Australian Government

Department of Education, Employment and Workplace Relations

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VOLUME ONE

Letter of transmittal

Australian Government

Department of Education, Employment and Workplace Relations

Secretary
Lisa Paul PSM

The Hon Julia Gillard MP
Deputy Prime Minister
Minister for Education
Minister for Employment and Workplace Relations
Minister for Social Inclusion
Parliament House
CANBERRA ACT 2600

Dear Deputy Prime Minister

I am pleased to present to you the Department of Education, Employment and Workplace Relations' Annual Report 2007–08.

This report has been prepared in accordance with the requirements set out in section 63 of the *Public Service Act 1999* and the guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit. Subsection 63(1) of the *Public Service Act 1999* requires me to provide you with a report to present to the Parliament.

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

In addition, I am required to give you a report on the administrative operation of the social security law under subsection 241(1) of the *Social Security (Administration) Act 1999* as soon as practicable after 30 June each year. This covers the working age payments responsibility of the department and is incorporated into the Annual Report.

Finally, the Annual Report includes the audited financial statements and the Auditor-General's report for the department in accordance with section 57 of the *Financial Management and Accountability Act 1997*.

Yours sincerely

Lisa Paul

October 2008

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The Secretary's Overview

It has been a busy period for the Department of Education, Employment and Workplace Relations (DEEWR) and it is my pleasure to provide an overview of what has been an exciting time of change and achievement.

We work at a time of much promise, as DEEWR is central to the government's productivity agenda. The breadth of our portfolio responsibilities—from early childhood education and child care, through education and training, to employment participation and workplace relations—enable us to work holistically on the task of building a more productive and internationally competitive Australian economy. This way, we can have a positive impact on all parts of a person's educational and working life.

As a department, we are the product of extraordinary change. DEEWR was created combining three distinct entities. Some 2500 people from the Department of Education, Science and Training (DEST), 3500 from the Department of Employment and Workplace Relations (DEWR) and 500 from the Department of Family, Community Services and Indigenous Affairs (FaCSIA) came together to create our new department.

We have a new government and new Ministers. We welcome the opportunity to support the Deputy Prime Minister, the Hon Julia Gillard MP, who is also the Minister for Education, Minister for Employment and Workplace Relations, and Minister for Social Inclusion. We also welcome the chance to work with two other Ministers—the Hon Brendan O'Connor MP, Minister for Employment Participation, and the Hon Kate Ellis MP, Minister for Youth—and two Parliamentary Secretaries—Senator the Hon Ursula Stephens, Parliamentary Secretary for Social Inclusion and the Voluntary Sector, and the Hon Maxine McKew MP, Parliamentary Secretary for Early Childhood Education and Child Care.

Prior to the change of government, DEEWR's business was conducted in three separate departments. FaCSIA undertook important work in child care by extending the funding in the Jobs, Education and Training Child Care Fee Assistance program, work continued in supporting child care services and In Home Care services increased. Support for Youth programs within FaCSIA contributed to helping young people overcome barriers to participation through the delivery of targeted programs. DEST worked hard in supporting the quality of teaching and learning in schools, vocational and higher education as well as administering Indigenous education programs, delivering key youth engagement programs, and promoting Australia's education sector internationally. DEWR delivered workplace relations policy, analysis, services and advice. We developed and administered employment services, including programs to increase the workforce participation of Indigenous Australians, single parents and people with disability. We administered working age payments through Centrelink, undertook labour market analysis, and research and evaluation of our programs.

Delivering on a new agenda

The government has set an agenda to equip people with the knowledge and skills needed to meet the challenges of the 21st century. Following the change of government, we hit the ground running charged with delivering on 75 election commitments.

We were able to do this because of the outstanding contributions of a large number of people across the department during the caretaker period. Each of our predecessor departments established a central team to support all our stakeholders and answer the steady stream of inquiries that flowed throughout the election period. Our incoming government briefs were of a high standard, with many people across the former departments contributing to the quality and depth of information. The excellent work done by the teams ensured that people in the departments had the right information to enable them to act responsibly during the caretaker period, and were also well prepared to commence work on the new government's agenda.

We are building policy capacity to support the government's priorities and build a more productive and inclusive Australia. From early childhood, through education and training, to workforce participation and workplace relations, DEEWR builds partnerships and brings together all the policy elements required to give everyone the best chance to reach their full potential in a fair society.

The Council of Australian Governments

The Council of Australian Governments (COAG) is pursuing substantial reforms in the areas of education, skills and early childhood development. These reforms will involve collaboration across the public and private sector, and a partnership involving parents, children, students, employers and all levels of government. The department's role is vital to building these partnerships and delivering the reforms.

Deputy Prime Minister Gillard chairs the COAG Working Group on the Productivity Agenda, which includes government officials from the states and territories. COAG has established a number of reform targets that relate directly to the work of this department, including:

▶ providing universal access to early learning for all four-year-olds by 2013

▶ providing access to a quality early childhood education program for all Indigenous four-year-olds in remote Indigenous communities in five years

▶ lifting the Year 12 equivalent attainment rate to 90 per cent by 2020

▶ halving the gap for Indigenous students in reading, writing and numeracy within a decade

▶ at least halve the gap in Year 12 or equivalent attainment rates for Indigenous students by 2020

▶ halving the proportion of Australians aged 20–64 years without qualifications at Certificate III level or above between 2009 and 2020

▶ doubling the number of higher qualification completions (diploma and advanced diploma) between 2009 and 2020.

Australia 2020 Summit

The Australia 2020 Summit brought together some of the best and brightest brains from across the country to tackle the long-term challenges confronting Australia's future. To engage young Australians in the summit, DEEWR coordinated a series of school summits and the 2020 Youth Summit and assisted over 500 schools in staging their own summits. We also supported the Deputy Prime Minister's efforts with Co-chairing the Productivity Agenda—Education, Skills, Training, Science and Innovation stream of the Australia 2020 Summit. Many good ideas to enhance Australia's productivity emerged.

Workplace relations

DEEWR developed the underlying policy for the Workplace Relations Amendment (Transition to Forward with Fairness) Bill. The Bill, the first to be introduced to the new Parliament, sought to prevent the making of any new Australian Workplace Agreements and to replace the 'fairness test' with a 'no disadvantage' test. This aimed to ensure employees' overall terms and conditions of employment were not reduced and to enable the award modernisation process to commence. The legislation came into effect on 28 March 2008. At the same time, work has been ongoing on developing the government's substantive workplace relations reforms which are scheduled to be introduced into the Parliament in the latter part of 2008.

In line with the Forward with Fairness principles, the Australian Government Employment Bargaining Framework and the Supporting Guidance were also developed, setting out the workplace relations policies applicable to the APS and non-APS agencies.

The department also worked hard to progress the government's commitment to work cooperatively with State and territory governments to harmonise occupational health and safety (OHS) legislation. A significant step towards achieving the government's goal was taken in May 2008 when the Workplace Relations Ministerial Council agreed in-principle to the Intergovernmental Agreement (IGA) for Regulatory and Operational Reform in OHS. The IGA will be signed by heads of governments at the COAG meeting on 3 July 2008.

Indigenous business

We have made a commitment, in our new strategic plan, to work harder across all DEEWR programs to improve outcomes for Indigenous Australians. COAG has set a range of important targets to improve the wellbeing of Indigenous Australians and it will be important for the department to work cooperatively with government and non-government organisations to achieve these targets. This year we established the DEEWR Indigenous Steering Committee to improve the quality of our efforts. With representatives from across the department this committee has provided strategic direction for mainstream and Indigenous-specific programs and policies across DEEWR to achieve Indigenous social inclusion and economic development.

While much work remains to be done, we achieved important results for Indigenous Australians over the year, including:

▶ the introduction of a Bill to amend the *Indigenous Education Targeted Assistance Act* to provide funding for an additional 200 teachers for the Northern Territory over the next four years

▶ increasing funding and support for Indigenous early childhood services and providing COAG with an Indigenous early childhood proposal that will establish 35 new Indigenous Children and Family Centres

▶ commencing 13 school-based sports academies in Western Australia, South Australia, New South Wales and the Northern Territory under the Sporting Chance program

▶ 24 200 commencements for job seekers under the Indigenous Employment Program.

Our contribution to the Northern Territory Emergency Response continues and during the year our achievements included the:

- deployment of 58 Community Employment Brokers to communities to roll out mainstream employment programs and services
- implementation of the School Nutrition Program in 49 communities and associated outstations and seven town camps
- establishment of regionally based specialist teams that visit schools to provide professional literacy development
- creation of partnerships with the Northern Territory Department of Employment, Education and Training and the Northern Territory Catholic Education Office to develop and retain good teachers in remote schools.

Early childhood

The Office of Early Childhood Education and Child Care (OECECC) was officially launched on 18 March 2008. Its establishment recognises the important role that high-quality child care and early childhood education play in giving children a good start in school and the best possible future.

The OECECC has made significant progress on a range of election commitments and COAG reforms, building to a comprehensive reform agenda for the future. We are working to establish 260 additional early learning and child care centres in school grounds and on other community land. Funding under the universal access to preschool commitment was also distributed to the states and territories in 2007–08 for targeted projects to improve the accessibility and quality of preschool for disadvantaged children, especially Indigenous children. Progress has also been made in:

- developing national quality standards for child care and preschool and an A–E ratings system
- developing a national Early Years Learning Framework to guide the learning and development of all children in the preschool years
- establishing the need for a broad strategy for early childhood development across Australia
- increasing the frequency and rate of the Child Care Tax Rebate payment, beginning in 2008–09
- starting the national roll out of the Australian Early Development Index to assess child development at the start of school.

Education

The Digital Education Revolution (DER), a major part of the government's Education Revolution, is a vital step in creating a world-class education system for Australia. It will contribute sustainable and meaningful change to teaching and learning in Australian schools, helping prepare students for further education and training and work in a digital world.

We made a major achievement after schools were invited to apply for first round funding under the $1 billion National Secondary School Computer Fund. There were 896 schools successful in their application which will result in 116 820 computers being provided to these schools.

We also implemented the $2.5 billion Trade Training Centres in Schools program, providing a website and guidelines and inviting secondary schools to apply for funding. We received applications from across all school sectors and all states and territories. Thirty-four schools were successful.

In line with the government's workplace relations agenda, the department drafted a Bill to repeal the Higher Education Workplace Relations Requirements, which required universities to offer Australian Workplace Agreements to employees as a condition of funding.

An independent expert panel, chaired by Emeritus Professor Denise Bradley AC, has been established to lead the Review of Australian Higher Education. The panel will advise the government on key objectives for higher education in Australia covered by the review's terms of reference. The department is providing secretariat support for the review panel and through the provision of background briefing papers, staff/student data and the preparation of Ministerial correspondence and briefings.

Skills and training

Work began on key elements of the government's *Skilling Australia for the Future* initiative, which will deliver more than 645 000 additional training places over the next four years. We worked to establish Skills Australia, a statutory body that will provide independent, high-quality advice to the government on Australia's current and future skills needs. We also worked with Industry Skills Councils to expand their role in ensuring the relevance of training to industry needs.

Employment

DEEWR worked quickly to put in place a review of the Employment Services System, including the Job Network in line with the government's election commitment. This review lead to the government's Budget announcement of a new generation of Employment Services involving an investment of $3.9 billion over three years from 1 July 2009. The new Employment Services will provide more assistance to highly disadvantaged job seekers, be more flexible and will have a stronger focus on skills acquisition and training. It will also provide greater incentives for meeting employer skills and labour needs.

Social inclusion

We also developed the first version of a social inclusion report for the Deputy Prime Minister and started work on the consultative approaches for the National Mental Health and Disability Employment Strategy. A new team was set up to drive the social inclusion policy agenda within the department and to contribute to the whole of government approach.

Creating a new department

Creating DEEWR, and bringing together people from FaCSIA, DEWR and DEST, has been a complex and challenging task. To ensure this was managed in a coordinated and considered manner, we created the DEEWR Establishment Committee in mid December 2007. We also established a dedicated team, the Establishment Taskforce, to assist with building the new DEEWR. By providing clarity on priorities, regular updates to staff, integrating the procedures of the new department and answering inquiries, the taskforce was able to assist in ensuring that the change process was effective.

The department has worked hard to maintain business as usual in what can only be described as a very complex operating environment. We have faced significant internal challenges, including how to harmonise our different working styles, systems, processes, IT infrastructures, reporting mechanisms, security procedures and accommodation. The

establishment of DEEWR brought together different industrial arrangements, human resource policies, as well as pay, performance management, and learning and development systems.

Over the first five months we focused on delivering the government's immediate priorities, consolidating our service delivery and establishing the new department. In May we were in a position to begin the major process of restructuring the department to assist in aligning our resources to the government's participation, productivity and social inclusion agenda.

Establishing a new direction

In April we started developing the DEEWR Strategic Plan 2008–2011, engaging people right across the department in the process. Our vision—Creating a productive and inclusive Australia—establishes a shared strategic direction to guide our work in the future. Our goals, outlined in the plan, are:

► A positive start in life

► A brighter future through education

► A highly skilled, educated and productive community

► A participative and inclusive society

► A safe, fair, productive and successful workplace.

These reflect the government's priorities for early childhood development, quality education outcomes at all levels, a skilled workforce and greater participation, successful workplaces and an inclusive society.

We have also made our approach to our work, our relationships, and the overall delivery of our goals very clear in our strategic plan. We have outlined our ongoing commitment to people—the people we serve, the people we work in partnership with and the people in our department—through the following principles:

► Care for our people

► Connect and engage

► Find solutions, deliver results.

Underpinning our goals and approach are a number of strategies to guide our activities for the years ahead.

The year ahead

The government has a range of targets and objectives for moving Australia forward well into the 21st century and, in this, our strategic plan will provide us with a shared sense of purpose and direction.

Without doubt, the task of creating a productive and inclusive Australia, as well as meeting future global economic challenges, will test our agility and responsiveness. To succeed, we will work to create an organisation capable of delivering coherent and connected policy advice and programs that are, in a sense, greater than the sum of their parts.

We will strengthen our strategic policy capabilities—our ability to give the government high-quality policy advice—based on research into what works, and backed by real relationships with our stakeholders. We will evaluate our policies and programs to see how we can improve our services.

The same goes for our work to deliver on the massive productivity changes agreed by COAG. We will need to look out over the horizon to see if targets are right for the future. We will need to fill gaps in our systems as our experience shows us what works and what does not. We will need to be brave and accountable in our deliberations to ensure our efforts are making the big differences required.

Looking back over 2007–08, I am proud of what we have achieved. We have delivered on some of the new government's top priorities during a time of significant change.

Our achievements are clearly an enormous team effort across the whole department. Each and every member of the department has played an important role in these accomplishments and I thank DEEWR employees for this and for making DEEWR such a great place to work.

Lisa Paul PSM
Secretary

Departmental overview

This section provides an overview of the Department of Education, Employment and Workplace Relations (DEEWR). It covers areas of the portfolio, the department's role in delivering the government's agenda, the who's who of the department, the department's structure and, briefly, the DEEWR Strategic Plan 2008–2011.

The department was created on 3 December 2007, bringing together elements of the former departments of Education, Science and Training; and Employment and Workplace Relations; and the youth and early childhood functions from the Department of Family, Housing, Community Services and Indigenous Affairs. This section outlines those changes as well as the subsequent changes to reporting.

The department is the lead government agency providing national leadership in education and workplace training, transition to work, and conditions and values in the workplace.

The department works in partnership with the states and territories. The spread of departmental offices and agencies throughout Australia and overseas enables its staff to take an active, national and client-focused approach. The department is committed to providing easy and informative access to its services and support programs and to working directly with its clients and stakeholders to ensure their expectations are met.

Portfolio overview

Portfolio responsibilities

At 30 June 2008 the Education, Employment and Workplace Relations portfolio comprised the Department of Education, Employment and Workplace Relations and the following agencies:

- ▶ the Australian Fair Pay Commission Secretariat
- ▶ the Australian Industrial Relations Commission/Australian Industrial Registry
- ▶ the Australian Institute for Teaching and School Leadership Ltd (Teaching Australia)
- ▶ the Australian National University
- ▶ the Australian Learning and Teaching Council
- ▶ Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers' Safety, Rehabilitation and Compensation Authority
- ▶ the Office of the Australian Building and Construction Commissioner
- ▶ the Workplace Authority
- ▶ the Workplace Ombudsman.

Each agency produces its own annual report.

The following chart shows the agencies, their planned outcomes and executive officers.

Chart P1.1
Portfolio structure and outcomes, 30 June 2008

Portfolio Minister
The Hon Julia Gillard MP
Deputy Prime Minister
Minister for Education, Minister for Employment and Workplace Relations
Minister for Social Inclusion

The Hon Brendan O'Connor MP
Minister for Employment Participation
The Hon Kate Ellis MP
Minister for Youth
Senator the Hon Ursula Stephens
Parliamentary Secretary for Social Inclusion and the Voluntary Sector
The Hon Maxine McKew MP
Parliamentary Secretary for Early Childhood Education and Child Care

Department of Education, Employment and Workplace Relations	**Secretary** Lisa Paul
	Outcome 1 Early Childhood Education and Child Care
	Outcome 2 School Education
	Outcome 3 Higher Education
	Outcome 4 Vocational Education and Training
	Outcome 5 Transitions and Youth
	Outcome 6 International Influence
	Outcome 7 Labour Market Assistance
	Outcome 8 Workforce Participation
	Outcome 9 More Productive and Safer Workplaces
Australian Fair Pay Commission Secretariat	**Director** Jennifer Taylor
	Outcome: Set federal minimum and classification wages to promote the economic prosperity of the people of Australia
Australian Industrial Relations Commission and Australian Industrial Registry	**Industrial Registrar** Doug Williams
	Outcome: Cooperative workplace relations which promote the economic prosperity and welfare of the people of Australia
Australian Institute for Teaching and School Leadership Ltd	**Chief Executive** Fran Hinton
	Outcome: Individuals achieve high quality foundation skills and learning from schools and other providers
Australian National University	**Vice-Chancellor** Professor Ian Chubb AC
Australian Learning and Teaching Council	**Executive Director** Professor Richard Johnstone
	Outcome: Individuals achieve relevant skills and learning from post-school education and training
Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarer's Safety, Rehabilitation and Compensation Authority	**Chief Executive** Martin Dolan
	Outcome: Safe and healthy workplaces, and cost effective and fair compensation
Office of the Australian Building and Construction Commissioner	**Commissioner** The Hon John Lloyd
	Outcome: Workplace relations laws are enforced in building and construction industry workplaces
Workplace Authority	**Director** Barbara Bennett
	Outcome: Employees, employers and contractors are informed on all aspects of workplace relations and agreement making under the *Workplace Relations Act 1996* is fair and flexible
Workplace Ombudsman	**Ombudsman** Nicholas Wilson
	Outcome: The rights and obligations of workers and employers under the *Workplace Relations Act 1996* are understood and enforced fairly

Chart P1.2
Outcome and output structure, 30 June 2008

Outcome 1—Early Childhood Education and Child Care
Children receive quality early childhood education and child care that meets the needs of their parents

▼

Child Care Support

Outcome 2—School Education
Schools and other educators provide high-quality teaching and learning to all Australian children, creating good foundation skills and positive life opportunities

▼ ▼ ▼ ▼

| Funding for schools | Assistance for individuals, including those with special needs | Assistance for quality teaching and learning | Indigenous education |

Outcome 3—Higher Education
Australian higher education institutions provide high-quality teaching and learning for all students, research training for relevant students and enhance the accessibility of their learning and research

▼ ▼

| Funding for higher education | Support for higher education students, including those with special needs |

Outcome 4—Vocational Education and Training
Individuals achieve relevant skills from vocational education and training which enhance employability and productivity

▼ ▼ ▼

| Vocational education and training | New apprenticeships | Assistance for skills and career development |

Outcome 5—Transitions and Youth
Young people are engaged and supported to make successful transitions to adulthood and active community participation, including through career-development skills, further education, training and employment

▼ ▼

| Transitions to work and education | Youth |

Outcome 6—International Influence
Australian education and training are recognised as world-class and are globally connected

▼

International education

Outcome 7—Labour Market Assistance
Individuals have access to income support and socially inclusive market programs that further economic development

▼ ▼

| Working age payments | Labour market program management and delivery |

Outcome 8—Workforce Participation
Policies and strategies are developed to assist Australians to increase their skills and workforce participation through enhanced employment services and employer engagement

▼ ▼

| Working age policy | Labour market strategies |

Outcome 9—More Productive and Safer Workplaces
Improved productivity through the development of safer, fairer and more flexible workplaces leading to greater employment for Australians and strong and sustainable economic growth

▼ ▼

| Workplace relations policy and analysis | Workplace relations implementation |

Role of the department

Education, training and workforce participation are central to our goal of creating a productive and inclusive Australia—one that values diversity and provides opportunities to build rewarding social and economic lives.

The department implements policies and programs to provide education and training opportunities, increase employment participation, and ensure safe, fair and successful workplaces.

The department is accountable to the Commonwealth, Parliament and to the public. The objectives of the department are:

- ▶ to educate and build socially inclusive communities where all Australians have the opportunity to reach their full potential and to actively participate in a rewarding economic and social life
- ▶ to build and promote individual development through equitable and accessible education from early childhood services to skills training and higher education
- ▶ to increase workforce participation and promote fair and productive work practices
- ▶ to develop national economic potential and capability that builds future economic prosperity and international competitiveness through skills development and employment growth
- ▶ to actively engage with clients and stakeholders to ensure services, advice and resources respond to the needs of these groups
- ▶ to look for efficiencies and innovative, targeted and effective solutions in developing national economic potential.

The department's portfolio responsibilities include early childhood education and child care, schooling, training, universities, social inclusion, employment participation and workplace relations. Ultimately, those responsibilities are about productivity and provide the department with the opportunity to make a positive difference.

DEEWR Executive and departmental structure

The department is structured to deliver its business through the Executive and its groups. The role of each member of the Executive is outlined below. The Executive and departmental structure are shown in Chart P1.3.

Lisa Paul—Secretary

As Secretary, Lisa Paul, PSM, leads the department and provides strategic policy advice to portfolio Ministers and Parliamentary Secretaries and represents the department at key forums including Council of Australian Governments (COAG) committee meetings, Cabinet and Community Cabinet and Portfolio Secretaries Meetings.

Following the machinery of government changes on 3 December 2007, Lisa worked closely with her Executive to form the new department, focusing on providing high level service to portfolio Ministers and the public and establishing a cohesive and efficient structure for the department.

Prior to her current role, Lisa was Secretary of the former Department of Education, Science and Training from 2004 to 2007, and has more than 20 years public sector experience, focusing on education, welfare, community services, health and housing.

Finn Pratt—Associate Secretary

Finn Pratt, PSM, is the departmental leader on workplace relations. Finn is responsible for key departmental projects such as the Employment Services Reforms following the government's review, developing an overarching strategic framework for the Commonwealth in early childhood development, developing DEEWR's new Certified Agreement and remuneration framework and overseeing corporate functions within the department.

Finn represents the department at the Portfolio Secretaries Committee on Early Childhood Development, which oversees the government's new directions for child care and early childhood education. Finn also attends the Workplace Relations Ministers' Council—a council of federal, state and territory ministers responsible for Australian workplace relations matters, and the Australian Public Service (APS) Round Table Committee—a committee made up of agencies' senior executives, responsible for APS agencies' workplace relations matters.

Bill Burmester—Deputy Secretary

Bill Burmester oversees DEEWR's enabling groups including Implementation and Delivery Group, Legal, Investigation and Procurement Group, People, Parliamentary and Communications Group, Finance Group, IT Services Group and Applications Systems Group. Bill is also responsible for the DEEWR Establishment Taskforce.

With the formation of DEEWR at the end of 2007, Bill was charged with leading the transition arrangements for the creation and all the corporate responsibilities of the new department.

Graham Carters—Deputy Secretary

Graham Carters oversees DEEWR's Indigenous, Employment and Business Group, Research and Evaluation Group, Labour Market Strategies Group, Working Age Policy Group, Strategic Analysis and Evaluation Group and the Strategic Policy Group.

Outcome responsibilities include high level policy development on cross-sectoral education and employment issues including strategies to increase workforce participation and social inclusion in Australia. This involves undertaking education, training and labour market research and analysis; formulating policies and advice on enhancing employment services; identifying strategies to increase labour supply and employer demand for priority groups; and developing policies to reduce long term unemployment and to increase Indigenous employment.

Grahame Cook—Deputy Secretary

Grahame Cook, PSM, oversees DEEWR's Schools, Youth and Transitions Groups. He also has responsibility for coordination of the department's involvement in the Council of Australian Government's reform agenda.

Group responsibilities include providing financial assistance to schools; improving educational outcomes for school students; developing policies and administering programs for schools; transitions from school to further education, training or work; and youth policy.

Jim Davidson—Deputy Secretary

Jim Davidson oversees DEEWR's National Training Directions Group, Industry Skills Development Group and Higher Education Group.

The two Vocational Education and Training Groups include responsibility for activities under the Skilling Australia's Workforce Act, for Australian Apprenticeships and the ongoing development of the national training system, as well as providing policy advice on the future of the VET sector.

The Higher Education Group contributes to the development and maintenance of the higher education system. The group administers programs that support the teaching and learning activities of higher education institutions and provides loans to students, reports on the state and performance of the higher education system, and provides policy advice on the future direction of higher education.

Malisa Golightly—Deputy Secretary

Malisa Golightly oversees DEEWR's Employment Business Service Group, Employment Systems Group, Income Support Payments Group, Intensive Support Group, Job Search Support Group and Specialist Services Group.

Outcome responsibilities cover the efficient and effective administration of working age income support payments and the delivery of efficient and effective labour market assistance, including management and delivery of employment services.

Dr Wendy Jarvie—Deputy Secretary

Wendy Jarvie oversees DEEWR's Early Childhood Education Group; Early Childhood Quality and Care Group and International Education Group. Throughout the year she also had responsibility for overseeing the Indigenous Education Group, Strategic Analysis and Evaluation Group, and was chair of the Audit and Business Assurance Committee for the former DEST, and the Audit committee for DEEWR.

Wendy is the Director of the Office of Early Childhood Education and Child Care that combines the functions of child care and children's policy and early childhood education policy. International Education Group facilitates an education and training export industry via an extensive offshore network that promotes and markets Australian education and training and develops Australia's education and training relationships with other countries. The work of the Indigenous Education Group includes the development of programs and implementation of strategies to improve the education outcomes for Indigenous Australians.

John Kovacic—Deputy Secretary A/g

John Kovacic oversees DEEWR's Office of the Federal Safety Commissioner, Office of the Australian Safety and Compensation Council, Workplace Relations Legal Group, Workplace Relations Implementation Group and Workplace Relations Policy Group. John also chairs the Department's Audit and Strategic Information Management and Research Committees.

Outcome responsibilities include providing policy and legal advice on workplace relations, occupational health and safety and workers' compensation matters; administering the Australian Government Employment Bargaining Framework; supporting the Australian Safety and Compensation Council; Trades Recognition Australia; provision of support to the Remuneration Tribunal and the Defence Force Remuneration Tribunal; administering the employee entitlements safety net scheme; intervening in significant tribunal and court cases and managing Australia's relationship with the International Labour Organization.

Chart P1.3
Executive and departmental structure, 30 June 2008

Secretary Lisa Paul	
Associate Secretary Finn Pratt	
Indigenous Leader Kevin Brahim	
Deputy Secretary Bill Burmester	Implementation and Delivery
	Legal, Investigations and Procurement
	People, Parliamentary and Communications
	Finance
	Establishment Taskforce
	IT Services
	Applications Systems
Deputy Secretary Grahame Cook	Schools Funding
	Schools Teaching, Students and Digital Education Revolution
	Schools Quality Outcomes, Youth and Transitions
	Indigenous Education
	COAG Taskforce
Deputy Secretary Wendy Jarvie	Early Childhood Education and COAG
	Early Childhood Quality and Care
	International Education
Deputy Secretary Jim Davidson	National Training Directions
	Industry Skills Development
	Higher Education
Deputy Secretary Graham Carters	Indigenous Employment and Business
	Research and Evaluation
	Labour Market Strategies
	Working Age Policy
	Strategic Analysis and Evaluation
	Strategic Policy Group
Deputy Secretary Malisa Golightly	Employment Business Service
	Employment Systems
	Income Support Payments
	Intensive Support
	Job Search Support
	Specialist Services
Deputy Secretary John Kovacic A/g	Audit
	Office of the Federal Safety Commissioner
	Office of the Australian Safety and Compensation Council
	Workplace Relations Legal
	Workplace Relations Implementation
	Workplace Relations Policy

Changes to the portfolio responsibilities

In addition to the creation of the DEEWR portfolio, the Administrative Arrangements Order (AAO) also resulted in:

▶ the abolition of the Education, Science and Training (EST) and Employment and Workplace Relations (EWR) portfolios (with the majority of their functions transferring to the new Education, Employment and Workplace Relations portfolio)

▶ the transfer of the following functions and agencies from the former EST portfolio to the Innovation, Industry, Science and Research portfolio:

– the science, research and innovation function, including Questacon

– the Anglo-Australian Telescope Board (AATB)

– the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)

– the Australian Institute of Marine Science (AIMS)

– the Australian Nuclear Science and Technology Organisation (ANSTO)

– the Australian Research Council (ARC)

– the Commonwealth Scientific and Industrial Research Organisation (CSIRO)

▶ The transfer of the following function from the former EST portfolio to the Resources, Energy and Tourism portfolio:

– Radioactive waste management

▶ The transfer of the following functions and agencies from the former EWR portfolio to the Families, Housing, Community Services and Indigenous Affairs portfolio:

– Community Development Employment Projects (CDEP)

– Disability Support Pension (DSP)

– Indigenous Business Australia (IBA)

– Equal Opportunity for Women in the Workplace Agency (EOWA)

▶ The transfer of the following functions as a result of the AAO of 25 January 2008 from the Families, Community Services and Indigenous Affairs portfolio:

– Support for Youth (excluding Reconnect)

– Families and children have choices and opportunities.

