1999* was signed to establish the terms and conditions of employment for non-SES employees of the department. On 17 August 2022 a new section 24(1) determination (Department of Employment and Workplace Relations (Non-SES Employees) Determination 2022/2) was made to revoke the previous determination and provide clauses for scheduled pay adjustments for 2023 and 2024 aligned to the Private Sector Wage Price Index. The Department of Employment and Workplace Relations (Non-SES Employees) Determination 2023/1 commenced on 16 March 2023 to give effect to a 3% wage increase in accordance with the Public Sector Interim Workplace Arrangements 2022.

The department also used individual section 24(1) determinations to vary the remuneration of a limited number of non-SES employees to secure expertise or specialist skills that were critical to business needs. At 30 June 2023, 63 non-SES employees had individual determinations in place.

Remuneration and conditions of employment for SES employees were established through individual section 24(1) determinations.

Remuneration arrangements for the Secretary were set by the Remuneration Tribunal under section 14 of the *Remuneration Tribunal Act 1973*.

Table 3.2 shows the number of SES and non-SES employees covered under section 24(1) determinations as their primary employment instrument, and Table B.9 in Appendix B details their salary ranges as provided by Determination 2023/1. Appendix B provides statistics on employees by First Nations status, classification, employment status, location and gender.

**Table 3.2: Australian Public Service Act employment arrangements current report period, 2022–23**

	SES	Non-SES	Total
Individual s24(1) determination	87	–	<b>87</b>
Collective s24(1) determination	38	3,311	<b>3,349</b>
Collective supplemented by individual s24(1) determinations	–	63	<b>63</b>

Note: Actual arrangements at 30 June 2023.

## Work health and safety

The department is committed to providing a culture and workplace focused on physical and mental health and safety in accordance with the *Work Health and Safety Act 2011* (Cth) (WHS Act) and the *Safety, Rehabilitation and Compensation Act 1988*. We strive to minimise and mitigate risks to health and safety through consultation, communication, and systematic hazard identification, risk assessment and control measures.

The department's Statement of Commitment: Health, Safety and Wellbeing reinforces our commitment and outlines key actions that will contribute to maintaining a safe workplace while supporting employees' physical and psychological health in the workplace.

Health and Safety representatives were appointed and the department established the Work Health and Safety Committee as its principal consultative mechanism, in accordance with the WHS Act.

A national network of employee support officers was established to guide the department's safety culture. Our employee support officers play a vital role, providing support to employees through a focus on wellbeing and offering safe and confidential assistance to help them navigate challenging situations.

A mental health hub was launched during the year, providing comprehensive information to support employees and managers in managing mental health at work.

### **Psychosocial Project**

In 2022–23 the department began a project to develop a best practice approach to managing psychosocial risks in the department. This follows changes to the Commonwealth Work Health and Safety Regulation 2011 on 1 April 2023 to provide clearer guidance around what organisations are required to do to identify and control psychosocial hazards in the workplace.

The project will be informed by the department's broader culture initiatives and the work being undertaken by the APS Integrity Taskforce on promoting a pro-integrity culture. A draft framework will be piloted in targeted areas during 2023–24.

### **Health and wellbeing initiatives**

In 2022–23 the department undertook a range of initiatives to ensure its workplaces are focused on both physical and psychological health and wellbeing. These included:

- Annual influenza vaccination program: A total of 1,954 staff received the vaccination through this program.
- Ergonomic workstation assessments: In 2022–23, 360 assessments were delivered by suitably qualified providers.
- Early intervention: This program provides timely and tailored support for employees, and access to workplace rehabilitation providers.
- Flexible working arrangements: To ensure our settings were right, we reviewed our Remote Work Policy in November 2022. In response to feedback from our people, we lowered the delegations to approve flexible work to allow Executive Level staff to manage flexibility within their teams, developed a remote work portal with tools and support materials to assist managers and employees to work in a hybrid environment, and streamlined our remote work form to simplify the process.
- Employee Assistance Program: This program provides telephone and face-to-face access to confidential individual counselling that supports the psychological wellbeing of employees and their families. It provides a specialist helpline for our First Nations employees.
- NewAccess Workplaces Program: This program uses an early intervention model to provide confidential mental health coaching by Beyond Blue.
- National Safe Work Month activities: Weekly communication activities raised awareness of work health and safety in the department. This included a webinar on burnout, fatigue and self-care, providing practical tips on self-care to manage stress and build resilience. A pre-recorded video has also been made available for employees to access at a time that suits them.

The department remains committed to maintaining COVID-safe workplaces and continues to adjust its response to reflect jurisdictional health advice and minimise our business continuity risks.

### **Notifiable incidents**

In 2022–23 the department had 3 notifiable incidents as defined in section 35 of the WHS Act. The Commonwealth regulator, Comcare, investigated one incident and did not identify non-compliance with the WHS Act.

Comcare inspectors assessed the other 2 matters and determined that no further action was required to be taken by Comcare.

### **Workers' compensation performance**

During 2022–23 there were 4 new workers' compensation claims accepted. The department's premium rate for the financial year was 0.37% of payroll costs, which compares favourably to the average scheme rate of 0.83%.

# Information and communications technology

The department's technology capability is delivered by 2 divisions: one focused on infrastructure, platforms and services, and the other on application development.

The Technology and Services Division, managed by the Chief Information Officer, provides information and ICT infrastructure, end-user computing, cybersecurity, and support functions. The Digital Solutions Division, managed by the Chief Digital Officer, develops and supports a range of employment, skills, and workplace relations business and program applications.

Technology investment is guided by key strategies and the Major Projects and Information Technology Committee. In 2022–23 the department built cohesive and data-driven digital business services for our users and shared services partners. To guide delivery of digital business outcomes for our stakeholders, we refined the department's Digital Business Strategy. This strategy outlines 4 key shifts to transform our digital experience: facilitating simple access for users; creating cohesive and reliable digital experiences; improving the way we use our data to enhance services; and supporting policy development by ensuring our solutions are modern, integrated and connected.

The department's ICT Strategy 2020–2023 details our ICT vision, how we will achieve our key priorities and how we will deliver our Digital Business Strategy outcomes: achieving excellence in service delivery; delivering the workplace of the future; transforming applications to deliver simple, modern, joined-up and personalised services; investing in a flexible and capable ICT workforce; evolving the department's platforms to improve security, adaptability and resilience; and partnering to enable data-driven policy and operations.

In 2022–23 the department continued to invest in ICT infrastructure across on-premises data centres and public cloud networks in accordance with the Australian Government Secure Cloud Strategy. We continued modernising our business application hosting environment, leveraging modern cloud approaches to develop and support externally facing business systems. This included Workforce Australia, the Apprenticeships Data Management System, and the Jobs and Skills Australia website.

To protect users and the data entrusted to the department, we have continued to invest in and strengthen the security of our ICT network, systems and data holdings by maintaining and improving the department's maturity levels against the Australian Cyber Security Centre's Essential Eight mitigation strategies to prevent harmful cyber incidents. In July 2022 the department delivered a major project to uplift its core operating environment to manage information classified up to the PROTECTED level.

The department continued to use its ICT capability and resources to deliver and share ICT services with other Australian Government agencies under memorandum of understanding (MoU) arrangements. This included desktop and mobile computing support, application and website development, hosting services, and a security-classified segregated PROTECTED environment.

The department continued to align with, and be an active participant in, the development of whole-of-government direction and strategies, including the Data and Digital Government Strategy, the Australian Government Architecture, and Digital Identity.

## Financial performance

The department's financial statements are presented in Part 4 of this report, along with the Auditor-General's unmodified audit opinion. A summary of financial performance for departmental and administered activities is provided below.

### Purchasing and procurements

The department's approach to procuring goods and services, including consultancies, is consistent with the principles of the Commonwealth Procurement Rules. These rules are applied to activities through the department's accountable authority instructions, supporting operational guidelines and procurement framework. The department published its procurement activities over \$10,000 (GST inclusive) and business opportunities of \$80,000 and above (GST inclusive), where panel arrangements were not utilised, on the AusTender website ([www.tenders.gov.au](http://www.tenders.gov.au)).

### Procurement initiatives to support small and medium sized enterprises

The department supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website ([www.finance.gov.au](http://www.finance.gov.au)).

The department's activities to support SMEs include:

- complying with the Commonwealth Procurement Framework
- using standardised contracts for low-risk procurements valued under \$200,000
- implementing the Indigenous Procurement Policy (IPP), noting that many Indigenous businesses are also SMEs
- complying with the government's Supplier Pay On-Time or Pay Interest Policy
- using credit cards for procurements valued below \$10,000.

The department recognises the importance of ensuring small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website ([www.treasury.gov.au](http://www.treasury.gov.au)). Electronic invoicing arrangements continue to support small businesses to reduce their administration, create savings and improve the timeliness of payment.

### Indigenous Procurement Policy

The department supports the goals of the IPP and is committed to growing its engagement with Indigenous enterprises. For 2022–23 the department had 299 contracts in place with Indigenous enterprises, valued at \$227.9 million. This exceeded the Commonwealth First Nations procurement target of \$20.8 million set for the department by the National Indigenous Australians Agency.

### Consultancy contracts

The department engaged consultants to provide independent and expert advice or services, taking into account:

- the skills and resources required for the task
- the skills available internally
- the cost-effectiveness of these options.

The decision to engage a consultant was made in accordance with the PGPA Act and related rules.

The methods of selection for consultancies were either through panel arrangements or limited tender. Consultants were typically engaged to:

- investigate or diagnose a defined issue or problem
- carry out defined research, reviews or evaluations
- provide independent advice, information or creative solutions to assist the department in decision-making.

As shown in Table 3.3, during 2022–23, there were 73 reportable consultancy contracts active during the period. Expenditure on all consultancies over the period amounted to \$24.1 million.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website. ([www.tenders.gov.au](http://www.tenders.gov.au)).

**Table 3.3: Expenditure on reportable consultancy contracts, 2022–23**

	Number	Expenditure \$ (GST inc.)
Consultancy contracts for the reporting period	73	24,096,653

Note: The department was established 1 July 2022 therefore the department did not enter into any contracts in the previous reporting period.

**Table 3.4: Top 5 organisations reportable consultancy contract expenditure, 2022–23**

Name of organisation	Organisation ABN	Expenditure \$ (GST inc.)
Ernst and Young	75 288 172 749	2,433,774
Price Waterhouse Coopers	20 607 773 295	640,878
KPMG	51 194 660 183	524,872
Grosvenor Management Consulting	47 105 237 590	481,877
Matthews Pegg Consulting Pty Ltd	86 085 443 876	450,625

## Non-consultancy contracts

As shown in Table 3.5, during 2022–23 there were 3,463 reportable non-consultancy contracts active during the period. Expenditure on all non-consultancies over the period amounted to \$2,645.8 million.

Non-consultancy contracts only include all procurement-related contracts not deemed a consultancy. Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website. ([www.tenders.gov.au](http://www.tenders.gov.au)).

**Table 3.5: Expenditure on reportable non-consultancy contracts, 2022–23**

	Number	Expenditure \$ (GST inc.)
Non-consultancy contracts for the reporting period	3,463	2,645,755,147

Note: The department was established 1 July 2022 therefore the department did not enter into any contracts in the previous reporting period.

**Table 3.6: Top 5 organisations reportable non-consultancy contract expenditure, 2022–23**

Name of organisation	Organisation ABN	Expenditure \$ (GST inc.)
Serendipity (WA) Pty Ltd	64 062 160 614	194,116,790
Workskil Australia Ltd	28 167 872 424	92,470,424
atWork Australia Ltd	29 009 452 153	77,892,476
Max Solutions Pty Ltd	51 067 092 737	76,118,938
Karingal St Laurence Ltd	74 614 366 031	71,827,004

## Grant programs

Information on grants awarded by the department during 2022–23 is available at the GrantConnect website ([www.grants.gov.au](http://www.grants.gov.au)).

## Advertising and marketing

During the 2022–23 financial year, the department did not conduct any advertising campaigns. Tables 3.7 to 3.9 list payments of \$15,200 or more (GST inclusive) to advertising agencies and to market research, polling, direct mail and media advertising organisations, as required under section 311A of the *Commonwealth Electoral Act 1918* (Cth).



**Table 3.7: Payments to advertising agencies, 2022–23**

Organisation	Service provided	Total paid in 2022–23 \$ (GST inc.)
Clemenger BBDO	Creative concept development for the Fee-Free TAFE campaign	113,225.75

**Table 3.8: Payments to market research and polling organisations, 2022–23**

Organisation	Service provided	Total paid in 2022–23 \$ (GST inc.)
WhereTo Research	Developmental and concept testing research for the Fee-Free TAFE campaign	77,397.50
Student Edge Pty Ltd	User testing to inform the School Leavers Information Kit resources	24,695.00

**Table 3.9: Payments to media advertising organisations, 2022–23**

Organisation	Service provided	Total paid in 2022–23 \$ (GST inc.)
Universal McCann	Digital advertising for the School Leavers Information Service, School Leavers Information Kit and Parents and Guardians Guide	43,999.95
Universal McCann	Digital advertising for the Australian Training Awards	25,000.02
Universal McCann	Digital advertising for National Careers Week	32,999.94
Universal McCann	Advertising Your Career website and Australian VET Alumni	61,101.04
Universal McCann	Digital advertising for Workforce Australia	24,589.88

# Environmental sustainability and performance

## Net Zero

The department reports on the environmental impacts of its activities under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* and in line with the Australian Government's APS Net Zero 2030 policy. This includes reporting on:

- how the department accords with and contributes to the principles of ecologically sustainable development
- the greenhouse gas emissions from the department's operations.

## Ecologically sustainable development

The department did not administer legislation that had a direct impact on ecologically sustainable development, and the principles relating to scientific certainty and biological diversity were generally of limited application to our activities.

## Greenhouse gas emissions

The department continues to focus on optimising the occupancy rates of its property portfolio and improving energy efficiency, including through use of standard Commonwealth lease clauses requiring compliance with energy efficiency requirements.

For 2022–23 the department's emissions from electricity, natural gas, fleet vehicles and domestic flights have been captured in line with APS Net Zero 2030 reporting requirements using the emissions reporting tool developed by the Department of Finance to ensure consistency across all entities.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2022–23 period. Results are presented on the basis of carbon dioxide equivalent (CO<sub>2</sub>-e) emissions. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports. The scope of emissions reporting will be expanded over subsequent years to include other emission sources such as waste, recycling and other downstream activities.

The electricity and natural gas figures reported below include the total consumption across the department's leased property portfolio. The department currently hosts the Department of Education in its tenancies under an MoU arrangement, and energy usage cannot be meaningfully separated between the 2 entities.

**Table 3.10: Greenhouse gas emissions inventory (location based)**

<b>Emission source</b>	<b>Scope 1 kg CO<sub>2</sub>-e (Direct combustion)</b>	<b>Scope 2 kg CO<sub>2</sub>-e (Indirect electricity consumption)</b>	<b>Scope 3 kg CO<sub>2</sub>-e (Indirect emissions and supply chain sources)</b>	<b>Total kg CO<sub>2</sub>-e</b>
Electricity (location-based approach)	N/A	3,369,044	316,702	3,685,746
Natural gas	–	N/A	–	–
Fleet vehicles	34,257	N/A	8,666	42,923
Domestic flights	N/A	N/A	770,328	770,328
Other energy	–	N/A	–	–
<b>Total kg CO<sub>2</sub>-e</b>	<b>34,257</b>	<b>3,369,044</b>	<b>1,095,696</b>	<b>4,498,997</b>

The electricity emissions reported in Table 3.10 are calculated using the location-based approach. When applying the market-based method, which accounts for factors such as GreenPower usage, purchased large generation certificates (LGCs) and being located in the ACT, the total emissions for electricity are as shown in Table 3.11.

**Table 3.11: Greenhouse gas emissions inventory (market based)**

<b>Emission source</b>	<b>Scope 1 kg CO<sub>2</sub>-e (Direct combustion)</b>	<b>Scope 2 kg CO<sub>2</sub>-e (Indirect electricity consumption)</b>	<b>Scope 3 kg CO<sub>2</sub>-e (Indirect emissions and supply chain sources)</b>	<b>Total kg CO<sub>2</sub>-e</b>
Electricity (market-based approach)	N/A	908,005	120,177	1,028,182
Natural gas	–	N/A	–	–
Fleet vehicles	34,257	N/A	8,666	42,923
Domestic flights	N/A	N/A	770,328	770,328
Other energy	–	N/A	–	–
<b>Total kg CO<sub>2</sub>-e</b>	<b>34,257</b>	<b>908,005</b>	<b>899,171</b>	<b>1,841,433</b>

## External scrutiny

### Reports by the Auditor-General

No audit reports from the ANAO were tabled in 2022–23 in relation to the operations of the department.

### Reviews by the Joint Committee of Public Accounts and Audit

As no audit reports were tabled in 2022–23 for the department, no reviews were conducted.

### Reports by parliamentary committees

The department has appropriate governance and processes in place to provide evidence and/or submissions to parliamentary committee inquiries. We monitor these inquiries and provide biannual reports on them to the department's AAC.

The department provided evidence and/or submissions to the following parliamentary committee inquiries in 2022–23.

**Table 3.12: Evidence and submissions to parliamentary committee inquiries, 2022–23**

Committee	Inquiry
Senate Select Committee on Work and Care	Inquiry into the impact that combining work and care responsibilities has on the wellbeing of workers, carers, and those they care for
Senate Standing Committees on Education and Employment	Fair Work Legislation Amendment (Protecting Worker Entitlements) Bill 2023
	Jobs and Skills Australia Amendment Bill 2023 [Provisions]
	Education and Other Legislation Amendment (Abolishing Indexation and Raising the Minimum Repayment Income for Education and Training Loans) Bill 2022
	National Vocational Education and Training Regulator (Data Streamlining) Amendment Bill 2023 [Provisions]
	COVID-19 Vaccination Status (Prevention of Discrimination) Bill 2022; Fair Work Amendment (Prohibiting COVID-19 Vaccine Discrimination) Bill 2023
	Jobs and Skills Australia Bill 2022 [Provisions]; Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022 [Provisions]
	Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022
	Fair Work Amendment (Equal Pay for Equal Work) Bill 2022
Fair Work Amendment (Paid Family and Domestic Violence Leave) Bill 2022	

Committee	Inquiry
Senate Standing Committees on Finance and Public Administration	Inquiry into the management and assurance of integrity by consulting services
House of Representatives Select Committee on Workforce Australia Employment Services	Inquiry into Workforce Australia Employment Services
House of Representatives Standing Committee on Employment, Education and Training	Inquiry into the perceptions and status of vocational education and training
Joint Committee of Public Accounts and Audit	Inquiry into Commonwealth Financial Statements 2021–22
Parliamentary Standing Committee on Public Works	Inquiry into Department of Employment and Workplace Relations and the Australian Electoral Commission – Proposed fit-out of new premises at London Quarter Block 40, Section 100, Canberra City, ACT
Parliamentary Joint Committee on Corporations and Financial Services	Inquiry into corporate insolvency in Australia
Joint Select Committee on Parliamentary Standards for the 47th Parliament	Inquiry into matters relating to the development of codes of conduct for Commonwealth parliamentary workplaces
Joint Select Committee on Northern Australia	Inquiry into Northern Australia's workforce development
Joint Standing Committee on Foreign Affairs, Defence and Trade	Inquiry into Australia's tourism and international education sectors

## Judicial decisions

In 2022–23 there were no decisions of any court that had, or may have had, a significant impact on the operations of the department.

### Decisions of administrative tribunals

In 2022–23 there were no decisions of administrative tribunals that had, or may have had, a significant impact on the operations of the department.

### Decisions by the Australian Information Commissioner

In 2022–23 there were no decisions by the Australian Information Commissioner that had, or may have had, a significant impact on the operations of the department.

### Reports on the operations of the entity by the Commonwealth Ombudsman

In 2022–23 there were no reports by the Commonwealth Ombudsman on the operations of the department.

### Information Publication Scheme

Entities subject to the *Freedom of Information Act 1982* (Cth) (FOI Act) are required under Part II of the FOI Act to publish information to the public as part of the Information Publication Scheme (IPS). Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. The department's plan is available at: [www.dewr.gov.au/about-department/corporate-reporting/information-publication-scheme-ips](http://www.dewr.gov.au/about-department/corporate-reporting/information-publication-scheme-ips).

## Disability reporting

Australia's Disability Strategy 2021–2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers. All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the Strategy's actions and outcome areas are published and available at [www.disabilitygateway.gov.au/ads](http://www.disabilitygateway.gov.au/ads).

Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au).

# Helping Australians become active participants in their community

**Since early May 2023, departmental staff have been working alongside Nirrumbuk Aboriginal Organisation to ensure service continuity whilst we transition to new provider arrangements.**

**The new servicing arrangement will be delivered by a First Nations provider working alongside APS staff who will support the provider to build its capability and improve service coordination across the service ecosystem and improve the participant experience in accessing services.**

**These new arrangements showcase how the department is adapting its services and working collaboratively with First Nations providers to better suit the local context and complex needs of the local community. In the meantime, APS staff have been demonstrating the value that they can provide through navigating government systems and programs to provide tailored solutions to complex issues, such as Kevin's.**

Kevin, a 61-year-old man who was born and raised in the desert community lands, is a great example of the work we do. Throughout his adult life Kevin had continuously worked in welfare and youth crisis support jobs across South Australia, Victoria and Tasmania.

Kevin required support to engage with digital technology, assistance to establish his myGov account and transfer his driver's licence, and access to local employer contacts in his field of experience.

We supported Kevin through a referral to Career Transition Assistance, where he agreed to an attendance schedule that allowed him to approach the career transition learning, while still providing the flexibility needed to attend to cultural obligations associated with his move. While articulating the goals he had in both learning and life, Kevin also revealed his unique language skills that cover many desert language groups of First Nations people living in remote areas. We referred him to the relevant accrediting body to have his language skills assessed and recognised.

Kevin learned how to use applications that were relevant to his goals but struck a problem engaging with myGov caused by historical record-keeping practices and the demands of modern identity standards. At birth, Kevin's date of birth was recorded as 1 January in his birth year, a common practice at the time. Later attempts by various institutions to correctly record his name and date of birth had led to slight variances across his driver's licence, tax file number, customer reference details and other identity records over 5 decades. As a result, he was unable to consolidate his myGovID with myGov services. This also created difficulties with Western Australia's licensing and Working with Children Checks certification systems until his myGovID could be established.

Working collaboratively, we were able to identify the relevant government agencies and other contacts who could resolve issues with Kevin's historical records and support him with gathering necessary information. Kevin was then able to establish his identity in myGovID, reconcile his records across linked government services, transfer his driver's licence, and gain both his National Police Certificate and a Working with Children Check. Through this process, Kevin was also able to submit several years of his tax returns, through the assistance of a community tax agent, and receive money owed to him.

We referred Kevin to employers with jobs suiting his background and ambitions. Shortly after completing the course, he gained a permanent job as a welfare manager with a local youth organisation, as well as casual work as a First Nations interpreter.

**“Kevin is actively participating in the Broome community, where he is an advocate for working with government services to support youth into secure work futures.”**





# 4 Financial statements

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## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Employment and Workplace Relations

#### Opinion

In my opinion, the financial statements of the Department of Employment and Workplace Relations (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the Financial Statements, comprising a summary of significant accounting policies and other explanatory information.

#### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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**Key audit matter****Completeness, accuracy and classification of transactions and balances resulting from machinery of government changes**

*Refer to all departmental notes and J2 'Restructuring'*

The Administrative Arrangements Orders, effective from 1 July 2022, resulted in the transfer of early learning and schools and quality higher education related functions and account balances to the Department of Education from the formerly named Department of Education, Skills and Employment. This continued sharing of the financial management and human resources information systems by both entities for the duration of the 2022–23 year created complexities because of the shared control environment and transactions for both entities being recorded and processed in the one system.

I focused on the completeness, accuracy and classification of the Entity's transactions and balances as a result of:

- the judgement and assumptions applied in determination of opening balances split between the two departments; and
- significant risks identified for the completeness and accuracy of recognition of transactions which are representative of operations between the two departments.

Further judgments have been applied in determining transactions and balances for functions transferred from the Attorney-General's Department, Department of the Prime Minister and Cabinet and Department of Foreign Affairs and Trade.