The former government created the Workplace Authority as a statutory body from 1 July 2007, following the transfer of the Office of the Employment Advocate function from the former Department of Employment and Workplace Relations to the Workplace Authority.

Changes to the department's performance reporting structure

The machinery of government changes and the development of a new Outcomes and Outputs Framework (summarised in Chart P1.2) required a merger of the performance reporting structures of the former departments which were brought together to form the Department of Education, Employment and Workplace Relations. This new outputs reporting structure, shown in Chart P1.4, is used as the basis for the department's Annual Report 2007–08. The structure does not strictly follow the reporting structure published in former DEWR's Portfolio Budget Statements 2007–08 and the reporting structure for the youth and early childhood education and child care functions gained from former FaCSIA, but does follow former DEST's reporting structure.

Chart P1.4
Aligning outputs reporting structures of former departments with the current DEEWR structure

Note: The former DEST has not been added to the chart because no change was required to the reporting to fit into the new structure
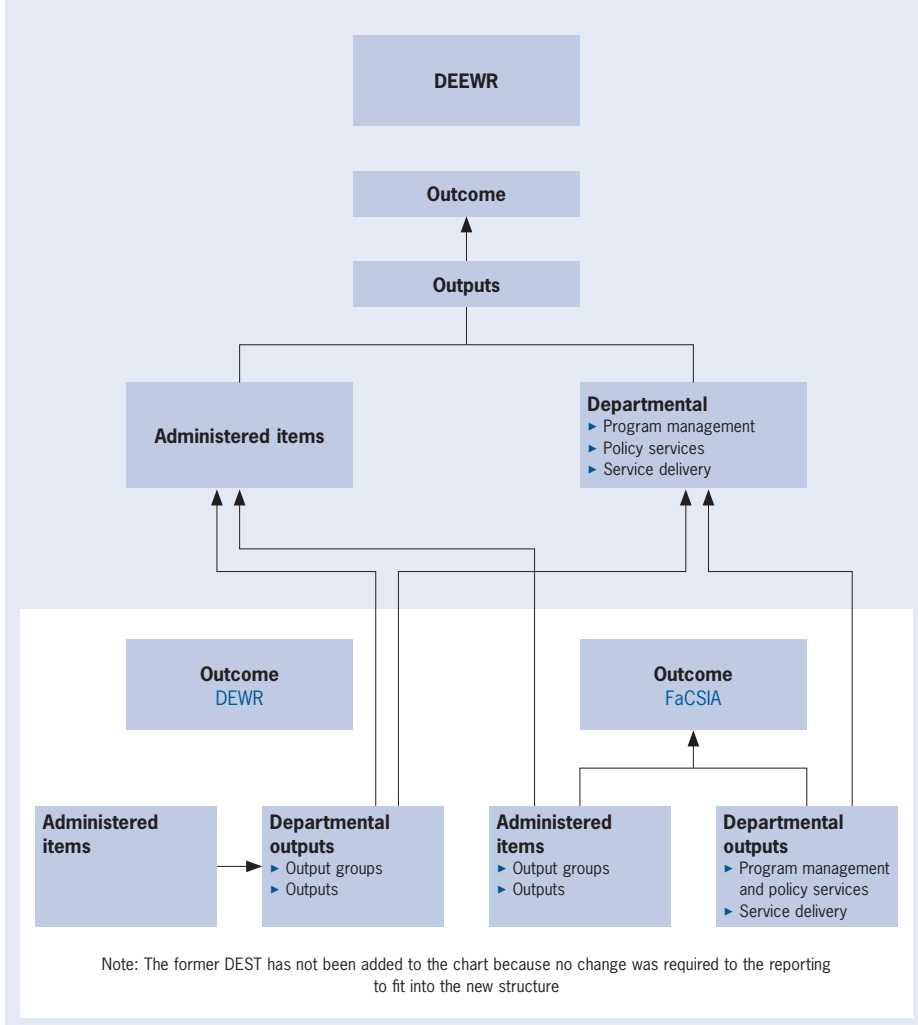
To assist in understanding the changes made to the former departments' outputs reporting structures, Chart P1.4 also aligns the former structures to the new structure. Former DEST is not shown in the chart as no change was required to the reporting structure.

Reporting on administered items draws on information from the former DEWR departmental outputs and the former FaCSIA and DEST administered items as follows:

► DEWR's output groups and outputs have been discontinued; however, the output group headings have been used to report administered items.

► FaCSIA's output groups were discontinued and its administered items transferred to the relevant outcomes. Output Group 3.3, which represented all the early childhood responsibilities, became Outcome 1. Output Group 2.4, which related to youth functions, was combined with DEST's Outcome 4 to form Outcome 5.

► DEST's outcomes were transferred and no changes were made to its outputs reporting structure.

More details of these changes are provided in Table P1.1.

Reporting on agency administration has required some major change to the former DEWR departmental outputs and minor change to those of former FaCSIA as follows:

► Former DEWR administration indicators previously reported for each departmental output were split from the administered item indicators and aggregated into three outcome level departmental outputs; that is, program management, policy services, service delivery.

► Former FaCSIA administration indicators for departmental outputs were readily transferred to the new structure, with only one minor change to split policy services from program management.

Table P1.1

Linkage between DEEWR Annual Report 2007–08 with former FaCSIA, DEST and DEWR's Portfolio Budget Statements 2007–08 in terms of different outcomes and outputs

DEEWR Outcomes	Former Outcomes and Outputs	Portfolio Budget Statements 2007–08 details (includes former department and page number)	Location in this Annual Report (page number)
Outcome 1 Early Childhood Education and Child Care	Output Group 3.3—Child care support	FaCSIA—pg 135	26
Outcome 2 School Education	Outcome 1—School Education	DEST—pg 40	40
Outcome 3 Higher Education	Outcome 2—Higher Education	DEST—pg 63	74
Outcome 4 Vocational Education and Training	Outcome 3—Vocational Education and Training	DEST—pg 81	98
Outcome 5 Transitions and Youth	Outcome 4—Transitions	DEST—pg 95	118
	Output Group 2.4—Support for Youth	FaCSIA—pg 107	
Outcome 6 International Influence	Outcome 6—International Influence	DEST—pg 115	130
Outcome 7 Labour market assistance	Outcome 1—Efficient and effective labour market assistance	DEWR—pg 40	148
– Working age payments	Output Group 1.1—Working age payments	DEWR—from pg 46	154
	Output 1.1.1—Working age payments and compliance		155
– Labour market program management and delivery	Output Group 1.2—Labour market program management and delivery		161
	Output 1.2.1—Information, referral and support services		161
	Output 1.2.2—Employment services		163
	Output 1.2.3—Indigenous employment programs		176
	Output 1.2.4—Mutual Obligation initiatives		180
	Output 1.2.5—Employment preparation services		181
Outcome 8 Workforce participation	Outcome 3—Increased workforce participation	DEWR—pg 62	188
– Working age policy	Output Group 3.1—Working age policy	DEWR—from pg 67	194
	Output Group 3.1.1—Working age policy		194
	Output Group 3.1.2—Research and evaluation		199

DEEWR Outcomes	Former Outcomes and Outputs	Portfolio Budget Statements 2007–08 details (includes former department and page number)	Location in this Annual Report (page number)
– Labour market strategies	Output Group 3.2—Labour market strategies	DEWR—pg 66	203
	Output Group 3.2.1—Labour market strategies		203
	Output Group 3.2.2—Industry and labour supply strategies		206
Outcome 9 More Productive and safer workplaces	Outcome 2—Higher productivity, higher pay workplaces	DEWR—pg 52	214
– Workplace relations policy and analysis	Output Group 2.1—Workplace relations policy and analysis	DEWR—from pg 57	222
	Output 2.1.1—Workplace relations policy advice		223
	Output 2.1.2—Workplace relations legislation development		226
– Workplace relations implementation	Output Group 2.2—Workplace relations implementation		228
	Output 2.2.1—Industry and Australian Government employment advice		230
	Output 2.2.2—Assistance to the Employment Advocate		N/A
	Output 2.2.3—Workplace relations services		231
	Output 2.2.4—Defence Force Remuneration Tribunal		234
	Output 2.2.5—Remuneration Tribunal		234
	Output 2.2.6—Office of the Australian Safety and Compensation Council		235
	Output 2.2.7—Office of the Federal Safety Commissioner		238

* Outcome 5—Science, Research and Innovation of former DEST was transferred to the Department of Innovation, Industry, Science and Research (DIISR) following the machinery of government changes and reporting responsibilities for this outcome now lies with DIISR.

Strategic Plan

The DEEWR Strategic Plan 2008–2011 establishes the department's direction for the next three years. It reflects the government's priorities for early childhood development, quality education outcomes at all levels, a skilled workforce with greater participation in successful workplaces and an inclusive society.

Our vision
Creating a productive and inclusive Australia

Our goals　　　**Our approach**

Our performance

Our strategies

These priorities are reflected through five goals, accompanied by supporting strategies, which provide the focus for the department's efforts. One of the major priorities is to ensure different areas of the department work together effectively to implement the government's agenda.

Our goals detail what needs to be done to achieve the department's vision. Just as important, however, is our approach: how different areas of the department will work together, connect, engage, and find solutions, in order to achieve our vision.

The plan is a living document. It will be revisited regularly to ensure that the department adapts to changing priorities while continuing to deliver high quality programs and services to the wider community.

Year in photos

▲ The Hon Kate Ellis MP, with Grahame Cook, DEEWR Deputy Secretary, and participants at the Australian National Youth Roundtable.

▲ Training sector representatives celebrate the annual Australian Training Awards, Hobart.

▲ The Hon Julia Gillard MP with the Hon Kevin Rudd MP, Prime Minister, at the Skills Australia Launch, Campbell Child Care Centre, Canberra.

▲ The Hon Maxine McKew MP, Parliamentary Secretary for Early Childhood Education and Child Care and Deputy Secretary, Dr Wendy Jarvie, joined DEEWR staff for the official launch of the Office of Early Childhood Education and Child Care, Canberra.

▲ The Hon Brendan O'Connor MP, Minister for Employment Participation, in Melbourne to celebrate the milestone achievement of 25 000 inquiries to JobAccess.

▶ Lisa Paul and Matilda House at the traditional Aboriginal smoking ceremony to cleanse the new department office site before the start of construction.

▲ The Hon Julia Gillard MP with the Hon Kevin Rudd MP, Prime Minister, at the Skills Australia Launch, Campbell Child Care Centre, Canberra.

▲ DEEWR staff at the Corporate Event.

◄ Senator the Hon Ursula Stephens with Greg Peart, President of the Adult Learners Australia Board, launching National Adult Learners' Week in Canberra.

▲ Australian apprentices taking part in the first Australian Apprenticeships Roundtable meeting for 2008, Canberra.

▲ The Hon Julia Gillard MP, with the Hon Bill Shorten MP, Parliamentary Secretary for Disabilities and Children's Services, at the announcement of Round One of the National Secondary School Computer Fund with Essendon Keilor College students.

▲ DEEWR staff talking with future graduates at the Careers and Employment Expo in Tasmania.

▲ The Hon Julia Gillard MP speaking at the Australian Safety Compensation Council 2007 Safe Work Australia Awards, Canberra.

▶ DEEWR Queensland state office staff participating in commemorative Sorry Day activities held across the country.

Report on performance

Outcome 1—Early childhood education and child care

Outcome 1
Early childhood education and child care

Outcome 1 reflects the government's agenda for early childhood development (incorporating education and care), workplace productivity and social inclusion.

The critical importance of a child's early years to his or her long-term development, health and wellbeing is universally recognised. Providing disadvantaged children with access to high quality early education programs in the year before they start formal schooling is one of the most effective ways to help those children get the best possible start in life. Early childhood education and care services also support vulnerable parents, enabling their children to have the best possible experiences in the critical early years.

There are significant social and economic returns from investing in the early childhood years, so it makes good sense to expand the early childhood education and care system and raise its standards. Early childhood is the foundation for developing the skills necessary for future workplace productivity. Having children enjoy their early childhood, be ready for school and grow up prepared for adult life is critical to their social inclusion. A focus on early childhood development, education and care facilitates future workforce participation, combats intergenerational disadvantage and helps parents and carers to reconcile work and family responsibilities and to participate in work or training.

Providing children with the best start in life requires a partnership between parents, carers, service providers and government. Parents and carers need a comprehensive service system that responds effectively to their needs. It is also critical that the experiences of children in care settings, particularly the most vulnerable children, positively contribute to their learning and development.

The government has an ambitious reform agenda for expanding and improving the quality of early childhood services, starting with the integration of care and education.

Following the machinery of government changes, responsibility for child care policy was transferred to the department from the former Department of Families, Community Services and Indigenous Affairs (FaCSIA). The early childhood and child care programs and functions transferred include the Child Care Benefit; Jobs, Education and Training Child Care Fee Assistance (JETCCFA); the Child Care Tax Rebate; the Child Care Management System; the Child Care Services Support Program; the National Childcare Accreditation Council; the Accreditation Decisions Review Committee; the Australian Early Development Index; the Home Interaction Program; the Support for Child Care Specific Purpose Payment and the Children's Services Local Government Area.

The Office of Early Childhood Education and Child Care was established in early 2008 to facilitate the integration of child care and early childhood development and to administer the suite of programs and strategies to support Outcome 1. The aim of the office is to provide the leadership to achieve a nationally consistent system of quality, accessible and affordable early childhood education and child care for all Australian families.

The office is responsible for delivering the government's early childhood reform agenda. Budget initiatives include:

► universal access to quality early childhood education in the year before formal schooling

► additional early learning and child care places

► the introduction of an Early Years Learning Framework

► a strong quality standards and rating system

► early childhood workforce initiatives

- an increase in the Child Care Tax Rebate (CCTR)
- the Home Interaction Program
- expansion of the JETCCFA program
- rollout of an Australian Early Development Index (AEDI).

Early childhood development has been clearly targeted by the government as part of the Education Revolution and the productivity reform agenda of the Council of Australian Governments (COAG). COAG has endorsed a long-term early childhood development reform agenda and implementation plans focused on the early childhood education and care commitments. The objectives of the COAG early childhood development agenda are:

- to improve child health, learning and development outcomes
- to enhance social inclusion and reduce disadvantage
- to guarantee universal access to quality, affordable early childhood education
- to support parental workforce participation.

The initial focus is on early childhood education and care commitments as part of a broader early childhood development approach.

COAG's Productivity Agenda Working Group leads this agenda and works in partnership with other COAG working groups, such as the Working Group on Indigenous Reform and the Health Agenda Working Group, to progress the broader early childhood development agenda. Many of the COAG reform processes emphasise the importance of improving the lives of Indigenous Australians. The importance of universal access to quality early childhood education was highlighted by the Hon Kevin Rudd MP, Prime Minister in his speech to Parliament on 13 February 2008, apologising to Aboriginal and Torres Strait Islander people.

Key achievements

The key achievements for Outcome 1 in 2007–08 were as follows:

- establishing the Office of Early Childhood Education and Child Care, launched in March 2008 by the Hon Maxine McKew MP, Parliamentary Secretary for Early Childhood Education and Child Care
- developing effective processes and agreed initial implementation plans for working with the state and territory governments under COAG to deliver key early childhood education and reform commitments
- starting to plan, in conjunction with the state and territory governments and the Independent and Catholic school systems, for the national implementation of the AEDI in early 2009
- developing an implementation strategy, in conjunction with the Brotherhood of St Laurence, for the selection of sites and providers to deliver the Home Interaction Program from the start of the 2009 school year
- implementing the government's $10 million commitment to improve the access of Indigenous children and children in disadvantaged communities to early childhood education by funding innovative projects in all states and territories
- participating in the OECD Early Childhood Education and Care Network
- continuing to provide eligible parents on income support with access to low cost child care for study, work, and job search activities through the JETCCFA program, which enables parents to undertake job search, work, study or rehabilitation activities to help them enter or re-enter the workforce. JETCCFA customer numbers have increased since 2006–07
- successfully piloting and then commencing the progressive implementation of the Child Care Management System (CCMS), which will bring online all 11 000 approved child care

services. This will allow services to provide information directly to the department via the internet to allow the calculation and implementation of Child Care Benefit (CCB) fee reductions on behalf of children

► providing parents with access to an online statement from Centrelink with details of the CCB payments made on their behalf to child care services

► assisting families with the costs of child care by implementing a one-off 10 per cent increase, on top of indexation, to the amount of CCB. In addition, the timeliness of access by families to CCTR was improved by making it an annual payment made through the Family Assistance Office

► providing minor capital funding to 10 Long Day Care services, at a total of $275 613, through Round One of the Long Day Care Capital Funding program

► allocating 1200 new places to 32 In Home Care services from the 2007 funding round and developing and implementing a set of Interim Standards for In Home Care

► providing increased support for Indigenous early childhood services through:

– the payment of $614 988 to 21 providers under the Mobile Child Care Service one-off equipment upgrade grant

– a 20 per cent increase to the base level of funding paid to services funded under the budget-based funding arrangements, from within the Child Care Service Support Appropriation

– development of an Indigenous early childhood proposal for COAG that will establish 35 new Indigenous Children and Family Centres, including the previously committed 20 Innovative Child Care Service Hubs. These will include the four locations previously agreed in Mt Isa (Queensland), Halls Creek (Western Australia) and Maningrida and Yuendumu (Northern Territory)

► in the COAG context, progressing the development of new quality standards and a rating system for child care as well as contributing to the development of an Early Years Learning Framework. This included developing approaches to implement more streamlined licensing and accreditation arrangements with states and territories

► drafting the *Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Act 2008*, which received Royal Assent on 25 June 2008.

Key priorities

The government has implemented major initiatives for early childhood education and child care as part of its commitment to ensuring that children receive quality early childhood education and that child care meets the needs of their parents.

The key priorities for Outcome 1 in 2007–08 were:

▶ Working within COAG by establishing and supporting the Early Childhood Development Sub-group, and reporting on the following issues to COAG's Productivity Agenda Working Group (the key group working on the implementation of major reforms in early childhood education and care):

  – the commitment to provide children with universal access to quality early childhood education in the year prior to formal schooling

  – the rollout of $10 million of innovative projects across the states and territories to support improved access to early childhood education

  – the development of an Early Years Learning Framework, which will have a specific emphasis on play-based learning, early literacy and numeracy skills and social development

  – the development of a National Workforce Strategy to train and retain a high quality early child care workforce

▶ improving the quality of early childhood education and care. The government committed during the election campaign, and subsequently approved in the May 2008 Budget, $22.2 million over four years to support the development of a new quality framework that will include new national standards, an A–E rating system to provide improved information to parents and a new, streamlined licensing, regulatory and accreditation system

▶ implementing the government's commitment to establish 260 new early learning and care centres to improve supply

▶ extending eligibility (from 1 July 2007) for study activity for JETCCFA to include multi-year courses

▶ extending JETCCFA for up to two years for full-time study and developing a communications plan to raise public awareness of the increased access

▶ implementing CCMS—from 4 February 2008 Long Day Care and Family Day Care services began reporting their CCB information using CCMS

▶ extending the civil penalties and infringement notice scheme to give the government a broader range of options for dealing with approved child care services that do not meet their obligations. The scheme will allow the government flexibility in addressing non-compliance without making service operators criminally liable and will come into effect on 1 July 2008

▶ completing the first phase of the CCB Approvals Review Project

▶ commencing consultations with the state and territory governments and Independent and Catholic school sectors to support the rollout of the collection phase of the AEDI in early 2009.

Table 1.1

Resources invested in Outcome 1 in 2007–08 ($'000)

Outcome 1	Budget PBS (2007–08) $'000 A	Actual expenses (2007–08) $'000 B	Variation (2007–08) $'000 C = B – A	Budget (2008–09) $'000 D
Administered Expenses				
Child Care for eligible parents undergoing training	35,576	4,967	-30,609	54,332
Support for Child Care	135,724	121,095	-14,629	406,759
Child Care Benefit	786,376	789,653	3,277	1,908,322
Child Care Tax Rebate	75,070	56,735	-18,335	860,822
Total administered expenses	**1,032,746**	**972,450**	**-60,296**	**3,230,235**
Price of departmental outputs				
Output Group 1.1—Policy Services	10,936	5,073	-5,863	24,201
Output Group 1.2—Program Management	8,122	5,125	-2,997	24,972
Output Group 1.3—Service Delivery	5,668	8,086	2,418	16,617
Total departmental expenses	**24,726**	**18,284**	**-6,442**	**65,790**
Funded by				
Revenue from government (appropriations) for departmental outputs	24,726	18,284	-6,442	65,790
Revenue from other sources	-	-	-	-
Total price of departmental outputs	**24,726**	**18,284**	**-6,442**	**65,790**
Total for Outcome 1	**1,057,472**	**990,734**	**-66,738**	**3,296,025**
Average staffing level (number)		**101**		**356**

Effectiveness indicators

The department uses a range of effectiveness indicators to measure the impacts of the government's early childhood education and child care agenda. The overall impact of the department's activities should be viewed within the context that outcomes in Australia's early childhood education and child care sector are not controlled solely by the government, but are achieved in partnership with various external stakeholders.

Early childhood education and child care

Funding for early childhood education and child care enabled families to participate in the economic and social life of the community by offsetting the cost of child care and by supporting the provision of flexible child care services. Government funding supported the professional development of the child care sector, improved access to child care for children and families with special or additional needs, supported access to child care for children and families in areas and/or circumstances where services would not otherwise be available and implemented quality assurance of child care services. It established the CCMS to assist child care services, families and the government to access better information on child care supply and usage and simplified reporting arrangements to the Child Care Access Hotline for child care services.

Child care services support

Targeting

The number of children with additional needs using government approved child care services in 2007–08 was the same as the number estimated in the former Department of Families, Community Services and Indigenous Affairs (FaCSIA) Portfolio Budget Statements 2007–08. These were:

► children with disability—22 100

► Aboriginal, Torres Strait and Australian South Sea Islander children—14 300

► Children from non–English speaking backgrounds—84 500.

Access and choice

In 2007–08 there were 22 100 children with disability assisted into mainstream services.

Assurance

Across the three indicators for quality assurance, the percentage of centres, Family Day Care services and Outside School Hours Services participating in quality assurance were all higher than estimated. The rate increases were:

► 6 per cent for centres that satisfactorily participated in the Quality Improvement and Accreditation System

► 10 per cent for Family Day Care services that satisfactorily participated in Family Day Care Quality Assurance

► 10 per cent for Outside School Hours Care services that satisfactorily participated in Outside School Hours Care Quality Assurance.

Quantity

In the reporting year, 1285 child care services received sustainability assistance, against an estimated figure of 2000. The variation occurred because some services terminated or experienced a drop in demand.

The number of Family Day Care start-up payments approved for potential or new Family Day Care workers was significantly higher than the number allotted. This is because, due to the overwhelming success of the program, on 22 February 2008 ministerial approval was given to continue administering it and to approve more than the 600 payments originally available. In the reporting year, 1687 payments were approved.

The number of Indigenous-specific services approved was 274, against the slightly higher estimate of 281. A number of new services under development did not commence operation in 2007–08, accounting for the lesser number of services approved.

Jobs, education and training child care fee assistance

Take-up and coverage

From 1 July 2007 eligibility for study activity for JETCCFA was extended to include multi-year courses. Parents can now receive up to 12 months assistance for full-time study or equivalent part-time study, regardless of the course duration. Previously JETCCFA for new participants was restricted to courses of study or training of up to 12 months duration. Since the announcement of an election commitment to further extend JETCCFA for up to two years full-time study from 1 July 2008, work has been underway on a communications plan to raise public awareness of the increased access.

Whilst the number of parents assisted by JETCCFA increased from 18 364 in 2006–07 to 20 312 in 2007–08, the increase is lower than expected, with a similar flow-on to the number of children in care. The program will continue to be monitored closely.

Child care benefit

The Child Care Benefit (CCB) assists parents with the cost of approved and registered child care. The amount of benefit paid depends on family income, the number of children in care, the hours of care and the type of child care used. This means that families who are on the lowest incomes and who use approved services receive the highest rate of CCB. Families with one child in full-time long day care pay 9 per cent to 10 per cent of disposable income after Commonwealth subsidies. Child care out-of-pocket expenses were lower than, or met, the estimate in 2007–08. The one-off increase to CCB, the growth in wages and tax changes contributed to this improved outcome.

There was a 1 per cent variation between the estimated and actual percentage of families claiming the maximum and minimum rates of CCB, due to normal variations.

Independence

In 2007–08, 20 per cent of Commonwealth-funded child care places were used for non–work related purposes and 80 per cent for work related purposes. The actual percentages were the same as the estimated percentages for the reporting year.

Quantity

Over the reporting period 36 000 calls were made to the Child Care Access Hotline, against an estimated 45 000.

There was a variation between the 587 000 child care places estimated to be available in 2007–08 and the actual number of places, which was 700 300. This variation can be explained by improved data collection processes. Similarly, the difference between the 10 400 estimated and 11 600 actual eligible approved services funded was due to a change in the way data was extracted and validated. The department was able to use more up-to-date data in reporting on the number of places.

The difference between the estimated 575 900 and actual 581 400 eligible families using approved child care services was due to normal variations. There was no variation between the actual and estimated percentage (96 per cent) of families using approved Commonwealth-funded child care services and receiving CCB.

Opening of the Office of Early Childhood Education and Child Care

The Hon Maxine McKew MP, Parliamentary Secretary for Early Childhood Education and Child Care, joined departmental employees in Canberra on 18 March 2008 to officially launch the Office of Early Childhood Education and Child Care.

The office was established to lead the change to a nationally consistent system of quality, accessible and affordable early childhood education and child care for all Australian families. The official opening of the office marked a critical first step in realising the government's vision and signalled a new relationship between learning, education and child care. The opening also signalled a new beginning for office employees, some of whom had been working in the early childhood education area of the former DEST or in child care areas of the former Department of Families, Community Services and Indigenous Affairs.

'The Office of Early Childhood Education and Child Care will be responsible for delivering the government's key commitments in this area, as well as guiding major national policy reform', Ms McKew said.

The office will oversee the implementation of a number of key government initiatives such as:

► the provision of universal access for all four-year-olds to affordable early learning programs delivered by a degree-qualified teacher

► the development of strong quality standards and use of the A–E rating system

► the development of the Early Years Learning Framework

► increasing the availability of convenient early learning and child care for families in areas of need through the New Early Learning and Care Centres

► the development of the National Early Years Workforce Strategy and workforce initiatives, aimed at improving the quality and overall numbers of the workforce in early childhood settings to support optimal learning and development of young children

► the introduction of changes to the Child Care Tax Rebate.

'As the office begins work implementing the government's election commitments, priority will be given to integrating early learning and care, to help children become more school-ready,' said Ms McKew.

Headed by DEEWR Deputy Secretary, Dr Wendy Jarvie, the new office has approximately 240 employees and is located in Canberra. More information about the office is available at its website <www.oececc.gov.au>.

The Hon Maxine McKew MP, Parliamentary Secretary for Early Childhood Education and Child Care, at the launch of the Office of Early Childhood Education and Child Care on 18 March 2008.

Performance information for Outcome 1

Administered activities

The department administers a number of programs and initiatives that fund early childhood education and care. A summary of the performance of administered activities for the reporting year is provided in Table 1.2 below.

Table 1.2

Performance in delivery of administered outputs for Outcome 1

Performance indicator	Estimate	Actual
Child Care Services Support		
Support for Child Care		
Effectiveness—Targeting		
Number of children with additional needs using Australian Government approved child care services—by target group:		
▶ Children with disability	22 100	22 100
▶ Aboriginal, Torres Strait and Australian South Sea Islander children	14 300	14 300
▶ Children from non–English speaking backgrounds	84 500	84 500
▶ Total number of children with additional needs using Australian Government approved child care services	116 000	116 000
Quality—Access and choice		
Number of children with disability assisted into mainstream services	22 100	22 100
Quality—Assurance		
Percentage of centres satisfactorily participating in the Quality Improvement and Accreditation System	94%	100%
Percentage of family day care services satisfactorily participating in Family Day Care Quality Assurance	90%	100%
Percentage of Outside School Hours Care services satisfactorily participating in Outside School Hours Care Quality Assurance	90%	100%
Quantity		
Number of child care services receiving sustainability assistance	2 000	1285
Number of Family Day Care workers approved for the Family Day Care start-up payment	600	1687
Number of Indigenous-specific services	281	274
Jobs, Education and Training Child Care Fee Assistance		
Effectiveness—Take up/coverage		
▶ Number of children in child care	58 000	33 718
▶ Number of parents assisted	35 000	20 312
Child Care Benefit		
Cost		
Child care out-of-pocket costs as a proportion of weekly disposable income after child care subsidies	10% to 14% for one child in full-time long day care; depending on income up to $100 000 per annum	Families with one child in full-time long day care pay 9% to 10% of disposable income after Commonwealth subsidies
Percentage of families claiming maximum rate Child Care Benefit	33%	32%
Percentage of families claiming minimum rate Child Care Benefit	22%	22%
Effectiveness—Independence		
▶ Percentage of Commonwealth-funded child care that is used for non–work related purposes	20%	20%

Performance indicator	Estimate	Actual
► Percentage of Commonwealth-funded child care that is used for work-related purposes	80%	80%
Quantity		
Number of calls to the Child Care Access Hotline	45 000	36 000
Number of child care places available	587 000	700 300
Number of eligible approved services funded	10 400	11 600
Number of eligible families using approved Commonwealth-funded child care services	575 900	581 400
Percentage of families using approved Commonwealth-funded child care services and receiving Child Care Benefit	96%	96%

Departmental outputs

Table 1.3

Performance in delivery of departmental outputs for Outcome 1

Performance indicator	Estimate	Actual
Policy Services and Program Management		
Quality—Assurance		
Department ensures that service providers meet terms and conditions of funding	100%	100%
Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development	100%	100%
Service agreements/contracts that meet legislative, government policy and departmental requirements in place with all service providers	100%	100%
Quality—Client satisfaction		
Ministers and their offices are satisfied with the quality of advice and department meets standards for policy advice	100%	Satisfied[a]
Quantity		
Major pieces of research and evaluation completed	Nil	Nil
Number of contracts/service agreements under management	1	4
Number of service providers under management	7000	7331
Number of items to ministers' offices	1100 items of ministerial correspondence 400 submissions and briefings	Refer to Table P3.2 in Part 3 Management and accountability
Service Delivery		
Quality—Assurance		
Service providers funded through the Child Care Support program deliver services to the standards agreed with DEEWR	100%	100%
Random compliance reviews identify improved compliance in the sector: the volume and severity of non-compliance issues found is reduced	Lower than previous financial year	Lower than previous financial year
Quality—Client rights and obligations		
Control of incorrect payments to families and family fraud: number of service reviews conducted annually	2000	1500

Performance indicator		Estimate	Actual
Percentage of reviews and appeals where the original decision is changed[b]	ARO	15%	25%
	SSAT	16%	18%
	AAT	N/A	14%

Key: AAT = Administrative Appeals Tribunal; ARO = Authorised Review Officers; SSAT = Social Security Appeals Tribunal; N/A = not applicable.

a   During the year ministers, parliamentary secretaries and their staff provided feedback on the level of satisfaction with departmental advice during regular meetings with the department and, in some cases, by rating briefs according to a five-point scale, with five being the maximum. Overall feedback from ministers, parliamentary secretaries and their staff confirmed that they recognise the significant efforts being made by departmental staff and are generally satisfied with the quality of briefings. Note that these satisfaction levels incorporate feedback for the former departments, DEEWR, and the youth and early childhood and child care functions from FaHCSIA.

b   Please note actual figures include decisions that change and may be revised but not necessarily reversed. Decisions are also based on individual circumstances of cases and may be determined as additional information is provided. Reviews and appeals are monitored between Centrelink and DEEWR.

Outlook for 2008–09

The government is implementing major initiatives during 2008–09 as part of its commitment to ensuring high quality care and early childhood education. These initiatives include:

Working with the states and territories

There will be negotiations and policy discussions with state and territory governments to ensure a collaborative approach to early childhood education and care, including through the new Commonwealth–State Financial Reform process that will support the delivery of many election and other commitments. In particular the department will work collaboratively with states and territories, through the Early Childhood Development Subgroup, (under the Productivity Agenda Working Group), to develop a National Partnership on Early Childhood Development reform.

The department is leading the development of a National Early Childhood Development Strategy. It is envisaged this national strategy will articulate the policy priorities and elements for early childhood development, and also provide a vision for 2020 and beyond. The strategy is being developed in collaboration with state and territory government and other Commonwealth agencies.

The strategy will provide a focus on early childhood development outcomes for children in the early years. As part of this work, COAG has asked that the department work with states and territories to develop a proposal for integrated children and family centres. This proposal is being developed for possible inclusion in the early childhood reform National Partnership.

Universal Access to Quality Early Childhood Education initiative

The Universal Access to Quality Early Childhood Education initiative aims to ensure that by 2013 all children have access to play-based early learning programs, delivered by university-qualified early childhood teachers, for a minimum of 15 hours per week, 40 weeks per year in the year before formal schooling. The initiative includes a commitment that all Indigenous four-year-olds living in remote Indigenous communities will have access to quality early childhood education within five years. The 2008–09 Budget committed $520 million over four years to meeting the goal of universal access. The government's objective is to increase the financial commitment to $450 million a year when the initiative is fully implemented in 2013. Implementation of the commitment is being negotiated with the states and territories through COAG as part of the reform of Commonwealth–State financial arrangements.

National Quality framework

Together with states and territories, the department is developing a new Early Years Learning Framework, new quality standards, a rating system and an agreed approach to streamlined regulatory arrangements for COAG endorsement in December 2008. These will be the subject of extensive public consultation and will be progressively implemented from July 2009.

National Early Years Workforce Strategy

The government has provided $126 million over four years to support a National Early Years Workforce Strategy. The strategy includes:

▶ additional early childhood education university places each year from 2009 and increasing to 1500 places by 2011

▶ paying half the Higher Education Contribution Scheme (HECS)–Higher Education Loan Programme (HELP) debts for early childhood education teachers who work in rural and regional areas, Indigenous communities and areas of socioeconomic disadvantage for up to five years

▶ from 2009, removing TAFE fees for people studying for diplomas and advanced diplomas of children's services qualifications.

Indigenous children and family centres

Thirty-five Indigenous children and family centres will be established over five years from January 2009. The centres will be distributed across urban, regional and remote areas with highly disadvantaged and Indigenous populations. Each centre will offer early learning, child care, and parent and family support services. Commonwealth and state and territory services will be integrated into the centres according to local needs and opportunities. Examples of these services include maternal and child health services, cultural programs and child protection early intervention services. The centres will provide integrated service delivery to new locations and across a larger range of service areas such as child care, preschool, playgroups, parent and family support and maternal and child health services. This expansion will fully fund the 20 regional and remote hubs already announced and the establishment of 15 new Indigenous children and family centres in urban areas. This initiative will be implemented through a national partnership with states and territories through the Working Group on Indigenous Reform, as part of the COAG process.

Early childhood education and child care

2

Report on Performance

Tax Rebate

The government will implement changes to the CCTR, which will increase payments to beneficiaries for out-of-pocket costs from 30 per cent to 50 per cent, with a maximum payment of $7500 per child per year. All eligible families using approved child care will receive additional assistance through improvements to CCTR and will be able to receive their CCTR quarterly or annually. The government commitment for this is $1.57 billion over the four years 2008–09 to 2011–12.

National Early Years Learning Framework

The department, together with states and territories, is developing a national Early Years Learning Framework which will have a specific emphasis on play-based learning, pre-literacy and pre-numeracy skills and social development. The framework will be linked to the national quality standards for child care and preschool to ensure that they encompass a nationally consistent and quality early childhood education component.

The Australian Early Development Index

The government has provided additional funding to facilitate implementation of the AEDI. An additional $1.5 million was allocated in the 2008–09 Budget to fund AEDI coordinators in each state and territory and increased funding of $3 million will be available to cover the costs of teachers completing the AEDI questionnaire, allowing an average 30-minute completion time for each student.

Report on performance
Outcome 2—School education

Outcome 2
School education

The structure of school education is similar across states and territories with 13 years of schooling from preparatory to senior secondary. Schools comprise government and non-government, including schools centred on educational philosophies such as Steiner and Montessori.

State and territory governments regulate and fund government and non-government schools in Australia. The Commonwealth also funds government schools and is the primary source of public funding for non-government schools.

While states and territories develop their own policies on schooling, curriculum, assessment and accreditation, all state and territory education ministers have endorsed national goals for schooling set out in The Adelaide Declaration on National Goals for Schooling in the Twenty-first Century. The goals are the agreed foundation for schooling across Australia to achieve the best possible outcomes for students.

Education is key to the government's agenda to support increasing participation and productivity and secure Australia's prosperity into the future.

The Council of Australian Governments (COAG), through its Productivity Agenda Working Group, has nominated schooling as one of the priorities for reform. The reform agenda for schooling includes a national strategy to improve Australian schools, setting high standards for students, teachers and school communities.

The key objectives agreed by COAG for schooling include:

► the development of a national partnership agreement focused on the particular educational needs of low socio-economic status school communities

► lifting the Year 12 or equivalent attainment rate to 90 per cent by 2020

► halving the gap for Indigenous students in reading, writing and numeracy within a decade

► at least halving the gap for Indigenous students in Year 12 or equivalent attainment rates by 2020

► ensuring all Indigenous four-year-olds in remote communities are enrolled in and attending a proper early childhood centre or opportunity within five years.

A national curriculum, which will be underpinned by specific standards in literacy and numeracy, will give parents, students and teachers information about what needs to be covered in each subject and in each year level of schooling. The development of a national curriculum will be overseen by the National Curriculum Board which held its first meeting in April 2008.

Results from national testing of students in Years 3, 5, 7 and 9 in reading, writing and language conventions will be more consistent and comparable across the schooling system. Nationally consistent student reports will be developed. The National Data Centre for collecting, collating and analysing information on school and student performance is being established to ensure that education resources are targeted to those most in need.

The department contributes to these and other initiatives by providing quality policy advice supported by capabilities in research, analysis and evaluation. Efficient management of national programs contributes to higher standards in teaching and learning. Providing assistance for individual students, especially Indigenous students and those with special needs, supports a key goal of schooling: that it is socially inclusive. Assisting students in transition through and from school supports the goal that all students have access to an education that enables them to complete Year 12 or its vocational equivalent.

Key achievements

The key achievements for Outcome 2 in 2007–08 were as follows:

▶ In April 2008, all ministers of education agreed to support the Digital Education Revolution (DER) as a key strategic tool in lifting standards of education and training.

▶ Through the cooperation and collaboration of all education authorities across Australia, 896 secondary schools successfully applied in Round One to share in $116 million from the National Secondary School Computer Fund. This funding was paid at the end of June 2008. Successful schools in Round One of the Secondary School Computer Fund are listed on the DER website at <www.digitaleducationrevolution.gov.au>.

▶ In December 2007, all Australian Governments through the COAG, committed to work collaboratively to develop a rigorous, world-class national curriculum from kindergarten to Year 12, starting with the key learning areas of English, mathematics, the sciences and history. A National curriculum in these key learning areas will be developed by 2010 for implementation in all jurisdictions from 2011.

▶ In April 2008, the Hon Julia Gillard, Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion, appointed a 13-member interim National Curriculum Board following nominations from state and territory education ministers and the non-government sector. The board met twice in the first half of 2008 and commenced consultations with key education stakeholders on the development of a national curriculum in June 2008.

▶ The Trade Training Centres in Schools Program was launched with the program website <www.tradetrainingcentres.deewr.gov.au> and guidelines on 7 March 2008.

▶ Eighty-seven applications for Round One phase one of the Trade Training Centres in Schools Program were submitted and assessed. Thirty-four schools were successful, with total funding of $90 million. Applications were received across all school sectors and across all states and territories.

▶ From 2008, newly arrived humanitarian students receive double the per capita rate of government funding for English language tuition.

▶ In 2007, the Schools Grants element of the Literacy, Numeracy and Special Learning Needs program (LNSLN) provided $467.6 million to government and non-government school education authorities in states and territories to measurably improve the learning outcomes of educationally disadvantaged students.

▶ The National Projects element of the LNSLN provided $7.5 million for funding of 15 national projects. Projects include community literacy and numeracy initiatives; early childhood education initiatives; promotion of effective school and classroom practices to enhance learning outcomes; national strategic literacy and numeracy research and development; use of information and communication technologies to improve learning outcomes and national and international data collection on educational achievements.

▶ Final reports on two national projects under the School Languages Programme (SLP) were released on 25 March 2008. These were:

– Investigation of the state and nature of languages in Australian schools <www.dest.gov. au/sectors/school_education/publications_resources/profiles/investigation_languages_ in_schools.htm>

– Review of teacher education for languages teachers <www.dest.gov.au/sectors/school_ education/publications_resources/profiles/review_language_teacher_education.htm>.

▶ Five SLP projects are continuing, focusing on the nationally agreed strategies for language education.

- One hundred and forty six delegates representing state and territory education authorities, schools, parents, professional associations and universities participated in the National Seminar on Languages Education in November 2007.

- Through the Endeavour Awards, 197 languages teachers and trainee languages teachers participated in the Endeavour Language Teacher Fellowships Program in January 2008. Recipients of awards participated in short-term intensive language and cultural study programs in seven countries and in Australia.

- Nineteen schools in Lakemba and Macquarie Fields in Western Sydney are participating in a pilot program to foster interschool cooperation, the development of educational resources, and support for teaching more effectively the notion of interfaith and intercultural understanding in a school environment.

- A model of 'what works' for sustaining and replicating interfaith and intercultural cooperation has been identified and will be supported by evidence from an independent evaluation.

- In recognition of the importance of developing the social and emotional competence of young children, the All REDI for the Early Years of Schooling Project was completed in 2008. The project highlighted the importance of a whole-of-school approach and the need to establish a school culture that explicitly addresses the teaching of social and emotional competencies from the early years (kindergarten to Year 2). Over 65 national workshops were conducted for 2200 school leaders and teachers over the life of the project.

- The Le@rning Federation developed 6500 online content and digital resources as part of the Online Curriculum Content for Australian Schools initiatives.

- The Australian Government Quality Teacher Program supported professional learning for school teachers and school leaders through a number of initiatives including:
  - providing up to 741 grants of approximately $2000 each—totalling $1 480 175—to support school-based activities generated by Summer School graduates to share their newly acquired skills and knowledge with colleagues
  - providing $2 million for the development and distribution of a professional development consumer and financial literacy package for teachers
  - delivering, in partnership with the Australian Council for Educational Research (ACER), symposia (Digital Education Revolution—Realising the possibilities, Managing the realities) on ICT to over 700 teachers and school leaders. For further information visit <www.qualityteaching.deewr.gov.au/naqs>
  - delivering the Summer Schools for Teachers program for 1012 high performing teachers to participate in 10 day residential professional learning programs in the five priority areas of literacy and numeracy, mathematics, science, English and Australian history
  - implementing the Improving the Practical Component of Teacher Education program and delivering an additional $18.02 million to higher education providers to support high-quality professional experience for teacher education students
  - managing the 2008 Australian Government National Awards for Quality Schooling to outstanding teachers, principals, schools and support staff. Fifty-nine awards were awarded in seven categories
  - supporting Teaching Australia—Australian Institute for Teaching and School Leadership in its key achievements including progress towards national professional standards for advanced teaching and school leadership

- commissioning the *Staff in Australia's Schools* (SiAS) report, released in January 2008. The project was undertaken by ACER in collaboration with the Australian College of Educators (ACE). The survey can be accessed at <www.dest.gov.au/sectors/school_education/publications_resources/profiles/sias2007.htm>

▶ Stage 1 resources of the Values Education initiative (*Building Values Across the Whole School*—a resource package) were published online <www.curriculum.edu.au/values/values_for_australian_schooling_resource_package,20874.html>.

▶ Stage 2 of the Values Education Good Practice Schools project, involving 140 schools in 25 clusters, was completed in March 2008.

▶ The department facilitated meetings of the Australian History Curriculum Reference Group and the subsequent publication of the Reference Group's *Guide to the Teaching of Australian History in Years 9 and 10*.

▶ In 2007–08, the Parliament and Civics Education Rebate assisted more than 82 000 students to visit the national capital as part of their civics and citizenship education.

▶ Schools around Australia participated in Celebrating Democracy Week with funding provided by the Commonwealth. Students from Years 10 and 11 participated in Every Voice Counts!—a three-day student forum held in Canberra on 15–21 October 2007.

▶ The national pilot phase of the Science by Doing project, managed by the Australian Academy of Science, received $1.5 million to develop and trial an inquiry-based approach to science teaching and learning in the junior secondary school years using web-based sample curriculum units and accompanying teacher and student resources.

▶ Seven hundred partnerships between schools and practising scientists were established under the pilot phase of the Scientists in Schools program, managed by CSIRO Education.

▶ On 24 April 2008, the Hon Julia Gillard MP, Deputy Prime Minister, launched 'Schoolyard safari', the eleventh resource unit of the highly successful Primary Connections: Linking Science with Literacy project.

▶ Four hundred and ninety seven awards of $2000 each were made to exemplary primary teacher education students undertaking courses with a Primary Connections focus at higher education institutions around Australia.

▶ Over 2300 students and 200 teachers from more than 40 schools participated in professional learning programs and workshops delivered throughout regional and remote Indigenous communities in Western Australia by Scitech. These programs and workshops were based on Primary Connections.

▶ Two Whole of School Intervention rounds occurred during 2007–08. In these two rounds, 987 projects, comprising 805 Parent School Partnership Initiatives projects and 182 Homework Centres, were approved. A total of $27.03 million was provided by the department with a further $33.45 million leveraged in in-kind and other contribution.

▶ Thirteen school-based sports academies began operating in Western Australia, South Australia, New South Wales and the Northern Territory between 1 July 2007 and 30 June 2008, bringing the total number of sports academies to 23 under the Sporting Chance program. Some 2200 students are expected to participate in academies in 2008. Five engagement strategies commenced in the first half of 2008 and approximately 5000 students are expected to participate in engagement strategies in 2008.

▶ As at June 2008, 244 students had received Indigenous Youth Leadership Program scholarships. The expansion of the program has commenced with the Cape York Institute for Policy and Leadership and Yalari Limited joining the Foundation for Young Australians as delivery partners for the program.

▶ The project target of school and institutional membership of 5000 for the Dare to Lead program was exceeded, having reached 5144 in June 2008 or 52.8 per cent of schools in Australia. Schools continue to join, having been drawn by the strongly positive profile among colleagues and jurisdictions.

▶ From the beginning of the project in 2002 to the end of June 2008 the What Works project has delivered a total of 1158 professional development workshops to approximately 35 367 participants.

▶ The Northern Territory Emergency Response (NTER) initiatives included:

  – a School Nutrition Program, which aims to improve school attendance and engagement by providing nutritious breakfasts and lunches to students in communities subject to the NTER, as well as creating employment opportunities for local Indigenous people. As at June 2008, 54 part-time and 15 full-time new jobs have been created. Fifty-nine of these positions have been filled by local Indigenous community members. The program is in place for 49 communities and associated outstations and seven town camps. Approximately 1900 children were receiving meals

  – additional classrooms to provide for anticipated student number increases. Up to 18 classrooms will be constructed in schools where the greatest enrolment and attendance increases are expected to occur, with funding for up to 14 classrooms having been provided to the Northern Territory government. Four classrooms will be constructed at Wadeye through funding provided to the Catholic Education Office. Construction of the classrooms is underway

  – a Quality Teaching package to develop and retain effective teachers in remote schools, with an emphasis on enhancing local Indigenous education workers' skills and qualifications. Contracts with the Northern Territory Department of Employment, Education and Training and the Northern Territory Catholic Education Office are in place

  – accelerated literacy which complements the existing National Accelerated Literacy project activities in Northern Territory schools. This initiative has facilitated the establishment of a number of regionally based specialist teams, who are visiting schools in the prescribed communities to provide professional development on site, and in context. These specialist teams, which consist of five teachers, led by a principal, are experts in early childhood, accelerated literacy, vocational education and training and professional development, and are working with 45 remote schools.

Key priorities

The key priorities for Outcome 2 in 2007–08 were:

- ▶ implementing the government's election commitments, particularly the key elements of the Education Revolution:
    - – establishing the National Secondary School Computer Fund and develop processes to assist the schools most in need (Round One)
    - – establishing the Trade Training Centres in Schools Program within 100 days of government
- ▶ driving reform in schooling through COAG and the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA)
- ▶ negotiating a National Education Agreement with a national performance reporting framework and including strategies to close the gap in education outcomes for Indigenous students
- ▶ establishing new schools funding agreements with non-government education authorities
- ▶ focusing on literacy and numeracy and the preparation of a National Action Plan for Literacy and Numeracy with support for schools to improve education outcomes particularly for Indigenous students
- ▶ establishing an interim National Curriculum Board to oversee the development of a national curriculum underpinned by specific standards in literacy and numeracy.

2

Report on Performance

School education

Table 2.1
Resources invested in Outcome 2 in 2007–08 ($'000)

Outcome 2	Budget PBS (2007–08) $'000 A	Actual expenses (2007–08) $'000 B	Variation (2007–08) $'000 C = B – A	Budget (2008–09) $'000 D
Administered Expenses				
Digital Education Revolution	100,000	100,000	-	398,231
Drought Assistance for Schools	22,735	24,042	1,307	23,872
Helping Children with Autism	2,718	2,718	-	5,319
National Asian Languages and Studies in Schools	-	-	-	10,000
Reading Assistance Vouchers	13,917	12,108	-1,809	-
Even Start National Tuition Program	66,482	41,186	-25,296	58,317
National Curriculum Board for Australian Schools	-	-	-	5,000
National School Chaplaincy Program	51,500	45,867	-5,633	54,250
Online Curriculum Content for Australian Schools	7,600	7,605	5	7,700
Australian Government Quality Teaching Program	34,881	35,759	878	33,085
Summer Schools for Teachers	25,436	15,312	-10,124	-
Targeted Quality Outcomes	61,979	45,322	-16,657	48,594
Closing the Gap for Indigenous Australians	-	-	-	33,583
Trade Training Centres in Schools	-	-	-	233,142
National Action Plan for Literacy and Numeracy	-	-	-	94,188
School General Recurrent Grants	7,113,639	7,186,138	72,499	7,700,538
Schools Capital Grants	477,793	433,089	-44,704	473,461
Investing in Our Schools	287,735	294,433	6,698	53,501
Literacy, Numeracy and Special Learning Needs	478,009	524,369	46,360	559,929
Schools Country Areas	29,865	29,859	-6	31,543
Schools English as a Second Language	92,297	106,210	13,913	167,187
Schools Languages Program	29,773	29,691	-82	31,519
Non-Government School Term Hostels	2,411	1,375	-1,036	2,463
Indigenous Education Program	335,959	331,532	-4,427	344,345
Australian Technical Colleges	100,000	98,624	-1,376	93,345
ABSTUDY—Secondary	112,789	111,728	-1,061	110,225
Assistance for Isolated Children	64,298	60,300	-3,998	66,913
Youth Allowance (Student)	545,880	475,308	-70,572	487,650
Superannuation Benefits for Aboriginal Tutor Assistance	5	42	37	5
Total administered expenses	**10,057,701**	**10,012,617**	**-45,084**	**11,127,905**
Price of departmental outputs				
Output Group 2.1—Policy Services	56,935	58,989	2,054	51,066
Output Group 2.2—Program Management	120,873	119,402	-1,471	109,074
Output Group 2.3—Service Delivery	20,424	19,064	-1,360	18,318
Total departmental expenses	**198,232**	**197,455**	**-777**	**178,458**
Funded by				
Revenue from government (appropriations) for departmental outputs	197,323	196,546	-777	176,980
Revenue from other sources	909	909	-	1,478
Total price of departmental outputs	**198,232**	**197,455**	**-777**	**178,458**
Total for Outcome 2	**10,255,933**	**10,210,072**	**-45,861**	**11,306,363**
Average staffing level (number)		**891**		**846**

Effectiveness indicators

The department reports against effectiveness indicators set out in Table 3.1.2 in the former Department of Education, Science and Training (DEST) Portfolio Budget Statements 2007–08. The indicators for Outcome 2 are achievement of national benchmarks and participation of students from disadvantaged groups in school education.

Note that data relating to trends in the number of students participating in vocational and technical education in schools in Australia is not yet available.

Achievement of national benchmarks

Student enrolments

During 2007–08, the government's schools programs supported an increasing number of students across the majority of states and territories, with the exception of Tasmania and the Australian Capital Territory. The total full-time student enrolments shown in Table 2.2 are broadly in line with the estimates for the total full-time student enrolments noted in the former DEST's Portfolio Budget Statements 2007–08.

Table 2.2

Full-time school enrolments by level of education, Australia 2005 to 2007

Year	Level of education		Number of enrolments
	Primary	**Secondary**	**Total**
2005	1 932 169	1 415 970	3 348 139
2006	1 936 187	1 432 530	3 368 717
2007	1 969 303	1 447 220	3 416 523

Educational attainment

MCEETYA has endorsed two indicators to measure how well young people are performing against one of the key goals of schooling, namely that schooling should be socially just. Goal 3.6 of the *National Goals for Schooling in the 21st Century* states that all students should have access to an education that enables them to complete Year 12 or its vocational equivalent and that provides them with recognised pathways into employment and further education and training. Charts 2.1 and 2.2 show trends over the past five years for the two indicators.

Students attaining Year 12 certificates

Proportion of Indigenous and non-Indigenous 15 to 19-year-olds with education attainment of Year 12

In the 2006 ABS Census of Population and Housing, 18 per cent of Indigenous 15 to 19-year-olds were reported as having an education attainment of Year 12 compared with 33 per cent of non-Indigenous 15 to 19-year-olds.

Chart 2.1
Students receiving Year 12 certificates as a proportion of potential Year 12 population, by geographic location and socioeconomic status

Category	2006	2005	2004	2003	2002
Total	67	67	68	69	69
Remote	52	53	54	54	53
Provincial	62	61	63	66	67
Metropolitan	69	70	70	71	70
Low Socio Economic Status	59	59	59	63	63
Medium Socio Economic Status	64	65	66	67	67
High Socio Economic Status	78	79	79	79	78
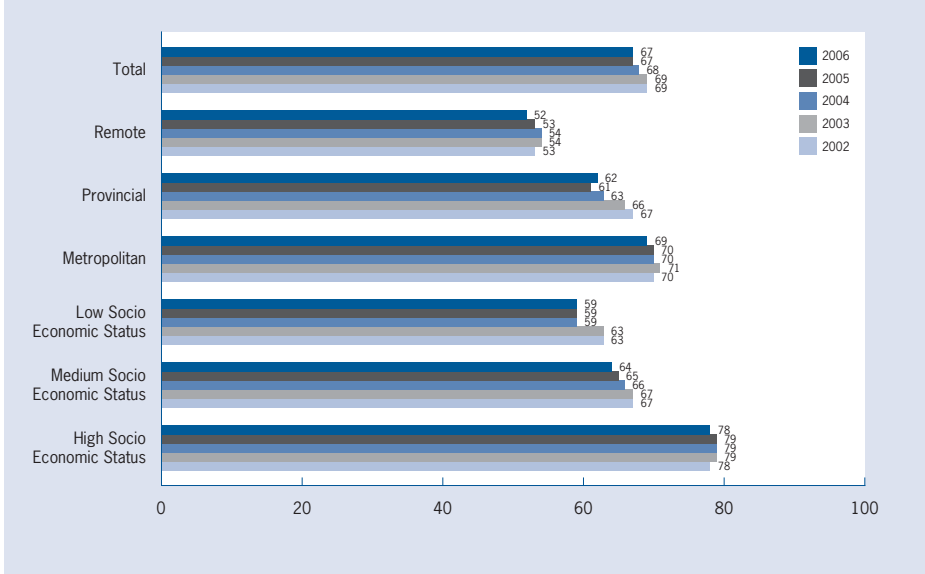
Source: Based on data provided by state and territory examination boards.

Chart 2.2
Proportion of 20 to 24-year-olds who attained Year 12 or higher 2002–07
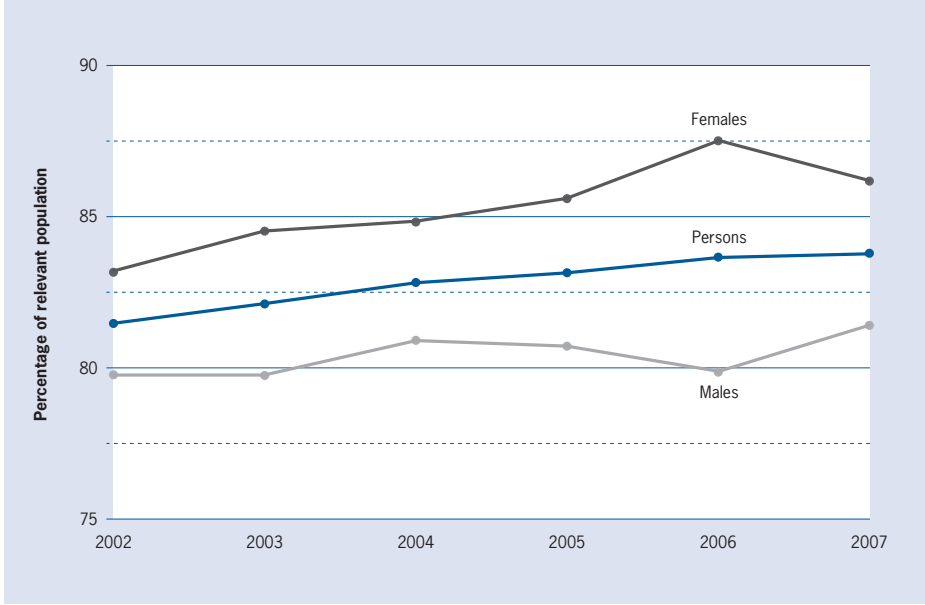
Percentage of relevant population

Females
Persons
Males

(x-axis: 2002, 2003, 2004, 2005, 2006, 2007; y-axis: 75 to 90)

Source: Australian Bureau of Statistics data, Survey of Education and Work, ABS Cat No. 6227.0, several years, customised tables.

The overall proportion of 20 to 24-year-olds with a Year 12 certificate, a Certificate I/II or a higher qualification has changed only slightly since 2002—from 82 per cent in 2002 to 84 per cent in 2007 (Chart 2.2). During that period, the proportion of males aged 20 to 24 years with Year 12 or a post-school qualification increased by 1 percentage point (from 80 per cent to 81 per cent) and the proportion of females by 3 percentage points (from 83 per cent to 86 per cent).

The skill requirements of jobs are rising as a result of technological and structural changes in the economy and international competition from globalisation. Increasingly, jobs require the completion of an apprenticeship (which generally leads to a Certificate III award) or higher qualifications. This is reflected in the choice by MCEETYA of a second attainment measure for young people, as shown in Chart 2.3.