**How the audit addressed the matter**

To address this key audit matter, I:

- evaluated the judgements and assumptions applied in determining the opening balances allocation for the Department of Employment and Workplace Relations;
- evaluated the design, implementation and operating effectiveness of the key controls supporting payments and recognition of balances impacted by machinery of government changes;
- evaluated the design, implementation and operating effectiveness of key information technology systems and controls;
- assessed the processes separating the Entity's transactions from the Department of Education and whether related expenses are accurately reflected in the financial management information system; and
- tested recognition of asset, liability and appropriation balances transferred to the Entity.

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**Key audit matter****Accuracy of 'Workforce Australia' supplier expenses**

*Refer to Note D1.3 'Supplier'*

I focused on the Workforce Australia component of the suppliers expense balance as a key audit matter. This is a new employment service delivered by the department that includes a new online service and a network of providers to deliver personalised support for Australians in finding and keeping a job, changing jobs or creating their own job. The department establishes provider agreements for delivering these services. New payment arrangements and significant delays in compliance activities have created risks for the accuracy of payments in the initial year of implementation.

**How the audit addressed the matter**

To audit the accuracy of Workforce Australia expenses, I performed the following procedures:

- evaluated the design, implementation and operating effectiveness of key information technology systems and controls relevant to the accuracy of Workforce Australia expenses. This included assessing whether related expenses are accurately reflected in the financial management information system;
  - assessed the accuracy of payment rates applied within business systems by agreeing a sample to respective agreements and jobseeker details; and
  - tested a sample of Workforce Australia
-

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During 2022–23 the entity recognised supplier expenses of \$1.991 billion. Workforce Australia expenditure represents a significant portion of this balance.

payments, including agreeing payments to the approved provider agreements.

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### Key audit matter

#### Valuation of the vocational student and trade support loans receivables

*Refer to Note F1.2 'Trade and other receivables'*

I focused on the Entity's vocational student and trade support loan receivables as a key audit matter due to the valuation of these receivables involves significant and complex judgments about the timing and recoverability of the related debts.

These judgments include assumptions about discount factors, future employment and salary rates and future collectability of repayments that contain a significant degree of uncertainty and are influenced by the economic environment.

These receivables are subject to actuarial assessment and rely on the completeness and accuracy of taxation data and information provided from education providers.

For the year ended 30 June 2023, the Entity recognised vocational student and trade support loan receivables of \$3.639 billion and \$908.4 million respectively, fair value losses of \$89.3 million for vocational student loans, and fair value gains of \$463.4 million for vocational student loans -VET Fee HELP loans and \$82.6 million for trade support loans, interest revenue on vocational student loans of \$169.0 million.

### How the audit addressed the matter

To audit the valuation of vocational student and trade support loan receivables, I performed the following procedures:

- evaluated the design, implementation and operating effectiveness of management's controls relating to the valuation process, including data reconciliation and the Entity's review and approval of the estimates; and
- evaluated the reasonableness of the Entity's actuarial methodology. This included considering the work and findings of the external actuarial expert engaged by the Entity. Assessment of the reasonableness of key actuarial assumptions included comparison with accepted industry benchmarks for discount rates and salary growth rates in a range of occupations.

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### Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary of the Department is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Secretary of the Department is also responsible for such internal control as the Secretary of the Department determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary of the Department is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary of the Department is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

## Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office




Rahul Tejani  
Executive Director  
Delegate of the Auditor-General


Canberra  
25 September 2023

**Department of Employment and Workplace Relations**  
**STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Employment and Workplace Relations will be able to pay its debts as and when they fall due.

Signed.....  
Natalie James  
Secretary  
21 September 2023

Signed.....  
Ben Sladic CA  
Chief Financial Officer  
21 September 2023

**Department of Employment and Workplace Relations**  
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**Department of Employment and Workplace Relations**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2023*

**Departmental Primary Statements**

		2023	Original Budget <sup>1</sup>
	Notes	\$'000	2023 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	C1.1	387,814	337,223
Suppliers	C1.2	305,526	298,239
Grants		393	-
Interest on lease liabilities		3,117	4,499
Depreciation and amortisation	E2.1	143,241	147,997
Impairment loss on financial assets	I2.2	5	-
Write-down and impairment of other assets	E2.1	69	-
Losses from asset sales		77	-
<b>Total expenses</b>		<u>840,242</u>	<u>787,958</u>
<b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Revenue from contracts with customers	C2.1	84,664	21,675
Rental income	C2.2	1,987	3,456
Resources received free of charge	C2.3	1,364	9,571
<b>Total own-source revenue</b>		<u>88,015</u>	<u>34,702</u>
<b>Net cost of services</b>		<u>(752,227)</u>	<u>(753,256)</u>
Revenue from Government	C2.4	667,875	655,040
<b>Deficit on continuing operations</b>		<u>(84,352)</u>	<u>(98,216)</u>
<b>Total comprehensive loss</b>	B1	<u>(84,352)</u>	<u>(98,216)</u>

<sup>1</sup> Budget reported in the 2022-23 Portfolio Budget Statements published on 25 October 2022.

The above statement should be read in conjunction with the accompanying notes.  
As the Department was established on 1 July 2022, there are no prior year comparative results.



**Department of Employment and Workplace Relations**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2023*

		2023	Original Budget <sup>1</sup>
	Notes	\$'000	2023 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	E1.1	6,387	8,613
Trade and other receivables	E1.2	<u>300,433</u>	<u>322,708</u>
<b>Total financial assets</b>		<u>306,820</u>	<u>331,321</u>
<b>Non-financial assets</b>			
Buildings <sup>2</sup>	E2.1	239,456	301,479
Leasehold improvements	E2.1	33,434	-
Infrastructure, plant and equipment	E2.1	65,913	48,532
Computer software	E2.1	317,171	271,459
Prepayments		<u>25,932</u>	<u>22,030</u>
<b>Total non-financial assets</b>		<u>681,906</u>	<u>643,500</u>
<b>Total assets</b>		<u>988,726</u>	<u>974,821</u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Supplier payables		48,064	41,854
Other payables	E3.1	<u>12,198</u>	<u>251</u>
<b>Total payables</b>		<u>60,262</u>	<u>42,105</u>
<b>Interest bearing liabilities</b>			
Leases	E4.1	<u>258,999</u>	<u>319,301</u>
<b>Total interest bearing liabilities</b>		<u>258,999</u>	<u>319,301</u>
<b>Provisions</b>			
Employee provisions	H1.1	<u>127,137</u>	<u>137,209</u>
<b>Total provisions</b>		<u>127,137</u>	<u>137,209</u>
<b>Total liabilities</b>		<u>446,398</u>	<u>498,615</u>
<b>Net assets</b>		<u>542,328</u>	<u>476,206</u>
<b>EQUITY</b>			
Contributed equity		626,680	593,410
Accumulated deficit		<u>(84,352)</u>	<u>(117,204)</u>
<b>Total equity</b>		<u>542,328</u>	<u>476,206</u>

<sup>1</sup> Budget reported in the 2022-23 Portfolio Budget Statements published on 25 October 2022.

<sup>2</sup> Right-of-use (ROU) assets are included in the 'Buildings' line item.

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

As the Department was established on 1 July 2022, there are no prior year comparative results.

**Department of Employment and Workplace Relations**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the year ended 30 June 2023*

	Notes	2023 \$'000	Original Budget <sup>1</sup> 2023 \$'000
<b>CONTRIBUTED EQUITY</b>			
<b>Opening balance</b>			
Adjustments for changes in accounting policies		-	(41,914)
<b>Adjusted opening balance</b>		-	(41,914)
<b>Transactions with owners</b>			
Lapsed Capital <sup>2</sup>		(30,973)	-
Equity return <sup>3</sup>		(5,395)	-
<b>Contributions by owners</b>			
Equity injection - appropriations <sup>4</sup>		84,342	48,897
Departmental capital budget <sup>5</sup>		112,190	75,627
Restructuring <sup>6</sup>	J2.1	466,516	503,408
Other		-	7,392
<b>Total transactions with owners</b>		<b>626,680</b>	<b>635,324</b>
<b>Closing balance as at 30 June</b>		<b>626,680</b>	<b>593,410</b>
<b>ACCUMULATED DEFICIT</b>			
<b>Contributions by owners</b>			
Restructuring		-	(18,988)
<b>Adjusted opening balance</b>		-	(18,988)
<b>Comprehensive income</b>			
Deficit on continuing operations		(84,352)	(98,216)
<b>Closing balance as at 30 June</b>		<b>(84,352)</b>	<b>(117,204)</b>
<b>Total equity as at 30 June</b>		<b>542,328</b>	<b>476,206</b>

<sup>1</sup> Budget reported in the 2022-23 Portfolio Budget Statements published on 25 October 2022.

<sup>2</sup> These appropriations lapsed on 1 July 2023.

<sup>3</sup> Equity return includes \$2.721 million quarantined under section 51 in Supply Act (No. 2) 2022-23 and \$2.674 million quarantined under section 51 in Supply Act (No. 4) 2022-23.

<sup>4</sup> Equity injection includes \$35.455 million from restructuring note.

<sup>5</sup> Department capital budget includes \$28.161 million from the restructuring note.

<sup>6</sup> Restructuring excludes \$35.455 million (equity injection)<sup>3</sup> and \$28.161 million (departmental capital budget)<sup>4</sup> from restructuring note.

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

As the Department was established on 1 July 2022, there are no prior year comparative results.

**Department of Employment and Workplace Relations**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 30 June 2023*

	Notes	2023 \$'000	Original Budget <sup>1</sup> 2023 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		743,452	699,395
Sale of goods and rendering of services		68,714	19,703
Net GST received		36,731	11,649
Special Account		5,618	-
Other		1,987	5,543
<b>Total cash received</b>		<u>856,502</u>	<u>736,290</u>
<b>Cash used</b>			
Employee benefits		381,259	340,098
Suppliers		323,982	294,332
Grants		393	-
Section 74 receipts transferred to the OPA		80,883	11,873
Interest payments on lease liabilities		3,117	4,499
<b>Total cash used</b>		<u>789,634</u>	<u>650,802</u>
<b>Net cash from operating activities</b>		<u>66,868</u>	<u>85,488</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of infrastructure, plant and equipment		9	-
<b>Total cash received</b>		<u>9</u>	<u>-</u>
<b>Cash used</b>			
Purchase of property, plant and equipment		13,659	139,041
Purchase of leasehold improvements		6,590	-
Purchase/development of intangibles		87,507	-
<b>Total cash used</b>		<u>107,756</u>	<u>139,041</u>
<b>Net cash used by investing activities</b>		<u>(107,747)</u>	<u>(139,041)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity - restructure <sup>2</sup>		6,892	-
Contributed equity - equity injection		46,538	13,355
Contributed equity - departmental capital budget		57,131	124,524
<b>Total cash received</b>		<u>110,561</u>	<u>137,879</u>
<b>Cash used</b>			
Principal payments of lease liabilities		63,295	75,713
<b>Total cash used</b>		<u>63,295</u>	<u>75,713</u>
<b>Net cash from financing activities</b>		<u>47,266</u>	<u>62,166</u>
<b>Net increase in cash held</b>		<u>6,387</u>	<u>8,613</u>
Cash and cash equivalents at the beginning of the reporting period		-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	E1.1	<u>6,387</u>	<u>8,613</u>

<sup>1</sup> Budget reported in the 2022-23 Portfolio Budget Statements published on 25 October 2022.

<sup>2</sup> Balance of Student Identifiers Special Account transferred on 1 July 2023 from the restructuring note.

The above statement should be read in conjunction with the accompanying notes.  
As the Department was established on 1 July 2022, there are no prior year comparative results.

## Department of Employment and Workplace Relations BUDGET VARIANCES COMMENTARY for the year ended 30 June 2023

### Departmental Budget Variance Commentary

Commentary for significant variances between the department's original budget estimates, as published in the 2022-23 Portfolio Budget Statements on 25 October 2022, and the final outcome in the 2022-23 financial statements is below. Major variances are those relevant to an analysis of the department's performance, not merely on numerical differences between actual amounts and budget. Unless otherwise individually significant, no additional commentary has been included.

### Departmental financial result

In 2022-23, the department reported an operating deficit on continuing operations of \$84.4 million, against a budgeted deficit of \$98.2 million. After adjusting for the net cash appropriation items of unfunded depreciation and amortisation as well as principal repayments of leased assets, the department reported a net deficit of \$4.0 million against a budgeted deficit of nil. The deficit included additional costs of \$5.4 million incurred implementing the Machinery of Government change that established the department and was within the \$7.3 million operating loss for 2022-23 that received Finance Minister approval in the 2023-24 Budget process.

The department's total expenses of \$840.2 million are \$52.2 million more than the October budget of \$788.0 million, mainly due to an increase in employee benefits of \$50.6m, which has been recovered from an increase in cost recovery revenue. The increase of \$7.3 million in supplier expenses is primarily related to the expenses incurred implementing the Machinery of Government change that established the department.

Own source income of \$88.0 million is \$53.3 million more than budget of \$34.7 million. This variance is mainly due to a \$51.7 million in cost recoveries for the provision of shared services, and offsets the higher than budgeted employee expenses.

Revenue from Government is \$667.9 million, \$12.8 million higher than budget. This increase relates to adjustments in the 2023-24 budget relating to the Boosting Apprenticeship Commencements (BAC) and Completing Apprenticeship Commencements (CAC) Programs as well as \$6.9 million in revenue for the Student Identifiers Special Account that was included in "Other sources of non-taxation revenue" in the budget.

### Departmental financial position

As of 30 June 2023, the department's total equity is \$542.3 million, \$66.1 million higher than budget. This variance is a result of \$35.4 million in equity injections and \$28.2 million in departmental capital budget that transferred to the department following Machinery of Government changes. A \$41.9 million opening accumulated deficit was budgeted to transfer to the department following Machinery of Government changes but was subsequently retained by Education following final agreement on the transfer of assets and liabilities. This deficit is offset by a \$13.8 million variance between budgeted and actual deficits and \$31.0 million in lapsing appropriations.

The department reports cash and equivalents of \$6.4 million compared with \$8.6 million in the budget, which included the balance of the USI special account which is held in the Official Public Account as a cash balance.

\$300.4 million in trade and other receivables has been reported by the department, a reduction of \$22.3 million over the October budget of \$322.7 million. The decrease mainly relates to \$31.0 million in lapsing appropriations which is partially offset by an increase in receivables resulting from higher-than-expected use of cost recovery arrangements for shared services provided to the Department of Education.

The department holds \$681.9 million of non-financial assets, \$38.4 million more than the October budget of \$643.5 million. The increase reflects additional assets received through Machinery of Government changes.

The net value of right-of-use assets of \$239.5 million, and Lease Liabilities of \$259.0 million, are less than budgeted due to shorter than anticipated replacement leases being executed pending execution of new long term National Office leases.

Other departmental liabilities are in line with the original budget for 2022-23.

### Departmental statement of changes in equity

The budgeted statement of contributed equity was prepared prior to agreeing amounts to transfer under Machinery of Government changes. Final equity transfers more appropriately reflect the functions that transferred.

### Departmental cash flow statement

Variances in the schedule of comprehensive income and schedule of assets and liabilities were also reflected in the cash flow statement. The underlying causes are identical.

**Department of Employment and Workplace Relations**  
**ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2023*

**Administered Schedules**

		2023	Original Budget <sup>1</sup> 2023
	Notes	\$'000	\$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Grants	D1.1	148,315	259,115
Personal benefits	D1.2	210,409	344,928
Supplier	D1.3	1,991,483	2,325,413
Subsidies	D1.4	3,966,038	2,661,644
Impairment loss on financial assets		68	-
Write-down and impairment of assets		-	351,787
Payment to corporate Commonwealth entity - Comcare		-	5,897
Fair value losses	D1.5	125,757	-
<b>Total expenses</b>		<b>6,442,070</b>	<b>5,948,784</b>
<b>Income</b>			
<b>Revenue</b>			
<b>Taxation revenue</b>			
Levies - Coal Mining Industry (Long Service Leave Funding)		165,175	140,843
<b>Total taxation revenue</b>		<b>165,175</b>	<b>140,843</b>
<b>Non-taxation revenue</b>			
Revenue from contracts with customers	D2.1	57,014	-
Interest	D2.2	169,015	262,268
Other	D2.3	82,724	225,521
<b>Total non-taxation revenue</b>		<b>308,753</b>	<b>487,789</b>
<b>Total revenue</b>		<b>473,928</b>	<b>628,632</b>
<b>Gains</b>			
Fair value gains	D2.4	546,018	57,930
<b>Total gains</b>		<b>546,018</b>	<b>57,930</b>
<b>Total income</b>		<b>1,019,946</b>	<b>686,562</b>
<b>Net cost of services</b>		<b>(5,422,124)</b>	<b>(5,262,222)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Change in asset revaluation reserve		54,650	-
<b>Total other comprehensive income</b>		<b>54,650</b>	<b>-</b>
<b>Total comprehensive loss</b>		<b>(5,367,474)</b>	<b>(5,262,222)</b>

<sup>1</sup> Budget reported in the 2022-23 Portfolio Budget Statements published on 25 October 2022.  
The above schedule should be read in conjunction with the accompanying notes.  
As the Department was established on 1 July 2022, there are no prior year comparative results.

**Department of Employment and Workplace Relations**  
**ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES**  
*as at 30 June 2023*

	Notes	2023 \$'000	Original Budget <sup>1</sup> 2023 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	F1.1	9,742	9,495
Trade and other receivables	F1.2	4,588,718	3,797,357
Equity accounted investments	F1.3	360,946	335,185
<b>Total financial assets</b>		<b>4,959,406</b>	<b>4,142,037</b>
<b>Non-financial assets</b>			
Prepayments		5,956	7,003
<b>Total non-financial assets</b>		<b>5,956</b>	<b>7,003</b>
<b>Total assets administered on behalf of Government</b>		<b>4,965,362</b>	<b>4,149,040</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Personal benefits		1,913	1,964
Suppliers		101,196	158,017
Subsidies		30,357	57,058
Grants		33,152	844
Other payables	F2.1	2,032,127	1,951,329
<b>Total payables</b>		<b>2,198,745</b>	<b>2,169,212</b>
<b>Total liabilities administered on behalf of Government</b>		<b>2,198,745</b>	<b>2,169,212</b>
<b>Net assets</b>		<b>2,766,617</b>	<b>1,979,828</b>

<sup>1</sup> Budget reported in the 2022-23 Portfolio Budget Statements published on 25 October 2022.  
The above schedule should be read in conjunction with the accompanying notes.  
As the Department was established on 1 July 2022, there are no prior year comparative results.

**Department of Employment and Workplace Relations**  
**ADMINISTERED RECONCILIATION SCHEDULE**  
*for the year ended 30 June 2023*

	2023 \$'000
<b>Opening assets less liabilities as at 1 July</b>	-
<b>Net cost of services</b>	
Income	1,019,946
Expenses	
Other than corporate Commonwealth entities	(6,442,070)
Corporate Commonwealth entities	-
<b>Other comprehensive income</b>	
Revaluations transferred to reserves	54,650
<b>Transfers (to) from the Australian Government</b>	
Appropriation transfers from the OPA	
Annual appropriations	
Payments to entities other than corporate Commonwealth entities	6,003,020
Payments to corporate Commonwealth entities	-
Payments to entities other than corporate Commonwealth entities - GST	199,371
Special appropriations (unlimited)	
Payments to entities other than corporate Commonwealth entities	739,983
Special account	104
Appropriation transfers to the OPA	
Transfers to the OPA	(423,166)
GST transferred to OPA	(184,459)
Transfers to the OPA (withholdings)	-
Special appropriation receipts	(9,819)
Restructuring	1,791,948
Revaluation of Administered Investments	
Other movements	17,109
<b>Closing assets less liabilities as at 30 June</b>	<u><u>2,766,617</u></u>

**Administered Cash Transfers to and from the Official Public Account**

Revenue collected by the department for use by the Government rather than the department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the department on behalf of the Government and reported as such in the Schedule of Administered Cash Flows and in the Administered Reconciliation Schedule.

The above schedule should be read in conjunction with the accompanying notes.  
As the Department was established on 1 July 2022, there are no prior year comparative results.

**Department of Employment and Workplace Relations**  
**ADMINISTERED CASH FLOW STATEMENT**  
*for the year ended 30 June 2023*

	Notes	2023 \$'000	Original Budget <sup>1</sup> 2023 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Interest		341	87,709
Net GST refunds		184,459	135,989
Levies - Coal Mining Industry (Long Service Leave Funding) Corporation		165,175	140,843
Other revenue		163,693	182,921
<b>Total cash received</b>		<u>513,668</u>	<u>547,462</u>
<b>Cash used</b>			
Suppliers		2,056,492	2,325,619
Subsidies		3,966,008	2,661,644
Personal benefits		210,460	344,928
Grants		315,579	259,115
Payments to corporate Commonwealth entities		-	5,897
Net GST paid		-	135,989
Interest payments on lease liabilities		-	-
<b>Total cash used</b>		<u>6,548,539</u>	<u>5,733,192</u>
<b>Net cash used by operating activities</b>		<u>(6,034,871)</u>	<u>(5,185,730)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Repayments of loans		161,073	366,416
<b>Total cash received</b>		<u>161,073</u>	<u>366,416</u>
<b>Cash used</b>			
Loans provided		441,494	639,462
<b>Total cash used</b>		<u>441,494</u>	<u>639,462</u>
<b>Net cash used by investing activities</b>		<u>(280,421)</u>	<u>(273,046)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Other		-	15,229
<b>Cash used</b>			
Other		-	7,345
<b>Total cash used</b>		<u>-</u>	<u>7,884</u>
<b>Net cash used by financing activities</b>		<u>-</u>	<u>7,884</u>
<b>Net decrease in cash held</b>		<u>(6,315,292)</u>	<u>(5,450,892)</u>
<b>Cash from the Official Public Account</b>			
Appropriations		6,743,003	6,371,257
GST appropriations <sup>1</sup>		199,371	-
Special accounts		104	-
<b>Total cash from the Official Public Account</b>		<u>6,942,478</u>	<u>6,371,257</u>
<b>Cash to the Official Public Account</b>			
Administered Receipts		(423,166)	(910,870)
Return of GST appropriations		(184,459)	-
Special accounts - transferred in		(7,884)	-
Special accounts		(1,935)	-
<b>Total cash to the Official Public Account</b>		<u>(617,444)</u>	<u>(910,870)</u>
<b>Net increase/(decrease) in cash held</b>		<u>9,742</u>	<u>9,495</u>
Cash and cash equivalents at the beginning of the reporting period		-	-
<b>Cash at the end of the reporting period</b>	F1.1	<u>9,742</u>	<u>9,495</u>

<sup>1</sup> Budget reported in the 2022-23 Portfolio Budget Statements published on 25 October 2022.

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

As the Department was established on 1 July 2022, there are no prior year comparative results.



## **Department of Employment and Workplace Relations**

### **BUDGET VARIANCES COMMENTARY**

#### ***for the year ended 30 June 2023***

#### **Administered Budget Variance Commentary**

Commentary for significant variances between the department's original budget estimates, as published in the 2022-23 Portfolio Budget Statements on 25 October 2022, and the final outcome in the 2022-23 financial statements is below. Major variances are those relevant to an analysis of the department's administered performance, not merely on numerical differences between actual amounts and budget. Unless otherwise individually significant, no additional commentary has been included.

#### **Administered schedule of comprehensive income**

In 2022-23 the department administered \$6.4 billion in expenses on behalf of the Government, of which, \$4.0 billion (62%) comprised of subsidies paid and \$2.0 billion (31%) comprised of supplier costs.

The final outcome for apprenticeship incentives (Subsidies) paid was \$1.3 billion higher than the original budget for 2022-23. This was due to greater than expected payments for COVID-19-related wage subsidies available through the Australian Apprenticeships Incentive Program, driven by higher than forecast apprentice commencement and retention rates. A \$1 billion Material Estimates Variation was approved by the Department of Finance in May 2023.

The final outcome for suppliers was \$0.3 billion less than the original budget for 2022-23 principally due to lower than forecast expenditure on engagement payments by Workforce Australia (\$0.1 billion) Transition to Work (\$0.1 billion) Support for the National Training System (\$0.1 billion).

Personal benefits payments were \$0.1 billion less than forecast as a result of lower than expected demand for the Fair Entitlements Guarantee scheme due to lower than expected rates of business insolvency. Grant payments were \$0.15 billion less than the original budget for 2022-23 partially as a result of payments to Comcare being reclassified as "Grant Payments to Corporate Entities" in the 2023-24 budget, with 2022-23 actuals being recorded accordingly (\$0.05 billion). Grant Payments to Comcare were correspondingly over budget.

The department also administered \$1.0 billion in revenue on behalf of the Government. At the time of budget preparation, the fair values of the Trade Support Loans and Vocational Support Loans were estimated based upon data and actuarial assessment available at the time. The actual fair value at 30 June 2023 is based upon updated data, changes in the actuary's assessment, and in the Government bond rates used to discount future cash flows. This impacts on the amount recognised as fair value gains or losses, interest expense, loan fee revenue and interest revenue. Movements in administered investments, write-downs and impairments of assets and corresponding reversals of these items and act of grace payments are difficult to predict and consequently are not included in the budget estimates. No significant non-actuarial variances against the revenue budget were incurred during the year, however, reporting of Revenue from contracts with customers (Trades Recognition Australia) was treated as Other revenue for budget purposes, resulting in an apparent variance in both line items.

#### **Administered schedule of assets and liabilities**

As at 30 June 2023, assets administered on behalf of Government totalled \$5.0 billion compared to an original budget of \$4.1 billion. Administered assets are primarily comprised of loans provided under the Vocational Student Loans (VSL) and Trade Support Loans (TSL) programs, with a minority consisting of investments in Comcare and the Coal Mining Industry (Long Service Leave) scheme.

The variance when compared to the original budget for 2022-23 is primarily as a result of variations in the actuarial assessment of fair value of VSL and TSL loans.

The department also administered \$2.0 billion in liabilities under the Comcare scheme, which are slightly higher than anticipated at Budget. Other administered liabilities are in line with the original budget for 2022-23, with some insignificant variances in payables arising as a result of the timing of end of year payment runs.

#### **Administered cash flow statement**

Variances in the Administered schedule of comprehensive income and Administered schedule of assets and liabilities were also reflected in the Administered cash flow statement. The underlying causes are identical.

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

### Notes to the Financial Statements

#### A. About This Report

The Department of Employment and Workplace Relations (the department) is an Australian Government controlled not-for-profit entity. The department was established on 1 July 2022 in accordance with the Administrative Arrangement Orders issued on 1 June 2022.

The department's purpose is to support people to have safe, secure and well-paid work with the skills for a sustainable future.

The department supports its ministers through expert, evidence-based policy advice and the design and delivery of quality and sustainable policies and programs.

The Department conducts the following administered activities on behalf of the Government.

- Building Skills and Capability:
  - Enhance the quality of vocational education and training,
  - Respond to national future skills needs through access to VET graduates with the required skills,
  - Reduce barriers to undertaking quality vocational education and training.
  - Maintain the Universal Student Identifier registry
- VET Student Loans: Reduce barriers to undertaking quality vocational education and training.
- Employment Services:
  - Help job seekers find and keep a job,
  - Deliver high-quality and efficient services,
  - Support target groups to improve their work readiness and find employment.
  - Pacific Labour Mobility Scheme
- Workplace Relations and Support:
  - Fair Entitlements Guarantee
  - Comcare

#### The Basis of Preparation

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

The financial statements have been prepared in accordance with Division 4 of Part 2-3 of the PGPA Act *Rule 2014*, PGPA (Financial Reporting) *Rule 2015* (FRR) and the Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 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 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.

General disclosures to the financial statements are to one decimal place, except where appropriate to two decimal places to support disclosures.

#### Reporting of Administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Unless otherwise stated, 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 and Interpretations.

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

Tier 1 reporting requirements have been applied to administered disclosures in respect of AASB 7 *Financial Instrument: Disclosure* and AASB 13 *Fair Value Measurement*.

### Significant Accounting Judgements and Estimates

During the 2022-23 financial year, the department made a number of judgements and applied estimates that had an impact on the amounts recorded in the financial statements. Judgements and estimates that are material to the financial statements are found in the following notes:

- Employee Provisions (H1)
- Non-financial Assets (E2)
- Jobactive, Workforce Australia and Transition to Work accruals (D1.3 and D1.4)
- Vocational Student Loans (includes both VET Student Loans (VSL) and VET FEE-HELP (VFH) (D1.5 and F1.2)
- Trade Support Loans (D1.2, D1.5 and F1.2).

### New Australian Accounting Standards

#### *Adoption of new Australian Accounting Standard requirements*

New, revised, amending standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period, unless otherwise stated, do not have a material effect on the department's financial statements in 2022-23 or future years.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 2021 - amendments to Australian Accounting standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2)	<p>AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.</p> <p>The details of the changes in accounting policies and adjustments are disclosed below and in the relevant notes to the financial statements. This amending standard is not expected to have a material impact on the entity's financial statements for the current reporting period or future reporting periods.</p>

### Comparative information

No comparatives have been provided as this is the first year of the department's operations.

### Taxation

The department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

### Shared Service Arrangements

The department has established a memorandum of understanding with the Department of Finance, Service Delivery Office, for the provision of shared services arrangements. The department receives core transactional services from the Department of Finance. The department also receives grant hub support from the Department of Social Services (DSS), payment support from Services Australia, and grant hub support from Department of Industry, Science and Resources (DISR).

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

### Changes in Accounting Policy

The department has implemented new accounting policies that it has determined are appropriate given the operating environment of the department, following reference to similar organisations.

### Section 83 of the Constitution

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund (CRF) except under appropriation made by law.

The department has primary responsibility for administering legislation related to skills, employment and workplace relations. The department made payments totalling \$740.0 million against Special Appropriations during 2022-23 (refer G1.4). Payments are administered by both the department through the Service Delivery Office for the *VET Students Loans Act 2016*, and *Trade Support Loans Act 2014*, and via Services Australia for payments under *A New Tax System (Family Assistance) Administration Act 1999*.

If an overpayment occurs, a breach of section 83 could result despite future payments being adjusted to recover the overpayment. In addition, simple administrative errors can lead to breaches of section 83. Due to the number of payments made, the reliance that must be placed on other control frameworks outside the department, and the complexities of the legislation governing these payments, the risk of a section 83 breach cannot be fully mitigated.

Certain legislation administered by the department contains specific or objective criteria that rely on information from recipients and provides for the recovery of overpayments which are actively managed.

The department administers 6 pieces of legislation, with Special Appropriations involving statutory requirements for payments (See Note G1.4).

The department is committed to implementing measures to ensure that the possibility of unintentional breaches of section 83 has as low a financial risk and impact as possible.

The department will continue to review legislation and New Policy Proposals that create or modify payment eligibility and to ensure that business rules and processes are in place to minimise the risk of breaches of section 83 of the Constitution.

Employers pay a levy to the Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL), as an agent for the Commonwealth, which amounts are credited to the Consolidated Revenue Fund (CRF). The department reports the levy payments collected by Coal LSL as the Commonwealth's agent and appropriates amounts equivalent to the levy from the CRF back to Coal LSL, which then pays the amounts into the Coal Mining Industry (Long Service Leave) Fund.

Coal LSL has identified it may have mistakenly received levy payments from entities that do not meet the definition of 'employer' for the purposes of the Coal Mining Industry (Long Service Leave) Administration Act 1992. If so, payment of amounts equivalent to the levy by the department to Coal LSL in relation to those entities would likely have been made in contravention of s 83 of the Constitution. Coal LSL has assured the department that it is conducting further investigations to confirm how many entities may have incorrectly paid levy and quantify any corresponding amounts that have been paid by the Commonwealth without a valid appropriation.

### Events after the Reporting Period

The following appropriations lapsed unspent on 1 July 2023:

	\$'000
Appropriation Act (No. 1) 2020-21 (Departmental)	9,431
Appropriation Act (No. 2) Equity Injection 2020-21 (Departmental)	21,542
Supply Act (No. 1) 2020-21 (Administered)	1,879,724
Appropriation Act (No. 1) 2020-21 (Administered)	6,590
Appropriation Act (No. 3) 2020-21 (Administered)	230,559

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

<b>B. Departmental Operating Result Reconciliation</b>	
<b>B1: Net Cash Appropriation Arrangements</b>	
	2023 \$'000
<b>Total comprehensive loss - as per the Statement of Comprehensive Income</b>	<b>(84,352)</b>
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	<b>87,942</b>
Plus: depreciation of right-of-use assets <sup>1</sup>	<b>55,299</b>
Less: lease principal repayments <sup>2</sup>	<u><b>(62,887)</b></u>
<b>Net Cash Operating Deficit</b>	<u><b>(3,998)</b></u>

<sup>1</sup> The inclusion of depreciation/amortisation expenses related to Right-of-Use (ROU) leased assets and the lease liability principal repayment amount reflects the impact of *AASB 16 Leases*, and does not directly reflect a change in appropriation arrangements.

<sup>2</sup> This is the total amount of repayments that occurred during the year 2022-23.

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

**C. Departmental Financial Performance**

**C1: Expenses**

	2023
<b>C1.1: Employee benefits</b>	<b>\$'000</b>
Salaries and wages	280,294
Superannuation:	
Defined benefit plans	22,115
Defined contribution plans	35,037
Leave and other entitlements	48,419
Separations and redundancies	461
Other	1,488
<b>Total employee benefits</b>	<b>387,814</b>

The accounting policies for employee benefits are described in note H1.1.

**C1.2: Supplier**

<b>Goods and services supplied or rendered</b>	
Consultants and contractors	171,043
IT services	66,761
Managed services	25,406
Other	20,318
Property operating expenses	14,006
Travel	5,838
Audit fees	885
Resources received free of charge	479
<b>Total goods and services supplied or rendered</b>	<b>304,736</b>
Goods supplied	23,335
Services rendered	281,401
<b>Total goods and services supplied or rendered</b>	<b>304,736</b>
<b>Other supplier expenses</b>	
Workers compensation expenses	790
<b>Total other supplier expenses</b>	<b>790</b>
<b>Total supplier expenses</b>	<b>305,526</b>

The department does not recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

<b>C2: Income</b>		<b>2023</b>
		<b>\$'000</b>
<b><u>C2.1: Revenue from contracts with customers</u></b>		<b>84,664</b>
Rendering of services		<u>84,664</u>
<b>Total revenue from contract with customers</b>		<b><u>84,664</u></b>

Revenue from the sale of goods is recognised when control has been transferred to the buyer.

The department recognises revenue when the performance obligations are required by an enforceable contract and are sufficiently specific to enable the department to identify when they have been satisfied. The majority of the departmental revenues are specified in legally enforceable contracts or Memorandum of Understandings (MoUs) where it is reasonable to expect that parties will act on their obligations and there are consequences for non-performance.

Revenue from contracts with customers is recognised either:

- At a point in time, where the ownership or control of the goods or services is passed to the customer at a specific time; or
- Over time where the services are provided and consumed simultaneously, or the department has an enforceable right to payment for performance completed to date.
- Contract liabilities associated with contracts are recognised in unearned income, refer note E3.1.

The principal activities from which the department generates its revenue include:

- Revenue from services - such as Trades Recognition Australia, audio visual services and the National Customer Service line. Trades Recognition Australia revenue is received and recognised at the point in time when an application is lodged. Audio visual services revenue is recognised once the services specified in the individual agreements are satisfied. The remaining service revenue is received in advance and recognised over the period to which it relates.
- Services specifically to other Government departments, including corporate services, property and IT services. These agreements are mostly MoUs which include terms that are sufficiently specific as to the services to be provided and revenue is recognised at the point in time when those requirements have been satisfied. For agreements with fixed annual fees where the services are provided across the period, the revenue is recognised over the relevant period. It is unlikely that this revenue will be subject to refunds.

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

	2023
<b><u>C2.2: Rental income</u></b>	<b>\$'000</b>
Subleasing right-of-use assets	1,987
<b>Total rental income</b>	<b>1,987</b>

The department has sub-leases for commercial properties with other government agencies. Due to the nature of these arrangements the risk associated with any rights it retains in the underlying asset is low.

The following table sets out a maturity analysis of lease payments from sub-leasing arrangements to be received in the future. The amounts are undiscounted.

<b>Maturity analysis of operating lease income receivables</b>	
Within 1 year	4,694
One to two years	3,526
<b>Total undiscounted operating lease payments receivable</b>	<b>8,220</b>

**C2.3: Resources received free of charge**

Australian Taxation Office collection of revenues on behalf of the department	432
Australian National Audit Office financial statement audit fees	885
Other	47
<b>Total resources received free of charge</b>	<b>1,364</b>

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined, and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Other gains include incidental transactions and events outside of ordinary operations such as contributions of assets at no cost or for nominal consideration recognised at their fair value when the asset qualifies for recognition and reversals of provisions.

**C2.4: Revenue from Government**

Appropriations	
Departmental appropriations	662,257
Special Account	5,618
<b>Total revenue from Government</b>	<b>667,875</b>

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Appropriated amounts that are designated as equity injections (less any formal reductions) and the departmental capital budget are recognised directly in contributed equity in that year.



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

**D. Administered Financial Performance**

**D1: Expenses**

	2023
	\$'000
<b><u>D1.1: Grants</u></b>	
<b>Grants</b>	
Australian Government entities (related entities)	50,604
Not-for-profit organisations	85,132
Private sector	12,579
<b>Total grants</b>	<b>148,315</b>

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:

- the services required to be performed by the grantee have been performed; or
- 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 and subsidies, but services have not been performed or criteria satisfied.

**D1.2: Personal benefits**

<i>Fair Entitlements Guarantee Act 2012</i> payments	125,809
Labour market assistance to job seekers and industry	61,329
Vocational and industry training	19,826
Trade support loans discount	3,445
<b>Total personal benefits</b>	<b>210,409</b>

The department administers personal benefit programs on behalf of the Government that provide entitlements to individuals. Payments are determined in accordance with the *Fair Entitlements Guarantee ACT 2012* and funding agreements for the New Enterprise Incentive Scheme and Youth Jobs PaTH under jobactive and Workforce Australia. The Trade Support Loans discount represents the value of the discount that applies on successful completion of the apprenticeship as assessed by the Australian Government Actuary on new debt.

**D1.3: Supplier**

<b>Services rendered</b>	
Provider services	1,579,900
Vocational and industry training	411,492
Other	91
<b>Total services rendered</b>	<b>1,991,483</b>
<b>Total supplier expenses</b>	<b>1,991,483</b>

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

	2023
<b><u>D1.4: Subsidies</u></b>	<b>\$'000</b>
Vocational and industry training	3,733,355
Coal Mining Industry (LSL Funding) Corporation	164,078
Labour market assistance to job seekers and industry	68,605
<b>Total subsidies</b>	<b>3,966,038</b>

The Workforce Australia and Transition to Work accruals for Supplier and Subsidies expense, including training, relocation, career transition assistance and provider charges, representing payments to providers and individuals that the Department is liable for in the 2022/23 year but has not yet paid, have been reviewed by an independent actuary.

**D1.5: Fair value losses**

Vocational student loans	89,299
Comcare Payable	36,458
<b>Total fair value losses</b>	<b>125,757</b>

As at 30 June 2023, the Australian Government Actuary estimated the fair value of the vocational student loans to be \$3.6 billion (Note F1.2 refers), applying an interest rate of between 3.7% and 5.0% depending upon age of debt.

The decrease of the estimated fair value of the vocational student loans takes into account the net movement of new loans and repayments made during 2022-23; unwinding of the concessional loan discount and actuarial impairment / fair value adjustments.

This note should be read in conjunction with notes D2.4 and F1.2.

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

**D2: Income**

	2023
<b><u>D2.1: Revenue from contracts with customers</u></b>	<b>\$'000</b>
Rendering of services	57,014
<b>Total revenue from contracts with customers</b>	<b>57,014</b>

All administered revenues relate to ordinary activities performed by the department on behalf of the Australian Government.

Administered revenue recognised is primarily from Trades Recognition Australia assessments. Trades Recognition Australia revenue is recognised when applications are received, in 2022-23 this was \$57 million.

**D2.2: Interest**

Vocational student loans	169,015
<b>Total interest</b>	<b>169,015</b>

Interest revenue is recognised using the effective interest method.

**D2.3: Other revenue**

<i>Fair Entitlements Guarantee Act 2012</i> recoveries	50,897
Refunds of prior year payments	22,076
Vocational student loans	8,869
Loan fee revenue	882
<b>Total other revenue</b>	<b>82,724</b>

Refunds of prior year payments and other revenue are recognised under AASB 1058. Refunds of prior year payments may include items such as repayments of grants that were not spent by the grantee. These amounts are recognised when received, however are then returned to the Consolidated Revenue Fund.

**D2.4: Fair value gains**

VET Fee Help loans	463,392
Trade support loans	82,626
<b>Total fair value gains</b>	<b>546,018</b>

The actuarial assessment resulted in a fair value gain for VET FEE HELP loans of \$463.4 million in 2022-23. As at 30 June 2023, the Australian Government Actuary estimated the fair value of the Trade Support Loans to be \$908.4 million (Note F1.2 refers), applying an interest rate of 4.0%.

The increase of the estimated fair value takes into account the net movement of new loans and repayments made during 2022-23, completion discount; unwinding of concessional loans and actuarial impairment / fair value adjustments.

This note should be read in conjunction with notes D1.5 and F1.2.

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

**E. Departmental Financial Position**

**E1: Financial Assets**

	2023
	\$'000
<b><u>E1.1: Cash and cash equivalents</u></b>	<b>5,727</b>
Cash on hand or on deposit	660
Cash held in the OPA - special account	5,727
<b>Total cash and cash equivalents</b>	<b>6,387</b>
Cash is recognised at its nominal amount. Cash includes; demand deposits in bank accounts, and cash in special accounts.	
<b><u>E1.2: Trade and Other Receivables</u></b>	
<b>Goods and services receivable</b>	
Goods and services	37,479
<b>Total goods and services receivable</b>	<b>37,479</b>
<b>Appropriations receivable</b>	
Operating annual appropriations	193,107
Departmental capital budget	55,059
Equity injections	10,867
<b>Total appropriations receivable</b>	<b>259,033</b>
<b>Other receivables</b>	
GST receivable from the Australian Taxation Office	4,093
<b>Total other receivables</b>	<b>4,093</b>
<b>Total trade and other receivables (gross)</b>	<b>300,605</b>
<b>Less expected credit loss</b>	<b>(172)</b>
<b>Total trade and other receivables (net)</b>	<b>300,433</b>

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due, less any impairment allowance account.

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

**E2: Non-Financial Assets**

**E2.1: Reconciliation of the opening and closing balances of buildings, lease improvements, infrastructure, plant and equipment and computer software**

	Buildings \$'000	Leasehold improvements \$'000	Infrastructure, plant and equipment \$'000	Computer software \$'000	Total \$'000
<b>As at 1 July 2022</b>					
Gross book value	-	-	-	-	-
Accumulated depreciation, impairment and amortisation	-	-	-	-	-
<b>Net value as at 1 July 2022</b>	-	-	-	-	-
<b>Additions</b>					
By purchase	-	6,590	13,599	-	20,189
By development	-	-	-	111,304	111,304
By restructuring	461,504	49,633	80,815	495,177	1,087,129
Reclassification	-	(16)	1,004	(988)	-
Impairments - Gross Value	-	-	(191)	(365)	(556)
Impairments - Accumulated Depreciation	-	-	183	304	487
Write-down and impairment recognised in net cost of services	-	-	(8)	(61)	(69)
Depreciation and amortisation	-	(13,734)	(14,302)	(59,906)	(87,942)
Depreciation on right-of-use assets	(55,299)	-	-	-	(55,299)
Other movements of right-of-use assets	(9,911)	-	-	-	(9,911)
Restructuring	(156,838)	(9,039)	(15,169)	(228,355)	(409,401)
Disposals - Gross Value	-	-	(250)	-	(250)
Disposals - Accumulated Depreciation	-	-	224	-	224
Disposals	-	-	(26)	-	(26)
<b>Net value as at 30 June 2023</b>	<b>239,456</b>	<b>33,434</b>	<b>65,913</b>	<b>317,171</b>	<b>655,974</b>
<b>Net value as at 30 June 2023 represented by</b>					
Gross book value	451,593	56,207	94,977	605,128	1,207,905
Accumulated depreciation, impairment and amortisation	(212,137)	(22,773)	(29,064)	(287,957)	(551,931)
<b>Net value as at 30 June 2023</b>	<b>239,456</b>	<b>33,434</b>	<b>65,913</b>	<b>317,171</b>	<b>655,974</b>
<b>Carrying amount of right-of-use assets</b>	<b>239,456</b>	-	-	-	<b>239,456</b>

Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of non-financial assets are recognised initially at cost in the statement of financial position, except for purchases costing less than the asset capitalisation thresholds. All assets in the desktop hardware class (desktops and laptops) are to be capitalised regardless of value. Purchases below the threshold 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 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 the 'restoration' recognised.

The asset thresholds and useful lives for leasehold improvements, infrastructure, plant and equipment and computer software are:

## Department of Employment and Workplace Relations

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

Asset class	2023 Useful life	2023 Threshold
Leasehold improvements	Lease term	\$50,000
Infrastructure, plant and equipment	3-25 years	\$5,000
Bulk IT assets	4 years	\$50,000
Computer software	2-15 years	\$200,000
Buildings (right of use assets)	Term of lease	Nil.

#### Impairment

All assets were assessed for impairment at 30 June 2023. 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 of disposal 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.

#### Depreciation

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

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

Depreciation rates applying to each class of depreciable asset are based on the above mentioned useful lives.

#### Leasehold improvements

Two lease properties from the Attorney General's Department (AGD) were transferred to the department on 4 August 2022 with a Net Book Value (NBV) of \$3.41 million combined. There are no leased properties that the department manages that are due to expire within the next 12 months that have leasehold improvement assets. All leasehold improvements are queried for indicators of impairment with nil identified.

#### Infrastructure, plant and equipment

No material amounts of infrastructure, plant and equipment are expected to be sold or disposed of within the next 12 months. All infrastructure, plant and equipment are assessed for impairment and nil impairment was recognised in 2022-23.

#### Intangibles

The department's intangibles comprise of purchased and internally developed software for internal use. These asset are carried at cost less accumulated depreciation or accumulated impairment losses. No material amounts of computer software are expected to be sold or disposed of within the next 12 months.

All computer software assets were reviewed for indicators of impairment, 64 software in-use assets have been identified as no longer in use and have been derecognised from the Department's Asset Register.

#### Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

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

Revaluations

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

<b>Asset Class</b>	<b>Fair value measurement</b>
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent 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. This volatility is assessed before the end of each reporting period.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

In 2022-23, the Department engaged JLL Pty Ltd to undertake a desktop review of the tangible asset base as at 31 March 2023. The department concurred with the materiality review of the report, which concluded that given a full valuation was conducted by JLL Pty Ltd to assess fair values of those assets owned by the Department of Education, Skills and Employment as at 30 June 2021, there was no risk of material misstatement. The risk of potential for a material difference between carrying amounts and fair value measurements is considered low.

Contractual commitments for the acquisition of property, plant and equipment, and intangible assets

As at 30 June 2023, DEWR does not have any contractual commitments for the acquisition of property, plant and equipment, and intangible assets.

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

<b>E3: Payables</b>		<b>2023</b>
<b>E3.1: Other payables</b>		<b>\$'000</b>
Wages and salaries		<b>9,998</b>
Unearned revenue from contracts with customers		<b>338</b>
Superannuation		<b>1,653</b>
Other employee benefits		<b>209</b>
<b>Total other payables</b>		<b>12,198</b>
<b>E4: Interest Bearing Liabilities</b>		<b>2023</b>
<b>E4.1: Leases</b>		<b>\$'000</b>
Lease Liabilities		<b>258,999</b>
<b>Total leases</b>		<b>258,999</b>

Total cash outflow for leases including interest for the year ended 30 June 2023 was \$66.4 million.

**Maturity analysis - contractual undiscounted cash flows**

Within 1 year	<b>60,359</b>
Between 1 to 5 years	<b>147,380</b>
More than 5 years	<b>63,576</b>
<b>Total leases</b>	<b>271,315</b>

For all new contracts entered into, the department considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

The department has a large and geographically dispersed building lease portfolio.

The majority of the lease liability balance relates to commercial properties which are typically long term and contain extension options. Where practicable, the department seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the department and not by the lessors. The department assesses whether it is reasonably certain to exercise the extension options. The department in its capacity as lessee has no lease arrangements with below market terms.