Chart 2.3
Proportion of 25 to 29-year-olds Certificate III or higher 2002–07
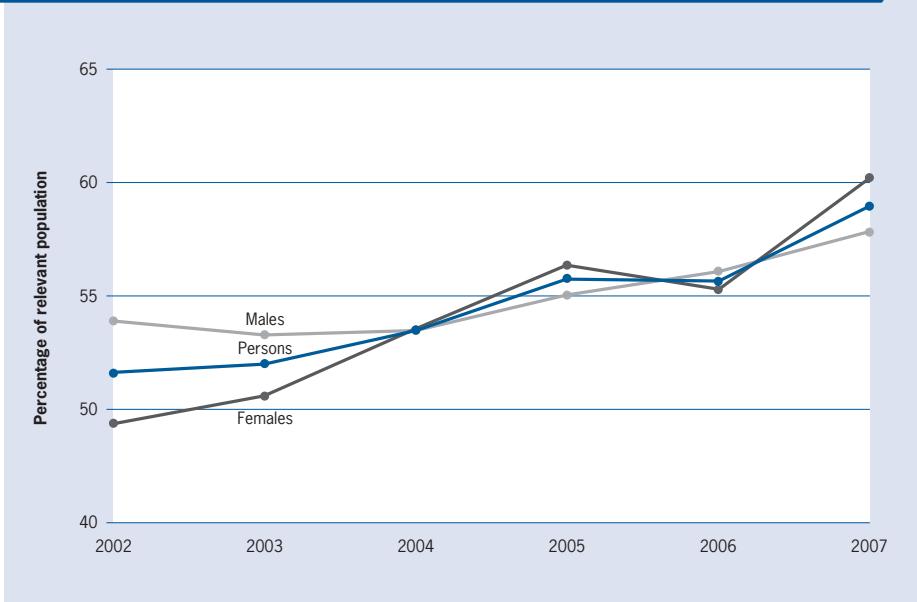
Source: Australian Bureau of Statistics data, Survey of Education and Work, ABS Cat No. 6227.0, several years, customised tables.

The proportion of 25 to 29-year-olds with a Certificate III or higher post-school qualification has increased markedly—from 52 per cent in 2002 to 59 per cent in 2007. During this period, the proportion of females with such qualifications increased from 49 per cent to 60 per cent, while the increase in the proportion of males was more modest—from 54 per cent to 58 per cent.

Apparent retention rate of full-time students from Years 7 and 8 to Year 12

The apparent retention rate is a measure of continuing students and indicates the percentage of students in a given cohort who continued to a particular level or year of education. The apparent retention rate measure is based on full-time students and does not include:

▶ students undertaking Year 11 or Year 12 on a part-time basis or in mixed programs involving both part-time secondary school and part-time secondary school and part-time TAFE/VET options

▶ intersector, interstate and overseas migration of students

► structural differences in secondary education across the states and territories, particularly relevant to Years 7 and 8 through to Year 12 measures but not for Year 10 through to Year 12 measures

► repeating students

► mature age students.

Source: Australian Bureau of Statistics, Schools, Australia, ABS Cat No. 4221.0, several years, customised chart.

Apparent Years 7 and 8 to Year 12 retention rates remained relatively stable between 2002 and 2005, although this was followed by marginal decreases in subsequent years. The exception to this trend has been a continual increase in retention rates for Indigenous students.

Australian technical colleges

The existing funding agreements with 24 Australian technical colleges will be honoured until there expiration on 31 December 2009. The department is working with the colleges to consider how they can best be integrated into the broader education and training effort.

Literacy and numeracy benchmarks

For the first time in Australia's history, around 1.2 million students in years 3, 5, 7 and 9 in all states and territories attending government and non-government schools sat standardised national tests in reading, writing, language conventions (spelling, grammar and punctuation) and numeracy. The department worked in collaboration with state and territory education departments, the National Catholic Education Commission and the Independent Schools Council of Australia to develop and administer the tests. The tests will provide truly nationally comparable data on student achievement in literacy and numeracy. Nationally consistent student reports are being developed. There will be a single continuous scale from Year 3 to Year 9 with 10 achievement bands for each assessed domain. Student achievement at each year level will be reported against six bands and the national minimum standard represented by a range of scores aligned with the second achievement band for each year level.

The nationally agreed literacy and numeracy benchmarks for Years 3, 5 and 7 represent minimum standards of performance at a particular year level, below which students have difficulty progressing at school. Ministers for education have agreed that the national goal should be for all students to achieve at least the benchmark level of performance.

National benchmark results in reading, writing and numeracy for students in Years 3, 5 and 7 are provided from 2001 to 2006, the latest available data. As the Commonwealth is committed to reducing the gap in educational outcomes between Indigenous and non-Indigenous students, the benchmark results for Indigenous students are reported separately. Information on international comparisons with Australian students is reported as results from the Organisation for Economic Co-operation and Development (OECD) Programme for International Student Assessment (PISA).

Reading, writing and numeracy benchmarks

Effectiveness indicators for reading, writing and numeracy (charts 2.5, 2.6 and 2.7) indicate that the majority of students are achieving minimum standards.

Chart 2.5
Percentage of school students achieving the national benchmark in reading

	2006	2005	2004	2003	2002	2001
Year 7 all students	89.2	89.8	91.0	89.4	89.1	88.4
Year 5 all students	88.4	87.5	88.7	89.0	89.3	89.8
Year 3 all students	93.0	92.7	93.0	92.4	92.3	90.3
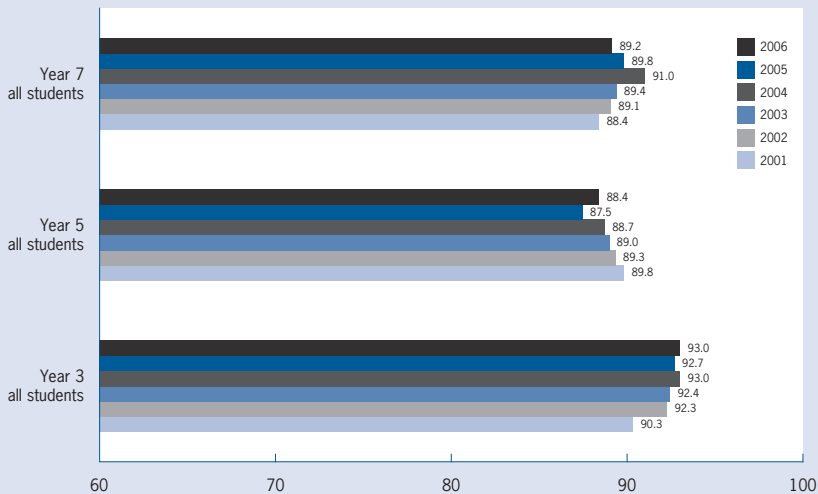
Source: MCEETYA 2006, *National Report on Schooling in Australia.*

Chart 2.6
Percentage of school students achieving the national benchmark in writing

Year 7 all students
- 2006: 92.4
- 2005: 92.2
- 2004: 93.6
- 2003: 92.1
- 2002: 90.7
- 2001: 92.6

Year 5 all students
- 2006: 93.8
- 2005: 93.3
- 2004: 94.2
- 2003: 94.1
- 2002: 93.6
- 2001: 94.0

Year 3 all students
- 2006: 93.9
- 2005: 92.8
- 2004: 92.9
- 2003: 92.2
- 2002: 93.6
- 2001: 89.5

Legend: 2006, 2005, 2004, 2003, 2002, 2001
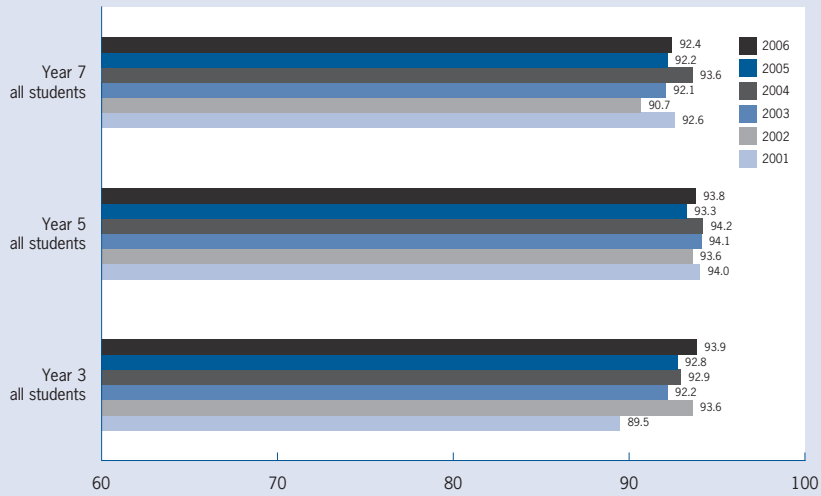
Source: MCEETYA 2006, *National Report on Schooling in Australia.*

Chart 2.7
Percentage of school students achieving the national benchmark in numeracy

Year 7 all students
- 2006: 79.7
- 2005: 81.8
- 2004: 82.1
- 2003: 81.3
- 2002: 83.5
- 2001: 82.0

Year 5 all students
- 2006: 90.2
- 2005: 90.8
- 2004: 91.2
- 2003: 90.8
- 2002: 90.0
- 2001: 89.6

Year 3 all students
- 2006: 93.0
- 2005: 94.1
- 2004: 93.7
- 2003: 94.2
- 2002: 92.8
- 2001: 93.9

Legend: 2006, 2005, 2004, 2003, 2002, 2001
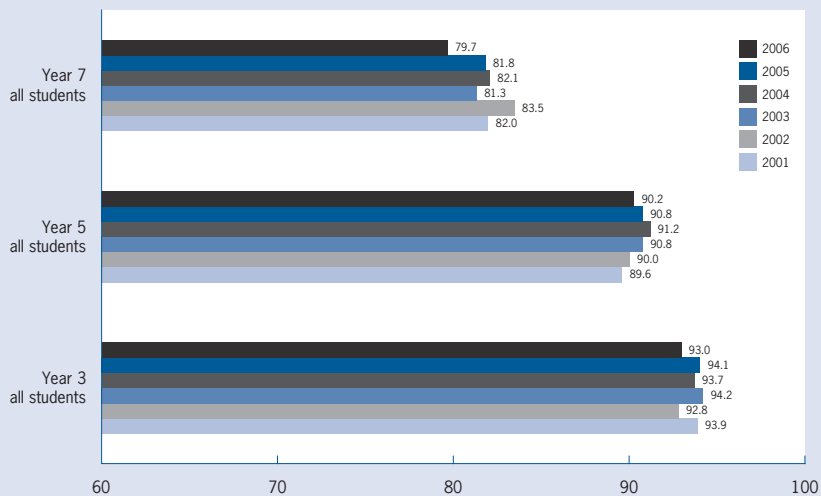
Source: MCEETYA 2006, *National Report on Schooling in Australia.*

In 2006, the proportion of students meeting the national benchmarks for reading, writing and numeracy was consistently lower for Year 7 and higher for Year 3. Overall, the proportion of students meeting the benchmarks ranged from:

► 89.2 per cent to 93.0 per cent, for reading

► 92.4 per cent to 93.9 per cent, for writing

► 79.7 per cent to 93.0 per cent, for numeracy.

International comparisons of Australian students

Australian students continue to do well by international standards, as seen from the results of the latest cycle of the OECD Programme for International Student Assessment (PISA), conducted in 2006. Fifty-seven countries participated in PISA 2006 and the results were released in December 2007.

Table 2.3 shows that Australia compares well with other countries in the PISA study, which reports the reading, mathematical and scientific literacy achievements of 15-year-olds. In PISA 2006, Australia achieved mean scores above the OECD average in all three areas and was outperformed by five countries in reading literacy (Korea, Finland, Hong Kong–China, Canada and New Zealand); by three countries in scientific literacy (Finland, Hong Kong–China and Canada); and by eight countries in mathematical literacy (Taiwan, Finland, Hong Kong–China, Korea, the Netherlands, Switzerland, Canada and Macao–China).

Table 2.3
Mean scores—with standard errors—of Australian 15-year-old students in reading, mathematical and scientific literacy compared with OECD averages, PISA, 2003 and 2006

Assessment domain	PISA 2003		PISA 2006		Change between PISA 2003 and PISA 2006 in Australia's performance
	Australia	OECD average[a]	Australia	OECD average[a]	
Reading literacy	525 (2.1)	494 (0.6)	513 (2.1)	492 (0.6)	Statistically significant decline
Scientific literacy	525 (2.1)	500 (0.6)	527 (2.3)	500 (0.5)	Not directly comparable
Mathematical literacy	524 (2.1)	500 (0.6)	520 (2.2)	498 (0.5)	No statistically significant change

Key: OECD = Organisation for Economic Co-operation and Development; PISA = Programme for International Student Assessment.

Source: OECD, Learning for Tomorrow's World, First Results from PISA 2003 and OECD (2007). PISA 2006: *Science competencies for tomorrow's world* Volume 1. Paris OECD.

a   The OECD average is not directly comparable across the two cycles because there were some differences in the composition of the OECD countries included.

Note: Overall performance of countries in scientific literacy in PISA 2003 and PISA 2006 cannot be compared as the framework for scientific literacy was only fully developed in PISA 2006.

Indigenous school and preschool students

The number of Indigenous students has continued to increase and is reflected in the increase in the apparent retention rate of Indigenous Year 12 students.

The most significant increase for both Indigenous school enrolments (6800) and preschool student enrolments (352) occurred during 2007.

Table 2.4

School and preschool enrolment for Indigenous students

	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2007 Actual
Indigenous school students	130 483	135 097	140 381	147 000	147 181
Indigenous preschool students	9055	9019	9275	9300	9627

Source: Indigenous school students: ABS Schools Australia.

Indigenous preschool students: ABS National Preschool Census.

Indigenous students achieving national benchmarks

In 2006, for all years, benchmark scores for numeracy were lower than in 2005. Benchmark scores for Years 3 and 5 in reading and writing; and Year 7 for writing, were higher than the 2005 scores (see Table 2.5).

Table 2.5

Percentage of Indigenous students achieving the national benchmarks in reading, writing and numeracy, Years 3, 5 and 7, Australia

	Reading			Writing			Numeracy		
Year	Year 3	Year 5	Year 7	Year 3	Year 5	Year 7	Year 3	Year 5	Year 7
2001	72.0	66.9	60.1	67.8	79.9	74.3	80.2	63.2	48.6
2002	76.7	68.0	65.3	77.1	76.4	71.6	77.6	65.6	51.9
2003	78.8	67.7	66.5	75.2	79.6	74.4	80.5	67.6	49.3
2004	82.9	69.4	71.0	76.8	81.7	78.8	79.2	69.4	51.9
2005	78.0	62.8	63.8	74.0	74.3	72.3	80.4	66.5	48.8
2006	79.7	66.3	63.2	77.9	77.0	73.8	76.2	66.0	47.5

Source: National Report on Schooling in Australia 2006.

Apparent retention rates of full-time Indigenous students from Years 7 and 8 to Year 12

In 2007, the apparent retention rate from Year 7 and Year 8 to Year 12 for Indigenous students increased by 3 percentage points. The apparent retention rate for Indigenous students increased by 7 percentage points between 2000 and 2007; for all Australian students, it increased by 3 percentage points.

Chart 2.8
Apparent retention rates—full-time secondary students, Indigenous and non-Indigenous students from Years 7 and 8 to Year 12
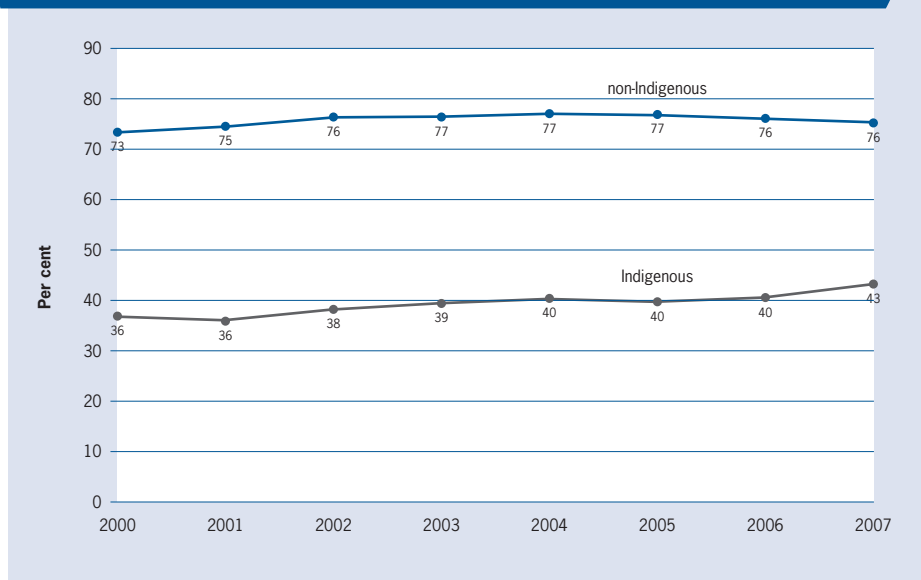
Source: Australian Bureau of Statistics, Schools, Australia, ABS Cat No. 4221.0, several years, customised chart.

Performance Information for Outcome 2

The department administers funding to support the government's strategy to increase participation and productivity in school education. Priorities for funding include recurrent and capital assistance for individuals (including those with special needs), and funding for teachers, schools and other organisations to promote quality teaching and learning. Administered items and related programs with their priorities and achievements are provided below.

Funding for schools

Funding appropriated under the *Schools Assistance (Learning together—Achievement Through Choice and Opportunity) Act 2004* assists government and non-government schools with operating and capital costs.

In August 2007, there were 9581 schools in Australia. In 2007, schools enrolled over 3.4 million students and employed more than 276 000 teachers. Sixty-seven per cent of students were enrolled in government schools and 33 per cent in non-government schools. Over 60 per cent of non-government school students were enrolled in Catholic schools.

In 2007–08, the General Recurrent Grants Program provided over $7.186 billion to assist government and non-government schools with the recurrent costs of school education.

In 2007–08, the Capital Grants Program provided over $433 million to improve school capital infrastructure so that all students, particularly the most educationally disadvantaged, have access to the best possible learning environments.

The National Secondary School Computer Fund gives students in Years 9 to 12 access to computers and other ICT equipment in their schools. Under Round One of the fund, $116 million was distributed to 896 secondary schools.

Funds for new and upgraded trades training and technical facilities in schools enhance access for senior secondary students to trades-related vocational education and training. Under Round One, over $90 million was distributed to 34 schools.

Schools continued to receive funding for small-scale infrastructure projects under the Investing in Our Schools program. The final round for funding under the program for government schools was completed in 2007 and will be completed for non-government schools in 2008.

The department continued to support funding agreements made under the *Australian Technical Colleges Act 2005*.

General Recurrent Grants Program

Funding is allocated for government and non-government schools on a per student basis at a percentage of the average recurrent cost of educating a student at a government school as set out in the *Schools Assistance (Learning together—Achievement Through Choice and Opportunity) Act 2004*. The percentage for each non-government school varies according to a formula that measures the socioeconomic status of a school's community. The socioeconomic status funding model links student residential addresses to Australian Bureau of Statistics national census data to obtain a socioeconomic profile of a school community. The profile indicates the capacity of the community to support the school.

The government recognises the higher costs of delivering schooling in regional and remote areas and the negative impact that this can have on student achievement. Non-government schools with campus locations that are classified as moderately accessible, remote or very remote, as determined by the Remoteness Structure under the ABS *Australian Standard Geographical Classification,* receive a funding loading for each student. The loading is 5 per cent of the entitlement for a moderately accessible classification; 10 per cent for a remote classification; and 20 per cent for a very remote classification.

Eligible schools received 50 per cent of their entitlement in January 2008 (based on 2007 status and enrolments) and will receive the remainder in October 2008 (adjusted for actual enrolments as at schools census date in 2008).

Education Revolution

The department administers funding for schools under the government's Education Revolution initiatives.

Digital Education Revolution

Information and communications technology is no longer just another subject taught by schools; it is a way of learning across all subjects. It is also a driver of productivity and growth across all sectors of the economy.

The COAG's Productivity Agenda Working Group and the Schools sub-group oversee the Digital Education Revolution (DER). The Australian Information and Communications Technology in Education Committee leads the development of a strategic plan for the DER and develops plans for implementing particular elements.

This program will prepare students to live and work in a digital world. It will provide $1.2 billion over five years through the following elements: the National Secondary School Computer Fund, fibre connections to schools, online curriculum content, teacher training and parent participation. The National Secondary School Computer Fund will provide grants of up to $1 million to every secondary school in Australia for new or upgraded ICT for students in Years 9 to 12.

The Hon Julia Gillard MP, Minister for Education, at the announcement of Round One of the National Secondary School Computer Fund with the Hon Bill Shorten MP, Parliamentary Secretary for Disabilities and Children's Services, member for Maribyrnong and students from Essendon Keilor College.

Computers in schools

The Government is providing new funding of $1.2 billion over five years (2008–12) to assist schools to provide new or upgraded ICT for secondary students in Years 9 to 12.

The first round of applications of the National Secondary School Computer Fund focused on the schools most in need of ICT investment. Working with states and territories and non-government school authorities, the department identified those schools that had the lowest ratios of computers to students and invited those schools to apply for funding.

The Minister announced the successful applicant schools on 12 June 2008. Of the 902 schools that applied for Round One funding, 896 schools were successful. With 116 820 computers being provided to these schools, the computer-to-student ratio will improve from 1:8 or worse to a target ratio of 1:2.

 Essendon Keilor College in Victoria was a successful applicant in Round One and will receive 529 computers under the first round. The school had been sharing one computer between 15 students (on average). During a visit to Essendon Keilor College, the Minister for Education spoke to students in Canberra and Perth via a special webcast.

Year 9 Keilor College student Lizzie Miles said she was looking forward to having access to the same technology as the interstate schools.

'One of the schools we spoke to were doing a lot more things because they had computers, so it will be interesting to see if we can eventually do that work on ours.' she said. 'The 529 computers are going to make a massive difference for us.'

Principal David Adamson said that the additional computers were welcome.

'We have been held back by a lack of facilities, and this is going to accelerate our progress', he said. Our plan is 'to purchase the first 200 computers this year, with the rest in the first half of next year. They will be a combination of stand-alone and laptop computers and will be supported by the introduction of interactive whiteboards and other peripheral technologies. Teachers are excited that they can now be much more innovative in their teaching and students are looking forward to the challenges they will face.'

A second round of funding opened on 14 July will ensure that all secondary schools have at least one computer for every two students in Years 9 to 12.

Trade Training Centres in Schools Program

The Trade Training Centres in Schools Program is an important element of the government's Education Revolution. It will provide $2.5 billion over 10 years to enable all secondary schools across Australia to apply for funding of between $500 000 and $1.5 million for Trade Training Centres.

Strong collaboration has been established between the Commonwealth, state and territory education authorities, the National Catholic Education Commission and the Independent Schools Council of Australia on the implementation of the program.

The program will provide for new and upgraded trades training and technical facilities in schools to enhance access for senior secondary students to trades-related vocational education and training. The centres are being established to help increase the proportion of students achieving Year 12 or an equivalent qualification and to help address skills shortages in traditional trades and emerging industries.

Assistance to individuals including those with special needs

The department administers programs, projects and initiatives and provides advice on access, equity and student wellbeing to improve educational opportunities for students who are disadvantaged because of disability, geographic location or socioeconomic status. It provides funding for English language tuition for eligible students who are new arrivals. Other national initiatives include improving education for boys and for gifted students.

Drought Assistance for Schools

In 2007–08, the government delivered over $24 million in drought assistance funding to 3035 rural and remote schools across Australia under cooperative arrangements with state, territory and non-government education authorities.

The Drought Assistance for Schools measure is designed to benefit students and was introduced in recognition of the impact of prolonged drought on farming communities.

Up to $10 000 per school per year is available for any rural and remote schools in areas declared as 'Exceptional Circumstances' areas. The funding—which includes $1000 per school plus $100 per student—is intended to make it easier for rural families to meet the costs of education and educational activities which may be prohibitive for families experiencing financial hardship.

Schools are able to spend their drought assistance funding on items and activities which directly benefit students, such as textbooks, uniforms, subject levies, excursions, school camps and other support which is related to schooling and offers relief to drought-affected families.

The strength of this initiative lies in the flexible funding arrangements and the fact that school communities are able to decide how the funds will be spent. This flexibility means that drought assistance funding can be used to subsidise excursions or extracurricular activities for whole classes or an entire school, or may be directed, at the principal's discretion, to families most in need.

Feedback from school principals indicates that families in severe financial difficulty who cannot afford textbooks and subject levies appreciate the capacity of this funding measure to assist with a wide range of education expenses.

Helping children with Autism

Autism Spectrum Disorder (ASD) is a lifelong neuro-developmental disorder of unknown cause, which is thought to begin at birth or shortly after. While there is no cure, there are treatments and strategies that are effective for improving the lives of children with an ASD. Children and adults continue to change and grow and many show dramatic improvements in a range of skills throughout their lives.

The department assists in implementing the Helping Children with Autism package with the Department of Health and Ageing and the Department of Families, Housing, Community Services and Indigenous Affairs. The package has a number of measures that help children with ASD and their families, including support for families, carers and children from Indigenous and diverse cultural and linguistic backgrounds, and those from rural and remote areas.

Country Areas

The Country Areas Program provides funding for government and non-government schools in geographically isolated areas, or for distance education facilities servicing such areas. The program aims to help schools and school communities improve the educational outcomes and opportunities of students who are educationally disadvantaged because of their geographic isolation. Funding of $29.2 million under the program was allocated to education authorities during 2007.

Assistance for Isolated Children

The Assistance for Isolated Children (AIC) Scheme helps the families of primary, secondary and certain under 16-year-old tertiary students who are unable to attend an appropriate government school on a daily basis due to geographic isolation. An appropriate government school is one that offers the student's level of study or, if the student has special health-related or educational needs, one that provides access to the facilities, programs or environment required to meet those needs. Apart from the Additional Boarding Allowance, all allowances under the AIC Scheme are free of income and assets tests. All allowances, with the exception of the Pensioner Education Supplement, are indexed annually.

In 2007, the AIC Scheme assisted 11 500 students.

Non-Government School Term Hostels

The Non-Government School Term Hostels Program is a four-year initiative that began in 2005. Funding is provided to not-for-profit non-government school term hostels to help provide a high standard of care to rural primary and secondary school students staying at the hostels. In 2007, eligible hostels attracted grants of $2653 per student and agreements were entered into with 19 hostels assisting approximately 570 students.

English as a Second Language—New Arrivals

The English as a Second Language—New Arrivals program provides funding to state and territory governments and non-government education authorities to assist with the provision of intensive English language tuition to eligible new arrival school students.

Literacy, Numeracy and Special Learning Needs

The Literacy, Numeracy and Special Learning Needs (LNSLN) program aims to improve literacy, numeracy and other learning outcomes for students who are educationally disadvantaged, such as students with disability. The program has three elements: Schools Grants, National Projects and non-government support centres. Schools Grants funding is distributed to government and non-government school authorities according to allocations which reflect the wide range of students who have special needs. The National Projects element supports projects aimed at improving the educational outcomes of educationally disadvantaged students, including improved literacy and numeracy outcomes. The non-government support centres element assists children with disability who receive services provided by non-government centres.

School Languages Programme

The School Languages Programme (SLP) supports the study of Asian, European, Indigenous and Auslan languages in mainstream schools and after-hours ethnic schools. SLP funds are distributed each year to state and territory education authorities to implement strategies for languages education. The MCEETYA National Statement and Plan for Languages Education in Australian Schools 2005 guides the development of language education in schools.

The department continues to support the Intercultural Language Teaching and Learning Program, which received funding of $0.5 million in 2007–08. The program will be completed in the second half of 2008.

Promoting Interfaith and Intercultural Understanding in School Settings Pilot Program

The Promoting Interfaith and Intercultural Understanding in School Settings Pilot Program aims to strengthen interconnectedness between Islamic students, parents and community leaders from different socioeconomic backgrounds and belief systems.

On 2 April 2008, students from the Australian International Academy, Punchbowl Boys High School and Holy Spirit School, New South Wales, participated in the program.

Education of gifted and talented

The education of gifted and talented initiative provided funding, workshops and resources for teachers to improve the education of gifted students. Twenty workshops for teachers were conducted around Australia and online. The workshops provided teachers with in-depth information and strategies to support the needs of gifted students in the mainstream classroom. The program is due to end on 31 July 2008.

Success for Boys program

The Success for Boys program provided funding and initiatives to improve educational outcomes for boys with a focus on literacy, ICT, mentoring and improving Indigenous boys' engagement with school.

Following professional development and school-based projects, teachers have reported improvements in boys' engagement and learning outcomes. The program is due to end on 31 August 2008.

National School Drug Education Strategy, safe schools and student wellbeing

The National School Drug Education Strategy, safe schools and student wellbeing initiatives aim to enhance the capacities of school communities to provide safe and supportive school environments and promote student wellbeing. They assist school communities to manage drug issues effectively in schools by promoting resilience and social and emotional competence in students and teachers.

A study is being conducted to explore connections between student wellbeing (physical, emotional and mental) and student learning outcomes. The project will establish an evidence base drawing on local and international experiences to inform national directions in this area to lift students' academic performance and life opportunities.

Income support for individuals

Youth Allowance, Austudy and ABSTUDY provide significant assistance (around $2 billion per year) for students from low income and Indigenous backgrounds to participate in full-time education, training or apprenticeships. It is estimated school students received $760 million in income support in 2007–08 based on the number of income support recipients.

At June 2008, 97 295 secondary school students were in receipt of Youth Allowance and 25 754 school students were in receipt of ABSTUDY. Of these Youth Allowance recipients, 90 434 (92.9 per cent) were assessed as dependent and 6861 (7.1 per cent) as independent (that is, not dependent on parents and therefore not subject to the parental means test). At June 2008, 22.6 per cent of full-time secondary students in receipt of Youth Allowance had private earnings (on average, $209 a fortnight).

It should be noted that Youth Allowance and ABSTUDY are demand-driven programs and that all eligible recipients receive assistance.

Assistance for quality teaching and learning

The department supports improvements in the quality of teaching, learning and leadership in schools through national programs, initiatives, policy development and advice.