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

**F. Assets and Liabilities Administered on behalf of Government**

**F1: Administered - Financial Assets**

	2023
	\$'000
<b><u>F1.1: Cash and cash equivalents</u></b>	
Cash on hand or on deposit	27
Cash held in the OPA - special accounts	9,715
<b>Total cash and cash equivalents</b>	<b>9,742</b>

Cash is recognised at its nominal amount. Cash includes; demand deposits in bank accounts, and cash in special accounts. No cash amounts are held in trust.

**F1.2: Trade and Other Receivables**

**Goods and services receivable**

Goods and services receivable 255,043

**Total goods and services receivable** **255,043**

**Advances and loans**

Vocational student loans 3,638,564

Trade Support Loans 908,400

**Total advances and loans** **4,546,964**

**Other receivables**

GST receivable 7

**Total other receivables** **7**

**Total trade and other receivables (gross)** **4,802,014**

**Less impairment loss**

Goods and services receivable (213,296)

**Total impairment loss** **(213,296)**

**Total trade and other receivables (net)** **4,588,718**

Where 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.

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

In the determination of the fair value of these loans, consideration is given to: projections of future income of debtors; pattern and timing of repayments; changes in legislation; the recoverability of concessional debt; yield curve for discounting future cash flows and the impact of COVID-19 on the economy and future income levels which has been concluded as highly uncertain and will evolve over time. Only measures that have been legislated are incorporated into the estimates for financial statement reporting purposes.

VET Student Loans is an income contingent loan program to eligible students undertaking vocational education and training in eligible courses. It is administered under the *VET Student Loans Act 2016*.

The Australian Taxation Office collects repayment of these debts through the tax system.

The Australian Government Actuary has developed a microsimulation model to provide estimates of a number of financial measures related to these receivables, including an estimate of the debt that is not expected to be repaid. Significant judgements, estimates and assumptions are re-evaluated for each reporting period in light of historical experience, new loan schemes and changes to reasonable expectations of future events.

VET FEE-HELP (VFH) was introduced in 2009 following an expansion of HELP. VFH was closed to new students on 31 December 2016 with a grandfathering provision for continuing students.

The VET Student Loans program commenced on 1 January 2017 and provides income contingent loans to eligible students undertaking vocational education and training in eligible courses. The Australian Government Actuary has developed a model to provide a number of financial measures related to the receivable, including an estimate of debt not expected to be repaid.

The Trade Support Loans program is an income contingent loan scheme that came into effect during 2014-15 to assist apprentices with costs of living while training towards their qualification. The Australian Government Actuary has taken into consideration the debt not expected to be repaid due to compulsory thresholds not being met, the deferral adjustment and the discount arising upon the successful completion of the apprenticeship.

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

	2023 \$'000
<b><u>F1.3: Equity accounted investments</u></b>	
<b>Investments in associates:</b>	
Coal Mining Industry (Long Service Leave Funding) Corporation	336,485
Comcare	<u>24,461</u>
<b>Total equity accounted investments</b>	<b><u>360,946</u></b>
<p>The principal activities of each of the entity's administered investments were as follows:</p> <ul style="list-style-type: none"> <li>• Comcare – A work health and safety regulator, a scheme manager, a claims manager and an insurer.</li> <li>• Coal Mining Industry (Long Service Leave Funding) Corporation – To regulate and manage long service leave entitlements on behalf of employees and employers</li> </ul> <p>Administered investments are measured at their fair value as at 30 June 2023. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities.</p> <p>Movements between years are recognised at fair value through other comprehensive income. In 2022-23 the increase was \$54.7 million.</p>	
<b><u>F1.4: Concessional loans</u></b>	
<b>2023 \$'000</b>	
<b>Vocational student loans</b>	
Nominal value	7,422,833
Unexpired discount	(289,508)
Impairment	<u>(3,494,760)</u>
<b>Carrying amount</b>	<b><u>3,638,565</u></b>
<b>Trade support loans</b>	
Nominal value	1,100,100
Unexpired discount	(48,800)
Impairment	<u>(142,900)</u>
<b>Carrying amount</b>	<b><u>908,400</u></b>
<b>Total concessional loans</b>	<b><u>4,546,965</u></b>

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

**F2: Payables**

**F2.1: Other payables**

Comcare payables <sup>1, 2</sup>	<u>2,032,127</u>
<b>Total other</b>	<b><u>2,032,127</u></b>

Comcare as a corporate Commonwealth entity administers a range of compensation schemes on behalf of the Commonwealth, and is indemnified for claims incurred by the Commonwealth.

<sup>1</sup> The amount payable by the Commonwealth to Comcare for:

- workers' compensation claims resulting from injuries that occurred prior to 1 July 1989, referred to as 'pre premium' claims;
- workers' compensation claims resulting from injuries that have occurred since 1 July 1989, referred to as 'premium' claims; and
- the management of asbestos-related personal injury common law disease claims against the Commonwealth.

<sup>2</sup> Comcare payables are non-current in nature.

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

**G. Funding  
G1: Appropriations**

**Annual Appropriations for 2023**

	Annual Appropriation \$'000	Adjustments to appropriation - \$75 transfers <sup>4</sup> \$'000	Adjustments to appropriation - \$74 receipts \$'000	Total appropriation \$'000	Appropriation applied in 2023 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
<b>Departmental</b>						
Ordinary annual services	406,808	255,920	80,883	743,611	(742,791)	820
Capital Budget <sup>2</sup>	60,627	23,402	-	84,029	(57,131)	26,898
Other services						
Equity Injections <sup>3</sup>	39,354	9,543	-	48,897	(46,538)	2,359
<b>Total departmental</b>	<b>506,789</b>	<b>288,865</b>	<b>80,883</b>	<b>876,537</b>	<b>(846,460)</b>	<b>30,077</b>
<b>Administered</b>						
Ordinary annual services						
Administered items	4,085,153	2,104,770	10,723	6,200,646	(6,013,749)	186,897
Other services						
Payments to corporate Commonwealth entities	5,897	-	-	5,897	(5,897)	-
<b>Total administered</b>	<b>4,091,050</b>	<b>2,104,770</b>	<b>10,723</b>	<b>6,206,543</b>	<b>(6,019,646)</b>	<b>186,897</b>

<sup>1</sup> The departmental variance is made up of movement in cash, GST receivable, quarantining of current year appropriations and appropriations receivable. The administered variance represent the movement in the balance of appropriations, Section 75 transfers of prior year appropriation, quarantining of current year appropriations, and cash spent from the balance of prior year appropriations.

<sup>2</sup> Departmental Capital Budgets are appropriated through Appropriation Acts (No.1 & 3). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

<sup>3</sup> Equity Injections are appropriated through Appropriation Acts (No.2 & 4). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

<sup>4</sup> As part of Machinery of Government changes, annual appropriation amounts in previous years were transferred from the Attorney - General's Department and Department of Education. The current year transfers were included in the ordinary annual services through the Portfolio Budget Statements processes .

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

	2023 \$'000
<b><u>G1.2: Departmental - Unspent annual appropriations ('recoverable GST exclusive')</u></b>	
<i>Appropriation Act (No. 1) 2020-21<sup>1</sup></i>	9,431
<i>Appropriation Act (No. 2) Equity Injection 2020-21<sup>2</sup></i>	21,542
<i>Appropriation Act (No. 4) Equity Injection 2020-21</i>	-
<i>Appropriation Act (No. 1) 2021-22<sup>3</sup></i>	72,156
<i>Appropriation Act (No. 1) Departmental Capital Budget 2021-22</i>	-
<i>Appropriation Act (No. 2) Equity Injection 2021-22</i>	-
<i>Appropriation Act (No. 3) Departmental Capital Budget 2021-22</i>	-
<i>Appropriation Act (No. 1) 2022-23<sup>4</sup></i>	46,651
<i>Appropriation Act (No. 1) Departmental Capital Budget 2022-23</i>	-
<i>Appropriation Act (No. 2) Equity Injection 2022-23</i>	-
<i>Supply Act (No. 1) 2022-23</i>	-
<i>Supply Act (No. 1) Departmental Capital Budget 2022-23</i>	12,851
<i>Supply Act (No. 2) Equity Injection 2022-23<sup>5</sup></i>	6,571
<i>Supply Act (No. 3) 2022-23<sup>6</sup></i>	31,298
<i>Supply Act (No. 3) Departmental Capital Budget 2022-23</i>	37,586
<i>Supply Act (No. 4) Equity Injection 2022-23<sup>7</sup></i>	9,691
<i>Appropriation Act (No. 3) 2022-23</i>	51,156
<i>Appropriation Act (No. 3) Departmental Capital Budget 2022-23</i>	4,622
<i>Cash at bank</i>	660
<b>Total unspent annual appropriations</b>	<b><u>304,215</u></b>

The following amounts are included in unspent appropriations and those appropriations were lapsed on 1 July 2023. They have been removed from appropriation receivable balance at Note E1.2:

<sup>1</sup> This appropriation was repealed on 1 July 2023.

<sup>2</sup> This appropriation was repealed on 1 July 2023.

The following amounts have been reduced by permanent quarantine under s51 of the PGPA Act which constitutes a permanent loss of control. They are included in this note, but do not form part of the appropriation receivable balance at Note E1.2:

<sup>3</sup> This appropriation includes a quarantine amount of \$7.682 million, but legally available at 1 July 2022.

<sup>4</sup> This appropriation includes a quarantine amount of \$0.322 million, but legally available at 1 July 2022.

<sup>5</sup> This appropriation includes a quarantine amount of \$2.721 million, but legally available at 1 July 2022.

<sup>6</sup> This appropriation includes a quarantine amount of \$0.149 million, but legally available at 1 July 2022.

<sup>7</sup> This appropriation includes a quarantine amount of \$2.674 million, but legally available at 1 July 2022.

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

	2023 \$'000
<b><u>G1.3: Administered - Unspent annual appropriations ('recoverable GST exclusive')</u></b>	
<i>Supply Act (No. 1) 2020-21<sup>1</sup></i>	6,590
<i>Appropriation Act (No. 1) 2020-21<sup>2</sup></i>	1,879,724
<i>Appropriation Act (No. 3) 2020-21</i>	230,559
<i>Appropriation Act (No. 1) 2021-22<sup>3</sup></i>	665,207
<i>Appropriation Act (No. 3) 2021-22</i>	12,401
<i>Supply Act (No. 1) 2022-23</i>	113
<i>Supply Act (No. 3) 2022-23</i>	170,600
<i>Appropriation Act (No. 1) 2022-23<sup>4</sup></i>	16,353
<i>Appropriation Act (No. 3) 2022-23</i>	380,837
<b>Total unspent annual appropriations</b>	<b><u>3,362,384</u></b>

<sup>1</sup> The balance of appropriation includes a quarantine amount of \$4.792 million.

<sup>2</sup> The balance of appropriation includes a quarantine amount of \$8.552 million.

<sup>3</sup> The balance of appropriation includes a quarantine amount of \$49.135 million.

<sup>4</sup> The balance of appropriation includes a quarantine amount of \$1.429 million.

**G1.4: Special appropriations applied ('recoverable GST exclusive')**

<i>Trade Support Loans Act 2014, section 104</i>	200,263
<i>VET Student Loans Act 2016, section 115</i>	234,833
<i>Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005</i>	11,962
<i>Coal Mining Industry (Long Service Leave) Administration Act 1992</i>	142,429
<i>Fair Entitlements Guarantee Act 2012</i>	127,363
<i>Safety, Rehabilitation and Compensation Act 1988</i>	23,133
<b>Total special appropriations applied</b>	<b><u>739,983</u></b>

<sup>1</sup> Payments made under s77 of the Public Governance, Performance and Accountability Act 2013 were \$nil (nil transactions).

**G1.5: Disclosure by agent in relation to annual and special appropriations ('recoverable GST exclusive')**

The department had drawing rights for the National Indigenous Australians Agency (NIAA) administered annual appropriation for the community development program; payments were \$442.5 million.

The department had drawing rights for the Department of Finance (DoF) administered annual appropriation for the Parliamentary Injury Compensation Scheme program; payments were \$0.2 million.

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

**G2: Special Accounts**

**G2.1: Special Accounts ('Recoverable GST exclusive')**

	Student Identifiers Special Account <sup>1</sup>	VSL Tuition Protection Fund <sup>2</sup>
	2023	2023
	\$'000	\$'000
<b>Balance as at 1 July (represented by cash held in the OPA) made up of:</b>		
Departmental cash held in the OPA		
Administered cash held in the OPA		
<b>Balance as at 1 July</b>	<u>-</u>	<u>-</u>
<b>Increases</b>		
<b>Departmental</b>		
Restructuring	6,892	
Appropriation credited to special account	3,042	
Receipts	-	
<b>Total Departmental increases</b>	<u>9,934</u>	<u>-</u>
<b>Administered</b>		
Restructuring		7,884
Appropriation credited to special account <sup>1</sup>	5,618	
Receipts		1,935
<b>Total Administered increases</b>	<u>5,618</u>	<u>9,819</u>
<b>Total increases</b>	<u>15,552</u>	<u>9,819</u>
<b>Available for payments</b>	<u>15,552</u>	<u>9,819</u>
<b>Decreases</b>		
<b>Departmental</b>		
Payments made	(4,207)	-
<b>Total Departmental decreases</b>	<u>(4,207)</u>	<u>-</u>
<b>Administered</b>		
Payments made <sup>1</sup>	(5,618)	(104)
<b>Total Administered decreases</b>	<u>(5,618)</u>	<u>(104)</u>
<b>Total decreases</b>	<u>(9,825)</u>	<u>(104)</u>
<b>Balance represented by:</b>		
Departmental cash held in the OPA	5,727	-
Administered cash held in the OPA	-	9,715
<b>Balance as at 30 June</b>	<u>5,727</u>	<u>9,715</u>

<sup>1</sup> Expenditure associated with administered appropriations in the Student Identifiers Special account was paid from departmental bank accounts. There were consequently no administered cash flow events arising from Student Identifiers Special account expenditure.



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

<b>Special Account</b>	<b>Establishing Instrument</b>	<b>Purpose</b>
<sup>1</sup> Student Identifiers Special Account (combined departmental and administered special account)	<i>Student Identifiers Act 2014</i> ; subsection 48(1)	For paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Registrar's functions, paying any remuneration and allowances payable to any person under the Act and meeting the expenses of administering the account.
<sup>2</sup> VET Student Loans (VSL) Tuition Protection Fund Special Account	<i>Education Legislation Amendment (Tuition Protection and Other Measures) Act 2019</i> , section 66J, commenced 1 January 2020.	The purposes of the VSL Tuition Protection Fund are as follows: a) making payments in connection with tuition protection; b) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the VSL Tuition Protection Director's functions, including in managing the VSL Tuition Protection Fund; c) paying any remuneration and allowances payable to the VSL Tuition Protection Director; d) paying any remuneration and allowances payable to the members of the VSL Tuition Protection Fund Advisory Board; e) paying any amount that is required or permitted to be repaid; and f) reducing the balance of the Fund (and therefore the available appropriation for the Fund) without making a real or notional payment.

**G3: Regulatory Charging**

	<b>2023</b>
	<b>\$'000</b>
<b>G3.1: Regulatory charging summary</b>	
<b>Amounts applied</b>	
Annual appropriation	<u>26,944</u>
<b>Total amounts applied</b>	<u><u>26,944</u></u>
<b>Expenses</b>	
Employee benefits	<u>16,885</u>
Supplier	<u>10,059</u>
<b>Total expenses</b>	<u><u>26,944</u></u>
<b>External revenue</b>	
Cost Recovery	<u>-</u>
<b>Total external revenue</b>	<u><u>-</u></u>

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

<b><u>G3.2: Administered - regulatory charging summary</u></b>		<b>2023</b>
		<b>\$'000</b>
<b>Expenses</b>		
Suppliers	<u>31,334</u>	
<b>Total expenses</b>	<b><u>31,334</u></b>	
<b>External revenue</b>		
Cost recovery	<u>57,978</u>	
<b>Total external revenue</b>	<b><u>57,978</u></b>	

The department undertakes regulatory charging activities relating to:

- Certain programs managed by Trades Recognition Australia (TRA); and
- VET Student Loans program

Further information on the above activities is available at:

- TRA: [www.tradesrecognitionaustralia.gov.au](http://www.tradesrecognitionaustralia.gov.au)
- VSL: [www.studyassist.gov.au/vet-students/vet-student-loans](http://www.studyassist.gov.au/vet-students/vet-student-loans)

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

**H. People and Relationships**

**H1: Employee Provisions**

	2023 \$'000
<b>H1.1: Employee provisions</b>	
Annual and long service leave provisions	127,137
<b>Total employee provisions</b>	<b>127,137</b>

As required by AASB 119 *Employee Benefits*, the estimate of future cash outflows takes into account estimated attrition, probability factors, future salary rates and ancillary costs. In 2022-23, the Australian Government Actuary undertook an assessment of leave provisions taking into account the likely tenure of existing staff, patterns of leave claims and payouts, future salary movements and discount rates. The Australian Government Actuary confirmed their assessment on 27 June 2023.

Liabilities for short-term employee benefits expected to be paid within 12 months of the end of reporting period are measured at the one year Commonwealth Government bond rate of 4.37 per cent. Liabilities for long term employee benefits are discounted using the 10 year Commonwealth Government bond rate of 4.03 per cent.

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for separation and redundancy based on AASB 119 for those employees affected.

Employees of the department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other elected defined contribution schemes. The CSS and PSS 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 in the Department of Finance's administered financial statements. The department makes employer contributions to defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The department accounts for the contributions as if they were contributions to defined contribution plans. The payable for superannuation recognised at 30 June 2023 represents outstanding contributions owed by the department to the superannuation schemes.

**H2: Key management personnel remuneration (KMP)**

**H2.1: KMP remuneration for the period 1 July 2022 to 30 June 2023**

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the department. The department has determined the KMP to be the Portfolio Ministers, the Secretary, and the Deputy Secretaries. Other senior executives may at times act in one of these positions for a short period of time during the year. These officers are not reported as KMP unless they have acted in the position for more than three consecutive months.

	2023 \$'000
Short-term employee benefits	2,423
Post-employment benefits	395
Other long-term employee benefits <sup>1</sup>	52
<b>Total key management personnel remuneration expenses</b>	<b>2,870</b>

<sup>1</sup> Other includes motor vehicle allowances, other allowance and reportable fringe benefits.

The above table includes the remuneration for 8 officers (one for the full period and seven for part of the period) occupying KMP positions for the department during the year. The remuneration and benefits for the Portfolio Minister are excluded from the table as they are set by the Remuneration Tribunal and are not paid by the department.

## Department of Employment and Workplace Relations

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

#### **H3: Related party disclosures**

The department is an Australian Government controlled entity. Related parties to the department are KMP as described in note H2, their close family members and organisations they or their close family member control, including the Portfolio Ministers and other Australian Government Entities.

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of Trade Support Loans or apprentice or Australian Apprenticeships Incentives Programs which are not included in this note.

*Transactions with entities where KMP have an interest*

During 2022-23, there have been no related party transactions related to the department's KMPs.

## **I. Managing Uncertainties**

### **I1: Contingent Assets and Liabilities**

#### **I1.1: Departmental contingent assets and liabilities**

Departmental contingent assets and liabilities are not recognised in the statement of financial position. They may arise from uncertainty as to the existence of an asset or liability 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.

#### *Quantifiable contingencies*

As at 30 June 2023, there is no departmental quantifiable contingent assets or liabilities.

#### *Unquantifiable contingencies*

As at 30 June 2023, there is no departmental unquantifiable contingent assets or liabilities.

#### **I1.2: Administered contingent assets and liabilities**

Administered contingent assets and liabilities are not recognised in the administered schedule of assets and liabilities. They may arise from uncertainty as to the existence of an asset or liability 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.

#### *Quantifiable contingencies*

As at 30 June 2023, there is one administered quantifiable contingent assets amounting to \$0.8 million, in respect of litigation matters with Industry Specialist Mentoring for Australian Apprentices (ISMAA) program providers.

As at 30 June 2023, there are no administered quantifiable contingent liabilities.

#### *Unquantifiable contingencies*

##### **VET FEE-HELP payments:**

There is a potential financial risk to the Commonwealth in the event that compliance action results in student loan debts being remitted however the Commonwealth is unable to recover the payments from providers or tuition assurance operators where the provider has closed.

The Government continues to undertake compliance action, wherever appropriate under the legislation, to recover VET FEE-HELP payments from providers who inappropriately enrolled students in units and courses for which they incurred a VET FEE-HELP debt. In 2019-20, the Commonwealth was awarded compensation related to VET FEE-HELP recoveries in the Federal Court. A proof of debt was provided to liquidators and for 2022-23 the contingency remains unquantifiable.

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

**I2: Financial Instruments**

Financial assets

The department classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

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'. As other financial liabilities, supplier and grant 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).

<b><u>I2.1: Categories of Financial instruments</u></b>	<b>2023</b>
	<b>\$'000</b>
<b>Financial assets at amortised cost</b>	
Cash and cash equivalents	6,387
Goods and services receivable	37,479
<b>Total financial assets at amortised cost</b>	43,866
<b>Total financial assets</b>	43,866
<b>Financial liabilities measured at amortised cost</b>	
Supplier payables	48,064
<b>Total financial liabilities measured at amortised cost</b>	48,064
<b>Total financial liabilities</b>	48,064

The department has adopted the simplified approach for measuring the impairment loss allowance for these financial assets. This approach measures the loss allowance as the amount equal to the lifetime expected credit losses. Any amounts written off have been recognised as a reduction to the financial asset.

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).

All payables are expected to be settled within 12 months except where indicated.

**I2.2: Net Gains or Losses on Financial Assets**

<b>Financial assets at amortised cost</b>	
Impairment of receivables - goods and services	(5)
<b>Net losses on financial assets at amortised cost</b>	(5)
<b>Net losses on financial assets</b>	(5)

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

	2023
	\$'000
<b><u>12.3: Categories of financial instruments</u></b>	
<b>FINANCIAL ASSETS</b>	
<b>Financial assets at amortised cost</b>	
Cash	9,742
Goods and services receivable	41,747
<b>Total financial assets at amortised cost</b>	<u>51,489</u>
<b>Financial assets at fair value through other comprehensive income</b>	
Investments	360,946
<b>Total financial assets at fair value through other comprehensive income</b>	<u>360,946</u>
<b>Financial assets at fair value through profit or loss (designated)</b>	
<b>Concessional loans</b>	
Vocational student loans	3,638,564
Trade support loans	908,400
<b>Total financial assets at fair value through profit or loss (designated)</b>	<u>4,546,964</u>
<b>Total financial assets</b>	<u>4,959,399</u>
<b>FINANCIAL LIABILITIES</b>	
<b>Financial liabilities measured at amortised cost</b>	
Supplier payables	101,196
Grants payable	33,152
<b>Total financial liabilities measured at amortised cost</b>	<u>134,348</u>
<b>Financial liabilities at fair value through other comprehensive income</b>	
Comcare payable	2,032,127
<b>Total financial liabilities through other comprehensive income</b>	<u>2,032,127</u>
<b>Total financial liabilities</b>	<u>2,166,475</u>
<b><u>12.4: Net gains or losses on financial assets</u></b>	
<b>Financial assets at amortised cost</b>	
Interest revenue / expense	-
Write-down and impairment / reversal	68
<b>Net gains/(losses) on financial assets at amortised cost</b>	<u>68</u>
<b>Investments in equity instruments at fair value through other comprehensive income (designated)</b>	
Gains/(losses) recognised in equity	54,650
<b>Net gains/(losses) on investments in equity instruments at fair value through other comprehensive income (designated)</b>	<u>54,650</u>
<b>Financial assets at fair value through profit or loss</b>	
Interest revenue	169,015
Loan fee revenue	882
Trade support loan discount	3,172
Fair value gains/(losses)	420,261
<b>Net gains/(losses) at fair value through profit or loss</b>	<u>593,330</u>
<b>Net gains/(losses) on financial assets</b>	<u>648,048</u>
<p>The financial assets measured at amortised cost are impaired according to AASB 9, wherein the lifetime expected credit losses are measured using the simplified approach.</p>	

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

2023  
\$'000

**12.5: Financial instruments designated at fair value through profit or loss**

**FINANCIAL ASSETS**

**Fair value changes due to credit risk**

During the period	(74,566)
Prior periods	(3,298,411)
<b>Cumulative change</b>	<b>(3,372,977)</b>

**12.6: Credit risk**

The financial assets measured at amortised cost are not exposed to a high level of credit risk and the department manages this risk by applying debt recovery policies and procedures. The risk of default on payments has been assessed and an impairment provision brought to account. Note F1.2 refers.

The financial assets at fair value through other comprehensive income represent the Government's proportional interest in the net assets of the entities which are not exposed to a high level of credit risk. Note F1.4 refers.

The financial assets at fair value through profit or loss are subject to annual fair value actuarial assessments which take into account the future income projections, pattern and timing of repayments and debt not expected to be repaid. Note F1.2 refers.

**12.7: Liquidity risk**

The department is exposed to minimal liquidity risk and is appropriated funding from the Australian Government. The department manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.

**12.8: Market risk**

The value of concessional loans held at fair value, such as the Trade Support Loan Program, are also impacted by changes in market interest rates. For example, if the interest rates were to increase by 0.1%, the fair value of these loans would decrease by approximately 1%. However, interest rate changes will have no impact on the future cash flows or principal amounts at maturity.

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

**I3: Fair Value**

**I3.1: Fair value measurement of level 3 financial instruments**

**Fair value measurement as at 30 June**

	2023			
	\$'000	Level <sup>2</sup>	Valuation technique <sup>3</sup>	Inputs used
<b>Financial assets</b>				
Concessional loans				
Vocational student loans	3,638,564	3	Loan conditions	Principal due
Trade support loans	908,400	3	Loan conditions	Principal due
Investments	<u>360,946</u>	3	Net assets of the entity	Net assets of the entity
<b>Total<sup>1</sup></b>	<b><u>4,907,910</u></b>			

<sup>1</sup>The book value of these assets equals the fair value.

<sup>2</sup>There has been no transfer between levels during the period.

<sup>3</sup>The methods and valuation techniques used for the purpose of measuring fair value of assets in 2023 are consistent with those applied in 2021-22 by the Department of Education, Skills and Employment as the former custodian.

**I3.2: Movement in level 3 fair value measurement**

	Financial assets	
	Concessional loans	Investments
	2023	2023
	\$'000	\$'000
<b>As at 1 July</b>	-	-
Total gains/(losses) recognised in net cost of services	941,438	-
Total gains/(losses) recognised in comprehensive income	-	54,650
Total restructure recognised	3,645,349	306,296
Issues	469,888	-
Settlements	<u>(509,711)</u>	<u>-</u>
<b>As at 30 June</b>	<b><u>4,546,964</u></b>	<b><u>360,946</u></b>



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

**J. Other Information**

**J1: Current/Non-current distinction for Assets and Liabilities**

	2023
	\$'000
<b><u>J1.1: Current/non-current distinction for assets and liabilities</u></b>	
<b>Assets expected to be recovered in:</b>	
<b>No more than 12 months</b>	
Cash and cash equivalents	6,387
Trade receivables	300,433
Prepayments	<u>23,194</u>
<b>Total no more than 12 months</b>	<u><u>330,014</u></u>
<b>More than 12 months</b>	
Leasehold improvements	33,434
Buildings	239,456
Infrastructure, plant and equipment	65,913
Computer software	317,171
Prepayments	<u>2,738</u>
<b>Total more than 12 months</b>	<u><u>658,712</u></u>
<b>Total assets</b>	<u><u>988,726</u></u>
<b>Liabilities expected to be settled in:</b>	
<b>No more than 12 months</b>	
Suppliers	48,064
Other payables	12,198
Leases	60,359
Employee provisions	<u>30,214</u>
<b>Total no more than 12 months</b>	<u><u>150,835</u></u>
<b>More than 12 months</b>	
Leases	198,640
Employee provisions	<u>96,923</u>
<b>Total more than 12 months</b>	<u><u>295,563</u></u>
<b>Total liabilities</b>	<u><u>446,398</u></u>

**Department of Employment and Workplace Relations**  
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<b><u>J1.2: Administered - Current/non-current distinction for assets and liabilities</u></b>		<b>2023</b>
<b>Assets expected to be recovered in:</b>		<b>\$'000</b>
<b>No more than 12 months</b>		
Cash	9,742	
Receivables	255,050	
Prepayments	5,956	
<b>Total no more than 12 months</b>	<b>270,748</b>	
<b>More than 12 months</b>		
Receivables	4,333,668	
Investments	360,946	
<b>Total more than 12 months</b>	<b>4,694,614</b>	
<b>Total assets</b>	<b>4,965,362</b>	
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	101,196	
Subsidies	30,357	
Grants	33,152	
Personal benefits	1,913	
<b>Total no more than 12 months</b>	<b>166,618</b>	
<b>More than 12 months</b>		
Comcare Payable	2,032,127	
<b>Total more than 12 months</b>	<b>2,032,127</b>	
<b>Total liabilities</b>	<b>2,198,745</b>	

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

**J2: Restructuring**

**J2.1: Departmental restructuring**

	2023		
	Employment <sup>1</sup>	Workplace Relations <sup>2</sup>	Pacific Australia Labour Mobility Scheme <sup>3</sup>
	Departmental of Education	Attorney Generals Department	Department of Foreign Affairs and Trade
	\$'000	\$'000	\$'000
<b>FUNCTIONS ASSUMED</b>			
<b>Assets Recognised</b>			
Appropriations receivable -special account	6,892	-	-
Trade and other receivables	254,647	30,998	1,435
Buildings	289,581	-	-
Leasehold improvements	40,593	13,744	-
Infrastructure, plant and equipment	65,645	445	-
Computer software	266,812	9,556	-
Prepayments	30,477	9	-
<b>Total assets recognised</b>	<b>954,647</b>	<b>54,752</b>	<b>1,435</b>
<b>Liabilities recognised</b>			
Payables	31,016	764	-
Leases	313,324	10,581	-
Provisions	-	665	-
Employee provisions	108,290	14,637	1,435
<b>Total liabilities recognised</b>	<b>452,630</b>	<b>26,647</b>	<b>1,435</b>
<b>Net assets/ (liabilities) recognised</b>	<b>502,017</b>	<b>28,105</b>	<b>-</b>

<sup>1</sup>Employment functions were assumed by the Department of Employment and Workplace Relations (DEWR) following the release of the 1 June 2022 Administered Arrangement Orders with an effective date of 1 July 2022.

<sup>2</sup>Workplace Relations functions were assumed by Department of Employment and Workplace Relations following the release of the 1 June 2022 Administered Arrangement Orders with an effective date of 1 July 2022. Note effective date for transfer was 4 August 2023.

<sup>3</sup>Pacific Australia Labour Mobility Scheme functions were assumed by Department of Employment and Workplace Relations from the Department of Foreign Affairs and Trade as part of the 2022-23 Portfolio Budget Statements process with an effective date of 1 July 2022. Note effective date for transfer was 21 July 2023.

Automated Mutual Recognition functions were assumed by Department of Employment and Workplace Relations from the Department of Prime Minister and Cabinet as part of the 2022-23 Portfolio Budget Statements process with an effective date of 1 July 2022. No departmental assets or liabilities were transferred.

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

**J2.2: Administered restructuring**

	2023	
	Employment Department of Education, Skills and Employment (DESE) <sup>1</sup>	Workplace relations Attorney General's Department (AGD) <sup>2</sup>
	\$'000	\$'000
<b>FUNCTIONS ASSUMED</b>		
<b>Assets recognised</b>		
Cash and cash equivalents	7,884	-
Receivables - Advances and Loans	3,655,582	-
Trade and other receivables	758	11,348
Prepayments	-	5,033
Investments	-	306,296
<b>Total assets recognised</b>	<b>3,664,224</b>	<b>322,677</b>
<b>Liabilities recognised</b>		
Payables	195,286	1,999,667
Personal benefits	-	-
Grants	-	-
Other payables	-	-
<b>Total liabilities recognised</b>	<b>195,286</b>	<b>1,999,667</b>
<b>Net assets/ (liabilities) recognised</b>	<b>3,468,938</b>	<b>(1,676,990)</b>
<b>Income assumed</b>		
Recognised by the receiving entity	-	-
Recognised by the losing entity	-	-
<b>Total income assumed</b>	<b>-</b>	<b>-</b>
<b>Expenses assumed</b>		
Recognised by the receiving entity	-	-
Recognised by losing entity	-	-
<b>Total expenses assumed</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Employment functions were assumed by the Department of Employment and Workplace Relations following the release of the 1 June 2022 Administered Arrangement Orders with an effective date of 1 July 2022.

<sup>2</sup> Workplace Relations functions were assumed by Department of Employment and Workplace Relations following the release of the 1 June 2022 Administered Arrangement Orders with an effective date of 1 July 2022.

Pacific Australia Labour Mobility Scheme functions were assumed by Department of Employment and Workplace Relations from the Department of Foreign Affairs and Trade as part of the 2022-23 Portfolio Budget Statements process with an effective date of 1 July 2022. No administered assets or liabilities were transferred.

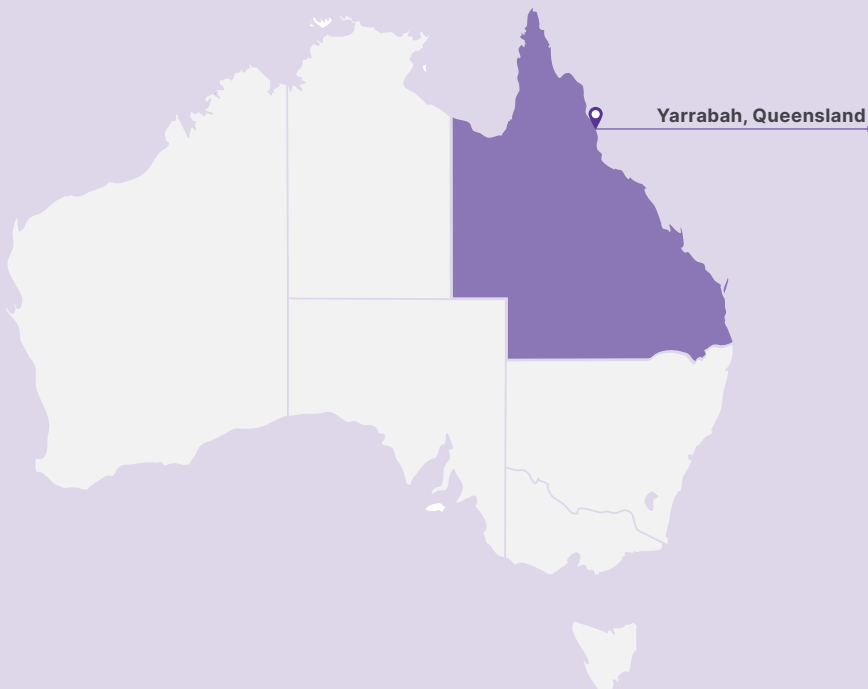
Automated Mutual Recognition functions were assumed by Department of Employment and Workplace from the Department of Prime Minister and Cabinet as part of the 2022-23 Portfolio Budget Statements process with an effective date of 1 July 2022. No administered assets or liabilities were transferred.

# Upskilling the Yarrabah community

The Yarrabah community is the traditional country of the Gunggandji and Yidinji people, located 51 km south-east of Cairns with a population of 2,505. Over 97% of the population are First Nations people and the median age is 25. The department worked with the Yarrabah Shire Council to co-design and build a place-based model for the delivery of employment services in Yarrabah.

We have achieved great outcomes in skill development for Yarrabah participants in the Skills for Education and Employment (SEE) program. This program is delivered by STEPS Group Australia with participant referrals coming from the Yarrabah Employment Service (Wugu Nyambil) under Workforce Australia.

The program has been delivered in Yarrabah on a weekly basis since mid to late 2022. Since then, class numbers have exceeded 40 participants on a regular basis, requiring up to 3 trainers to deliver it.



Participants mostly begin the SEE program with a very basic level of literacy and numeracy but, with the assistance of STEPS, they develop a range of skills as well as increasing their literacy and numeracy. These include teamwork, punctuality, motivation, confidence, respect, digital literacy, planning, body language, working collaboratively, and presentation skills for work.

As part of the program (and as a reward) participants have been planning, preparing, budgeting and cooking a meal together each week. They have been learning about weights, temperatures, timing and finances while also preparing menus to be developed into a Yarrabah cookbook.

**“All participants have gained transferable skills in digital literacy, including redeveloping their résumés, which helps with daily communication and enhanced participation in job search activities.”**



# 5 Appendices

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## Appendix A – Agency resource statement and expenses for outcomes

Table A.1: Agency Resource Statement, 2022–23

	Actual Available Appropriations for 2022–23	Payments made 2022–23	Balance Remaining
	\$'000	\$'000	\$'000
<b>Ordinary Annual Services</b>			
<b>Departmental appropriation</b>			
Annual appropriations – ordinary annual services <sup>1 2</sup>	1,066,333	799,922	266,411
Annual appropriations – other services - non-operating <sup>3</sup>	84,342	46,538	37,804
<b>Total</b>	<b>1,150,675</b>	<b>846,460</b>	<b>304,215</b>
<b>Administered</b>			
Outcome 1	2,516,410	1,670,637	
Outcome 2	4,610,960	4,302,345	
Outcome 3	68,691	30,044	
Payments to corporate Commonwealth entities	5,897	– <sup>4</sup>	
<b>Total</b>	<b>7,201,958</b>	<b>6,003,026</b>	
<b>Total ordinary annual services</b>	<b>8,352,633</b>	<b>6,849,486</b>	
<b>Total available annual appropriations</b>	<b>8,352,633</b>	<b>6,849,486</b>	



Table A.1: Agency Resource Statement, 2022–23 (continued)

	Actual Available Appropriations for 2022–23	Payments made 2022–23	Balance Remaining
	\$'000	\$'000	\$'000
<b>Special appropriations</b>			
<b>Special appropriations limited by criteria/entitlement</b>			
<i>VET Student Loans Act 2016</i>		234,833	
<i>Trade Support Loans Act 2014</i>		200,263	
<i>Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005</i>		11,962	
<i>Coal Mining Industry (Long Service Leave Administration Act 1992</i>		142,429	
<i>Safety, Rehabilitation and Compensation Act 1988</i>		23,133	
<i>Fair Entitlements Guarantee Act 2012</i>		127,363	
<b>Total special appropriations</b>		<b>739,983</b>	
<b>Special Accounts</b>			
Opening Balance	14,776		
Appropriation receipts	9,691		
Non-appropriation receipts to Special Accounts	904		
Payments made		9,929	
Closing Balance			15,442
<b>Total resourcing and payments</b>	<b>8,378,004</b>	<b>7,599,398</b>	
Less appropriations drawn from annual or special appropriations above and credited to special accounts	(9,691)	(9,691)	
and/or payments to corporate entities through annual appropriations	(5,897)	–	
<b>Total net resourcing and payments for DEWR</b>	<b>8,362,416</b>	<b>7,589,707</b>	

1. Supply Act (No. 1) and Supply Act (No. 3) 2022–23, Appropriation Act (No. 1) and Appropriation Act (No. 3) 2022–23. This also includes prior-year departmental appropriation and section 74 external revenue.
2. Departmental capital budgets are not separately identified in Appropriation Bill (No. 1, 3, 5) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.
3. Supply Act (No. 2) 2022–23, Appropriation Act (No. 2) 2022–23 and Supply Act (No. 4) 2022–23. This also includes prior-year available appropriations.
4. The department processes the drawdown of money on behalf of the Corporate Commonwealth Entity, but as a direct transfer from Department of Finance to Comcare which does not impact the department's ledger.

Table A.2: Expenses for Outcome 1, 2022–23

	Budget* (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
Outcome 1	\$'000 A	\$'000 B	\$'000 A-B
<b>Administered expenses</b>			
<b>Program 1.1: Employment Services</b>			
<b>Ordinary Annual Services (Appropriation Act Nos. 1, 3 and 5)</b>			
jobactive	126,970	225,896	(98,926)
Workforce Australia	1,165,082	1,018,127	146,955
Transition to Work	316,837	216,814	100,023
Time to Work	3,600	3,295	305
ParentsNext	117,851	116,619	1,232
Skills and Training Incentive	17,424	4,806	12,618
Entrepreneurship Facilitators <sup>1</sup>	–	49	(49)
Pacific Australia Labour Mobility	20,725	28,707	(7,982)
Career Revive Initiative	1,073	1,050	23
Local Jobs Program <sup>2</sup>	51,072	29,111	21,961
Y Careers <sup>3</sup>	–	3,800	(3,800)
<b>Total for Program 1.1</b>	<b>1,820,634</b>	<b>1,648,273</b>	<b>172,361</b>

Table A.2: Expenses for Outcome 1, 2022–23 (continued)

	Budget* (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
Outcome 1	\$'000 A	\$'000 B	\$'000 A-B
<b>Outcome 1 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary Annual Services (Supply Act No. 1 and Appropriation Act Nos. 1, 3 and 5)	1,820,634	1,648,273	172,361
<b>Departmental expenses</b>			
Ordinary Annual Services (Supply Act No. 1 and 3 and Appropriation Act No. 1 and 3)	379,076	407,699	(28,623)
Expenses not requiring appropriation in the Budget year <sup>4</sup>	80,001	73,709	6,292
<b>Total for Outcome 1</b>	<b>2,279,711</b>	<b>2,129,681</b>	<b>150,030</b>
<b>Average staffing level (number)</b>	<b>1,496</b>	<b>1,481</b>	<b>15</b>

Budget reported in the 2022–23 Portfolio Budget Statements published on 25 October 2022.

1. Expenses relate to the Entrepreneurship Facilitators program's previous arrangements before the introduction of Workforce Australia.
2. Previously referred to as Local Jobs - COVID-19 Recovery in the October 2022–23 Budget.
3. Y Careers was announced as part of the 2023–24 Budget in May 2023.
4. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

Table A.3: Expenses for Outcome 2, 2022–23

	Budget* (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
Outcome 2	\$'000 A	\$'000 B	\$'000 A-B
<b>Administered expenses</b>			
<b>Program 2.1: Building Skills and Capability</b>			
<b>Sub-Program 2.1.1: Skills Development</b>			
<b>Ordinary Annual Services (Supply Act No. 1, Appropriation Act Nos. 1, 3 and 5)</b>			
Australian Apprenticeship Support Network	273,006	255,109	17,897
Australian Apprenticeship Incentives Program	2,436,403	3,663,995	(1,227,592)
Australian Apprenticeships Incentives System (AAIS)	146,718	78,431	68,287
Commonwealth Scholarship Program for Young Australians	–	(127)	127
Mid-Career Checkpoint	5,000	9,341	(4,341)
Skills Checkpoint for Older Workers Program	7,428	4,574	2,854
Trades Recognition Australia	42,701	31,334	11,367
Accelerating Australian Apprenticeships Pilot	5,605	–	5,605
Migrant Skills Incentive	14,415	328	14,087
<b>Special Appropriations</b>			
Trade Support Loans	97,176	3,446	93,730
<b>Total component 2.1.1</b>	<b>3,028,452</b>	<b>4,046,431</b>	<b>(1,017,979)</b>
<b>Sub-Program 2.1.2: Access to Training</b>			
<b>Ordinary Annual Services (Supply Act No. 1, Appropriation Act Nos. 1, 3 and 5)</b>			
Skills for Education & Employment Program	125,418	83,646	41,772
Foundation Skills for Your Future Program	14,283	2,852	11,431
Remote Communication Pilots – Foundation Skills for Your Future	3,326	3,433	(107)
<b>Total component 2.1.2</b>	<b>143,027</b>	<b>89,931</b>	<b>53,096</b>

Table A.3: Expenses for Outcome 2, 2022–23 (continued)

Outcome 2	Budget*	Actual	Variation
	(2022–23)	expenses	(2022–23)
	\$'000	\$'000	\$'000
	A	B	A-B
<b>Sub-Program 2.1.3: Support for the National Training System</b>			
<b>Ordinary Annual Services (Supply Act No. 1, Appropriation Act Nos. 1, 3 and 5)</b>			
Australian Industry and Skills Committee	787	207	580
Industry Training Hubs	8,985	7,251	1,734
Industry Workforce Training	31,555	17,934	13,621
Integrated Information Service	1,847	1,743	104
Licensing of International Vocational Education and Training (VET) Courses	1,193	220	973
My Skills Website	594	575	19
National Career Institute & Ambassador	13,803	13,953	(150)
National Centre for Vocational Education Research	726	726	-
Jobs and Skills Australia <sup>1</sup>	7,392	3,313	4,079
National Training System Commonwealth Own Purpose Expenses (COPE)	63,292	43,602	19,690
Skills Communication Campaign	5,890	51	5,839
Skills Organisation Pilots	9,839	4,852	4,987
VET Data Streamlining	27,074	7,829	19,245
VET Information Strategy	1,024	998	26
Nationally Consistent and Accessible Subsidy and Apprenticeship Information	6,755	2,386	4,369
Jobs and Skills Councils <sup>2</sup>	74,127	53,983	20,144
<b>Total component 2.1.3</b>	<b>254,883</b>	<b>159,623</b>	<b>95,260</b>
<b>Total for Program 2.1</b>	<b>3,426,362</b>	<b>4,295,985</b>	<b>(869,623)</b>

Table A.3: Expenses for Outcome 2, 2022–23 (continued)

	Budget* (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
Outcome 2	\$'000 A	\$'000 B	\$'000 A-B
<b>Program 2.2: VET Student Loans</b>			
<b>Special Appropriations</b>			
VET Student Loans	292,360	89,278	203,082
<b>Special Account Expenses</b>			
VSL Tuition Protection Fund	2,478	131	2,347
<b>Total for Program 2.2</b>	<b>294,838</b>	<b>89,409</b>	<b>205,429</b>
<b>Outcome 2 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary Annual Services (Supply Act Nos. 1 and Appropriation Act Nos. 1, 3 and 5)	3,329,186	4,292,539	(869,623)
Special Appropriations	389,536	92,724	296,812
Special Accounts	2,478	131	2,347
<b>Departmental expenses</b>			
Ordinary Annual Services (Supply Act Nos. 1 and 3 and Appropriation Act Nos. 1 and 3)	245,143	268,493	(23,350)
Special Accounts	5,618	9,825	(4,207)
Expenses not requiring appropriation in the Budget year <sup>3</sup>	13,240	12,199	1,041
<b>Total for Outcome 2</b>	<b>3,985,201</b>	<b>4,675,911</b>	<b>(690,710)</b>
<b>Average staffing level (number)</b>	<b>1,078</b>	<b>1,080</b>	<b>(2)</b>

\* Budget reported in the 2022–23 Portfolio Budget Statements published on 25 October 2022.

1. Previously referred to as National Skills Commission in the October 2022–23 Budget
2. Previously referred to as Industry Clusters in the October 2022–23 Budget
3. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

Table A.4: Expenses for Outcome 3, 2022–23

	Budget* (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
Outcome 3	\$'000 A	\$'000 B	\$'000 A-B
<b>Program 3.1: Workplace Support</b>			
<b>Ordinary Annual Services (Appropriation Act Nos. 1, 3 and 5)</b>			
Financial Assistance to Working Women's Centres	7,739	700	7,039
Fair Entitlements Guarantee	31,557	18,666	12,891
Payments to industry for Business Research and Innovation Initiatives	500	–	500
International Labour Organization Subscription <sup>1</sup>	12,589	10,710	1,879
Protected Action Ballots Scheme <sup>1</sup>	1,600	1,157	443
Support for Employer Representatives and Unions to Improve Safety, Fairness, and Productivity in Workplaces	–	–	–
<b>Total Ordinary Annual Services</b>	<b>53,985</b>	<b>31,233</b>	<b>22,752</b>
<b>Special Appropriations</b>			
<i>Coal Mining Industry (Long Service Leave) Administrative Act 1992</i>	145,149	164,078	(18,929)
<i>Fair Entitlements Guarantee Act 2012</i>	151,151	126,027	25,124
<b>Total Special Appropriations</b>	<b>296,300</b>	<b>290,104</b>	<b>6,196</b>
<b>Total for Program 3.1</b>	<b>350,285</b>	<b>321,337</b>	<b>28,948</b>
<b>Program 3.2: Workers Compensation Payments</b>			
<b>Special Appropriations</b>			
<i>Safety, Rehabilitation and Compensation Act 1988<sup>2</sup></i>	24,235	60,857	(36,622)
<i>Asbestos-related Claims Act 2005</i>	26,533	26,205	328
<b>Payments to Corporate entities</b>			
Comcare	5,897	–	5,897
<b>Total for Program 3.2</b>	<b>56,665</b>	<b>87,062</b>	<b>(30,397)</b>

Table A.4: Expenses for Outcome 3, 2022–23 (continued)

	Budget* (2022–23)	Actual expenses (2022–23)	Variation (2022–23)
Outcome 3	\$'000 A	\$'000 B	\$'000 A-B
<b>Outcome 3 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary Annual Services (Supply Act No. 1 and Appropriation Act Nos. 1, 3 and 5)	53,985	31,233	22,752
Payments to Corporate entities	5,897	–	5,897
Special Appropriations	347,068	377,167	(30,099)
<b>Departmental expenses</b>			
Ordinary Annual Services (Supply Act No. 1 and 3 and Appropriation Act No. 1 and 3)	61,191	64,919	(3,728)
Expenses not requiring appropriation in the Budget year <sup>3</sup>	3,689	3,398	291
<b>Total for Outcome 3</b>	<b>471,830</b>	<b>476,717</b>	<b>(4,887)</b>
<b>Average staffing level (number)</b>	<b>341</b>	<b>343</b>	<b>(2)</b>

\* Budget reported in the 2022–23 Portfolio Budget Statements published on 25 October 2022.