National partnership agreements will drive reforms to maintain and improve the quality of teaching and school leadership. Research funded by the government will identify ways to reward quality teaching and attract and retain the best teachers.

A national curriculum for all students from kindergarten to Year 12 is being developed under the guidance of the National Curriculum Board. Other initiatives in curriculum promote professional development of teachers and engagement of students.

Targeted Quality Outcomes programs support national collaboration on curriculum, assessment and reporting, initiatives in school organisation and leadership, and encourage national consistency. Other strategies foster safe and supportive school environments.

Online Curriculum Content for Australian Schools supports the ICT capacity of teachers under the Digital Education Revolution initiative.

National Curriculum program

The National Curriculum program provides support for national curriculum and assessment policy and the development and implementation of a national curriculum for schools.

National School Chaplaincy Program

The National School Chaplaincy Program assisted schools and their communities to provide pastoral care, general religious and personal advice and comfort to students and staff. Contracts were executed for successful schools.

Online curriculum content for Australian schools

Working with states and territories, the department supports teachers and students to be capable and innovative users of information and communication technologies.

Effective learning resources are critical to the achievement of the National Goals for Schooling. Digital resources support students at school to become confident, creative and productive users of ICT. Students' attitudes to learning can be enhanced through high-quality digital resources.

The Le@rning Federation—a joint initiative with states and territories—develops and licenses online digital materials that support teaching and learning. The materials are available free of charge to all schools in Australia and New Zealand.

The Quality Teacher Program

The Quality Teacher Program is the major program for funding professional development projects for teachers and school leaders and other national projects. The program provides national leadership in building the quality of teaching and school leadership and in improving the professional standing of teachers and school leaders.

Winners of the 2008 Australian Government National Awards for Quality Schooling on 3 June 2008, Parliament House in Canberra.

The Hon Julia Gillard MP, Minister for Education, with Ms Nicolette Burraston from Cowra High School, Winner of Best National Achievement—Excellence by a Beginning Teacher and Winner of the Medal of Distinction, 2008 Australian Government National Awards for Quality Schooling on 3 June 2008, Parliament House in Canberra.

Values education

Values education programs and funding support the implementation of the National Framework for Values Education in all schools. Initiatives promote shared values supporting Australia's democratic way of life. Resources for Stage 2 of the program are being developed.

Humanities program

The humanities program provides support for the teaching of humanities subjects in schools. Humanities subjects include Australian history, Geography, Civics and Citizenship, English, Music and the Arts. Eligible schools receive assistance when they travel to Canberra on Civics and Citizenship excursions.

Science and maths

Science and maths programs assist in the development of school science and mathematics policies and programs.

Australian Technical Colleges

The government will continue to fund the existing 24 Australian Technical Colleges until 31 December 2009. Five Australian Technical Colleges commenced operations in 2006, 16 commenced in 2007, and three commenced in early 2008. There were 3174 Australian Technical College students enrolled in 24 colleges operating in regional and metropolitan areas across all states of Australia in March 2008.

The colleges integrate trade training with school curriculum. Students complete years 11 and 12 of their schooling and undertake school-based apprenticeships, commencing Certificate III training in traditional trades. The colleges are industry-led, and provide training relevant to employers' needs.

The department commenced negotiations with all states and territories and with stakeholders in those regions with an Australian Technical College presence in early 2008 to establish a process for integrating the colleges into the broader education and training effort.

Indigenous education

Australian governments, through the COAG process, have agreed to a set of targets relating to Indigenous education. The education targets agreed are:

- to provide all Aboriginal and Torres Strait Islander four-year-olds in remote communities with access to a quality preschool program within five years
- to halve the gap in literacy and numeracy achievement between Aboriginal and Torres Strait Islander students and other students within a decade
- to at least halve the gap in attainment at Year 12 schooling (or equivalent level) by 2020.

These targets build upon both Indigenous and mainstream education initiatives which continue to assist Indigenous students.

Whole of School Intervention

The Whole of School Intervention strategy, which comprises the Parent School Partnership Initiative (PSPI) and Homework Centres, was allocated $107 million for 2005–08. Over this period, 4251 projects have been approved comprising 3438 PSPI and 813 Homework Centre projects. These projects have leveraged a further $112.7 million in in-kind and other contributions.

Sporting Chance program

The Sporting Chance program, which aims to engage young Indigenous people in education through sports and activities, has two elements: school-based sports academies for secondary school students and engagement strategies for primary and secondary school students. These elements provide educational programs in areas such as healthy living and positive lifestyles, mentoring and leadership and goal and career planning.

Indigenous Youth Leadership Program

The 2007–08 Budget provided an additional $34.3 million over four years for the Indigenous Youth Leadership Program (IYLP) to increase the number of scholarship places from 250 to 1000 and to increase the duration of the 750 new places from two to three years. IYLP will increase the number of scholarship places so that by 2010 the program will deliver 300 new scholarship places per annum (240 secondary and 60 tertiary).

Indigenous Youth Mobility Program

The 2007–08 Budget provided additional funding of $33.2 million to increase the number of Indigenous Youth Mobility Program (IYMP) places to 1500 up to 2010–11. Since the introduction of the program in 2006, 354 Indigenous young people have commenced training through the IYMP.

Infrastructure fund

As part of the 2007–08 Budget, funding was announced of $50 million to assist non-government boarding schools, particularly those in remote and regional areas that accommodate Indigenous students. The Budget also announced $15.3 million for urgent upgrades of boarding facilities.

Community Festivals

Funding of $3.05 million is provided annually under the Community Festivals for Education Engagement program for events in regional, rural and remote locations that encourage students, particularly Indigenous students, to stay in school and complete Year 12 and to live healthy, positive lifestyles.

In 2008, following a public request for tender process, five organisations were contracted to produce a total of 15 festival events. These festivals will be held in the Northern Territory, Western Australia, Queensland, New South Wales, South Australia and Victoria.

Dare to Lead and What Works projects

Dare to Lead continued to achieve success in the engagement of school leaders in 2007–08. Schools continue to join, having been drawn by the strongly positive profile among colleagues and jurisdictions.

The What Works project continued to deliver professional development workshops to teachers in all states and territories. The workshops aim to ensure that teaching focuses on improving outcomes for Indigenous students.

Murdi Paaki

The Murdi Paaki COAG trial ceased on 31 December 2007. The success of the initiative has been acknowledged by both the Australian National Audit Office review of October 2007 and an independent evaluation of the trial. Twenty-nine Shared Responsibility Agreements were signed in Murdi Paaki during the trial. Over the life of the trial a number of indicators also improved.

Following the cessation of the trial, the Department of Families, Housing, Community Services and Indigenous Affairs and the New South Wales Department of Aboriginal Affairs became the government leaders in the Murdi Paaki region.

As part of the region's transition from a COAG trial site, former trial partners and the current leaders in the region, including the peak regional governance body (the Murdi Paaki Regional Assembly) are continuing to work in partnership to embed and strengthen the positive outcomes achieved through the COAG trial.

National Student Attendance Unit

The National Student Attendance Unit commenced a research project to develop a national picture of the extent of non-attendance and non-enrolment among school-aged children. The project will also identify successful practice strategies for promoting school attendance and enrolment and recommend additional initiatives to address these issues.

School education

Report on Performance

2

In June 2008 the department entered into a joint funding agreement with the West Australian Department of Education and Training to manage the implementation of a three-year plan of action devised to address the high incidence of non-attendance among transient Indigenous students in the border regions of Western Australia, South Australia and the Northern Territory.

Northern Territory Emergency Response

As part of the NTER, the department delivered educational programs through the Enhancing Education package. The Commonwealth has committed to provide $98.8 million over five years to provide an additional 200 teachers in the Northern Territory. The Northern Territory office of the department has recruited the first group of 19 teachers, who are undergoing specialist training before commencing work in schools.

Table 2.6

Performance in delivery of administered outputs for Outcome 2

Performance indicator	Estimate	Actual
General Recurrent Grants		
Number of full-time equivalent students funded:		
▶ Total	3 398 160	3 403 344
▶ Government	2 266 914	2 267 466
▶ Non-government	1 131 246	1 135 878
Capital Grants		
Number of schools assisted with capital support		
▶ Total	415	373
▶ Government	160	105
▶ Non-government	255	268
Investing in Our Schools		
Number of eligible schools that receive funding	4800	5706
An Even Start Program		
Number of eligible students	No estimate	68 491[a]
Reading Vouchers[b]		
Number of eligible students	17 500	18 736
Literacy, Numeracy and Special Learning Needs—National Projects[c]		
Number of projects funded	23	15
English as a Second Language		
Number of new arrivals assisted	13 756	14 536
Country Areas		
Numbers of schools assisted	1600	1424
Assistance for Isolated Children		
Students in receipt of Assistance for Isolated Children funding	12 601	11 500
Non-Government School Term Hostels		
Number of hostels supported	18	19
Number of students supported	589	568
Quality Outcomes		
Australian Government Quality Teacher Program		
Number of teachers assisted	39 799	44 061
Australian Government Summer Schools for Teachers Program		
Number of teachers participating	1000	1012

Performance indicator	Estimate	Actual
Targeted Quality Outcomes		
Number of schools assisted under Boys Education Program	800	800
Values Education and Civics and Citizenship Education		
Number of schools supported through:		
▶ Values Education		
– school clusters (representing 255 schools)	25 clusters	25 clusters
– number of schools receiving resources	10 000	10 000
▶ Promoting Interfaith and Intercultural Understanding in School Settings Pilot Program	16 schools	19 schools[d]
▶ Civics and Citizenship Education		
School grants 'Celebrating Democracy Week'	100	137
Parliament and Civics Education Rebate	1155	1668[e]
▶ Boosting Innovation, Science, Technology and Maths Teaching		
▶ Number of organisations involved in science, technology and mathematics school projects[f]:		
– schools	1250	1630
– universities	38	37
– other organisations	300	1042
▶ National School Chaplaincy		
– number of schools	1500	2630[g]
Grants and Awards		
Number of Australian Student Prize (formerly known as Lord Florey Student prize awards)	500	500
Online Curriculum Content for Australian Schools		
Number of online curriculum resources made available to school jurisdictions through the Le@rning Federation	4500	6500
Digital Education Revolution—National Secondary School computer Fund[h]		
▶ number of schools assisted in Round One funding	500	860
ABSTUDY[i]		
Number of school students receiving ABSTUDY	38 000	39 000
Youth Allowance[j]		
Number of secondary school students receiving Youth Allowance[k]	105 000	104 000
Indigenous Education		
Number of Indigenous:		
▶ School students (full-time)	147 000	147 181
▶ Pre-school students	9300	9627
Indigenous Tutorial Assistance Scheme:		
▶ Number of school students participating	25 000	44 850[l]
Mixed-mode Away from Base initiative:		
▶ Number of organisations assisted	33	31
Whole of School Intervention Strategy:		
▶ Number of projects approved	1100	1011
Supplementary Recurrent Assistance:		
▶ Number of organisations assisted	197	197
Community Festivals		
Number of schools participating	562	327 schools and community groups

Performance indicator	Estimate	Actual
Australian Technical Colleges		
Number of Australian Technical Colleges	21	21
Number of student enrolments	2000	1802
Number of Australian School-based Apprentices	2142	966

a   Estimated number of eligible students participating in the program during the first six months of 2008.

b   Numbers of eligible students for the 2007 calendar year.

c   Known previously as Grants to Foster Literacy and Numeracy.

d   Three schools are participating on a voluntary basis.

e   This number may change as not all acquittal reports have been received.

f   ASISTM projects start and finish at different times and run for different durations. Figures relate to ASISTM projects in Rounds 2, 3 and 4 that were active at some time during 2007–08. The number of different schools and partner organisations involved in ASISTM projects in 2007–08 is somewhat lower than the figures shown as schools and partner organisations involved in more than one project have been counted for each of those projects.

g   This is the number of schools that received funding during the 2007 calendar year. There were 2629 schools approved for funding over this period.

h   This program is administered on a financial year basis.

i   In future, the number of ABSTUDY recipients will be reported as at June each year rather than on a 'during the year' basis as was formerly the case. The changed arrangements bring reporting into line with that used for Youth Allowance and Austudy. The number of ABSTUDY recipients in schooling measured on a 'point in time' basis decreased by 2 per cent from 26 291 in June 2007 to 25 754 at June 2008. There is a small number of school students in receipt of ABSTUDY not shown here.

j   The 2006 Estimated Actual and 2007 Estimate refers to the 'point in time' at 30 June 2007 and 2008 respectively, being the end of their respective financial year.

k   This program is administered on a financial year basis.

l   37 219 are in in-class tuition with 7631 in Years 9-12 tuition. 2007 Performance Reports from 23 Indigenous Tutorial Assistance Scheme providers are yet to be received.

Departmental outputs

Table 2.7

Performance in delivery of departmental outputs for Outcome 2

Performance indicator	Estimate	Actual
Program management		
Quality		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	All programs made payments in accordance with administrative targets set by quality assurance processes
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Payments made by all programs were accurate and met relevant administrative targets
Percentage of schools over time receiving grants under Investing in Our Schools Program	95% of all government schools	>95% of all government schools
Indigenous Education Program providers meet standards in Quality Assurance exercises	>95%	94.51% achieved
Effective reporting of student performance in nationally agreed key areas	Results agreed and published	National literacy and numeracy tests were conducted for the first time in May 2008 for Years 3, 5, 7 and 9
Effective use of online Schools Service Point	>98% of all returns will be collected online	100% achieved

Performance indicator	Estimate	Actual
Assistance provided to Teaching Australia in raising the status, quality and professionalism of teachers and school leaders	Assistance provided in a timely manner through funding, liaison and information sharing	Assistance was provided in a timely manner through funding, liaison and information sharing
Delivery of Australian Government National Awards for Quality Schooling	Milestones met	All milestones met
Measurement of number of children of compulsory school age not enrolled or registered in school	Develop an agreed methodology by July 2008 for quantifying the number of school-aged children not enrolled or registered in school	The National Student Attendance Unit has recently commissioned a research consultancy to calculate the extent to which children of compulsory school age are not enrolled or registered in school programs across Australia and to determine the best estimate of the number of compulsory school aged children not enrolled in school. The final project report is due at the end of October 2008
National Report on Indigenous Education and Training	Fifth report to be tabled in Parliament in 2007	Fifth report tabled in Parliament during February 2008
Timeliness of Parliamentary reports (including interim responses where appropriate) provided to Parliament and its Committees	At least 90% meet deadline	It is estimated that at least 90% met their deadline
High quality Ministerial replies as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from the Ministers and Parliamentary Secretary to the Secretary Analysis of trends over time to monitor percentage delivered within agreed timeframes	Satisfied[a]
Client satisfaction		
Client satisfaction as measured in an annual survey of education providers who have an Indigenous Education Agreement (and a Supplementary Recurrent Assistance schedule attached to that agreement) at the annual Performance Monitoring Meetings held each year in August/ September	At least 90% of education providers are highly satisfied with services provided by DEEWR	No annual survey of education providers conducted during 2007
Policy services		
Quality		
High quality policy advice as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from the Ministers and Parliamentary Secretary to the Secretary	Satisfied[a]

Performance indicator	Estimate	Actual
Facilitation of government representation	Demonstrated leadership role in Murdi Paaki (COAG whole of government strategy on Indigenous issues)	The Murdi Paaki COAG Trial formally ceased in December 2007. As part of the region's transition from a COAG trial, work continued in partnership to embed and strengthen the positive education, health and justice outcomes achieved through the trial, and to further strengthen Indigenous youth and community leadership
High quality research and evaluation reports as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the reports	Qualitative evaluation of satisfaction using feedback to the Secretary from Ministers and Parliamentary Secretary	Satisfied[a]
Research activities are completed according to plan	At least 90% completed to plan	At least 90% were completed to plan
Service delivery		
Quality		
Satisfactory services as reported by Centrelink through the timely processing of ABSTUDY, Youth Allowance, Assistance for Isolated Children claims	Services provided in accordance with DEEWR-Centrelink Business Partnership Agreement (BPA)	Centrelink's performance against the key indicators set out in the DEEWR-Centrelink Business Partnerships Agreement (BPA) was satisfactory for these programs. These include the accuracy and timeliness of payments and the number of people referred to DEEWR programs

a During the year ministers, parliamentary secretaries and their staff provided feedback on the level of satisfaction with departmental advice during regular meetings with the department and, in some cases, by rating briefs according to a five-point scale, with five being the maximum. Overall feedback from ministers, parliamentary secretaries and their staff confirmed that they recognise the significant efforts being made by departmental staff and are generally satisfied with the quality of briefings. Note that these satisfaction levels incorporate feedback on advice provided by the former departments, DEEWR and the youth and early childhood and child care functions from FaHCSIA.

Outlook for 2008–09

The national strategy to reform schooling will continue. The strategy will continue to focus on the educational needs of low socioeconomic school communities especially those with significant numbers of Indigenous students so that the gap in educational outcomes can be further reduced.

The strategy will be realised through collaboration with state and territory governments and education authorities and a new National Education Agreement that will include the need to have clear and understandable reporting to parents and local communities on performance of students, especially in the key areas of literacy, reading and numeracy. The challenge is to break inter-generational cycles of disadvantage.

Current funding agreements with non-government education authorities will conclude at the end of 2008. An open and transparent review of school funding arrangements will be developed while the existing funding and indexation arrangements for all schools for the next funding period (2009–12) will be maintained.

The department has prepared drafting instructions so that the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Bill 2008 can be presented in the spring session of parliament. The Bill seeks to grant financial assistance for non-government schools for 2009–12.

A new *Declaration on the National Goals for Schooling in Australia* will be released later in 2008. This will update the historic Adelaide Declaration made in 1999 and reaffirm the importance of national collaboration to promote high-quality schooling for all Australian students.

The department will continue to work closely with states, territories and education authorities to support the Commonwealth's education revolution and to secure agreement for a comprehensive data collection and reporting framework that will apply equally to government and non-government schools.

The department will continue to provide quality policy advice supported by capabilities in research, analysis and evaluation. It will continue its efficient management of national programs contributing to higher standards in teaching and learning.

2

Report on Performance

School education

2

Outcome 3
Higher education

The Australian higher education system is a significant contributor to knowledge and innovation based productivity growth, to the nation's social and cultural landscape and to the lives of individual Australians.

Australia's higher education system comprises 39 universities—37 public and two private— one Australian branch of an overseas university, three self-accrediting higher education institutions, and approximately 150 non-self-accrediting higher education institutions (including TAFE institutions). These non-self-accrediting institutions have been assessed by state and territory government accreditation authorities as meeting the relevant requirements set out in the National Protocols for Higher Education Approval Processes, and 66 of which have been approved under the *Higher Education Support Act 2003* (HESA) to offer their eligible students FEE-HELP.

In 2007, for the first time more than a million students were studying at Australian higher education institutions—756 747 domestic students and 273 099 international students.

The government is the primary source of public funding for Australian universities and self-accrediting institutions under the legislative framework of the HESA.

In 2007, publicly funded institutions received on average 55 per cent of their higher education operating revenue from government grants and payments on behalf of students who take out loans. State and territory authorities retain responsibility for the legislative Acts under which most universities are established.

As part of its Education Revolution agenda, the government is committed to ensuring that higher education equips Australians with the knowledge and skills to make Australia more productive and prosperous.

The government recognises that long-term improvements in higher education of the scale required to make a comprehensive contribution to economic productivity and prosperity will require a new strategy based on a thorough reassessment of the higher education system as a whole. To address this, the government has commissioned a comprehensive Review of Australian Higher Education.

The review will examine and report on the future direction of the higher education sector, its fitness for purpose in meeting the needs of the Australian community and economy and the options for reform. A key objective of the review will be widening access to higher education to promote social inclusion and individual opportunity. The review will help to develop a long-term vision for higher education into the next decade and beyond.

Alongside the Review of Australian Higher Education, the government has implemented a range of initiatives to strengthen Australia's universities and other higher education institutions, such as measures to improve equity and to encourage students to study in areas of national priority, such as maths and science.

As a first step towards achieving equitable educational outcomes for Indigenous and non-Indigenous Australians, the government and state and territory authorities, through the Council of Australian Governments (COAG) process, are working in partnership to reduce Indigenous disadvantage. The government's Indigenous higher education initiatives promote increased Indigenous access to, participation in, and outcomes from higher education.

The Higher Education Endowment Fund (HEEF) was established with an initial investment of $5 billion and a further investment of $1 billion. Earnings from the fund were intended to provide an ongoing source of additional funding to contribute to improved capital works and research facilities.

In May 2008, the government announced the Education Investment Fund (EIF), which will be the centrepiece of its new approach to providing a sustainable investment base for Australia's tertiary education sector for the future. The EIF will support capital expenditure and renewal and refurbishment in universities and vocational institutions as well as in research facilities and major research institutions. The EIF will subsume the HEEF.

These higher education initiatives begin the long-term investment in education and training necessary to support productivity and economic growth into the future.

Key achievements

The key achievements for higher education in 2007–08 included:

▶ announcement of the new $11 billion EIF for capital expenditure and renewal and refurbishment across the sector, and the commencement of the first HEEF round (with $304 million available for allocation)

▶ announcement of the Education Revolution budget measures, which delivered on the government's election commitments and provided an immediate injection of capital funding to the sector, including $500 million in 2007–08 for higher education institutions to undertake capital projects to support improved teaching and learning, research, and students' overall higher education experience

▶ other election commitments announced as part of the Education Revolution budget measures, including:

– $238.5 million for new National Priority Scholarships and new National Accommodation Scholarships

– $249 million for new Commonwealth supported places to replace full fee paying places for undergraduate students

– $562.2 million to encourage students to study mathematics and science

– $63.6 million to reduce compulsory Higher Education Loan Programme (HELP) repayments for mathematics and science graduates who take up related occupations

– $99.5 million to fund new Commonwealth supported higher education nursing places

▶ implementation of changes to the Commonwealth Grant Scheme (CGS) in 2008 that were announced in the 2007–08 Budget, including increased funding for certain disciplines, a reduction in the number of CGS funding clusters, and the introduction of three-year CGS funding agreements (mandatory from 2009)

▶ allocation of over 2300 new Commonwealth supported places, most of which commenced in 2008

▶ provision of $83 million to 23 universities from the Learning and Teaching Performance Fund for excellence in learning and teaching for undergraduates

▶ publication of a new comprehensive statistical annual report entitled *Undergraduate Applications, Offers and Acceptances, 2008* as part of the National Data Collection initiative. In addition, a pilot data collection of applications and offers data from state Tertiary Admissions Centres was administered by the department.

Key priorities

The government has implemented major priority initiatives for higher education as part of its commitment to building a world-class higher education system in Australia.

The key priorities for higher education in 2007–08 include:

▶ implementing the Better Universities Renewal Funding initiative, where $500 million is allocated to higher education institutions to undertake capital projects to support improved teaching and learning, research, and students' overall higher education experience. Priority areas include information and communications technology, laboratories, libraries and student study spaces, teaching spaces and student amenities

▶ establishing the $11 billion EIF, comprising $5 billion from budget surpluses, and $6 billion from the HEEF. The first allocations from the EIF will be available in 2009–10

▶ amending the *Higher Education Support Act 2003* to phase out full fee paying places for domestic undergraduate students from the beginning of 2009

▶ removing the Higher Education Workplace Relations Requirements (HEWRRs) and the National Governance Protocols as a condition of funding under the CGS.

Table 3.1
Resources invested in Outcome 3 in 2007–08 ($'000)

Outcome 3	Budget PBS (2007–08) $'000 A	Actual expenses (2007–08) $'000 B	Variation (2007–08) $'000 C = B – A	Budget (2008–09) $'000 D
Administered Expenses				
Higher Education Special Projects	588,334	588,171	-163	30,441
Framework for Open Learning	3,068	3,032	-36	3,230
Indigenous Higher Education Advisory Council	284	274	-10	288
Higher Education Contribution to Australian Education International	5,969	5,969	1	6,082
Superannuation Payments for former Commissioners	79	78	-1	82
Commonwealth Grant Scheme	3,595,910	3,620,012	24,102	3,922,206
Regional Loading	30,412	30,412	1	30,998
Enabling Loading	13,094	13,094	1	13,459
Workplace Productivity Programme	29,322	29,322	1	28,646
Workpace Reform Programme	48,533	48,533	1	49,619
Capital Development Pool	93,513	113,739	20,226	102,351
Collaboration and Structural Reform Program	33,921	10,394	-23,527	51,518
Quality Initiatives	24,110	24,346	236	30,140
Learning and Teaching Performance Fund	101,218	100,823	-395	91,938
National Institutes	175,659	175,659	1	174,416
Equity Programmes	17,712	12,924	-4,788	17,835
Higher Education Loan Programmes[1]	492,640	1,012,639	519,999	550,309
Learning Scholarships	122,326	115,467	-6,859	145,865
Indigenous Support Fund	34,149	32,942	-1,207	34,417
Open Learning Initiative	217	216	-1	269
Transition Fund—Higher Education	28,439	28,202	-237	44,614
ABSTUDY—Tertiary	50,435	46,211	-4,224	50,751
ABSTUDY Student Financial Supplement Loans	7,503	-5	-7,508	7,979
Youth Allowance	971,955	934,772	-37,183	959,045
Austudy	229,309	227,610	-1,699	231,810
Fares Allowance	946	889	-57	1,090
Student Financial Supplement Scheme—Austudy	22,061	284	-21,777	23,484
Higher Education Endowment Fund	-	896	896	-
Superannuation Program—Higher Education[1]	-	317,183	317,183	
Total administered expenses	**6,721,118**	**7,494,088**	**772,970**	**6,602,882**
Price of departmental outputs				
Output Group 3.1—Policy Services	9,673	13,897	4,224	9,350
Output Group 3.2—Program Management	11,544	17,780	6,236	11,092
Output Group 3.3—Service Delivery	64,389	55,174	-9,215	59,701
Total departmental expenses	**85,606**	**86,851**	**1,245**	**80,143**
Funded by				
Revenue from government (appropriations) for departmental outputs	84,956	68,412	-16,544	79,087
Revenue from other sources	650	18,439	17,789	1,056
Total price of departmental outputs	**85,606**	**86,851**	**1,245**	**80,143**
Total for Outcome 3	**6,806,724**	**7,580,939**	**774,215**	**6,683,025**
Average staffing level (number)		**211**		**184**

1   Actual expenses relate to actuarial assessments of the value of assets and liabilities. The outcome is dependent on numerous factors that cannot be reliably forecast.

Effectiveness indicators

The department uses several effectiveness indicators to measure the impact that the government is seeking to achieve in relation to the higher education agenda. The overall impact of the departmental activities should be viewed within the context that Australia's higher education sector is not controlled solely by the government but is achieved in partnership with various external stakeholders. Performance over the long-term can also be influenced by prevailing economic and labour market conditions and, in some cases, by international circumstances. Performance information for the effectiveness indicators is summarised in Table 3.2.

Table 3.2

Effectiveness indicators for Outcome 3

Effectiveness indicator	Performance
Higher education	
Trends in number of domestic enrolments (Full-time Equivalents)	The number of domestic enrolments increased by 3.3 per cent between 2006 and 2007 to 529 016 Equivalent Full-time Student Load (EFTSL)
Trends in number of domestic research enrolments (Full-time Equivalents)	The number of domestic research enrolments decreased slightly (0.6 per cent) from 26 811 EFTSL in 2006 to 26 647 EFTSL in 2007
Trends in number of domestic postgraduate enrolments (Full-time Equivalents)	The number of domestic postgraduate enrolments increased by 2.8 per cent between 2006 and 2007 to 84 442 EFTSL
Trends in number of undergraduate completions	The number of undergraduate completions increased by 2.7 per cent between 2006 and 2007 to 153 571
Trends in number of unweighted higher degree by research completions	The number of unweighted higher degree by research completions remained steady, 7103 (2006) and 7102 (2007)
Trends in number of postgraduate coursework completions	The number of postgraduate coursework completions increased by 2.6 per cent between 2006 and 2007 to 84 925 completions
Percentage of higher education graduates in full-time employment within four months of completion of degree, of those available for work	In 2007, 84.5 per cent of higher education graduates (bachelor degree) available for work were in full-time employment within four months of completing their degree. This is an increase of 2.1 percentage points from 82.4 per cent in 2006
Trends in graduate starting salaries as a proportion of average weekly earnings	In 2007, the median annual starting salary for bachelor degree graduates aged under 25, in their first full-time jobs after completing their degrees, was $43 000 (up 5.4 per cent or $2200) from $40 800 in 2006. Over the period 2001 to 2007, the median starting salary of bachelor degree graduates has averaged 117 per cent of the median earnings of all full-time workers aged 20–24 years
Trends in number of all Indigenous students by selected higher education course level categories	Indigenous enrolments increased by 5.8 per cent between 2006 and 2007 to 9370 students. All course level categories increased – postgraduate by 8.1 per cent to 1390
Student assistance	
Trends in the number of full-time students receiving income support under:	
▶ Youth Allowance[a]	The number of Youth Allowance recipients in higher education decreased by 0.6 per cent, from 118 346 in June 2007 to 117 623 in June 2008
▶ Austudy[a]	The number of Austudy recipients in higher education increased by 2.8 per cent, from 15 942 in June 2007 to 16 385 in June 2008

Effectiveness indicator	Performance
▶ ABSTUDY[b]	The number of ABSTUDY recipients in higher education decreased by 1.7 per cent, from 4865 in 2006 to 4780 in 2007
Percentage of the relevant full-time student population receiving support under:	
▶ HECS-HELP	In 2007, 87.9 per cent of full-time students received HECS-HELP, compared to 88.0 per cent in 2006
▶ FEE-HELP	In 2007, 4.2 per cent of full-time students received FEE-HELP, compared to 4.0 per cent in 2006

a   The actual number of higher education students receiving income support as at June differs from the figures previously reported due to improved attribution of income support recipients across sectors. Note also that there are a small number of 'other' income support recipients not attributed to any sector.

b   In future, the number of ABSTUDY recipients will be reported as at June each year, rather than a 'during the year' basis, as was formerly the case. The changed arrangement brings reporting in line with that used for Youth Allowance and Austudy. Note that the number of ABSTUDY recipients in higher education measured on a 'point in time' basis increased by 1.2 per cent, from 2880 in June 2007 to 2915 at June 2008.