1. International Labour Organization and Protected Action Ballots programs are reporting a full year budget but July expenses have been included in the financial reporting of the Attorney-General's Department.
2. Safety, Rehabilitation and Compensation Act 1988 Special Appropriation is subject to unbudgeted Comcare actuarial adjustments.
3. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.



## Appendix B – Workforce statistics

The following definitions and caveats apply to the workforce statistics content.

Headcount – The number of employees directly employed by the organisation at a point in time.

Inclusions – Includes all employees paid through SAP payroll and employed under the *Public Service Act 1999*, regardless of leave status.

Exclusions – Secretary, inactive staff, contractors, public office holders, committee and board members and locally engaged staff.

### PGPA Rule Section 17AG(4)(aa) – Management of Human Resources

Table B.1: All ongoing employees current report period, 2022–23

	Man/Male			Woman/Female		
	Full time	Part time	Total	Full time	Part time	Total
<b>NSW</b>	73	2	<b>75</b>	63	16	<b>79</b>
<b>Qld</b>	66	4	<b>70</b>	132	21	<b>153</b>
<b>SA</b>	76	6	<b>82</b>	106	34	<b>140</b>
<b>Tas</b>	10	5	<b>15</b>	10	8	<b>18</b>
<b>Vic</b>	45	3	<b>48</b>	73	23	<b>96</b>
<b>WA</b>	15	1	<b>16</b>	22	10	<b>32</b>
<b>ACT</b>	969	57	<b>1,026</b>	1,177	283	<b>1,460</b>
<b>NT</b>	3	–	<b>3</b>	9	1	<b>10</b>
<b>Overseas</b>	–	–	–	2	–	<b>2</b>
<b>Total</b>	<b>1,257</b>	<b>78</b>	<b>1,335</b>	<b>1,594</b>	<b>396</b>	<b>1,990</b>

Non-binary			Prefers not to answer			Uses a different term			Total
Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
-	-	-	-	-	-	-	-	-	154
-	-	-	-	-	-	-	-	-	224
-	-	-	-	-	-	-	-	-	223
-	-	-	-	-	-	-	-	-	33
-	-	-	-	-	-	-	-	-	144
-	-	-	-	-	-	-	-	-	48
-	-	-	-	-	-	-	-	-	2,487
-	-	-	-	-	-	-	-	-	13
-	-	-	-	-	-	-	-	-	2
<b>2</b>	<b>1</b>	<b>3</b>	-	-	-	-	-	-	<b>3,328</b>

Note: Non-binary employee numbers are reported in totals and not disaggregated further to protect employee privacy.  
Actual work location at 30 June 2023.

Table B.2: All non-ongoing employees current report period, 2022–23

	Man/Male			Woman/Female		
	Full time	Part time	Total	Full time	Part time	Total
NSW	1	–	<b>1</b>	2	–	<b>2</b>
Qld	2	–	<b>2</b>	3	–	<b>3</b>
SA	5	1	<b>6</b>	8	1	<b>9</b>
Tas	–	–	–	1	–	<b>1</b>
Vic	4	1	<b>5</b>	4	2	<b>6</b>
WA	–	–	–	–	–	–
ACT	39	18	<b>57</b>	54	21	<b>75</b>
NT	–	–	–	2	–	<b>2</b>
Overseas	–	–	–	–	–	–
<b>Total</b>	<b>51</b>	<b>20</b>	<b>71</b>	<b>74</b>	<b>24</b>	<b>98</b>

Non-binary			Prefers not to answer			Uses a different term			Total
Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
-	-	-	-	-	-	-	-	-	<b>4</b>
-	-	-	-	-	-	-	-	-	<b>5</b>
-	-	-	-	-	-	-	-	-	<b>15</b>
-	-	-	-	-	-	-	-	-	<b>1</b>
-	-	-	-	-	-	-	-	-	<b>11</b>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	<b>133</b>
-	-	-	-	-	-	-	-	-	<b>2</b>
-	-	-	-	-	-	-	-	-	-
<b>2</b>	-	<b>2</b>	-	-	-	-	-	-	<b>171</b>

Note: Non-binary employee numbers are reported in totals and not disaggregated further to protect employee privacy.  
Actual work location at 30 June 2023.

PGPA Rule Section 17AG(4)(b) – Management of Human Resources

PGPA Rule Section 17AG(4)(b)(i)–(iv) Australian Public Sector (APS) Classification and Gender

Table B.3: Australian Public Service Act ongoing employees current report period, 2022–23

	Man/Male			Woman/Female		
	Full time	Part time	Total	Full time	Part time	Total
SES 3	1	–	<b>1</b>	3	–	<b>3</b>
SES 2	9	–	<b>9</b>	14	–	<b>14</b>
SES 1	32	–	<b>32</b>	62	2	<b>64</b>
EL 2	163	11	<b>174</b>	231	43	<b>274</b>
EL 1	454	27	<b>481</b>	493	154	<b>647</b>
APS 6	295	17	<b>312</b>	384	120	<b>504</b>
APS 5	147	10	<b>157</b>	237	45	<b>282</b>
APS 4	100	7	<b>107</b>	124	20	<b>144</b>
APS 3	49	2	<b>51</b>	41	9	<b>50</b>
APS 2	2	2	<b>4</b>	2	2	<b>4</b>
APS 1	5	2	<b>7</b>	3	1	<b>4</b>
<b>Total</b>	<b>1,257</b>	<b>78</b>	<b>1,335</b>	<b>1,594</b>	<b>396</b>	<b>1,990</b>

Non-binary			Prefers not to answer			Uses a different term			Total
Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
-	-	-	-	-	-	-	-	-	4
-	-	-	-	-	-	-	-	-	23
-	-	-	-	-	-	-	-	-	96
-	-	-	-	-	-	-	-	-	448
-	-	-	-	-	-	-	-	-	1,129
-	-	-	-	-	-	-	-	-	817
-	-	-	-	-	-	-	-	-	439
-	-	-	-	-	-	-	-	-	252
-	-	-	-	-	-	-	-	-	101
-	-	-	-	-	-	-	-	-	8
-	-	-	-	-	-	-	-	-	11
<b>2</b>	<b>1</b>	<b>3</b>	-	-	-	-	-	-	<b>3,328</b>

Note: Non-binary employee numbers are reported in totals and not disaggregated further to protect employee privacy.

Actual work classification at 30 June 2023.

Table B.4: Australian Public Service Act non-ongoing employees current report period, 2022–23

	Man/Male			Woman/Female		
	Full time	Part time	Total	Full time	Part time	Total
SES 3	–	–	–	–	–	–
SES 2	1	–	<b>1</b>	–	–	–
SES 1	–	–	–	1	–	<b>1</b>
EL 2	2	2	<b>4</b>	3	–	<b>3</b>
EL 1	12	1	<b>13</b>	7	5	<b>12</b>
APS 6	7	1	<b>8</b>	14	8	<b>22</b>
APS 5	5	1	<b>6</b>	13	2	<b>15</b>
APS 4	14	4	<b>18</b>	32	2	<b>34</b>
APS 3	10	7	<b>17</b>	3	5	<b>8</b>
APS 2	–	4	<b>4</b>	1	2	<b>3</b>
APS 1	–	–	–	–	–	–
<b>Total</b>	<b>51</b>	<b>20</b>	<b>71</b>	<b>74</b>	<b>24</b>	<b>98</b>

Non-binary			Prefers not to answer			Uses a different term			Total
Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	-	-	26
-	-	-	-	-	-	-	-	-	30
-	-	-	-	-	-	-	-	-	21
-	-	-	-	-	-	-	-	-	53
-	-	-	-	-	-	-	-	-	25
-	-	-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	-	-	-
<b>2</b>	-	<b>2</b>	-	-	-	-	-	-	<b>171</b>

Note: Non-binary employee numbers are reported in totals and not disaggregated further to protect employee privacy.  
Actual work classification at 30 June 2023.



**PGPA Rule Section 17AG(4)(b)(i)–(iii) – Employment type by Full time and Part time Status**

**Table B.5: Australian Public Service Act employees by full-time and part-time status current report period, 2022–23**

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
<b>SES 3</b>	4	–	<b>4</b>	–	–	–	<b>4</b>
<b>SES 2</b>	23	–	<b>23</b>	1	–	<b>1</b>	<b>24</b>
<b>SES 1</b>	94	2	<b>96</b>	1	–	<b>1</b>	<b>97</b>
<b>EL 2</b>	394	54	<b>448</b>	5	2	<b>7</b>	<b>455</b>
<b>EL 1</b>	947	182	<b>1,129</b>	20	6	<b>26</b>	<b>1,155</b>
<b>APS 6</b>	680	137	<b>817</b>	21	9	<b>30</b>	<b>847</b>
<b>APS 5</b>	384	55	<b>439</b>	18	3	<b>21</b>	<b>460</b>
<b>APS 4</b>	225	27	<b>252</b>	47	6	<b>53</b>	<b>305</b>
<b>APS 3</b>	90	11	<b>101</b>	13	12	<b>25</b>	<b>126</b>
<b>APS 2</b>	4	4	<b>8</b>	1	6	<b>7</b>	<b>15</b>
<b>APS 1</b>	8	3	<b>11</b>	–	–	–	<b>11</b>
<b>Total</b>	<b>2,853</b>	<b>475</b>	<b>3,328</b>	<b>127</b>	<b>44</b>	<b>171</b>	<b>3,499</b>

Note: Actual classification at 30 June 2023.

## PGPA Rule Section 17AG(4)(b)(v) – Employment Type by Location

Table B.6: Australian Public Service Act employment type by location current report period, 2022–23

	Ongoing	Non-ongoing	Total
<b>NSW</b>	154	4	158
<b>Qld</b>	224	5	229
<b>SA</b>	223	15	238
<b>Tas</b>	33	1	34
<b>Vic</b>	144	11	155
<b>WA</b>	48	–	48
<b>ACT</b>	2,487	133	2,620
<b>NT</b>	13	2	15
<b>Overseas</b>	2	–	2
<b>Total</b>	<b>3,328</b>	<b>171</b>	<b>3,499</b>

Note: Actual work location at 30 June 2023.

## PGPA Rule Section 17AG(4)(b)(vi) – Indigenous Employment

Table B.7: Australian Public Service Act Indigenous employment current report period, 2022–23

	Total
<b>Ongoing</b>	68
<b>Non-ongoing</b>	6
<b>Total</b>	<b>74</b>

Note: Actual employment type at 30 June 2023.

## PGPA Rule Section 17AG(4)(c)(i) – Employment Arrangements of SES and Non-SES Employees

Table B.8: Australian Public Service Act employment arrangements current report period, 2022–23

	SES	Non-SES	Total
Individual s24(1) determination	87	–	87
Collective s24(1) determination	38	3,311	3,349
Collective supplemented by individual s24(1) determinations	–	63	63
<b>Total</b>	<b>125</b>	<b>3,374</b>	<b>3,499</b>

Note: Actual arrangements at 30 June 2023.

## PGPA Rule Section 17AG(4)(c)(ii) – Salary Ranges by Classification Level

Table B.9: Australian Public Service Act employment salary ranges by classification level (minimum/maximum) current report period, 2022–23

	Minimum salary \$	Maximum salary \$
SES 3	357,606	417,574
SES 2	275,909	317,977
SES 1	213,833	275,260
EL 2 including Principal Gov Lawyer	136,498	167,945
EL 1 including Senior Gov Lawyer	115,996	142,094
APS 6	94,332	103,731
APS 5	83,908	89,706
APS 4	75,996	81,274
APS 3	69,863	72,767
APS 2	62,558	66,664
APS 1	31,958*	58,237
Other	–	–
<b>Minimum/Maximum range</b>	<b>31,958</b>	<b>417,574</b>

\* This is a junior rate of pay for APS 1 employees under 18 years of age.

Note: Figures reflect the salary ranges at 30 June 2023.

### PGPA Rule Section 17AG(4)(d)(iii)-(iv) – Performance Pay by Classification Level

The department did not offer performance pay in 2022–23.

**Table B.10: Australian Public Service Act employment performance pay by classification level current report period, 2022–23**

	Number of employees receiving performance pay	Aggregated (sum total) of all payments made \$	Average of all payments made \$	Minimum payment made to employees \$	Maximum payment made to employees \$
SES 3	–	–	–	–	–
SES 2	–	–	–	–	–
SES 1	–	–	–	–	–
EL 2	–	–	–	–	–
EL 1	–	–	–	–	–
APS 6	–	–	–	–	–
APS 5	–	–	–	–	–
APS 4	–	–	–	–	–
APS 3	–	–	–	–	–
APS 2	–	–	–	–	–
APS 1	–	–	–	–	–
Other	–	–	–	–	–
<b>Total</b>	–	–	–	–	–

Note: Actual classification at 30 June 2023.

## PGPA Rule Section 17AD(da) – Executive Remuneration

Table B.11: Information about remuneration for key management personnel

Name	Position title	Short-term benefits			Post-employment benefits
		Base salary \$	Bonuses \$	Other benefits and allowances \$	Super-annuation contributions \$
Natalie James	Secretary	706,849	–	28,438	107,008
Nathan Smyth	Deputy Secretary	414,686	–	1,157	75,787
Nadine Williams	Deputy Secretary	244,718	–	2,749	39,886
Alexandra Gordon	Deputy Secretary	215,757	–	708	44,253
Martin Hehir	Deputy Secretary	397,675	–	1,264	76,192
Deborah Jenkins	Deputy Secretary	170,267	–	–	22,072
Anna Faithfull	Deputy Secretary	70,700	–	–	9,831
Belinda Casson	A/g Deputy Secretary	197,756	–	657	27,117
<b>Totals</b>		<b>2,418,408</b>	<b>–</b>	<b>34,973</b>	<b>402,146</b>

Other long-term benefits		Termination benefits	Total remuneration	Term as KMP
Long service leave	Other long-term benefits	\$	\$	
\$	\$			
10,178	–	–	852,473	Part term from 11/07/2022
16,575	–	–	508,205	Full term
3,511	–	–	290,864	Part term to 19/02/2023
5,328	–	–	266,046	Part term to 31/01/2023
2,066	–	–	477,197	Part term from 4/08/2022*
3,613	–	–	195,952	Part term from 16/01/2023
950	–	–	81,481	Part term from 24/04/2023
10,456	–	–	235,986	Part term to 15/01/2023
<b>52,677</b>	<b>–</b>	<b>–</b>	<b>2,908,204</b>	

## Notes:

Total remuneration is calculated on an accrual basis in accordance with AASB 119 Employee Benefits. This means there is a difference between the total remuneration included on an individual's annual payment summary and the remuneration disclosed in the table. This will also result in differences between the Remuneration Tribunal determination and the total remuneration.

The full term for KMPs in the department is 1 July 2022 to 30 June 2023.

Base salary includes salary paid and accrued, salary paid while on leave, annual leave accrued and temporary performance allowances.

Other benefits and allowances include monetary and non-monetary benefits such as provision of a car park.

Accumulation superannuation schemes (for example, PSSap and super choice) include employer superannuation contribution amounts. Defined benefit schemes (for example, CSS and PSS) include the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.

Long service leave comprises the amount of leave accrued and taken in the period. It is subject to on-costs and discount factors in line with AASB 119.

\* As per RMG 119, total remuneration reflects the full reporting period including remuneration earned prior to transferring to the Department of Employment and Workplace Relations under a machinery of government change. There will be a discrepancy between the figure reported in the financial statements and figure reported in the annual report.

**Table B.12: Information about remuneration for other highly paid staff**

Total remuneration bands	Number of other highly paid staff	Short-term benefits		
		Average base salary \$	Average bonuses \$	Average other benefits and allowances \$
\$0–\$220,000	33	104,235	–	1,764
\$220,001–\$245,000	5	205,997	–	1,617
\$245,001–\$270,000	27	213,466	–	1,196
\$270,001–\$295,000	26	232,163	–	1,153
\$295,001–\$320,000	10	252,114	–	1,184
\$320,001–\$345,000	7	233,343	–	1,276
\$345,001–\$370,000	7	295,387	–	1,164
\$370,001–\$395,000	3	305,014	–	1,157
\$395,001–\$420,000	2	282,515	–	51,642
\$545,001–\$570,000	1	263,204	–	232,125

Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration	
Average superannuation contributions \$	Average long service leave \$	Average other long-term benefits \$	Average total remuneration \$	
16,986	3,317	–	126,302	
33,229	10,577	–	230,266	
38,266	7,093	–	260,021	
40,204	11,122	–	284,642	
43,690	8,148	–	305,136	
42,398	10,833	–	43,393	331,242
50,754	10,834	–	–	358,139
55,721	16,433	–	–	378,325
58,313	14,367	–	–	406,838
59,114	11,201	–	–	565,644

## Notes:

This table includes all substantive SES employed by the department during the period and those employees acting in SES positions for at least 3 continuous months.

Total remuneration is calculated on an accrual basis in accordance with AASB 119 Employee Benefits. This means there is a difference between the total remuneration included on an individual's annual payment summary and the remuneration disclosed in this table.

Base salary includes salary paid and accrued, salary paid while on leave, annual leave accrued and temporary performance allowances.

Other benefits and allowances include monetary benefits and non-monetary benefits such as provision of a car park, overseas posting allowances, such as cost of overseas living adjustment, cost of overseas posting allowance, provision of housing, and associated Reportable Fringe Benefits Tax and departmental Fringe Benefits Tax.

Accumulation superannuation schemes (for example, PSSap and super choice) include employer superannuation contribution amounts. Defined benefit schemes (for example, CSS and PSS) include the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.

Long service leave comprises the amount of leave accrued and taken for the period. It is subject to on-costs and discount factors in line with AASB 119.



**Table B.13: Information about remuneration for other highly paid staff**

Total remuneration bands	Number of senior executives	Short-term benefits		
		Average base salary \$	Average bonuses \$	Average other benefits and allowances \$
\$570,000–\$595,001	1	156,498	–	7,449

<b>Post-employment benefits</b>	<b>Other long-term benefits</b>		<b>Termination benefits</b>	<b>Total remuneration</b>
<b>Average superannuation contributions \$</b>	<b>Average long service leave \$</b>	<b>Average other long-term benefits \$</b>	<b>Average termination benefits \$</b>	<b>Average total remuneration \$</b>
11,129	12,284	–	422,728	585,520

## Notes:

This table includes holders of public office paid by the department.

Total remuneration is calculated on an accrual basis in accordance with AASB 119 Employee Benefits. This means there is a difference between the remuneration determined by the Remuneration Tribunal and the remuneration disclosed in this table.

Base salary includes salary paid and accrued, salary paid while on leave, annual leave accrued and temporary performance allowances.

Other benefits and allowances include non-monetary benefits such as provision of a car park.

Accumulation superannuation schemes (for example, PSSap and super choice) include employer superannuation contribution amounts. Defined benefit schemes (for example, CSS and PSS) include the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.

Long service leave comprises the amount of leave accrued and taken for the period. It is subject to on-costs and discount factors in line with AASB 119.

## Appendix C – Annual Child Safety Statement

The department is committed to promoting and maintaining a culture that upholds the interests, needs and rights of children and does not permit or tolerate child abuse, neglect or exploitation.

Under the department's Child Safe Policy, the following strategies and practices were implemented in 2022–23 to support a culture of child safety:

- Departmental staff were required to complete the mandatory Child Safe Framework e-learning module to build whole-of-department capability.
- Staff who engaged in child-related work for the department were required to complete the additional Child Safe Organisations training module.
- Contract managers were required to consider child safety when entering into and managing procurement and grant agreements.
- When carrying out recruitment activities, staff were required to decide if the position should be classified as a child safe position.
- The department maintained a register of child safe positions, Working with Children Checks (WWCC) and Working with Vulnerable People Checks (WWVPC).

### Annual risk assessment

Following the establishment of the department in July 2022, the department undertook a risk assessment in relation to its activities and operations conducted in 2022. Control measures are in place to mitigate identified risk and to ensure the department meets obligations under the Commonwealth Child Safe Framework (Requirement 1).

The department will continue to address and mitigate identified risks as the department matures and child safety is further embedded into our culture and practices.

### Training and compliance

It is mandatory for all staff to complete the Commonwealth Child Safety Framework training. This is available on each staff member's laptop. Staff working in identified child safe positions are also required to complete the Australian Human Rights Commission Child Safe training (Requirement 2).

In 2023–24, the department will enhance reporting and compliance systems and procedures, as part of the annual review of the department's Child Safe Policy, through regular communication to staff on the Child Safe Framework, the policy, and training requirements.

## Appendix D – Activities funded to assist people to obtain and maintain paid work

This appendix provides information about employment programs supported, whether in full or in part, by section 1062A of the *Social Security Act 1991* (Cth) from 1 July 2022 to 30 June 2023.

Supported programs:

Outcome 1 programs	Outcome 2 programs
ParentsNext	VET Information Strategy
Career Revive Initiative	National Careers Institute and Ambassador
Local Jobs Program	Nationally Consistent and Accessible Subsidy and Apprenticeship Information
Workforce Australia	National Training System Commonwealth Own Purpose Expense (NTSCOPE) <sup>1</sup>
Time to Work Employment Service	Industry Workforce Training
Skills and Training Incentive	Mid-Career Checkpoint
Pacific Australia Labour Mobility	
Y Careers	
jobactive	
Transition to Work	
Outcome 2 programs	
Accelerating Australian Apprenticeships Pilot	
Australian Apprenticeship Support Network	
Australian Apprenticeships Incentives Program	
Integrated Information Service	
Australian Apprenticeships Incentives System	
Skills Checkpoint for Older Workers Program	
Foundation Skills for Your Future	
Industry Training Hubs	
Commonwealth Scholarships Program for Young Australians	
Skills for Education and Employment	
Skills Organisations Pilots	
Jobs and Skills Councils	
Migrant Skills Incentive	

Programs supported by section 1062A for the 2021–22 financial year and also for the 2022–23 financial year are listed above. Expenses at the program level for the 2022–23 financial year are disclosed in the Agency Resource Statement at Appendix A. Financial information for programs supported by section 1062A during the 2021–22 financial year are found in the Department of Education, Skills and Employment 2021–22 Annual Report. For the 2021–22 financial year the High Achieving Teachers Program was also administered as an arrangement supported by section 1062A. The Department of Employment and Workplace Relations systems are unable to disaggregate data by individual grant or arrangement, so it is not possible to tally the total number of grants and arrangements supported by section 1062A that were made during a financial year.

<sup>1</sup> The National Register, Business Research and Innovation Initiative Grant Opportunity for Automatic Mutual Recognition, and Foundation Skills Policy and Program for International Assessment of Adult Competencies elements of the NTSCOPE do not rely on section 1062A of the *Social Security Act 1991* for support.

# Appendix E – Annual Report of the Trade Support Loans program

**Based on the requirements set out in the *Trade Support Loans Act 2014*, this report provides a summary of the administrative operation of the Trade Support Loans (TSL) program from 1 July 2014 to 30 June 2023.**

## Overview

The Australian Government's TSL program provides Australian apprentices with access to an income-contingent loan over the course of their apprenticeship.

It meets the government's commitment to deliver improved productivity and competitiveness to the Australian economy by ensuring there are highly skilled individuals in priority trades where there are skills shortages.

The program provides financial support to eligible Australian apprentices to help with expenses associated with living, learning and completing an apprenticeship, and helps them focus on completing their trade qualification.

To be eligible for TSL payments, Australian apprentices must:

- live in Australia and be an Australian citizen, or the holder of a permanent visa
- be undertaking one or more of the following:
  - › Certificate III or IV qualification that leads to an occupation on the TSL priority list
  - › Certificate II, III or IV agricultural qualification specified on the TSL priority list
  - › Certificate II, III or IV horticulture qualification specified on the TSL priority list, while working in rural or regional Australia
- meet the eligibility criteria outlined in the TSL program guidelines.

Following the passage of the Trade Support Loans Amendment Bill 2023, TSL will transition to the Australian Apprenticeship Support Loans program. Australian Apprenticeship Support Loans will be available for all apprentices and trainees in occupations identified on the Australian Apprenticeships Priority List, rather than identified trades-based qualifications, making the program available to apprentices and trainees in the care sector for the first time.

## Governance

Prior to the proclamation of the new legislation, the program has been governed by the *Trade Support Loans Act 2014*. Two legislative instruments were in place to administer the program:

- **Trade Support Loans Rules 2014**, which provide for matters relating to qualification for TSL, granting loans, application forms and other matters
- **Trade Support Loans Priority List 2014**, which is established and maintained by the Minister for Employment and Workplace Relations to determine occupations or qualifications that the Minister considers a high priority.

The Australian Apprenticeship Support Network (AASN), Department of Employment and Workplace Relations, and Australian Taxation Office jointly deliver the TSL program.

## Operation of the program

Under the TSL program, apprentices apply for a loan through their local AASN provider. Monthly instalment amounts are highest in the early years of the apprenticeship to support apprentices with the cost of living while their wages are lower. Apprentices who successfully complete their apprenticeship will have their loan reduced by a 20% discount.

## TSL payment rates

The TSL lifetime limit was set at \$22,890 for 2022–23. The yearly and monthly instalment rates for Australian apprentices for 2022–23 are shown in Table E.1.

**Table E.1: TSL payment rates, 2022–23**

Apprentice year	Yearly rate (\$)	Monthly instalment rate (\$)
<b>First</b>	9,156	763.00
<b>Second</b>	6,867	572.25
<b>Third</b>	4,578	381.50
<b>Fourth</b>	2,289	190.75

Apprentices repay TSL through the taxation system when their income reaches the minimum income threshold. The threshold in 2022–23 was \$48,361. Apprentices may also choose to make voluntary payments on the loan before they reach the repayment threshold.

TSL debts are indexed annually in line with the Consumer Price Index.

## Performance information

The TSL program is in its ninth year and continues to provide eligible Australian apprentices with substantial support, helping them with the costs of living and learning while undertaking an apprenticeship.

From program commencement to 30 June 2023, the department:

- approved 175,607 TSL applications
- made \$1.62 billion in payments to eligible Australian apprentices.

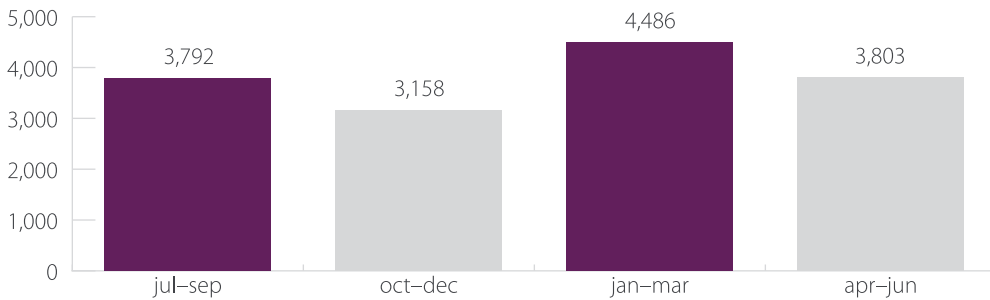
In 2022–23, the department:

- approved 15,239 TSL applications
- applied a completion discount to 13,450 Australian apprentices who successfully completed their apprenticeship.

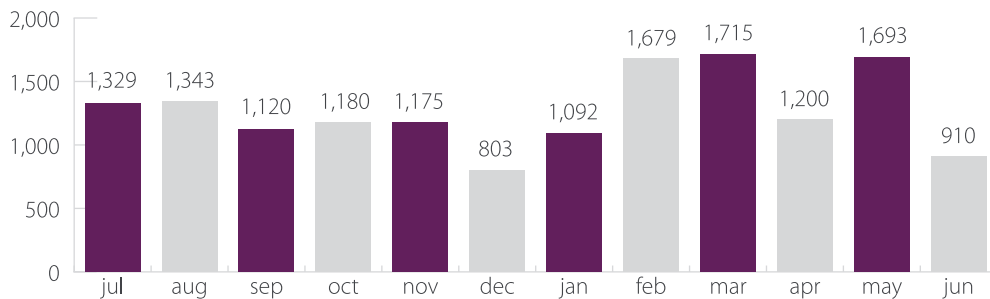
During 2022–23, 47,403 Australian apprentices received a TSL payment.

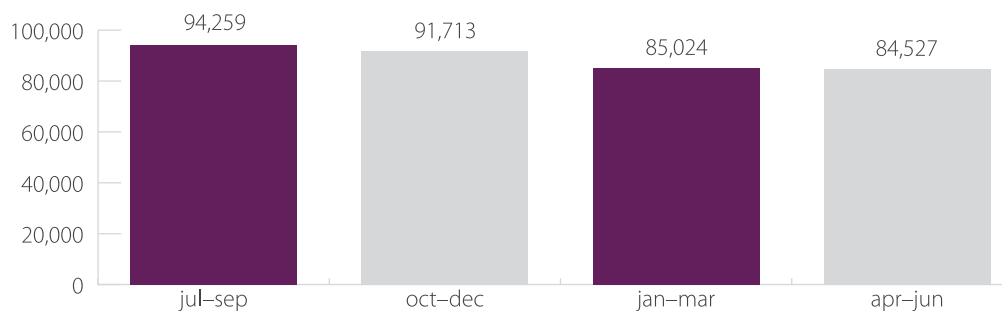
Figures E.1 to E.6 detail the number of successful TSL applications received by quarter, calendar month, apprenticeship stage, state and territory, and age, as well as the number of TSL payments made by quarter.

**Figure E.1: Number of successful TSL applications received by quarter, 2022–23**

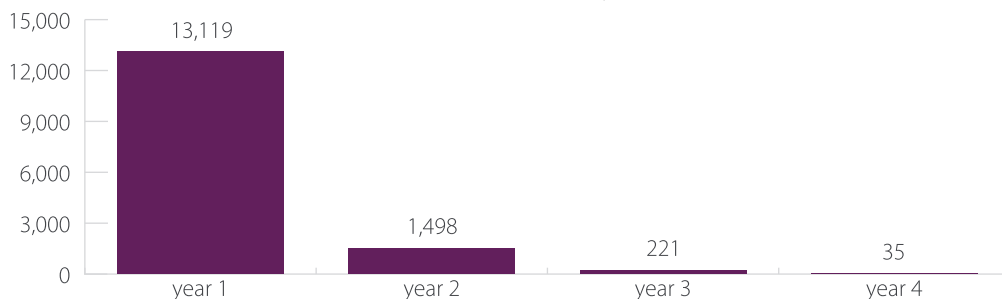
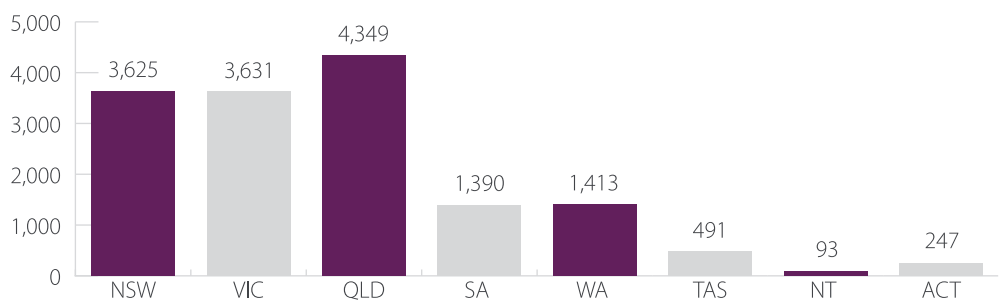
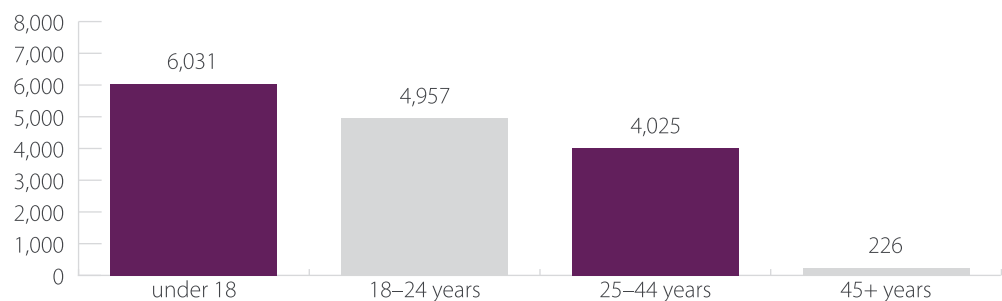


**Figure E.2: Number of successful TSL applications received by month, 2022–23**



**Figure E.3: Number of TSL payments made by quarter, 2022–23**

Data Source: Training and Youth Internet Management System as at 2 July 2023.

**Figure E.4: Number of successful TSL applications received by apprenticeship stage, 2022–23****Figure E.5: Number of successful TSL applications received by apprenticeship state/territory, 2022–23****Figure E.6: Number of successful TSL applications received by apprenticeship age category, 2022–23**



# Appendix F – Annual Report of the Student Identifiers Registrar

## About the Unique Student Identifier

Since 2015, all students in the vocational education and training (VET) sector must have a Unique Student Identifier (USI), a randomly generated alpha-numerical 10-digit identifier. The requirement for a USI was extended to higher education students seeking Commonwealth financial assistance on 1 January 2021.

Over 14 million USIs have been assigned and during 2022–23 more than 3,600 education or training providers and VET or higher education related entities were using our system.

Students need a USI if they are studying nationally recognised VET; if they are in higher education and needing a Higher Education Loan Program (HELP) loan or enrolling in a Commonwealth supported place (CSP); or if they are a higher education student graduating in 2023 or beyond.

Students undertaking a nationally recognised VET course or completing an apprenticeship require a USI to receive their qualification. Registered training organisations attach USIs to training records sent to the National Centre for Vocational Education and Research, where they are stored. This enables the creation of a secure online record of the student's training, and the production of an authenticated USI VET transcript. Students can use their VET transcript when applying for a job, seeking a credit transfer, or demonstrating training prerequisites.

The USI is a linkage key, creating more accurate data on vocational education enrolments, training completion and pathways. In this way it can support targeted policymaking and resource allocation by the Commonwealth, state and territory governments.

## Authorising legislation

The *Student Identifiers Act 2014* provides for a Commonwealth statutory office holder, the Student Identifiers Registrar, to oversee the implementation and management of the USI nationally. The Registrar's functions include:

- assigning and verifying student identifiers
- preparing a student's authenticated transcript
- enabling students to give third parties access to their transcript
- protecting students' personal information from unauthorised access or misuse.

The Registrar is appointed on a full-time basis for up to 5 years by the Commonwealth Minister administering the *Student Identifiers Act 2014* after consulting state and territory ministers. Ms Janette Dines was the Student Identifiers Registrar from 15 April 2019 to 13 January 2023. Mr Glen Watson is acting Student Identifiers Registrar until confirmation of the appointment of a new Registrar.

The Registrar is assisted by APS employees from the Department of Employment and Workplace Relations (DEWR), and by contractors. On 30 June 2023 there were a total of 66 staff supporting the Registrar.

The Registrar manages the Student Identifiers Special Account. The account is a special account for the purposes of the *Public Governance, Performance and Accountability Act 2013*. The appropriation for the 2022–23 financial year was \$10.326 million and the total spend was \$9.882 million.

This report is prepared in compliance with section 51 of the *Student Identifiers Act 2014*.

## Registrar overview

In 2022–23 our focus was to ensure our services were accessible, available, and seamless to our continuously expanding customer base.

We now have over 14.4 million customers, more than 1.3 million new customers compared to the previous year. The increase in activity across government at all levels and within the education and training sectors, in both tertiary and vocational education, has seen demand for our service grow significantly across all channels.

## Self-service is simple, secure and improving

Our aim is that at least 90% of our customers choose to self-serve and can do so simply and easily; over 97% did so. On average over 8,000 students and 761 providers access our system daily. During the year we improved the overall functionality of the USI Registry System through an unprecedented number of system releases, improving our customers' experience and reducing the need to seek assistance. To further improve the experience for customers who require support, we streamlined our help request process.

We handled 20% more calls than the previous year and continued to answer callers well within our target of 2 minutes and 30 seconds. Importantly, we remained vigilant in executing our mission and successfully maintained very high levels of security and protection of the data we collect and hold.

We understand the importance of privacy and having a safe and secure USI. That is our priority. Pleasingly, the number of students creating their USI using Digital Identity has doubled every year since the option was introduced in June 2020, reaching 45,300 USIs in 2022–23.

## Maintaining the social licence to operate

A key benefit of the USI is the availability of an authenticated VET transcript of any nationally recognised training completed since 2015. USI account holders can download their VET transcript and give their permission to share the information with third parties, including employers. Our promotion of the VET transcript service over the last 2 years has resulted in:

- a 60% increase in VET transcripts downloaded by USI account holders
- a doubling of VET transcript views by providers
- a tenfold increase in the number of views by third parties, such as employers and licensing bodies.

## Sector engagement and visibility

Through our outreach program we have maintained a strong and visible national presence. Our support and participation in over 22 student career and employment expos and industry events ensured exposure to 159,000 students across high school, higher education and the VET sector. We raised brand awareness and promoted our service, resulting in 10,000 leads and a larger social media footprint, gaining 2,600 new Instagram followers and reaching 46,000 accounts.

## Satisfying our customers

We strive for a great customer experience in every channel and have expanded our customer survey to our website and the student portal. While we are pleased with the results, we still have some work to do to achieve our goals in all 3 service channels:

- 89% of callers surveyed post-call rated us 5 out of 5 stars
- 83% of customers using our website said they were satisfied with the service, and provided us with some very useful feedback
- 84% of the customers who accessed our services via the student portal rated their experience 4 out of 5 stars.

Feedback we received included:

- Hey, I had help from an agent, I would just like to say she was so helpful, she was very kind and assisted me with everything and was super professional about her role!!
- Your agent was very helpful [and] got my problem solved within minutes.
- Called this morning 28/10 from Perth with sign in challenges and received outstanding assistance. Really appreciated your friendly attitude and solved my problem in a matter of minutes. Great work.
- Great job guys – hadn't used my USI in a few years, but the mobile phone and birthdate lookup had the text sent to me with the USI in no time.
- I needed my USI, I followed the instructions on the website, I got my USI. Perfect.

## The team were enabled and inspired

Throughout 2022–23, the USI team rose as one to each new challenge with energy, enthusiasm, and a commitment to take ownership and do their best work. Members of the USI team say this is a good place to work, they are clear on their role, and they are supported to do their best job with a clear line of sight to our customers. In both our own locally developed staff survey and the APS agency survey, staff participation has been high and the staff satisfaction results are well above par on every measure.

## Exciting future ahead

We are well placed to take on the additional challenges that lie ahead for us in 2023–24 and are excited to soon be expanding the options for our customers to connect with us through myGov. Customers will be able to link their USI and myGov accounts and access their USI with other government services in one place. We are also working with the Department of Education to expand the USI to the school sector. The aim is to provide all school students with a USI and create an individual education number for life.

I have appreciated the opportunity to promote the government's priorities and lead the USI team in providing students and providers of education and training services with a high level of support and an unwavering commitment to protecting their privacy and security.

### **Glen Watson**

Student Identifiers Registrar

# 2022–23 at a glance



**1.3** million new USIs



**14.4** million total USIs as at 30 June 2023



**1.5** million transcript views/downloads  
(43% increase\*)



**45,300** USIs created using Digital  
Identity bringing the total to **75,000**



**6,338** USI accounts accessed  
using Digital Identity



**9.2** million self-service transactions



**179,000** calls handled (30,050 more calls\*)



**81,000** online help requests actioned



**1 minute 23 seconds** Call average speed  
of answer (14 seconds longer\*\*^)



**1** notifiable data breach reported to Office  
of the Australian Information Commissioner

\* Compared to 2021–22 data

^ Based on daily averages

# USI mission statement



# Performance information

## GOAL 1: KNOW OUR MARKET

### KPI: WE KNOW WHO OUR CUSTOMERS ARE AND WHAT THEY NEED FROM US

#### What we did

#### Directly engaged with our target audience:

- by surveying 112,097 customers to rate their service
- through attendance at 15 student career expos and 7 industry forums:
  - › promoted the USI via exposure to over 159,000 students across high school, higher education and VET sectors
  - › gained 10,000 direct leads which allowed for follow-up communications
  - › gained 2,600 new social media followers, reached 46,000 accounts and achieved 684 engagements with 124 customers contacting us with questions
- by sending 19 eNews and electronic direct mail items to 47,994 recipients, with a total click-through of 3,827.

#### Collaborated with key stakeholders:

- We chaired the USI Advisory Group and USI External Reference Group meetings, attended by 23 stakeholders.
- We participated in a Heads of Student Administration webinar attended by 109 representatives from the tertiary education sector to discuss the Student Identifiers (Higher Education Exemptions) Instrument for international students.
- We met with stakeholders in South Australia, Queensland, Victoria, New South Wales, Western Australia and the Australian Capital Territory to maintain positive relationships to support working together more effectively and inform decision-making.
- We met with 6 higher education providers to check readiness for the 2023 requirement that students must have a USI to graduate.
- Feature articles on the USI initiative, VET transcripts and student permissions in the May and November editions of the Velg Training *Staying Connected in VET* magazine were distributed to a combined total of approximately 170,000 recipients working in the VET sector.
- The USI initiative was featured in:
  - › the South Australian Tertiary Admissions Centre (SATAC) Guide 2023, distributed to 23,000 schools across South Australia and the Northern Territory
  - › the Queensland Tertiary Admissions Centre (QTAC) year 10 and year 12 guides, reaching 70,000 students
  - › *Where to Next?* magazine, reaching 17,500 students in Brisbane, Townsville, Mackay and Darwin.

- We targeted international students with communications on how and when to get a USI, through Austrade communication channels.
- Over 800 members of the Career Advisers Association (CAA) received email communications about the USI initiative.

### **Changed our processes:**

- We onboarded correctional facilities as VET admission bodies, enabling them to create USIs for students.
- We expanded our data capture to include the reasons why education and training providers are using the Document Verification Service (DVS) override function, to better understand the volume of students who do not have access to a verifiable form of identity.

### **Engaged through social media:**

- We conducted an SMS campaign in partnership with the Universities Admissions Centre, reaching 39,758 year 12 students entering higher education in 2023, with a click-through rate of 11.5%.
- We promoted the USI to 2,700 customers through the CAA Facebook profile.

## **GOAL 2: DELIVER A SIMPLE AND SECURE CUSTOMER EXPERIENCE**

### **What we did**

#### **Through the USI Registry System, we:**

- created a new Provider Profile tile allowing education and training providers to view their organisation details and system expiry dates
- removed third-party authority access to 122 incarcerated students' USI accounts through a review of access requirements.

#### **To reduce customer effort, we changed our processes and:**

- streamlined the evidence of identity process for 19 registered training organisations delivering training to incarcerated students
- introduced 2 new DVS document types to assist students with creating or updating their USI details
- confirmed that 274 international onshore students were eligible to create a USI using the new Visa Entitlement Verification Online system
- reviewed the personal information we collect from our customers to protect against potential cybersecurity breach
- increased security when releasing compliance information by applying an independent verification process
- enhanced our online feedback and complaints forms to include an optional 'proof of identity' section – resulting in 72 customers being served immediately online (compared to nil prior to this enhancement).

**Strengthened self-service ability through the USI website by:**

- updating our privacy notice telling customers how their information is collected and used
- redeveloping the USI exemption web form with defined higher education and international student options, providing a more user-friendly experience and clearer guidance on eligibility for an exemption.

**Improved staff capability:**

- to support any customers experiencing family and domestic violence
- by facilitating an all-staff Privacy Awareness Week meeting to raise awareness of privacy issues and the importance of protecting personal information.

**KPI: SPEED OF SERVICE**

- 🕒 **TARGET:** Average speed to answer does not exceed **2 minutes and 30 seconds**
- ✅ **ACHIEVEMENT:** Average call wait time of **1 minute and 23 seconds**

**KPI: CUSTOMER SATISFACTION**

- 🕒 **TARGET:** 85% of callers surveyed are satisfied with our service\*
- ✅ **ACHIEVEMENT:** 89% of respondents gave us 5 out of 5 stars  
\* 71,494 customers took our post-call survey
- 🕒 **TARGET:** 85% of customers using the **USI Portal** are satisfied (based on 4 and 5 star rating)\*
- ❌ **ACHIEVEMENT:** 84.0% of users are satisfied with their USI Portal experience  
\* 2,599 customers responded to the portal survey upon successful creation or location of their USI
- 🕒 **TARGET:** 90% of users are satisfied with their **USI website** experience (yes/no rating)\*
- ❌ **ACHIEVEMENT:** 83% of users are satisfied with their USI website experience  
\* 38,004 customers provided a response to the website feedback question

**KPI: THE USI REGISTRY SYSTEM SUPPORTS SELF-SERVICE**

- 🕒 **TARGET:** 90% of transactions are self-service
- ✅ **ACHIEVEMENT:** 97.24%



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## KPI: THE USI REGISTRY SYSTEM IS HIGHLY AVAILABLE

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- 🕒 **TARGET:** 99% of the time the Student Portal is available and operational
- ✅ **ACHIEVEMENT:** 99.72%

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## KPI: NUMBER OF DATA BREACHES

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- 🕒 **TARGET:** 0 reportable data breaches and no more than 8 non-reportable data breaches\*
- ❌ **ACHIEVEMENT:** 1 reportable breach and 9 non-reportable breaches

\* Reportable data breaches are those that may cause serious harm to an individual and therefore must be reported to the Office of the Australian Information Commissioner (OAIC)

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## KPI: STAFF PROTECT STUDENTS' PERSONAL INFORMATION

- 🕒 **TARGET:** 100% of staff are trained in, and aware of, their privacy obligations

### ACHIEVEMENT:

- ❌ 99.25% of staff completed mandatory privacy, security, and fraud awareness training
- ✅ 100% of staff completed data breach training in accordance with OAIC requirements

## GOAL 3: SUPPORT THE GOVERNMENT AND THROUGH IT THE NATION

## KPI: WE SUPPORT AND ENABLE GOVERNMENT POLICY

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### What we did

#### Collaborated

- Partnered with DEWR, Services Australia and the Australian Taxation Office to develop a short video to help students navigate their next steps after school.
- Educated the Tertiary Education Quality and Standards Agency on their authority to collect, use and disclose USIs under the *Student Identifiers Act 2014* in support of their training verification project.
- Collaborated with the Department of Education to amend the Student Identifiers (Higher Education Exemptions) Instrument, addressing an international student cohort not initially anticipated.
- Contributed to service improvements as a member of DEWR's VET Data Streamlining Board .
- As a member of the Digital Identity and myGov portfolio board and steering committee, worked to connect the USI initiative through those platforms.
- Assisted the Department of Education to develop policy on exemptions for higher education students.
- Cooperated on the expansion of the USI initiative to the school sector through service design workshops with the Department of Education and DEWR.
- Processed 18 compliance requests for information from law enforcement or regulatory agencies.
- Processed 3 requests for information from law enforcement or regulatory agencies.

- Collaborated with the National Centre for Vocational Education Research to provide data for the National Student Outcomes Survey.
- Collaborated with the New South Wales Department of Education to provide data for the Student Pathways Program.

### **Amended internal policies and procedures and facilitated training to staff**

- Managed a significant increase in requests from international students who require a USI exemption to support receiving their higher education award.
- Simplified the process for customers following introduction of the **Student Identifiers (Higher Education Exemptions) Amendment (Education Minister Exemptions) Instrument 2023** (effective 22 May 2023), resulting in fewer students needing to complete applications.
- Provided 1,451 international students with letters of confirmation that they are automatically exempt from needing a USI under the Student Identifiers (Higher Education Exemptions) Instrument.