Funding for higher education

Institution Assessment Framework

The department monitors accountability, quality, fairness and financial viability of higher education institutions and the sector through the Institution Assessment Framework (IAF). The IAF aims to ensure that the institutions it funds are sustainable and deliver the outputs for which they are funded, that their outcomes are of high quality and that they comply with their legal obligations. The department's assessments are based on quantitative and qualitative data from universities and external sources. Assessments focus on the four key areas of organisational sustainability, achievements in higher education provision, quality, and compliance with requirements of the *Higher Education Support Act 2003*. In 2007–08, the department visited 21 Australian universities for bilateral discussions as part of the IAF process. Assessment portfolios were completed and provided to all universities as an annual record of institutional performance and achievements.

A further round of IAF visits will take place in 2008.

Higher Education Workplace Relations Requirements and the National Governance Protocols

Higher Education Providers were assessed for compliance with the National Governance Protocols (NGPs) and Higher Education Workplace Relations Requirements (HEWRRs) to enable providers to retain a previous 7.5 per cent increase in CGS funding.

The department provided the Hon Julia Gillard MP, Minister for Education, Minister for Employment and Workplace Relations, and Minister for Social Inclusion, with advice on its assessment of the compliance of Higher Education Providers with the HEWRRs and NGPs as at 31 August 2007. On 5 February 2008 the Minister announced that she had found all providers compliant and that the government would remove the HEWRRs and NGPs as a condition of funding.

Workplace Productivity Programme

On 5 September 2007 it was announced that funding of $68 million would be provided for 36 projects across 32 higher education providers. The funding priority for Round 2 of the Workplace Productivity Programme was for projects that reform the efficiency, productivity and performance of institutions, strengthen their capability to manage and implement workplace change and contribute to the diversity of the higher education sector.

Superannuation program

The Commonwealth provides supplementary funding to eligible higher education providers to cover certain superannuation expenses incurred for staff who are members of identified state government emerging cost superannuation schemes. A proportion of the funding is recovered from the relevant states under cost-share arrangements.

Commonwealth Scholarships

Commonwealth Scholarships promote equality of access to higher education by reducing the financial barriers for people from low socioeconomic status backgrounds. In 2008, just over $120 million was provided to eligible higher education providers to fund:

- ► 7779 new and 15 178 continuing Commonwealth Education Costs Scholarships
- ► 5153 new and 10 620 continuing Commonwealth Accommodation Scholarships
- ► 1000 new Indigenous Access Scholarships.

Note that the data is based on allocations made to providers in the first half of 2008.

Higher Education Equity Support Program

The Higher Education Equity Support Program provided funding to eligible higher education providers to assist them to implement strategies that will assist in removing barriers to access for students from disadvantaged backgrounds. This may include students from low socioeconomic status backgrounds, students from regional and remote areas, students with disabilities and students from non-English speaking backgrounds. In 2008, approximately $11.5 million was allocated to eligible higher education providers under the program.

Higher Education Disability Support Program

Approximately $6.3 million was available in 2008 through the Higher Education Disability Support Program. This funding aims to assist eligible higher education providers in meeting the educational support and equipment costs associated with supporting students with disabilities. The program also aims to encourage providers to develop strategies to facilitate the access, participation, retention and success of students with disabilities.

Business, Industry and Higher Education Collaboration Council

The Business, Industry and Higher Education Collaboration Council (BIHECC) was established in 2004 and consists of high-level membership drawn from across the business and academic sectors. BIHECC's role is to advise the Minister on ways to increase collaboration between the higher education sector and other public and private business, industry, community and educational organisations. During 2007–08, the BIHECC advised on a range of issues, including the business case for knowledge transfer third stream funding, graduate employability skills, and philanthropy in the higher education sector.

Collaboration and Structural Reform Fund

The Collaboration and Structural Reform Fund commenced in January 2005 with the aim of achieving better higher education outcomes in teaching, learning, research and innovation by promoting structural reform and collaboration in the higher education sector. In 2007, funds were used to foster collaboration between higher education providers and business, schools, the vocational and technical education sector, professional associations and community groups. As of 1 January 2008, the Collaboration and Structural Reform Fund was subsumed into the new Diversity and Structural Adjustment Fund.

Quality Initiatives

In 2007–08, a total of five organisations were supported under the Quality Initiatives to assure and enhance the quality of Australia's higher education sector.

The Australian Learning and Teaching Council (ALTC) received a total of $22 604 000 (GST inclusive) from the government to deliver its grants and awards programs. The ALTC's achievements will be reported in its annual report.

The Australian Universities Quality Agency (AUQA) received a total of $1 820 500 (GST inclusive) from the government to carry out activities to assure and enhance the quality of Australia's higher education sector, including universities' offshore operations. The funding also includes $110 000 (GST inclusive) to AUQA to conduct a project to investigate practices in universities associated with English language proficiency of international students.

Graduate Careers Australia received $685 300 (GST inclusive) to conduct the Australian Graduate Survey, which comprises the Graduate Destination Survey, the Course Experience Questionnaire and the Post-Graduate Research Experience Questionnaire.

The Australian Council for Educational Research (ACER) received $22 862 (GST inclusive) to conduct and analyse the results of the voluntary Graduate Skills Assessment test. This test, which is designed to assess a set of valued and widely applicable generic skills that may be developed through the university experience, is available for use by universities and employers.

Funding of $82 500 (GST inclusive) was also provided to Universities Australia to support the completion of a project, on behalf of the Business, Industry and Higher Education Collaboration Council, examining strategies to support philanthropy in Australia's higher education system.

Diversity and Structural Adjustment Fund

The Diversity and Structural Adjustment Fund (Diversity Fund), which began on 1 January 2008, aims to promote structural reform by eligible higher education providers that supports greater specialisation among providers, more diversity in the higher education sector and better responsiveness to labour markets operating in the local or national interest. In 2007–08, funding was provided to support the establishment of a Chair in Australian Literature, for which the University of Western Australia was the successful applicant, and the Centre for Student Equity at the University of South Australia. The 2008 round of the Diversity Fund generated a positive response from the higher education sector, and applications were under evaluation at the end of the financial year.

Commonwealth Grant Scheme

The Commonwealth Grant Scheme (CGS) provides funding to 43 higher education providers for undergraduate and some non-research postgraduate student places. Funding agreements are based on the number of places (in broad discipline clusters) that providers estimate they will deliver. Eligible providers also receive additional funding for:

▶ regional loading—assists higher education providers to meet the higher costs associated with their regional location, size and history

▶ enabling loading—provides additional funding towards the cost of offering a course of study to prepare a person to undertake a course that leads to a higher education award

▶ medical student loading—for Commonwealth supported places in a medicine course of study, completion of which would allow provisional registration as a medical practitioner.

Future funding agreements will take account of the recommendations of the Review of Australian Higher Education.

During 2007–08:

▶ 424 288 Commonwealth supported places were funded in 2007 and 433 771 in 2008—targets as specified in providers' funding agreements; funding is subject to adjustment for under and over enrolment.

▶ over 2300 new Commonwealth supported places were allocated, most of which commenced in 2008

▶ changes to the CGS for 2008 announced in the 2007–08 Budget were implemented, increasing funding for certain disciplines, reducing the number of CGS funding clusters, and introducing three-year CGS funding agreements—mandatory from 2009

▶ funding agreements were negotiated with all higher education providers in receipt of Commonwealth supported places

▶ 85 regional campuses were supported through the regional loading in 2007

▶ enabling loading was provided for 3859 enabling places in 2007

▶ medical student loading was provided for 8429 medical places in 2007.

National Institutes Program

In 2007–08, funding under the National Institutes Program was provided for the Australian National University, the Batchelor Institute of Indigenous Tertiary Education and the Australian Maritime College—as part of the University of Tasmania from 1 January 2008—in recognition of their national role in particular areas of higher education.

Transitional Costs Program

In 2007–08, the new Transitional Costs Program was implemented. The program assists higher education providers with the transitional costs associated with changes to the maximum student contribution amounts for Commonwealth supported students undertaking accounting and related disciplines.

Higher Education Loan Programme

Since 1989, Australian students in Commonwealth funded higher education places have generally been required to contribute to the costs of their education, originally through the Higher Education Contribution Scheme (HECS), which gave them access to a government loan for assistance. From 2005, eligible students in a Commonwealth supported place—previously known as a HECS place—continued to contribute to the cost of their education by paying a student contribution. Eligible students continued to have access to a government loan through the Higher Education Loan Programme (HELP). Previous arrangements for loans to fee-paying students were expanded under FEE-HELP, and OS-HELP was introduced.

The HELP consists of the following programs:

▶ HECS-HELP for eligible students studying in Commonwealth supported places. Students have the option of taking out a loan for their student contribution, or paying their student contribution upfront and receiving a 20 per cent discount for full or partial upfront payments of $500 or more.

▶ FEE-HELP for eligible domestic fee paying students enrolled at approved higher education providers or Open Universities Australia. Students can take out a loan for some or all of their tuition fees, up to a lifetime limit of $102 000—2008 limit, indexed annually—for medicine, dentistry and veterinary science courses, and $81 600—2008 limit, indexed annually—for all other courses. A 20 per cent loan fee applies to undergraduate courses of study. Undergraduate fee paying places for domestic students at public universities will be phased out from 2009.

▶ OS-HELP for eligible undergraduate Commonwealth supported students wishing to undertake part of the study towards their Australian courses at an overseas institution. In 2008 the maximum loan limit is $5299. Students have access to two loans over a lifetime and a 20 per cent loan fee applies.

Students who incur a HELP debt are required to make repayments when their income exceeds the minimum threshold for compulsory repayment, which was $39 824 in 2007–08. Students also have the option of making voluntary repayments and receiving a 10 per cent bonus for repayments of $500 or more.

During 2007–08, the department assessed new applications from institutions for access to FEE-HELP for students in fee paying places. At 30 June 2008, there were 67 institutions with ministerial approval to offer FEE-HELP to eligible students, in addition to the institutions listed in Table A, B and C of the *Higher Education Support Act 2003*.

Workplace Reform Programme

The Workplace Reform Programme (WRP), which commenced in 2000, offered higher education providers additional funding equivalent to 2 per cent of the salary component of their operating grant, conditional on reforms being implemented in management, administration and workplace practices.

In 2005, a proportion of WRP funding was incorporated into the CGS funding cluster rates. The remaining proportion continues to be paid to providers that were assessed as eligible prior to the introduction of the CGS in addition to their CGS payment. WRP funding was $47.8 million in 2007 and $49.1 million in 2008.

Learning and Teaching Performance Fund

In 2007, the department commissioned ACER to review the Learning and Teaching Performance Fund (LTPF) methodology. ACER's recommendations led to a refinement of the adjustment process. The 2008 funding round saw 23 universities sharing in $83 million for excellence in learning and teaching for undergraduate students. An expert panel recommends the number of universities to receive funding, based on analysis of the results of the LTPF performance indicator model. For 2008, the LTPF will be based on both improvement and excellence in teaching and learning.

Grant to Table A Higher Education Providers for system changes to implement budget measures

A grant of $44 000 (GST inclusive) was made to each Table A higher education provider (total funding of $1.67 million) to help meet the costs of changes to IT and administrative systems which may be required to implement the *Realising Our Potential* budget measures (Expanding Commonwealth Government Scholarships and Allowing more Responsive Universities relaxation of caps on student places and changes to funding clusters as well as collection of applications and offers data).

Income support for students

Youth Allowance, Austudy and ABSTUDY provide significant assistance—around $2 billion per year—for students from low income and Indigenous backgrounds to enable them to participate in full-time education, training or an Australian Apprenticeship. Based on the number of income support recipients, it is estimated that higher education students received $850 million in income support in 2007–08.

From 1 January 2008, student income support was extended in the following ways:

▶ Rent Assistance to students aged 25 years and over who receive Austudy while undertaking full-time study and training. As at June 2008, 9718 Austudy recipients were in receipt of Rent Assistance.

▶ Youth Allowance and Austudy to students enrolled in an approved masters by coursework program that is required for entry to a profession or that is the fastest pathway to professional entry. This measure was also extended to students enrolled in a masters coursework program where a university has diversified by restructuring its course delivery. As at June 2008, 312 masters by coursework programs had been approved for the purpose of student income support and 2018 students had been granted Youth Allowance and Austudy for masters level study.

▶ Youth Allowance independent status through self-supporting workforce participation to ABSTUDY recipients. As at June 2008, 209 students had gained independence on the basis of such participation.

- ABSTUDY Incidentals Allowance to students undertaking an enabling course at a higher education institution. At June 2008, 18 Indigenous students were undertaking an enabling course at a higher education institution; previously they would have been ineligible to receive Incidentals Allowance.
- Crisis and Bereavement payments to ABSTUDY recipients. As at June 2008, 21 students had received a crisis or bereavement payment.

The department administers a number of measures through Centrelink to address fraud and non-compliance to maintain the integrity of student income support payments.

Information obtained from Centrelink's Integrated Review System shows that 240 782 reviews were completed in the reporting year. As a result of the review, 39 019 recipients had their payments reduced; 44 915 debts, with an estimated value of $67 505 696 were raised.

In 2007–08, 143 822 new student payment debts were raised; $92 232 099 of debt was recovered by Centrelink and its contracted agents, while a net total of $8 021 493 was waived. Of the new debts raised, $51 859 023 or 46 per cent were attributed to the failure in notifying enrolment and study related changes. To limit accumulation of significant levels of study related debt, the government announced that from 1 July 2008 it will provide funding of $500 000 for Enhanced Connectivity between Centrelink and University Systems. Funding will be shared by eligible Australian universities to establish and/or maintain information technology system linkages with Centrelink required for the weekly notification of enrolment and study related changes of student income support recipients to Centrelink.

The Review of Australian Higher Education announced by the Minister in March 2008 will include examination of and advice on how to widen access to higher education and improve student support programs to promote social inclusion and individual opportunity.

At June 2008, 117 623 higher education students were in receipt of Youth Allowance, 16 385 higher education students were in receipt of Austudy and 2915 higher education students were in receipt of ABSTUDY. Of these Youth Allowance recipients, 46 009 (39.1 per cent) were assessed as dependent and 71 614 (60.9 per cent) as independent (that is, not dependent on parents and therefore not subject to the parental means test). Around 82.2 per cent of independent recipients achieved independent status through workforce participation. As at June 2008, 46.1 per cent of full-time higher education students in receipt of Youth Allowance had private earnings. For these recipients, the average fortnightly earnings were around $390.

It should be noted that Youth Allowance, Austudy and ABSTUDY are demand-driven programs and that all eligible recipients receive assistance. This means that the estimates shown in Table 3.3 only indicate expected demand and are not targets as such.

Indigenous Support Program

The Indigenous Support Program (ISP) provides funding to higher education providers to assist them in meeting the needs of Indigenous students and to advance the goals of the National Aboriginal and Torres Strait Islander Education Policy. The funding is performance-based, with three components to the formula—Indigenous student enrolments, student progress rates, and award course completion rates. The index used for ISP is the Higher Education Cost Adjustment Factor. The allocations are adjusted each year based on data from the Higher Education Student Statistical Collection.

Indigenous Higher Education Advisory Council

The Indigenous Higher Education Advisory Council provides policy advice to the government on improving higher education outcomes for Indigenous people. The third annual conference on Indigenous higher education was held in November 2007 with the theme *Ngapartji—Yerra: Strong Futures*. The conference focused on Indigenous staff and governance, teaching and learning, and research and resourcing. The government is funding an initiative from this conference by providing $125 000 for a scoping study for an Indigenous Learned Academy and an Indigenous Centre for Research Excellence.

Higher Education Information Management System

The Higher Education Information Management System was enhanced to support changes to Commonwealth Scholarships arrangements. Those changes included an increase in the number of scholarships available and the introduction of scholarships for Indigenous students.

A new data submission tool was made available to higher education providers to assist with preparing and submitting data for the higher education student data collection. Changes were also made to systems used by departmental staff to ensure that data can be processed and validated more quickly. These system improvements, along with a comprehensive training and support program, have resulted in high quality data being available much earlier than in previous years.

Other appropriations

Voluntary Student Unionism Transition Fund for Sporting and Recreational Facilities

On 16 October 2007 funding of $29 million was announced for 25 sporting and recreational projects across 18 higher education providers. The Voluntary Student Unionism Transition Fund (VSU Transition Fund) was set up in 2006 to assist universities to adjust to voluntary student unionism, which was brought about by the *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Act 2005.*

Small business incentives for regional campuses

The Support for Small Businesses on Regional University Campuses Program was part of the transitional arrangements in response to the introduction of Voluntary Student Unionism (VSU) by the former government. Funding of $10 million—including departmental expenses—was allocated to the program over four years from 2006–07 to 2009–10. The program assists higher education providers to encourage and support small businesses to establish operations on regional campuses to provide services for students. The types of services that are being supported under the program include health care, student accommodation, child care, food and beverage services and textbook and educational supplies.

Funding of $4.4 million was allocated to 20 projects across 14 campuses of nine universities. The remaining funding was transferred to the VSU Transition Fund for Sporting and Recreational Facilities.

National Centre of Excellence for Islamic Studies

The National Centre of Excellence for Islamic Studies was officially opened on 23 October 2007. With support from the government, it was established by a group of Australian universities comprising the University of Melbourne, the University of Western Sydney and Griffith University. The Centre provides learning opportunities for all Australians interested in Islamic studies and will help prepare people for work with and in Australian Muslim communities as school teachers, social workers, health professionals, business managers, community leaders and other professionals.

Commonwealth supported places at the Centre have been accessed by students in the first half of 2008 (see Table 3.3). The Centre has established objectives that it will report against each year and has the benefit of a National Consultative Committee to help inform its activities. The department represents the government on this consultative body. Supporting the universities to establish the Centre is a government initiative under the COAG *National Action Plan to Build on Social Cohesion, Harmony and Security.*

Centre for Social Impact

In 2007–08, the Centre for Social Impact was established by the University of New South Wales and its consortium partners, Swinburne University of Technology and the University of Melbourne, with funding from the government in the form of a $12.5 million endowment. The Centre will enhance business engagement with the not-for-profit sector and will build the capacity and effectiveness of the sector through its educational programs and research activities. The Centre has established objectives against which it will report each year. The Centre is raising additional funding through philanthropic and other contributions to match government funding.

Australian Institute for Public Policy

On 1 May 2008 the Minister announced that the government would provide a $15 million endowment towards the establishment of the Australian Institute for Public Policy, to be based at the University of Melbourne. The Australian Government's contribution will be matched by a contribution of $15 million from the Victorian Government.

The institute will focus on major challenges and opportunities facing Australia. It will undertake systematic research and analysis in the fields of social, environmental and economic policy and encourage evidence-based public debate.

Capital Development Pool, Special Capital Projects

The government assists with capital development requirements in the higher education sector, providing annual funding on a competitive basis through the Capital Development Pool (CDP) program. Additional capital funding for specific initiatives is also provided under the *Higher Education Support Act 2003* and also through annual appropriations.

During 2007–08, higher education providers received $78.51 million through the CDP program as a result of earlier competitive rounds.

In 2007–08, funding was paid for projects to enhance teaching and learning and provide graduates with skills in areas of workforce need. This included support for campuses in regional centres and urban growth corridors, areas of national importance such as nursing, teaching, and health and science related fields, as well as IT related projects that enhance educational delivery. Projects supported include:

► The University of Newcastle—teaching and learning centre, Port Macquarie campus ($3.6 million)

► Monash University (with the University of Melbourne)—northern Victorian regional medical education network ($5.4 million—a total of $9.8 million over three years)

► James Cook University—pharmacy teaching facility ($3.6 million—a total of $6 million over three years)

► Curtin University of Technology—resource and chemistry precinct building ($2.6 million—a total of $7.2 million over two years)

► University of Tasmania—community learning centre, Cradle Coast campus ($2.1 million).

During 2007–08, special capital works grants were made available through annual appropriations for a veterinary science school at the University of Adelaide ($15 million) and for the University of Notre Dame Sydney campus at Darlinghurst ($2 million).

Better Universities Renewal Funding

The $500 million Better Universities Renewal Funding initiative, which was announced in the 2008–09 Budget, recognised the immediate need to renew campus infrastructure and will enable higher education providers to implement projects in the priority areas of information and communications technology, laboratories, libraries and student study spaces, teaching spaces and student amenities. Grants were paid in 2007–08 to all Table A and Table B providers under the *Higher Education Support Act 2003*. Funding agreements required recipients to have a schedule of works in one or more of these priority areas accepted by 30 September 2008.

Internationalising higher education: Future Directions Workshop

A high level, sector-wide workshop in February 2008 confirmed and helped define the department's role in the further internationalisation of higher education in Australia.

In partnership with Universities Australia, the department hosted Pro and Deputy Vice Chancellors from Australia's 39 universities at a two-day Future Directions Workshop in Canberra.

The workshop's first task was to identify the challenges and drivers of change for Australian international higher education. They included the increasing demand for internationally relevant and recognised qualifications, continued demand from emerging economies, increasing competition from our traditional markets, and rapid technological change and market diversification.

Bringing the focus onto the department's role in a future model for internationalised higher education, the workshop agreed that the department should:

▶ continue to provide data, primary research, problem-solving and market intelligence to the sector

▶ continue to support quality assurance through a regulatory and problem-solving role

▶ work with universities on how, and to what degree, to promote the value of international education to employers

▶ support increased Australian Government bilateral activity to deliver qualifications recognition and encourage liberalisation of market access

▶ work multilaterally to create an environment for the internationalisation of qualifications and to address non-tariff barriers to trade in education services

▶ strengthen the role of its international network in facilitating cluster formation and understanding between Australian and offshore universities.

Participants from the universities also took away individual ideas that their institution, Universities Australia and the broader sector might contribute to enhance sustainability for the international delivery of Australian higher education.

The workshop demonstrated the effectiveness of cooperation between the department's Higher Education Group and International Group on the departmental priority to mainstream international education in 2007–08.

The workshop's outcomes form a solid basis for ongoing engagement with the sector to achieve a world-class, internationally competitive Australian higher education system that contributes to the government's productivity, participation and social inclusion agendas.

Workshop participants discuss the challenges and opportunities for the international delivery of Australian higher education.

Review of Australian Higher Education

On 13 March 2008, the government launched its Review of Australian Higher Education at the Australian Financial Review's Higher Education Conference. The Review is being led by an independent panel drawn from the tertiary education sector and wider industry and is chaired by Emeritus Professor Denise Bradley AC. In announcing the review, the government emphasised the importance of an independent, evidence-driven examination of the higher education sector to inform policy decisions.

The Terms of Reference for the Bradley Review are broad and cover a wide range of issues, including productivity and participation; effective and efficient investment; underpinning social inclusion through access and opportunity; enhanced quality and high standards; and building an integrated relationship with vocational education and training through a broad tertiary education and training sector.

In June, Professor Bradley released the panel's discussion paper, inviting public submissions by 31 July 2008. The discussion paper provided an opportunity for stakeholders—business, industry, community groups, the education sector and individuals—to comment on the role of higher education and how it can best meet the future needs of the Australian community and the economy. Information about the review can be found at <www.dest.gov.au/sectors/higher_education/policy_issues_reviews/reviews/highered_review>.

The discussion paper suggested that Australia's higher education system should be marked by a capacity to:

► meet the needs of the labour market and industry for high level skills

► provide opportunities for all capable students to participate

► provide students with a stimulating and rewarding higher education experience

► connect effectively with other education and training sectors

► play a vital role in the national research and innovation system

► operate internationally

► contribute effectively to the development of Australia's social and cultural structures and its national and regional economies.

The paper further suggested that, to develop and sustain these capacities, the sector must be appropriately, effectively and efficiently resourced, governed and regulated.

In addition to the discussion paper, the panel also conducted a program of national consultations with key stakeholders during June and July. The outcomes of the Bradley Review will inform the government's higher education policy agenda for the decade ahead.

Performance information for Outcome 3

Administered activities

Under HESA and annual appropriations, the department administers a number of programs and initiatives that fund higher education in Australia. A summary of the performance of administered activities for higher education during 2007–08 is provided in the following table.

Table 3.3

Performance in delivery of administered outputs

Performance indicator	Estimate	Actual
Higher education funding Commonwealth Grant Scheme (CGS)		
Number of Commonwealth supported domestic undergraduate places	>405 000	407 751[a]
Number of Commonwealth supported domestic postgraduate coursework places	>16 000	16 499[b]
Regional loading		
Number of regional campuses under the CGS for which regional loading is provided	85	85
Enabling loading		
Number of CGS places for which enabling loading is provided	3859	3859
Medical student loading		
Number of CGS medical places for which medical student loading is provided	8429	8429
Workplace Productivity Programme		
Number of projects funded	33	33
Superannuation Program		
Number of universities assisted	19	19
Capital Development Pool and special projects		
Number of projects funded	47	86[c]
Collaboration and Structural Reform Program		
Number of projects funded	40	38
Quality initiatives		
Number of organisations assisted	4	5
Learning and Teaching Performance Fund		
Number of universities rewarded	30	23[d]
National institutes		
Number of institutions assisted	3	3
Equity programs		
Number of Table A higher education providers assisted	39	38[e]
Commonwealth Scholarships[f]		
Number of scholarships allocated to higher education providers[g]	31 298	39 730
Higher education special projects		
Number of university regional campuses receiving funding by the Support for Small Businesses on Regional University Campuses Program	>10	14
Number of Commonwealth-supported places accessed by students in the National Centre of Excellence for Islamic Studies	40	58[h]
Number of projects supported by the Voluntary Student Unionism Transition Fund for Sporting and Recreational Facilities	26	25
Higher Education Loan Programme[i]		
Domestic higher education students enrolled in award courses in receipt of HELP loans[j]	>365 000	371 654

Performance indicator	Estimate	Actual
Number of OS-HELP loans to assist students to undertake some of their course overseas[k]	2702	2454
ABSTUDY[l]		
Number of higher education students receiving ABSTUDY	5000	4780
Youth Allowance[m]		
Number of higher education students receiving Youth Allowance as at 30 June	121 000	117 623
Austudy		
Number of higher education students receiving Austudy as at 30 June	18 000	16 385
Indigenous Support Program[n]		
Number of universities receiving funding to support Indigenous students	39	39
Indigenous Higher Education Advisory Council		
Number of meetings held each year	3	3

a   2007 actual data. Does not include places in enabling courses.

b   2007 actual data. Does not include places in enabling courses.

c   Includes 41 grants under the Better Universities Renewal Funding initiative.

d   Performance information for the 2008 calendar year.

e   On 1 January 2008, the Australian Maritime College merged with the University of Tasmania.

f   Commencing 1 January 2008, Commonwealth Learning Scholarships changed its name to Commonwealth Scholarships.

g   Includes new and continuing scholarships.

h   The government provided funding to the Centre for 40 Commonwealth supported places. Actual enrolments totalled 58 EFTSL. The additional 18 places were provided by the host institutions from their existing pool of Commonwealth supported places.

i   Data includes all students in receipt of HECS-HELP loans and FEE-HELP loans, but does not include those receiving HECS-HELP assistance as a discount for upfront payments.

j   Numbers expressed as EFTSL (equivalent full-time student load). Excludes OS-HELP loans.

k   Data are provided for calendar year.

l   The number of ABSTUDY recipients is reported on a 'during the year' basis and refers to calendar year 2007 while the number of Youth Allowance and Austudy recipients in reporting as at June each year and refers to June 2008. In future, the number of ABSTUDY recipients will be reported as at June each year to bring reporting in line with that used for Youth Allowance and ABSTUDY. Note: there were 2915 ABSTUDY recipients in higher education measured on a 'point in time' basis at June 2008.

m   The actual number of higher education students receiving income support as at June differs from estimates presented in the department's Portfolio Budget Statements 2007–08 due, in part, to improved attribution of income support recipients across sectors.

n   The Indigenous Support Program was referred to as the Indigenous Support Fund in Table 3.2.2B of the former DEST Portfolio Budget Statements 2007–08.

Note: The Workplace Reform Programme was removed from this table as the payment is in addition to CGS payments and the indicators are the same as those reported for the CGS.

Table 3.4 shows the HELP payments the government made to providers on behalf of students who chose to take out a HELP loan. In the case of HECS-HELP, the payments also include the amount of the HECS-HELP discount for those students who chose to pay all, or at least $500, of their student contribution upfront to the provider.

Providers are paid based on an estimate of amounts that will be payable for that year. A reconciliation of payments is undertaken when actual amounts payable are known. Where actual amounts are different from the estimate, an adjustment is made to future payments. This adjustment may be to payments in the following year.

Table 3.4

HELP payments to providers on behalf of students[a]

	2006 $m	2007 $m
HECS-HELP loans	1726	1904
FEE-HELP loans	430	530
OS-HELP loans	7	13
Total HELP loans	**2163**	**2447**
HECS-HELP discount	94	100
Total paid to providers on behalf of students	**2257**	**2547**
Upfront payment of student contributions by students to providers (Upfront payments)[b]	424	460

a   The figures represent actual payments to providers, including the effect of any reconciliations determined by 1 July 2008.

b   Total upfront payments by students to providers, including payments by students eligible for the upfront discount and those students not eligible for the discount.

Table 3.5

Total outstanding HELP debt and the transactions affecting the debt balance during the year

	2006–07 $'000	2007–08 $'000
Accumulated HELP debt at 1 July	12 447 989	14 042 587
Amount of HELP debt reported by higher education providers to the Australian Taxation Office—January to June 2006	1 131 381	-
Amount of HELP debt reported by higher education providers to the Australian Taxation Office—July to December 2006	1 036 756	-
Amount of HELP debt reported by higher education providers to the Australian Taxation Office—January to June 2007	-	1 302 866
Amount of HELP debt reported by higher education providers to the Australian Taxation Office—July to December 2007	-	1 183 282
Indexation of HELP debts more than 11 months old at 1 June	428 070	400 339
HELP receipts paid through the tax system (PAYG)[a]	-801 468	-922 302
Compulsory repayment amounts deferred[b]	1404	1355
Voluntary repayments of HELP debt to the Australian Taxation Office	-158 796	-184 544
Bonus on voluntary repayments	-15 529	-18 167
Repayments to individuals	723	1 198
Amounts remitted under s. 106L of the *Higher Education Funding Act 1988*	-68	-69
Amounts remitted under the *Higher Education Support Act 2003*[c]	-6002	-8106
Amount of HELP debt variation where debtor has died	-5116	-5423
Variations performed by the Australian Taxation Office	-16 647	37 498
Amount of HELP debt variation due to bankruptcy	-24	-27
Amount of HELP debt variation deemed irrecoverable at law	-68	-1
Amount of HELP debt variation deemed uneconomical to pursue	-	-
Waiver of HELP debt by Department of Finance and Administration under s. 34 of the *Financial Management and Accountability Act 1997*	-18	-129
Accumulated HELP debt at 30 June	14 042 587	15 830 358

a   HELP receipts paid through the tax system (PAYG) are in relation to the previous income year.

b   Compulsory repayment amounts deferred under s. 106W (hardship) of the *Higher Education Funding Act 1988* and/or s. 154-45 of the *Higher Education Support Act 2003*.

c   Amounts remitted under s. 137-5(4), s. 137-5(5) and s. 137-10(4) of the *Higher Education Support Act 2003*.

Note: Columns may not add due to rounding.

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Higher education

Report on Performance

Table 3.6

Outstanding HELP debt after taking into consideration the accrual transactions related to the 2007–08 income year

	Estimated 2006–07 $'000	Actual 2006–07 $'000	Estimated[a] 2007–08 $'000
Accumulated HELP debt at 30 June as reported by the Australian Taxation Office	14 042 587	14 042 587	15 830 358
Amount of HELP debt to be reported for the period 1 January to 30 June[b]	1 272 600	1 302 866	1 374 815
HELP receipts paid through PAYG[c]	-846 862	-920 947	-1 059 561
Total HELP debt at 30 June	**14 468 325**	**14 424 506**	**16 145 613**
Amount of HELP debt expected not to be repaid[d]	2 889 186	2 963 698	3 414 166
Total HELP debt estimated to be repaid	**11 579 139**	**11 460 808**	**12 731 447**

a   It is necessary to estimate the amount of HELP debt to be incurred for the period 1 January to 30 June 2008 due to the timing of the reporting of data by providers.

b   The actual HELP debt amount for the period 1 January to 30 June 2007 did not include revisions. The accumulated HELP debt for 2007–08 includes revisions to debts incurred from 1 January 2005 onwards which were reported by providers to the Australian Taxation Office up to 31 March 2008.

c   DEEWR estimates the amount of HELP receipts to be paid through the tax system in relation to the current income year.

d   The estimated provision for the amount of HELP debt not expected to be repaid is determined by a preliminary actuarial assessment. The actual amount is determined once a full dataset is available for the financial year.

Notes for Tables 3.5 and 3.6:

Note 1: The *Higher Education Support Act 2003* gives the Commissioner of Taxation sole responsibility for collecting HELP repayments through the taxation system. DEEWR has primary responsibility for the management of HELP, including the total accumulated debt, and includes in its financial statements information collected by the Australian Taxation Office with respect to the total accumulated debt (see Part 5 Financial Statements). The Australian Taxation Office supplies this information in certified form, pursuant to the Minister for Finance Financial Statements of Department's Accrual Reporting Guidelines.

Note 2: To reflect the overall operation of HELP, the full transactions relating to the scheme are presented in the department's financial statements as though DEEWR received the additional tax instalment deductions collected through the PAYG system.

Note 3: The full value of the outstanding debt is not expected to be recovered because individuals are not required to make repayments through the taxation system unless their income in a year exceeds an indexed minimum ($35 000 for 2004—05, $36 184 for 2005–06, $38 148 for 2006–07 and $39 824 for 2007–08). It is estimated that of the total debt outstanding at 30 June 2008, $3 414 million is not expected to be repaid due to the income contingent nature of HELP repayments and debt being written off upon death of a debtor.

Departmental outputs

Table 3.7
Performance in delivery of departmental outputs for Outcome 3

Performance indicator	Estimate	Actual
Program management		
Quality		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Programs funded under the *Higher Education Support Act 2003* achieved 100% compliance
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Programs funded under the *Higher Education Support Act 2003* achieved 100% compliance
Timeliness of parliamentary reports (including interim responses where appropriate) provided to Parliament and its committees	At least 90% meet deadline	It is estimated that at least 90% met their deadline
High quality Ministerial replies as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from the Ministers and Parliamentary Secretary to the Secretary Analysis of trends over time to monitor percentage delivered within agreed timeframes	Satisfied[a]
Policy services		
Quality		
High quality policy advice as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from the Ministers and Parliamentary Secretary to the Secretary	Satisfied[a]
High quality research and evaluation reports as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the reports	Qualitative evaluation of satisfaction using feedback to the Secretary from Ministers and Parliamentary Secretary	Satisfied[a]
Research activities are completed according to plan	At least 90% completed to plan	At least 90% of research activities were completed according to plan
Service delivery		
Quality		
Satisfactory services as reported by Centrelink through the timely processing of ABSTUDY, Austudy, Youth Allowance, Assistance for Isolated Children claims	Services provided in accordance with DEEWR–Centrelink Business Partnership Agreement (BPA)	Centrelink's performance against the key indicators sets out in the DEEWR–Centrelink Business Partnerships Agreement (BPA) was satisfactory for these programs. These include the accuracy and timeliness of payments and the number of people referred to DEEWR programs

a   During the year ministers, parliamentary secretaries and their staff provided feedback on the level of satisfaction with departmental advice during regular meetings with the department and, in some cases, by rating briefs according to a five-point scale, with five being the maximum. Overall feedback from ministers, parliamentary secretaries and their staff confirmed that they recognise the significant efforts being made by departmental staff and are generally satisfied with the quality of briefings. Note that these satisfaction levels incorporate feedback for the former departments, DEEWR and the youth and early childhood and child care functions from FaHCSIA.

Outlook for 2008–09

Over 2008–09, the government will work to implement the priority initiatives announced as part of the 2008–09 Education Revolution budget. Those initiatives include:

▶ $238.5 million over four years for 29 000 new National Priority Scholarships and 15 000 new National Accommodation Scholarships. This will improve access to higher education places, including for students from Indigenous communities and regional and remote areas

▶ $562.2 million over four years to encourage students to study mathematics and science. From 1 January 2009, the maximum annual student contribution amount for mathematics and science will be reduced to the lowest 'national priority' rating for new students, and higher education providers will be paid additional CGS funding to compensate

▶ $63.6 million over four years to reduce compulsory HELP repayments for mathematics and science graduates who take up related occupations, including teaching of these subjects at secondary school

▶ $99.5 million over four years to fund new Commonwealth supported higher education nursing places—90 places to commence in the second semester of 2008 and up to a further 1170 places to commence in 2009

▶ $53.9 million over four years to fund 500 new Commonwealth supported early childhood education places to commence in each of 2009, 2010 and 2011

▶ $18.6 million over four years for 130 additional Commonwealth supported places in nursing (20), education (80) and medicine (30) at the University of Notre Dame Australia, to commence in 2009

▶ $49.5 million over four years to support James Cook University to establish a new school of dentistry in Cairns. This includes $33 million for capital infrastructure, $9.4 million for 60 new Commonwealth supported dentistry places to commence in 2009, and $2 million each year for five years for clinical training outreach

▶ phasing out full fee paying places for domestic undergraduate students at public universities to ensure that students are able to enter university on the basis of merit and not ability to pay, and providing up to 11 000 additional Commonwealth supported places for domestic undergraduate students by 2011 to replace the full fee paying places

▶ establishing and implementing the Education Investment Fund (EIF), with the first allocations in 2009–10. The EIF will support strategic infrastructure investments in Australia's universities, vocational education and research facilities

▶ considering new mission-based funding compacts with universities, for introduction from 2010. Compacts will be agreements between the government and universities detailing public funding commitments and reciprocal institutional commitments

▶ considering the report of the expert panel leading the Review of Australian Higher Education, which is scheduled to report to government by the end of 2008. Review outcomes will further inform the preparation of the government's higher education policy agenda for the decade ahead.

Report on performance

Outcome 4—Vocational education and training

2

Outcome 4
Vocational education and training

Vocational education and training (VET) is a core sector of Australia's post-school education and training system. It contributes to national productivity by providing Australians with the skills needed to enter the workforce for the first time, to re-enter the workforce, to retrain for a new job and to upgrade from an existing job. People who undertake post-school education and training have higher levels of participation in employment and further education and training and also earn higher levels of income over their lifetimes.

Investments in post-secondary education drive Australia's economic, cultural and social development and enrich the nation. The benefits to Australia include an increased supply of skilled people with attitudes and competencies that support lifelong learning and social inclusion, a more competitive and innovative economy and a better informed society.

Australian Government's aspiration for vocational education and training

One of the government's aspirations for Australia is to have the most innovative, skilled and best trained workforce in the world. The government's major policy statement, *Skilling Australia for the Future*, is designed to ensure that Australian workers have the skills they need and that the number of people participating in the workforce has been maximised. A skilled workforce will be able to maximise Australia's productivity and enable Australian industry to continue to compete effectively in the global marketplace now and in the future.

Skilling Australia for the Future outlines the government's immediate commitment to skills and workforce development and is a roadmap for future reform. The components of the policy have been designed to close Australia's skills gaps by expanding training opportunities in a more responsive VET system.

Australian Government's role in vocational education and training

The Australian Government drives VET policy with funding for the national training system and direct funding of programs and incentives. The two key documents that underpin the national training system are the *Skilling Australia's Workforce Act 2005* and the 2005–2008 Commonwealth-State Agreement for Skilling Australia's Workforce (the Agreement).

The Act sets out the national objectives and goals for VET and its governance, planning, funding and accountability arrangements. The Ministerial Council for Vocational and Technical Education (MCVTE), which is chaired by the Hon Julia Gillard MP, Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion, was established under the Act.

The Agreement sets out the terms and conditions of the Australian Government Specific Purpose Payment (SPP) funding appropriated under the legislation. It recognises that under the Australian Constitution, state and territory governments have primary responsibility for managing their training systems and that a shared commitment by all levels of government is essential to maintain an effective national training system that will deliver high quality, nationally consistent training outcomes. The Agreement is due to expire at the end of 2008.

Through the Council of Australian Government's (COAG's) reform agenda there will be a new Commonwealth-state financial framework from 2009 that will reshape the Agreement, moving from the existing focus on inputs to a clear focus on outcomes. It will be underpinned by a commitment from the Australian Government to fund the delivery of specific projects or incentive payments for facilitating or rewarding broader reforms of national importance.

The new VET Agreement will focus on progressing reform in the sector to enhance the sector's flexibility and responsiveness, improve access to skills for all Australians and strengthen the performance of the national training system. The new framework will enable the training system to deal with the skills lost when people retire or leave the workforce and the growth in demand for higher level vocational qualifications.

COAG established a Productivity Agenda Working Group to drive reform in VET. All governments are working together to improve education and training in Australia and have agreed to a set of definitive targets. For the VET sector these are:

▶ By 2020, the proportion of Australians aged between 20 and 64 years without qualifications at the Certificate III level and above will have been halved.

▶ By 2020, the number of diploma and advanced diploma qualification completions will have doubled.

Key achievements

The key achievements for Outcome 4 in 2007–08 were as follows:

▶ Developed and implemented the Productivity Places Program, thereby fulfilling the government's commitment to make 20 000 new training places available to eligible job seekers by April 2008. These places were the first of 630 000 new training places (including 85 000 apprenticeship opportunities) to be made available over five years to job seekers and existing workers.

▶ Established Skills Australia through the second piece of legislation introduced into Parliament by the new government. Skills Australia is a statutory body that will provide independent, high quality advice to the government on Australia's current and future skills needs.

▶ Collaborated with Industry Skills Councils (ISCs) in expanding their role, as identified in *Skilling Australia for the Future*. The ISCs have a key role in ensuring the relevance of training to industry needs and will be responsible for diagnosing the training needs of employers and brokering new training places, identifying suitable training providers and working with Employment Service Providers to provide training to people re-entering the workforce.

▶ Implemented a national network of Skills and Training Information Centres as one-stop shops to provide advice on skills and training. In order to ensure there is no duplication of government services, the department negotiated with the existing Australian Apprenticeships Centres to expand their role as Skills and Training Information Centres. These arrangements came into effect from April 2008.

▶ Collaborated with states and territories to strengthen partnerships in addressing Australia's skills needs and identify key areas for future reform. This work has been progressed through the COAG Productivity Agenda Working Group and also through the MCVTE and committees of the national training system.

▶ Strengthened quality and consistency arrangements for the VET sector, including by implementing the Australian Quality Training Framework (AQTF) 2007 and a more robust process for development and endorsement of training packages.

▶ Drove reform towards full and effective mutual recognition for trade licences between states and territories. In August 2007 and May 2008, premiers and chief ministers signed ministerial declarations implementing new arrangements for mutual recognition of nine occupations in the motor repair trades and for electrical contractors.

▶ Participated in an international benchmarking study initiated by the Organisation for Economic Co-operation and Development (OECD) to review VET policy and practice in

13 nations. The research results will be released towards the end of 2008 and will provide Australia with quality, independent advice on the responsiveness of the national training system to meet industry and employers' needs.

Key priorities

The key priorities for Outcome 4 in 2007–08 were as follows:

- ▶ implement election commitments, following the federal election, including the development of initiatives in the *Skilling Australia for the Future* policy
- ▶ drive VET reform through COAG and the MCVTE
- ▶ reframe and negotiate a new Commonwealth-State VET funding agreement
- ▶ finalise the 2005–2008 Commonwealth-State Agreement for Skilling Australia's Workforce
- ▶ implement VET FEE-HELP
- ▶ manage reform towards full and effective mutual recognition for trade licences between states and territories
- ▶ implement a national registration, audit and approval function within Technical and Vocational Education and Training Australia to reduce the audit burden on Registered Training Organisations (RTOs) operating in more than one jurisdiction
- ▶ effectively lead the national training system and manage ongoing programs.

Table 4.1

Resources invested in Outcome 4 in 2007–08 ($'000)

Outcome 4	Budget PBS (2007–08) $'000 A	Actual expenses (2007–08) $'000 B	Variation (2007–08) $'000 C = B – A	Budget (2008–09) $'000 D
Administered Expenses				
Vocational Education and Training National Program	41,108	39,002	-2,106	38,870
National Centre for Vocational Education Research Ltd	615	615	-	627
Australian Apprenticeship Centres	168,636	175,964	7,328	181,945
Support for Australian Apprenticeships	677,097	725,033	47,936	746,122
Australian Apprenticeship Workforce Skills Development	376,502	301,940	-74,562	357,530
Australian Apprenticeship Access Program	26,965	22,584	-4,381	26,109
Workplace English Language and Literacy	15,484	14,911	-573	15,102
Language, Literacy and Numeracy	61,772	63,986	2,214	65,102
National Disability Coordination Officers	135	97	-38	-
School of Fine Furniture	689	637	-52	691
Vocational Education and Training Recurrent Funding	1,277,192	1,267,953	-9,239	1,313,235
Fee Help for Vocational Education and Training Courses	2,940	-	-2,940	9,589
Youth Allowance	181,960	174,279	-7,681	178,805
Total administered expenses	**2,831,095**	**2,787,001**	**-44,094**	**2,933,727**
Price of departmental outputs				
Output Group 4.1—Policy Services	39,123	38,271	-852	35,578
Output Group 4.2—Program Management	63,251	59,877	-3,374	57,627
Output Group 4.3—Service Delivery	9,055	9,554	499	8,235
Total departmental expenses	**111,429**	**107,702**	**-3,727**	**101,440**
Funded by				
Revenue from government (appropriations) for departmental outputs	109,920	106,193	-3,727	99,963
Revenue from other sources	1,509	1,509	-	1,477
Total price of departmental outputs	**111,429**	**107,702**	**-3,727**	**101,440**
Total for Outcome 4	**2,942,524**	**2,894,703**	**-47,821**	**3,035,167**
Average staffing level (number)		**467**		**484**

Effectiveness indicators

The department monitors a range of indicators to measure how effectively the government's goals are being met. For Outcome 4, the department monitors employment outcomes, participation, training outcomes and the number of individuals directly assisted. The overall impact of departmental activities should be viewed within the context that outcomes in VET are not controlled solely by the Australian Government, but are achieved in partnership with external stakeholders, particularly state and territory governments, and industry.

Employment outcomes

The impact of post-school education and training is most evident in employment outcomes, which indicate that Australians with post-compulsory qualifications have higher levels of employment than those who do not continue their formal training. The percentage of TAFE graduates employed at the end of the year of completion of training has risen steadily in recent years, from 74 per cent in 2003 to 79 per cent in 2007 (see Chart 4.1).

Chart 4.1
Percentage of TAFE graduates employed at the end of the year of completion of training, by year of completion of training
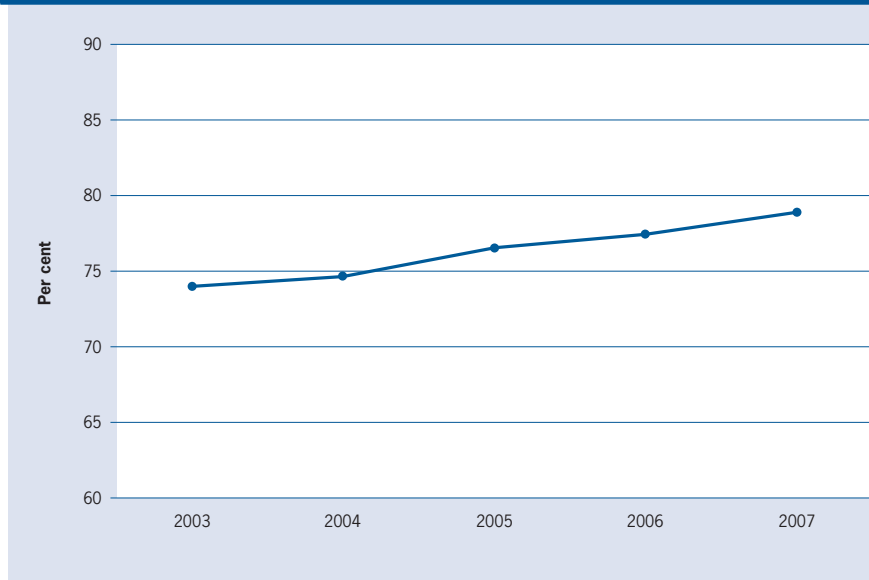
Source: Student Outcomes Survey, 2007, National Centre for Vocational Education Research.

Participation trends

Industry needs skilled people with ever higher levels of qualifications. The number of VET students undertaking Certificate IV or higher level qualifications has increased slightly from 2006 to 2007, though the number is lower than that achieved in 2002. In contrast, the number of VET students undertaking Certificate III qualifications has increased by 25 per cent over the 2002 to 2007 period. There was also a significant increase of 12 per cent in the number of VET students undertaking Certificate I qualification levels. Chart 4.2 illustrates the types of Australian Qualifications Framework qualifications held by VET students and the percentages who hold qualifications and those who do not.

Source: National Centre for Vocational Education Research 2007 Client Cube.

Indigenous participation in vocational education and training

Vocational education and training contributes to the government's social inclusion agenda. The 2005–2008 Commonwealth-State Agreement for Skilling Australia's Workforce facilitates access to training by all Australians, including Indigenous Australians, people with disability, older Australians and those from a non-English speaking background.

The number of Indigenous students undertaking Certificate IV or higher level qualifications increased slightly between 2002 and 2007 but the number of Indigenous students undertaking Certificate I qualifications increased by 38 per cent over the same period. There were also significant increases in the number of Indigenous students undertaking Certificate III qualifications and other qualification levels (32 per cent and 16 per cent respectively). After a decrease in numbers from 2002 to 2003, the number of Indigenous students participating in Certificate II qualifications also increased. Chart 4.3 illustrates the types of Australian Qualifications Framework qualifications held by Indigenous students, and the percentages who hold qualifications and those who do not.

Chart 4.3
Percentage of Indigenous VET students by Australian Qualifications Framework level
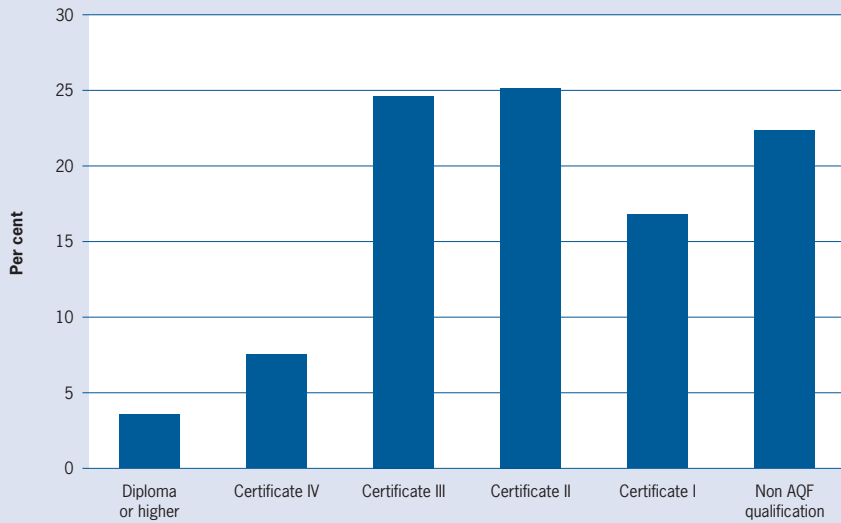
Source: National Centre for Vocational Education Research 2007 Client Cube.

The number of Indigenous students successfully completing Australian Apprenticeships increased by 48 per cent from 2002 to 2007 (see Chart 4.4).

Chart 4.4
Indigenous completions in Australian Apprenticeships
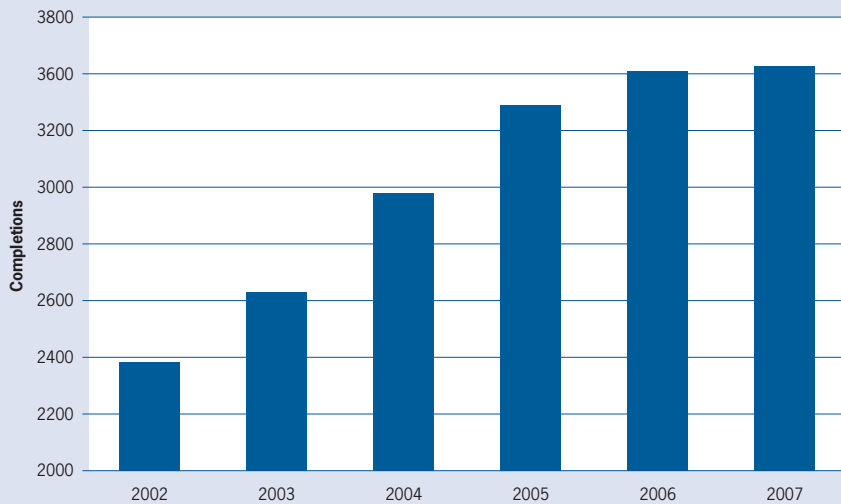
Source: National Centre for Vocational Education Research September 2007 estimates, Australian Apprenticeships collection. The number of completions is for the year ending 30 September 2007.

Performance information for Outcome 4

The department uses a range of performance indicators to measure the impact of its programs and activities. The overall impact of departmental activities should be viewed within the context that outcomes in VET are not controlled solely by the government, but are achieved in partnership with external stakeholders, particularly state and territory governments, and industry.

Vocational education and training

Funding for vocational education and training

The department administers funding to progress the achievement of national priorities for VET, including:

▶ *Skilling Australia's Workforce Act 2005* which seeks to strengthen Australia's economic base by providing a highly skilled workforce that will meet the future needs of Australia. It promotes a national approach to the delivery of VET through collaboration and cooperation between the Commonwealth, states and territories, and industry.

   – Recurrent and capital funds support the ongoing operations of the publicly funded VET system in each state and territory. Recurrent funds provide for operating costs, including salary, program and course delivery costs. Capital funding supports the infrastructure costs of the public training system, including the maintenance of existing buildings and related infrastructure and new buildings and IT platforms.

   – Strategic National Initiatives are projects that have been identified by the MCVTE as requiring a multi-jurisdictional approach to address a significant systemic matter confronting the public VET sector.

   – VET National Programs which support the implementation of the national goals and objectives contained in *Shaping our Future: Australia's National Strategy for VET 2004–2010* and related national priorities.

▶ National Centre for Vocational Education Research (NCVER), which contributes government funding to the NCVER, a national research, evaluation and information organisation that provides data for the VET sector.

Quality in vocational education and training

Individuals and employers must have confidence in the quality of the national training system's qualifications, regardless of where in Australia they are delivered. The MCVTE provides the national focus for VET through the following mechanisms:

▶ National Governance and Accountability Framework, which established the decision-making processes and bodies responsible for training, as well as planning and performance monitoring arrangements

▶ National Skills Framework, which sets out the system's requirements for quality and national consistency for qualifications and the delivery of training

▶ the AQTF, which sets out the requirements for registration and audit of training organisations delivering national qualifications.

The National Quality Council (NQC) was established to ensure national consistency in the sector. It advises the MCVTE on policy matters central to the quality of the national training

system, provides reports on implementation, endorses training packages and oversees some initiatives managed by the department.

The department has collaborated with the NQC in implementing the new AQTF, which came into effect on 1 July 2007. Changes to the AQTF are designed to promote training excellence and encourage RTOs to continually improve the quality of training and assessment, to achieve national consistency in the application of the new model and to ensure the confidence of stakeholders, including employers, industry regulators, and students, in the new quality arrangements.

In 2007, at the request of the MCVTE, the National Audit and Registration Authority (NARA) was established. NARA is a national registration, audit and approval function, and its role is to reduce the audit burden on RTOs by offering eligible training organisations the option of nationally consistent registration and audit against the requirements of the AQTF 2007 Essential Standards for Registration, and approval of training organisations against the requirements of the *Educational Services for Overseas Students Act 2000* and the *National Code 2007*.

In July 2007 the NQC approved a new training package development and endorsement process. An element of the new process, which has been progressively implemented since 1 January 2008, is the development of a Continuous Improvement Plan by each Industry Skills Council (ISC). The plan sets out the changes that need to be made to endorsed components of training packages to enable them to meet the existing and emerging skill needs of industry.

The *Training Package Development Handbook* has been substantially revised to support the new process. The revised handbook, which became available on 1 April 2008, clearly articulates the NQC policy for the development of training packages. Together, the new process and handbook enable the development and continuous improvement of consistent, relevant, quality training products.

National awards in vocational education and training

The national training system recognises, rewards and promotes quality results. The department promotes excellence in achievement through its management of high profile national awards, including the Minister's Awards for Excellence and the Australian Training Awards.

The department organised the 2007 Australian Training Awards and Minister's Awards for Excellence, and planning is well in hand for the 2008 events. The 2008 Minister's Awards for Excellence will be presented in Canberra on 4 September 2008 and the Australian Training Awards will be presented in Darwin on 20 November 2008.

In 2007–08 the department worked with the Institute for Trade Skills Excellence to promote the quality of trade skills training, and the status and profile of a career in the trades. The Institute's 'Star Rating Scheme' recognises excellence in the delivery of training in trade areas with identified skills shortages, and was officially launched in October 2007. Through the scheme, the institute presents awards to high-performing trades faculties within registered training organisations for their trades training.

Council of Australian Governments and vocational education and training

In December 2007, COAG agreed to establish a new partnership for Commonwealth-State funding by moving away from prescriptive conditions imposed by the Commonwealth to outcomes-based accountability.

The new Commonwealth-State financial arrangements will provide the states with the flexibility they need to efficiently deliver high quality services, while ensuring that the appropriate level of government is accountable to the community for the money they spend and the services they

deliver. In addition, the Commonwealth will provide National Partnership payments to reward those jurisdictions which deliver on specific, nationally significant reforms.

To pursue the substantial productivity reform agenda, COAG convened the Productivity Agenda Working Group, chaired by the Minister, to oversee reform in the sector and to oversight the development of the new SPP agreements and National Partnership arrangements.

The funding framework will be considered by COAG at its meeting on 2 October 2008 and the final funding package will be considered in December 2008 for implementation from 1 January 2009.

All aspects of the arrangements will be endorsed and actively monitored through a reinvigorated COAG process, including a new COAG Intergovernmental Agreement to underpin the new agreements. The COAG Reform Council—an independent body jointly funded by the Commonwealth and the states—will have a new and expanded role in bringing performance information for SPPs together and providing public analysis, including examples of best practice.

Skilling Australia for the Future

Skilling Australia for the Future will increase and deepen the skills capacity of the Australian workforce and ensure it reflects the demand for training from individuals and businesses. It is designed to ensure that Australia's training system is driven by individual and business demand, thereby providing graduates with more relevant qualifications and a much better chance of securing a job. It will also provide industry with the skilled workforce that it needs. The key components of the strategy are:

Skilling Australia for the Future			
630 000 new training places	Skills Australia	Strengthened Industry Skills Councils	Skills & Training Information Centres

► Productivity Places Program is providing 630 000 new training places over five years to drive productivity growth, increase workforce participation and address skills shortages through more training places in a better quality competitive training system. The first 20 000 new training places were made available to Australians from April 2008, following a significant effort by the department in developing and implementing the program.