### **Informed**

- Sent over 16,000 emails to support education and training providers' move to USI Registry System Web Service Version 5.
- Released data to support research to:
  - › the Australian Bureau of Statistics for the Multi-Agency Data Integration Project
  - › the New South Wales Government for the Future Pathways projects.

### **Responded**

- Analysed over 2,500 evidence of identity forms, enabling students who did not have identity documents to create a USI.
- Granted USI exemptions to:
  - › 30 onshore VET students
  - › 21 onshore higher education students
  - › 4 offshore VET students
  - › 895 offshore higher education students.
- Provided 1,451 international students with confirmation of automatic exemption from needing a USI under the Student Identifiers (Higher Education Exemptions) Instrument.
- Processed 42 compliance requests for information about 1,651 individuals for 17 law enforcement or regulatory agencies.

## GOAL 4: INNOVATE TO IMPROVE OUR USI CUSTOMER EXPERIENCE AND DO OUR WORK MORE EFFICIENTLY

### KPI: WE ARE OPEN TO NEW WAYS OF DOING THINGS

#### What we did

- Improved the overall functionality of the USI Registry System with a total of 14 system releases.
- Updated our telephony system to improve customer services by providing callers with estimated call wait times and the ability to request a call back.
- Enhanced our use of the DVS by:
  - › giving staff real-time visibility of identification database outages
  - › integrating functionality to provide students with a clear DVS error message to assist in fixing matching issues
  - › adding aviation and maritime security identification cards as acceptable forms of identification
  - › adding driver licence card number as a mandatory verification field to improve security.
- Introduced the Visa Entitlement Verification Online system available through the Department of Home Affairs to verify that international students are eligible for a USI.
- Released enhanced functionality allowing education and training providers to bulk verify USIs in the Organisation Portal and expanded this functionality to VET admission bodies and tertiary admissions centres.
- Enhanced the help request process to remove double handling by integrating the USI Registry System with Genesys and allowed students to:
  - › upload documents securely
  - › create a help request when the identification verification system is not available
  - › submit file sizes up to 5 MB per attachment
  - › create a help request when updating personal details.

## GOAL 5: ENABLE AND INSPIRE TEAM USI TO TAKE OWNERSHIP AND DO ITS BEST WORK

### KPI: OUR CULTURE SUPPORTS STAFF

#### What we did

##### Staff development

- We invested in 'Radical Candor' training to encourage constructive feedback across Team USI.
- Our leadership team participated in the Dare to Lead workshop, which promotes brave leadership and honest conversations towards building a courageous culture.
- We piloted a new business assurance framework for evaluating services and decisions, identifying 29 business improvement recommendations.
- We piloted a new 12-week development program to build APS 4 staff capability and knowledge across teams.
- We introduced a Learning and Development Framework to promote and instil a culture of continuous learning and development to improve staff capabilities and grow towards better performance.

##### Activities and initiatives

- Celebrated NAIDOC week and promoted R U OK? Day.
- Participated in a DEWR panel discussion on how Team USI improved its APS census results.
- Celebrated and acknowledged Neurodiversity Celebration Week and Harmony Week in all-staff activities.

## Culture Statement



### Trust

We have a firm belief in one another to be reliable, truthful and capable.



### Learning

We learn from the past to prepare for our future.



### Working together

Even when working alone we are working together to support our mission statement.



### Transparent communication

We have a firm belief in one another to be reliable, truthful and capable.

## KPI: WE ARE A GOOD PLACE TO WORK

**TARGET:** 100% of staff report role clarity, support, and a line of sight to our customers

Table F.1: Goal 5 performance measures, 2022–23

Achievement	Annual average strongly/agreed*
I understand what is expected of me and my current role	100%
I understand how my job contributes to the customer experience	100%
I believe the USI team has a strong privacy culture	99%
I know who to ask if I need help with any aspects of my current role	100%
I have the necessary resources I need to perform my duties	97%
I feel that my manager sees my wellbeing as a priority	95%
I feel that my ideas are welcome	96%
I understand the link between my job and the USI mission statement	100%
I have discussed my learning and development needs with my manager	95%

\* Staff were surveyed quarterly until March 2023. Thereafter the survey will be taken biannually in March and September. These percentages are an average of all 3 quarters where staff provided a response of either 'agreed' or 'strongly agreed'.

## Appendix G – Annual Report of Jobs and Skills Australia

This report provides information about the performance of the functions of Jobs and Skills Australia (JSA) under the *Jobs and Skills Australia Act 2022* (the JSA Act) and the exercise of the Interim Director's powers during 2022–23.

### About Jobs and Skills Australia

On 16 November 2022, JSA was formally established, after legislation passed through parliament and received Royal Assent.

The main functions of JSA are to:

1. provide advice to the Minister and to the Secretary on Australia's current and emerging labour market (including workforce needs and priorities) and Australia's current, emerging and future skills and training needs and priorities (including in relation to apprenticeships)
2. provide reports on the labour market and workforce skills and training needs and priorities to assist with government policy development and program delivery.

In performing its functions, JSA must, where appropriate, consult and work with state and territory governments, relevant state and territory authorities, employers, unions, training providers and other industry stakeholders who contribute to the labour market.

Professor Peter Dawkins AO was appointed as the Interim Director of JSA with effect from 1 December 2022. Professor Dawkins is directly accountable to the Minister for Skills and Training, the Hon Brendan O'Connor.

JSA is a secondary statutory authority within the Department of Employment and Workplace Relations (DEWR). Formally, JSA is composed of the Director and staff made available by the Secretary of DEWR to assist the Director in delivering their legislative functions.

The Jobs and Skills Australia Amendment Bill 2023 was introduced to parliament on 22 March 2023. Its purpose is to:

1. provide for the permanent governance arrangements and functions of JSA
2. establish a Ministerial Advisory Board to advise in relation to the performance of the functions of JSA
3. provide for a review of the operation of the JSA Act.

## Stakeholders

JSA's engagement with tripartite partners is central to delivering the legislated functions. This includes working with unions, employers, industry, state and territory governments and the Australian Government, education and training providers, and other key stakeholders in developing and providing advice on Australia's current and future skills needs. JSA's approach to engagement was outlined in its Engagement and Outreach Strategy, which was developed in consultation with tripartite and other key partners, as well as DEWR, and is expected to be published in July 2023.

JSA provides high-quality data, analysis and insights to better understand Australia's skills and labour shortages across the economy. Providing advice on the effectiveness of Australia's current vocational education and training, higher education and migration systems is a priority.

Extensive external stakeholder engagement has underpinned the development of all our work, in keeping with JSA's core mandate to consult with industry, unions, government and education providers. This includes launching core engagement forums with tripartite partners to shape JSA's establishment and ongoing direction through:

1. establishing the Jobs and Skills Australia Consultative Forum to oversee engagement with the tripartite partners. The forum includes representatives from business, unions, the education and training sector, and the Commonwealth and state and territory governments. Two meetings were held in 2022–23
2. creating a partnership with Jobs and Skills Councils that embeds 2-way collaboration. JSA facilitates this relationship with the support of a dedicated Jobs and Skills Councils Information and Advice team within the agency, as well as through establishment of a Jobs and Skills Councils CEO forum
3. deepening engagement with state and territory governments, including establishing the Jobs and Skills Australia State and Territory Partnership Forum with senior officials from all state and territory governments, and working groups to meet on specific issues and provide input into projects.

JSA has released 5 papers for public consultation and consideration and has provided extensive input into national policy discussions.

## JSA Work Plan

In May 2023 JSA published the Jobs and Skills Australia 2022–23 Work Plan. In June 2023 we released a consultation paper on the process for developing forward work plans to ensure partner and stakeholder input into the work JSA does.

The 2022–23 Work Plan consists of 4 core elements. The first element is JSA's strategic advice and deliverables on the national skills system, including the Clean Energy Capacity Study; the National Study of Adult Literacy, Numeracy and Digital Skills; and other major in-depth studies. This also includes engagement with the Employment White Paper, the migration system review, the National Skills Agreement and the Universities Accord process.

JSA's extensive labour market and skills analysis forms the second element, including Nowcast of Employment by Region and Occupation (NERO); labour market dashboards at the national, state/territory and regional levels; employer recruitment insights; internet vacancy updates; examination of small area labour markets; exploration of the Australian labour market for migrants; development of the Skills Priority List; and 5-yearly employment projections. JSA is continually working to improve how labour market data and information is presented for a broad range of users.

The third level provides an expanded evidence base for JSA to inform labour market and skills analysis. This includes the development of a national skills supply and demand framework, and the development of outputs based on the VET National Data Asset (VNDA) to expand analysis around pathways into VET and pathways between VET and higher education.

Finally our enabling activities support the organisation to deepen our engagement and outreach with our partners, capturing our internal governance and data-sharing arrangements, as well as our externally facing digital structures.

### **Strategic advice and deliverables**

JSA has engaged with stakeholders to effectively provide advice to government and inform decision-making on workforce needs, skills and training. The national skills system is a key focus of the Employment White Paper being led by the Treasury. Working with the Treasury, JSA has provided advice on the development of the Employment White Paper, with the inclusion of JSA's analysis, in line with agreed milestones and terms of reference.

JSA had extensive engagement with the migration system review panel and continues to have productive ongoing dialogue with the Department of Home Affairs in the context of the migration review and the government response to the expert review panel report. Continuing engagement on national policy issues, JSA has presented to the Universities Accord panel, exploring opportunities to better connect and strengthen the complementarity of the VET and higher education sectors. This work will help inform JSA as it works with DEWR on the National Skills Agreement. The new National Skills Agreement highlights Australia's need for a VET sector that provides high-quality, responsive and accessible education and training to boost productivity and support Australians to obtain the skills they need to participate and prosper in the modern economy.

JSA has made public submissions on matters of national significance to the skills system. In early March 2023 we made a written submission to the parliamentary inquiry into the perceptions and status of VET, appearing before the House of Representatives Standing Committee on Employment, Education and Training on 22 March and 21 June 2023. In April, Professor Dawkins delivered a presentation to the Council for International Education on the education and employment outcomes of international students in Australia. The presentation highlighted challenges international graduates face in securing a strong foothold in the labour market.



In January, JSA released the *Vocational Education and Training in Regional, Rural and Remote Australia* report. This was closely followed by the *Australian Labour Market for Migrants* report, released in January and updated in April. Regular labour market reports were released in February and May, and the *Skills Shortage Quarterly* report was published in March. Keeping a focus on disadvantaged and minority groups, JSA explored employers' experiences of First Nations job applicants, and published an analysis of First Nations people's employment and education outcomes in June.

JSA has been conducting its inaugural capacity study on clean energy, with the final report to be delivered in September 2023 to the Australian Government. The final report will examine the current clean energy workforce, the skills and training pathways, and future demand and supply for clean energy roles across Australia's regions over the next 10, 20 and 30 years as Australia transitions to net zero by 2050. Terms of reference were released for comment in January, and their establishment allowed for the release of a public discussion paper in May.

Similarly, JSA published a discussion paper to begin the design of the Foundation Skills Study, which seeks to provide up-to-date evidence on the level of literacy, numeracy and digital skills among Australian adults. Foundation skills – the ability to read, write, be numerate and engage with technology – are a critical foundation for meaningful work and active participation in the community. A lack of basic literacy or numeracy skills, or both, often results in exclusion from education, training and secure work, as well as difficulty engaging in society more broadly. Yet the data on the situation in Australia is over a decade old. The Foundation Skills Study consists of 3 elements:

1. a survey of Australian adults to assess their current skills levels
2. a feasibility study into how best to assess the literacy, numeracy and digital literacy levels of First Nations people
3. analysis of Commonwealth administrative and other data to 'drill down' into the results for priority groups.

The public consultation period for submissions on the Foundation Skills Study discussion paper opened on 4 April and closed on 24 April. The purpose of this discussion paper was to support JSA in developing and delivering the survey and feasibility study.

## **Labour market and skills analysis**

JSA publishes a range of labour market data and analysis that provides insights into how the labour market is performing. This includes the quarterly *Labour Market Update*, a report that provides information on issues affecting Australia's current and emerging labour market. The updates bring together a range of JSA and Australian Bureau of Statistics (ABS) data sources to analyse the state of the Australian labour market.

A key JSA product is the monthly *Internet Vacancy Index* (IVI). The IVI is the only publicly available source of detailed data on online vacancies, including for around 350 occupations (at all skill levels), as well as for all states and territories and 37 regions.

JSA also conducts the Recruitment Experiences and Outlook Survey (REOS) to learn about employers' recruitment needs and to better connect job seekers with employment opportunities. The monthly *Recruitment Insights Report* provides data on employers' recruitment activity, recruitment difficulty and expectations to hire staff in the future. Findings are published soon after being collected, providing an almost real-time view of business recruitment demand and confidence. REOS 'Spotlight' reports are also produced most months, featuring analysis on unique topics or themes.

JSA is providing regional estimates of unemployment and unemployment rates in the quarterly publication of small area labour markets estimates.

JSA continues to work on and develop data and analysis of the Australian labour market. NERO is an experimental dataset that provides timely information on employment in 355 occupations across 88 regions in Australia on a monthly basis. Previously this type of data was only readily available every 5 years as part of the ABS Census of Population and Housing. NERO can be combined with job advertisement data (from the IVI) to better understand regional labour markets (including providing insights on skills shortages at a regional level).

JSA also provides labour market insights and analysis for Australia's 51 employment regions to inform the department's Local Jobs Program, drawing on a range of JSA and ABS data.

For those considering moving to Australia for work, the *Australian Labour Market for Migrants* publication is released quarterly. It provides useful information on the Australian labour market for recent migrants to Australia, people interested in working in Australia on a temporary or permanent basis, and organisations providing services to migrants and potential visa applicants.

### **Expanding the evidence base**

VNDA is an example of the types of products that JSA will use to build its evidence base.

JSA presented early results to a working group of state and territory government representatives on 25 July 2023.

VNDA was initiated in 2021 and is a collaboration between JSA and the ABS. It links unit records from the Total VET Activity data collected by the National Centre for Vocational Education Research (NCVER) with government administrative data from the Australian Taxation Office, Department of Social Services, Department of Education and other sources. VNDA leverages the ABS's existing Multi-Agency Data Integration Project (MADIP) and Business Longitudinal Analysis Data Environment (BLADE) data assets.

VNDA provides the ability to examine a broad range of short-term and long-term outcomes following the completion of training. For example, it contains information on employee income, employment status, reliance on income support, and progression to further education and training. By using administrative data collected over multiple years, we can observe a range of measures in the years following training. This means it can greatly expand on the insights currently available through the NCVER Student Outcomes Survey.

The Skills Priority List (SPL) reflects JSA's annual assessment and publication of skills shortage analysis. The SPL provides a current point-in-time rating of whether an occupation is in shortage, including its future demand. The SPL covers over 900 occupations in the Australian and New Zealand Standard Classification of Occupations (ANZSCO) 2022 from skill levels 1 to 4. The list and insights produced, along with other analysis and intelligence produced by JSA, inform advice on targeting of policy initiatives.

A national skills supply and demand framework is in development and will map likely future demands on the education and training system and migration, combining enhanced 5-year employment projections and an economy-wide model of the labour force. This will be a unique model that will enable an estimate of the supply of labour and skills required to meet the demand outlined in the 5-yearly projections. The model is intended to bring together many of the innovative data products JSA has developed into an integrated assessment of the labour market. The model will be an important starting point for JSA's workforce planning function. It has the capacity to bring national consistency to the more detailed analysis of sectors, cohorts and regions that will be undertaken by JSA. Subject to passing proof of concept, it is expected that the first outputs of this model will be available by the end of the first quarter of 2023.

## **Enabling activities**

JSA progressed development, in consultation with key stakeholders, of its stakeholder Engagement and Outreach Strategy and the principles-led approach to the way JSA embeds engagement within its work to reach and work with others. In 2022–23 JSA facilitated and participated in a wide range of engagement and outreach activities, including establishing a range of core engagement forums. Throughout the year JSA actively provided the public with information and released all its major reports and regular data releases on its website and publicised them via social media channels. The Interim Director and other subject-matter experts have also presented at a range of public conferences.

The JSA Data and Analytics Platform is composed of top-tier technologies for data analysis, data science and machine learning models. The platform underpins JSA's work to provide advice on current, emerging and future labour market and workforce skills and training needs by providing capability to bring together large and discrete datasets, allowing JSA economists and analysts to gain a more informed view of the labour market and national skills system.

## **Professor Peter Dawkins AO**

Interim Director  
Jobs and Skills Australia

# Skilling young people for work in Darwin

The Darwin Employment Region has a high youth unemployment rate and limited programs and activities available to support disengaged young people into entry-level employment. YouthWorX NT identified an opportunity and collaborated with Charles Darwin University, employers and other stakeholders to devise and deliver the Local Recovery Fund activity Skilling Young People for Work. The goal was to upskill up to 30 disengaged young people and prepare them for entry-level employment through accredited and non-accredited training, work tours/placements and mentorship support.

The work tours and placements provided by this activity have been instrumental in educating participants about job options. It has also given them the opportunity to go behind the scenes of McDonald's, Bunnings, Charles Darwin University, Adina Vibe hotel, a Darwin welding business, Coles, Woolworths, Milestones childcare centre and Ironbark Aboriginal Corporation. To encourage careers in government, the second block of work tours and placements included a tour hosted by the department's Northern Territory office, in conjunction with the National Indigenous Australians Agency. We held discussions around resources to apply for internships, apprenticeships and other entry-level roles through APSJobs. Of the 5 participants who attended this tour, 3 have registered their interest in the APS Digital Apprenticeship and Digital Traineeship programs.

**“The goal was to upskill up to 30 disengaged young people and prepare them for entry-level employment through accredited and non-accredited training, work tours/placements and mentorship support.”**

# 6 Indexes

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## List of requirements

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table be included in entities' annual reports as an aid of access.

PGPA Rule Reference	Description	Requirement	Page
<b>17AD(g)</b>	<b>Letter of transmittal</b>		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the PGPA Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	iii
<b>17AD(h)</b>	<b>Aids to access</b>		
17AJ(a)	Table of contents (print only).	Mandatory	iv–v
17AJ(b)	Alphabetical index (print only).	Mandatory	204–209
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	199–201
17AJ(d)	List of requirements.	Mandatory	191–198
17AJ(e)	Details of contact officer.	Mandatory	ii
17AJ(f)	Entity's website address.	Mandatory	ii
17AJ(g)	Electronic address of report.	Mandatory	ii
<b>17AD(a)</b>	<b>Review by accountable authority</b>		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	2–4
<b>17AD(b)</b>	<b>Overview of the entity</b>		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	6
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	10–11
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	18
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	1, 6, 18
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	7
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	7

PGPA Rule Reference	Description	Requirement	Page
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	7
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory	5–9
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, mandatory	n/a
<b>17AD(c)</b>	<b>Report on the Performance of the entity</b>		
	<b>Annual Performance Statements</b>		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the Rule.	Mandatory	16–48
<b>17AD(c)(ii)</b>	<b>Report on Financial Performance</b>		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	71–74
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	137–145
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, mandatory.	93
<b>17AD(d)</b>	<b>Management and Accountability</b>		
	<b>Corporate Governance</b>		
17AG(2)(a)	Information on compliance with section 10 (fraud systems).	Mandatory	60
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	iii

PGPA Rule Reference	Description	Requirement	Page
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	iii
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	iii
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	51
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the PGPA Act that relates to non-compliance with Finance law and action taken to remedy noncompliance.	If applicable, mandatory	n/a
<b>Audit Committee</b>			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	53
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	54–59
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	54–59
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	54–59
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	54–59
<b>External Scrutiny</b>			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	77–79
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, mandatory	79
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the PGPA Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, mandatory	77–79



PGPA Rule Reference	Description	Requirement	Page
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, mandatory	n/a
<b>Management of Human Resources</b>			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	64–69
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; and (d) statistics on staff location.	Mandatory	146–155
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> <li>■ Statistics on staffing classification level;</li> <li>■ Statistics on full-time employees;</li> <li>■ Statistics on part-time employees;</li> <li>■ Statistics on gender;</li> <li>■ Statistics on staff location; and</li> <li>■ Statistics on employees who identify as Indigenous.</li> </ul>	Mandatory	146–155
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	67, 156
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	67, 156
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	156
17AG(4)(c)(iii)	A description of nonsalary benefits provided to employees.	Mandatory	66
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory	157 n/a
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory	157 n/a

PGPA Rule Reference	Description	Requirement	Page
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, mandatory	157 n/a
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, mandatory	157 n/a
<b>Assets Management</b>			
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	n/a
<b>Purchasing</b>			
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	71
<b>Reportable consultancy contracts</b>			
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	71–72
17AG(7)(b)	A statement that <i>"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i> .	Mandatory	72
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	71–72
17AG(7)(d)	A statement that <i>"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."</i>	Mandatory	72

PGPA Rule Reference	Description	Requirement	Page
<b>Reportable non-consultancy contracts</b>			
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	73
17AG(7A)(b)	A statement that <i>"Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."</i>	Mandatory	73
<b>17AD(daa) Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</b>			
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	72–73
<b>Australian National Audit Office Access Clauses</b>			
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, mandatory	n/a
<b>Exempt contracts</b>			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, mandatory	n/a

PGPA Rule Reference	Description	Requirement	Page
<b>Small business</b>			
17AG(10)(a)	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory	71
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	71
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory	71
<b>Financial Statements</b>			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the PGPA Act.	Mandatory	82–133
<b>Executive Remuneration</b>			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule.	Mandatory	158–163
<b>17AD(f) Other Mandatory Information</b>			
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, mandatory	n/a
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, mandatory	73
17AH(1)(b)	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, mandatory	73
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	79

PGPA Rule Reference	Description	Requirement	Page
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	79
17AH(1)(e)	Correction of material errors in previous annual report.	If applicable, mandatory	n/a
17AH(2)	Information required by other legislation.	Mandatory	165 166–169 170–182 183–188

## Abbreviations and acronyms

AAC	Audit and Assurance Committee
AASB	Australian Accounting Standards Board
AASN	Australian Apprenticeship Support Network
ABS	Australian Bureau of Statistics
ACSF	Australian Core Skills Framework
ACT	Australian Capital Territory
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
CAA	Career Advisers Association
CFO	Chief Financial Officer
CO <sub>2</sub> -e	Carbon dioxide equivalent
COPE	Commonwealth own-purpose expense
CPA	Certified Practising Accountant
CSS	Commonwealth Superannuation Scheme
Cth	Commonwealth
DEWR	Department of Employment and Workplace Relations
DLSF	Digital Literacy Skills Framework
DVS	Document Verification Service
e-CAF	electronic Commonwealth assistance form
EL	Executive Level
FEG	Fair Entitlements Guarantee
FSYF	Foundation Skills for Your Future
FSSC	Financial Statements Sub-Committee
FOI	Freedom of Information
FTE	Full-time equivalent

GST	Goods and Services Tax
ICT	Information and communications technology
IPP	Indigenous Procurement Policy
IVI	Internet Vacancy Index
JSA	Jobs and Skills Australia
KMP	Key management personnel
KPI	Key performance indicator
LLND	Language, literacy, numeracy and digital literacy
MoU	Memorandum of understanding
NA	Not applicable
NCVER	National Centre for Vocational Education Research
NEIS	New Employment Incentive Scheme
NERO	Nowcast of Employment by Region and Occupation
NIAA	National Indigenous Australians Agency
NSW	New South Wales
NT	Northern Territory
OAIC	Office of the Australian Information Commissioner
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PM	Performance measure
PPF	Provider Performance Framework
PRSC	Performance Reporting Sub-Committee
PSS	Public Sector Superannuation Scheme
PSSap	PSS accumulation plan
Qld	Queensland

RCP	Remote Community Pilots
REOS	Recruitment Experiences and Outlook Survey
RSGC	Risk, Security and Governance Committee
SA	South Australia
SEE	Skills for Education and Employment
SES	Senior Executive Service
SMEs	Small and medium-sized enterprises
SPL	Skills Priority List
STEM	Science, technology, engineering and mathematics
Tas	Tasmania
TRIFR	Total Recorded Injury Frequency Rate
TSL	Trade Support Loans
USI	Unique Student Identifier
VET	Vocational education and training
Vic	Victoria
VSL	VET Student Loans
WA	Western Australia
WADP	Workforce Australia Digital Platform
WHS	Work health and safety
WHS Act	<i>Work Health and Safety Act 2011</i> (Cth)



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