► Skills Australia is a new independent body of seven members with expertise in areas like economics, industry, academia and education and training. It will provide advice to government on current and future skills needs. The department developed legislation to create Skills Australia through what was the second piece of legislation to be enacted by the new Parliament in early 2008.

► Funding for ISCs to expand their role in workforce development and in the training system. ISCs will provide integrated industry intelligence and advice to Skills Australia, and advise enterprises on the workforce development and skills needs in their industry sector. They will support the development and implementation of workforce development products and services, and work with employment service and training providers to access appropriate training in areas of identified need. The department is working with ISCs to support them in developing their capability to manage their new roles.

► Skills and Training Information Centres will benefit Australian business, employers and individuals by providing a one-stop shop for information and assistance in skills

development. The department negotiated and worked with the existing network of Australian Apprenticeships Centres to expand their role, and the new arrangements came into effect in April 2008.

Australian Apprenticeships

Australia's apprenticeship system is a national training pathway that offers opportunities to people to concurrently train, study and earn an income in over 500 careers. It is a significant source of skilled workers, particularly in trades occupations. At the end of 2007, there were 405 529 people in training through the program.

The *Skilling Australia for the Future* policy acknowledges the crucial role that apprentices play in building Australia's skills base and provides an additional 85 000 new Australian Apprenticeships as part of the commitment to provide 630 000 new training places over five years. The policy commits to an increased focus on quality, relevant training plans and lifting apprenticeship completion rates, and also establishes a national network of Skills and Training Information Centres—one-stop shops across Australia where employers and individuals can obtain skills information and assistance.

The department invests significant effort in the day-to-day management, monitoring and reporting of the Australian Apprenticeships program. In addition to employer incentives, the program provides a range of entitlements that benefit eligible individual apprentices, including Tools For Your Trade, the Commonwealth Trade Learning Scholarship and Living Away From Home Allowance.

Eligibility for additional entitlements is usually limited to occupations with skills shortages. The department developed and implemented the National Skills Needs List from 1 July 2007. Based on research conducted by the department, the National Skills Needs List identifies trades that are deemed to have a national skills shortage.

Information systems supporting the Australian Apprenticeships program were modified to support Apprenticeship Wage Top-Up, Support for Mid-Career Apprenticeships and Apprentice Training Vouchers initiatives. A system was developed to support the delivery of job seeker places under the Productivity Places Program.

Targeted skills assistance for individuals

The 2005–2008 Commonwealth–State Agreement for Skilling Australia's Workforce facilitates access to training by all Australians, including Indigenous Australians, people with disability, older Australians and those from a non-English speaking background. The department also provides direct assistance for skills development through targeted programs.

Language, Literacy and Numeracy Program

The Language, Literacy and Numeracy Program aims to improve eligible job seekers' English language, literacy and numeracy skills to assist them to secure sustainable employment or to participate in further education and training. It is widely recognised that gains in language, literacy and numeracy skills will also improve the quality of participants' daily lives.

The program provides initial, basic and advanced English language training, including some vocationally specific courses, as well as basic and advanced literacy and numeracy training. Face-to-face training services are delivered by 40 organisations from more than 350 sites around Australia, and services are also available by distance education anywhere in Australia. Complementary training, which targets disadvantaged client groups, including Indigenous people, humanitarian youth immigrants, people with disability, young males and isolated female clients, can be used to deliver flexible and innovative training that parallels existing language, literacy and numeracy training courses.

Workplace English Language and Literacy Program

The Workplace English Language and Literacy Program provides funding to assist enterprises to provide workers with English language, literacy and numeracy skills to help them meet their current and future employment and training needs. It targets workers with low literacy skills and integrates language, literacy and numeracy training into units of competency from an industry-specific endorsed training package, or workplace training that is required to obtain licences, certificates or other mandatory qualifications. Through this program, the government provides seed funding to encourage employers to invest in this type of training. Funds may also be used for the development of training resources, and strategic projects with a national focus, to encourage industry involvement in language, literacy and numeracy matters.

Australian Apprenticeships Access Program

The Australian Apprenticeships Access Program assists disadvantaged job seekers who experience barriers to skilled employment to obtain and maintain an Australian Apprenticeship or to take advantage of other employment and further education and training opportunities. Participants receive nationally recognised vocational training that is linked to an Australian Apprenticeship pathway, job search assistance and support once they are placed in employment.

Income support for individuals

Youth Allowance, Austudy and ABSTUDY provide significant assistance (around $2 billion per year) for students from low income and Indigenous backgrounds to participate in full-time education, training or an Australian Apprenticeship. Based on the number of income support recipients, it is estimated that VET students received $360 million in income support in 2007–08.

At June 2008, 40 838 VET students were in receipt of Youth Allowance, 11 753 VET students were in receipt of Austudy and 5061 VET students were in receipt of ABSTUDY. This included 5300 Australian Apprentices who were in receipt of income support. Of the Youth Allowance recipients, 24 874 (60.9 per cent) were assessed as dependent and 15 964 (39.1 per cent) as independent; that is, not dependent on parents and therefore not subject to the parental means test. Around 57.0 per cent of independent recipients achieved independent status through workforce participation.

As at June 2008, 30.2 per cent of full-time VET students in receipt of Youth Allowance had private earnings. Average earnings per fortnight for those recipients were around $368. In the same period, 92 per cent of Australian Apprentices had private earnings, with average earnings of around $569 per fortnight.

Youth Allowance, Austudy and ABSTUDY are demand-driven programs and all eligible recipients receive assistance. This means that in considering performance, for example, the estimates shown in Table 4.2 are not targets but indicate expected demand.

Administered activities

Table 4.2

Performance in delivery of administered outputs for Outcome 4

Performance indicator	Estimate	Actual
Skilling Australia's Workforce Act 2005		
Number of VET students	1 700 900	1 665 018
Annual Hours Curriculum[a]	272 million	390 million
Australian Apprenticeship Centres		
Number of Centres (Note that this indicator, estimate and actual also covers 'number of organisations contracted to provide services' under Support for Australian Apprenticeships)	29	28
Number of Australian Apprentice commencements	265 300	276 222
Number of Australian Apprenticeship completions	141 500	145 714
Support for Australian Apprenticeships		
Total number of employers assisted nationally	73 000	90 192
Total number of Australian Apprentices assisted nationally through Personal Benefits	62 900	104 615
Australian Apprenticeships Access Program		
Number of eligible job seekers assisted	9500	9687
Australian Apprenticeship Workforce Skills Development		
Group Training in the Trades Program (GTTP)		
▶ Number of school-based apprentices supported in trade areas	2700	2533
▶ Number of pre-vocational places supported in trade areas	1700	2021
Targeted Initiatives Program (TIP)		
▶ Number of Group Training Organisations (GTOs) supported	11	30
▶ Number of apprentices through GTOs:		
– commencements	97	274
– completions	677	504
▶ Number of Australian Apprentices in state/territory sub-programs	22 000	21 869
▶ Number of tool kit vouchers issued	42 700	52 322
▶ Number of Skills Vouchers[b]:		
– Work Skills	25 000	61 024
– Business Skills	2100	702
Workplace English Language and Literacy		
Number assisted through Workplace English Language & Literacy (WELL) program	18 500	16 558[c]
Language, Literacy and Numeracy		
Number assisted through Language, Literacy and Numeracy program (LLNP)	20 450	17 205
ABSTUDY[d]		
Number of students attending a TAFE College or Private training institution receiving ABSTUDY	12 000	9852
Youth Allowance[e]		
Number of students attending a TAFE College or Private training institution in receipt of Youth Allowance as at 30 June	28 000	40 838
Austudy		
Number of students attending a TAFE College or Private training institution in receipt of Austudy as at 30 June	6000	11 753

a Annual hours curriculum are based on nominal hours for each subject and represent the anticipated hours of supervised training under a traditional delivery strategy.

b The Australian Skills Vouchers Program concluded with effect 31 March 2008.

c   This number does not include individuals assisted through 278 employer projects which were funded to
     benefit employees.

d   The number of ABSTUDY recipients is reported on a 'during the year' basis and refers to calendar year 2007
     while the number of Youth Allowance and Austudy recipients is reported as at June each year and refers
     to June 2008. In future, the number of ABSTUDY recipients will be reported as at June each year to bring
     reporting in line with that used for Youth Allowance and ABSTUDY. Note there were 5061 ABSTUDY recipients
     in vocational education and training measured on a 'point in time' basis at June 2008.

e   The actual number of VET students receiving income support as at June each year differs from estimates
     presented in the PBS 2007–08 due, in part, to improved attribution of income support recipients across
     sectors. Note also that there are a small number of 'other' income support recipients not attributed to any
     sector.

Departmental outputs

The department's Outcomes and Outputs Framework provides for five departmental outputs:
administration, policy advising; ministerial and parliamentary services; research, analysis and
evaluation; and service delivery. The performance indicators for these outputs are published in
Table 3.3.2C in the former DEST Portfolio Budget Statements 2007–08.

Table 4.3

Performance in delivery of departmental outputs for Outcome 4

Performance indicator	Estimate	Actual
Program management		
Quality		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	95.12% of payments were made within the 30 day government timeframe for the financial year 2007–08
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	All programs met administrative targets
Lead reform of the national training system as agreed by COAG and priorities identified by the MCVTE	Initiatives implemented in accordance with COAG and MCVTE timelines	Development of new agreement is progressing within the parameters and timeframes established by COAG
Encourage a shared commitment under the *Skilling Australia's Workforce Act 2005* between the Australian Government and state and territory governments to promote a national approach to the delivery of vocational education and training through collaboration and cooperation	The multilateral agreement and a bilateral agreement is in force between the Australian Government and each state and territory government The Australian Government Minister has approved the annual VET Plan submitted by each state and territory government	The multilateral agreement and a bilateral agreement was in force between the Australian Government and each state and territory government The Australian Government Minister approved the annual VET Plan submitted by each state and territory government
Annual National Report of the Australian Vocational and Technical Education System is tabled in the Australian Parliament	Annual National Report is tabled in the Australian Parliament by October 2007	The Annual National Report was tabled in the Australian Parliament in June 2008
Timeliness of parliamentary reports (including interim responses where appropriate) provided to Parliament and its committees	At least 90% meet deadline	It is estimated that at least 90% met their deadline

Performance indicator	Estimate	Actual
High quality ministerial replies as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from Ministers and the Parliamentary Secretary to the Secretary Analysis of trends over time to monitor percentage delivered within agreed timeframes	Satisfied[a]
Client satisfaction		
High quality delivery of Australian Apprenticeships Support Services, Australian Apprenticeships Centres as measured by satisfaction surveys undertaken in 2007 and 2008	At least 85% satisfaction by employers and Australian Apprentices	91.3% of employers and 94.8% of Australian Apprentices were satisfied with the services they received from their Australian Apprenticeships Centres in 2007
Policy services		
Quality		
High quality policy advice as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from ministers and the Parliamentary Secretary to the Secretary	Satisfied[a]
High quality research and evaluation reports as measured by the level of satisfaction of ministers and the Parliamentary Secretary with the quality and timeliness of the reports	Qualitative evaluation of satisfaction using feedback to the Secretary from ministers and the Parliamentary Secretary	Satisfied[a]
Research activities are completed according to plan	At least 90% completed to plan	At least 90% were completed to plan
Service delivery		
Quality		
Satisfactory services as reported by Centrelink through the timely processing of ABSTUDY, Austudy, Youth Allowance, Assistance for Isolated Children claims	Services provided in accordance with DEEWR–Centrelink Business Partnership Agreement	Centrelink's performance against the key indicators sets out in the DEEWR–Centrelink Business Partnerships Agreement (BPA) was satisfactory for these programs. These include the accuracy and timeliness of payments and the number of people referred to DEEWR programs

a   During the year ministers, parliamentary secretaries and their staff provided feedback on the level of satisfaction with departmental advice during regular meetings with the department and, in some cases, by rating briefs according to a five-point scale, with five being the maximum. Overall feedback from ministers, parliamentary secretaries and their staff confirmed that they recognise the significant efforts being made by departmental staff and are generally satisfied with the quality of briefings. Note that these satisfaction levels incorporate feedback for the former departments, DEEWR, and the youth and early childhood and child care functions from FaHCSIA.

Establishing Skills Australia

Skills Australia was established as part of the *Skilling Australia for the Future* policy election commitment announced in September 2007. Under the policy, Skills Australia would be established as an independent statutory body to advise government on Australia's current, emerging and future workforce skills needs and workforce development needs.

In recognition of the urgent need to address the skills gap, the government fast tracked the establishment of Skills Australia. The department worked quickly to draft the legislation and the Hon Julia Gillard MP, Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion, introduced the Skills Australia Bill into Parliament on 13 February 2008. Reflecting its importance, the Skills Australia Bill was the second piece of legislation introduced by the new Government.

The *Skills Australia Act 2008* received Royal Assent on 20 March 2008. The Act established the operational arrangements to support the independent body and specified that members, appointed by the Minister, are, between them, to have experience in academia, education and training, economics and industry.

The Minister announced the members of Skills Australia on 17 April 2008. The eminent group comprises Mr Philip Bullock (Chair), Professor Gerald Burke, Ms Sharan Burrow, Dr Michael Keating AC, Ms Marie Persson, Mrs Heather Ridout and Mr Keith Spence.

Skills Australia will provide advice to the Government on addressing skill shortages and driving ongoing reforms to the education and training system. Skills Australia will analyse existing information, identify areas where more research may be required, and talk to key individuals and organisations across Australia, synthesising their rich experience and ideas with their own findings to provide comprehensive, evidence-based advice to the Minister.

Departmental staff worked tirelessly in a short period to prepare for the first Skills Australia meeting. The first meeting, held on 28 May 2008 in Parliament House, was opened by the Prime Minister, the Hon Kevin Rudd MP, and the Minister.

The Skills Australia Secretariat is now fully staffed and is providing significant support to the independent body.

(L to R): Mr Keith Spence, Ms Marie Persson, Dr Michael Keating AC, Mrs Heather Ridout, Mr Philip Bullock (Chair), Ms Sharan Burrow and Professor Gerald Burke.

Vocational education and training

Report on Performance

2

OECD Policy Review of VET and Systemic Innovation Study, Australian country visit

In early April 2008, the department hosted two delegations from the OECD. The delegations were in Australia to review the VET system and provide independent and credible advice on how Australia's VET system compares with other systems internationally in delivering the skills industry needs.

The delegations met with decision makers, employer organisations and peak unions; and visited a range of providers and research facilities throughout Australia. The visits also included a research forum (hosted by the department and organised by the National Centre for Vocational Education Research) and a providers' roundtable (hosted by the department and organised by TAFE Directors Australia).

The research forum brought together VET researchers from across Australia to provide their perspectives on the Australian VET system and provide research and evidence to the OECD.

The providers' roundtable brought together representatives from the public and private sectors to provide their perspectives on the VET system and make recommendations for the future of training.

The OECD provided DEEWR with positive feedback on the high level of organisation and engagement in the lead up to and during the country visit. The reports from the review and systemic innovation study are due at the end of 2008.

Outlook for 2008–09

Vocational education and training has a significant role to play in the government's productivity, participation and social reform agenda. The shared governance arrangements position the sector ideally to progress collaborative federalism.

The skills system is ripe for reform, especially in responding to industry's need for a more highly skilled workforce and higher level qualifications. Closer collaboration with the states and territories provides an opportunity to respond to Australia's needs and cooperatively target our interventions to remove duplication, whilst continuing to provide individuals with quality and consistency.

In the year ahead the department will bed down the new skills agenda and implement further aspects of it. The Productivity Places Program provided 20 000 new training places from April 2008 to Australians seeking skills to obtain employment. From 1 July 2008, the program will be expanded, with a further 110 000 new places being made available for job seekers and those already in the workforce. These new places are at higher qualification levels and will specifically address the future and emerging needs of industry. The allocation of those places will be based on information from the ISCs and the expert analysis of Skills Australia.

The detail of the department's role and functions will largely depend on the outcomes of further reform through COAG. The current funding agreement with states and territories will expire at the end of 2008. Whilst we have some knowledge of the changes to the Commonwealth–state financial framework from 2009, the content of the proposed VET Agreement is not yet clear. The final arrangements will impact on the department and the sector.

Similarly, the outcomes of COAG's Productivity Agenda Working Group will directly impact on both the department and the sector.

Our management of ongoing programs and responsibilities, including governance and quality arrangements for the sector, will continue to be a high priority for us.

It is very clear that the department will be working in closer partnership with states and territories and industry to ensure a responsive, nationally consistent training system. Our joint endeavour will be to address skills shortages by increasing the productivity of and participation in the Australian workforce.

Report on performance

Outcome 5—Transitions and youth

2

Outcome 5
Transitions and youth

In 2008 the Council of Australian Governments (COAG) agreed that there should be a focus on increasing the proportion of young people making a smooth transition from school to work or further study, and an increase in the proportion of adults who have the skills and qualifications needed to enjoy active and productive lives.

The objectives agreed by COAG include lifting Year 12 or equivalent attainment rates to 90 per cent by 2020. The department supports this objective by administering existing programs and through new initiatives designed to engage and encourage young Australians to reach their full potential.

Career Advice Australia continues to deliver coordinated career development and transition support services for young Australians aged 13 to 19 years through national, regional and local networks. The Trade Training Centres in Schools Program (which is reported under Outcome 2) will give senior secondary students more opportunity to undertake trades-related education and training in schools.

The Enterprise and Career Education Program supports the development of quality enterprise education, career education, vocational learning and transition support for school students through a range of strategic initiatives. The Australian Youth Forum will establish formal communication between young people and the government. The Office for Youth will be established to identify opportunities to improve the integration of policy and programs which impact on young people.

New initiatives

Preliminary work commenced on three new programs to support the government's Education Revolution:

► The Mentors for our Students pilot program is designed to connect young people with recently retired trades people and professionals acting as mentors.

► The On-the-job training program will allow students in years 9 to 12 who are participating in vocational education and training in schools to access 20 days on-the-job training.

► The Job Ready Certificate will recognise the achievement of work related skills through secondary education, providing employers in business and industry with information about employability.

Key achievements

The key achievements for Outcome 5 in 2007–08 were as follows:

▶ In 2007 there were 87 745 placements under the Structured Workplace Learning program.

▶ In 2007, 22 694 secondary students participated in 1069 Adopt a School projects across 1219 schools, an increase of 30 per cent on the previous year.

▶ In 2007, 2548 secondary schools accessed career development and transition support services in their local areas. This equates to about 85 per cent of all secondary schools.

▶ The number of participants in Youth Pathways increased by 57 per cent to 30 286. Of those who participated in 2007, and for whom an outcome is known after they left the program, almost 75 per cent remained in or returned to school, approximately 11 per cent were in other education or training and around 7 per cent were participating in other productive activities. The cohort for whom a known outcome is recorded represents 72.5 per cent of the total for 2007.

▶ In 2007, the Career Education Lighthouse Schools project engaged around 6000 students, 900 teachers, 2200 parents and 1200 employers in career education activities.

▶ Services under the Connections program are now established in 55 regions across Australia, with a further five regions to be filled.

▶ The new Certificate IV in Career Development was recognised by the National Quality Council. Learning guides for the certificate can be downloaded free from the internet. Some 183 applications were received from career advisers for the 2008 scholarship round, more than in previous years. Four Study Scholarships and 32 Industry Placement Scholarships were recommended for 2008.

▶ Forty-seven projects were completed under the Enterprise Learning for the 21st Century initiative and an evaluation was completed.

▶ The 2007 Australian Vocational Student Prize recognised 442 outstanding students, with 19 students selected to receive the prestigious 2007 Prime Minister's Award for Skills Excellence in School.

▶ The Ministerial Council on Education, Employment, Training and Youth Affairs approved funding to support further work on the Australian Blueprint for Career Development, including the creation of professional development resources.

▶ National Career Development Week (2–8 June 2008) managed by the Career Industry Council of Australia, attracted over 550 registrations, representing nearly 1000 activities across Australia, and an estimated 500 000 attendees.

▶ In 2008, over 362 000 *Job Guide* books, in six state and territory versions, were published and distributed to almost 280 000 Year 10 students, their career teachers and others in 2662 secondary schools.

▶ The Sunshine Coast Regional Underground Film Festival for Young People incorporated workshops, forums, screenings and a film making competition to encourage young people to explore issues that affect them by using film and art. Over 2000 young people attended the workshops and film screenings in June 2008.

▶ National mentoring benchmarks have been developed for service providers under the Mentor Marketplace program.

▶ In 2007–08 over 1500 young Australians received assistance through the Transition to Independent Living Allowance program. This is the highest number of recipients since the program's inception in 2002–03.

Key priorities

The key priorities for Outcome 5 in 2007–08 were as follows:

► implementing the government's election commitments, in particular:

– extending programs such as Youth Pathways and Connections

– developing the Australian Youth Forum as a Commonwealth initiative to engage young people

– managing the 2020 Youth Summit

► to work with the newly appointed Minister for Youth to raise the profile of youth across government and re-engage with states and territories on youth matters

► continuing to deliver key youth engagement programs—YouthLinx, Mentor Marketplace and the Transition to Independent Living Allowance

► supporting the development of quality enterprise education, career education, vocational learning and transition support for school students

► working collaboratively with states and territories and education authorities to support the COAG objectives to increase the numbers of young people successfully transitioning from school to work and/or further education.

Table 5.1

Resources invested in Outcome 5 in 2007–08 ($'000)

Outcome 5	Budget PBS (2007–08) $'000 A	Actual expenses (2007–08) $'000 B	Variation (2007–08) $'000 C = B – A	Budget (2008–09) $'000 D
Administered Expenses				
Careers, Transitions and Partnerships	110,858	106,125	-4,733	126,094
Career Planning	5,355	5,124	-231	3,949
Youth Engagement	1,507	2,728	1,221	14,722
Total administered expenses	**117,720**	**113,977**	**-3,743**	**144,765**
Price of departmental outputs				
Output Group 5.1—Policy Services	7,873	8,501	628	8,983
Output Group 5.2—Program Management	18,497	19,076	579	20,677
Output Group 5.3—Service Delivery	3,777	2,830	-947	4,309
Total departmental expenses	**30,147**	**30,406**	**259**	**33,969**
Funded by				
Revenue from government (appropriations) for departmental outputs	29,217	29,476	259	33,336
Revenue from other sources	930	930	-	633
Total price of departmental outputs	**30,147**	**30,406**	**259**	**33,969**
Total for Outcome 5	**147,867**	**144,383**	**-3,484**	**178,734**
Average staffing level (number)		**194**		**228**

Effectiveness indicators

Table 5.2
Effectiveness indicators for Outcome 5

Transitions to Work and Education

Trends in number of students participating in vocational and technical education in schools

▶ This effectiveness indicator can also be found in Outcome 2 however data is not yet available.

Trends in full-time student enrolments and number of Australian School-based Apprenticeships at Australian Technical Colleges

▶ The existing funding agreements with 24 Australian Technical Colleges will be honoured until their expiration on 31 December 2009. The department is working with the colleges to consider how they can best be integrated into the broader education and training effort.

Performance information for Outcome 5

Careers, transitions and partnerships

The networks supported by Career Advice Australia partner with industry, schools and the broader community to assist young people make successful transitions through school to further education, training and employment.

Local Community Partnerships

Local Community Partnerships assist young people at local levels in their transition through school by providing connections with schools, professional career practitioners, parents, other youth service providers and business to improve access to quality career information, career development and experiential learning opportunities. Local Community Partnerships are supported by a nation-wide network of regional industry career advisers who provide locally based career information and advice, and national industry career specialists who provide industry sector–specific information.

The following three programs, delivered by local community partnerships, facilitate industry involvement in school career education and support transitions.

Structured Workplace Learning program

The Structured Workplace Learning program develops employment related skills for young people. Work placements provide students with a broad understanding of the world of work and give them opportunities to develop technical and general employability skills. In many cases, students are also given the opportunity to gain recognised qualifications while they train and learn. Employers, schools and registered training organisations conduct a skills assessment at the conclusion of the work placements, which allows students to achieve nationally recognised competencies.

Adopt a School

The Adopt a School program provides hands-on learning experiences for students with businesses in particular industry sectors.

Career and Transition Support

The Career and Transition Support program assists young people to access local career development and transition support services.

Career Education Lighthouse Schools Project

The Career Education Lighthouse Schools Project, which is delivered through Local Community Partnerships, provides funding to schools to develop and highlight good practices in delivering career education; and to share the outcomes with other schools, teachers, careers advisers and wider networks.

Support for young people disconnected or at risk of disconnecting from education

Youth Pathways

The program provides support for young people most at risk of not completing Year 12 or its equivalent and of not progressing to further education, training or employment. It also assists young people with mental health problems to remain in education or re-engage with education services.

Connections program

The Connections program aims to assist disconnected young people aged 13 to 19 years to re-engage with education in a supportive environment and provide them with the ability to participate in further education, training or employment. The program aims to assist about 3000 young people annually through 60 services across Australia.

Support for career advisers to improve their skills

Funding is provided under Career Advice Australia to improve the standard of career development services and the standing of career practitioners. Learning guides were prepared for the new entry-level qualification, Certificate IV in Career Development, and scholarships offered to career advisers to enable them to undertake further study or industry placements.

Enterprise and Career Education Program

The Enterprise and Career Education Program funds initiatives that build enterprise and employability skills and support career information and career development activities in schools. The <www.myfuture.edu.au> national career website assists Australians of all ages with information about careers. The *Job Guide* book is distributed to all Year 10 students to assist them with subject choice and career decision making.

Enterprise Learning for the 21st Century

The Enterprise Learning for the 21st Century initiative is funding businesses, industry, education and community organisations to undertake innovative projects that support young people to build their enterprise skills, think creatively and reach their full potential. Lead organisations for national projects include the Australian Principals Associations Professional Development Council, Business Educators Australasia Inc and Young Achievement Australia.

Australian Vocational Student Prize

The Australian Vocational Student Prize is the vocational equivalent of the Australian Student Prize for academic achievement—reported in Outcome 2. Each year, it rewards up to 500 Year 12 students who are selected for demonstrating exceptional skill, commitment and achievement while participating in a VET in Schools program or an Australian School-based Apprenticeship. The most exceptional recipients are selected to receive the Prime Minister's Award for Skills Excellence in School.

Career development initiatives

The department collaborates with states and territories on the myfuture website and the Australian Blueprint for Career Development initiative, to raise the community's awareness of the importance of career development skills and to provide a continuing focus on producing career information for all Year 10 students.

Youth

The department gained responsibility for youth affairs following the machinery of government changes in late 2007. The position of a Federal Minister for Youth was re-established and the new government signalled a renewed focus on youth affairs.

2020 Youth Summit

The 2020 Youth Summit was held in Canberra over the weekend of 12–13 April 2008. The Youth Summit brought together 100 young Australians from around the country—around 1300 applied—to engage in discussions about the nation's future directions leading up to the Australia 2020 Summit, which was held the following weekend.

Youth Summit delegates produced a communiqué which was presented to the Hon Kevin Rudd MP, Prime Minister, to take to the Australia 2020 Summit. Attachments to the communiqué contained 39 well-developed ideas, including the top 10 ideas for each of the 10 critical areas of discussion.

The Hon Kate Ellis MP, Minister for Youth, addressing the 2020 Youth Summit in Canberra on 12 April 2008.

Office for Youth

The department is establishing the Office for Youth, which will identify opportunities for better integration of policy and program settings across the government and monitor the impacts of these on young people. Through early engagement in the policy development process, it will ensure that the government's investment in young people is evidence-based, strategic, coherent and effective. The Office will be operational in 2008–09.

Australian Youth Forum

The department is working to scope and establish the Australian Youth Forum. The forum will be the mechanism for formal communication between the government, young people and the youth sector.

Public consultations on the model for an Australian Youth Forum demonstrated meaningful re-engagement with the youth sector. Over 1000 individuals and youth organisations contributed their views and ideas for the structure and operations of the forum. Results from the consultations will inform the development and establishment of the forum which will be operating in 2008–09.

In addition to these new initiatives, the department develops youth policy, undertakes research and manages programs to promote the engagement and greater participation of young people. The Youth Bureau develops and supports initiatives which raise the profile and positive image of young people. The department also oversees investment in research to support policy development through the National Youth Affairs Research Scheme, the Australian Research Council Linkage Research projects and the Australian Clearinghouse for Youth Studies.

The department manages the following national programs.

YouthLinx

The YouthLinx program targets young people living in disadvantaged areas who are at risk of disconnecting from their families, schools and communities. The program delivers a wide range of after school, weekend and school holiday activities to young people aged 11 to 16 years to build self-reliance, strengthen family relationships and encourage community involvement.

YouthLinx also provides practical support and guidance, including advocacy, referral and information, skill development and practical assistance, to young people and their families by helping them to deal with issues affecting their family wellbeing.

Mentor Marketplace

The Mentor Marketplace program assists young people aged 12 to 25 years, including those in foster care, young carers, Indigenous youth, the disabled and young people from other disadvantaged groups and localities, who are separated or at risk of separating from families, communities, education, training and work. The National Youth Mentoring Partnership supports a network of youth mentoring practitioners.

Transition to Independent Living Allowance

An allowance is available to young people aged between 15 and 25 years who have exited or are about to exit state-based care and/or informal care such as juvenile justice, out-of-home care, foster care, supported care or Aboriginal or Torres Strait Islander kinship care arrangements. The program is administered nationally by Southern Youth and Family Services in Wollongong, New South Wales.

Youth and Schools Summits

A central part of the 2020 Youth Summit process was the inclusion of young Australians in the conversation about our country's future. The department devised and delivered a 2020 Youth Summit and a series of schools summits so that young Australians could engage and contribute to the 10 critical areas for discussion.

On 12–13 April the 2020 Youth Summit brought together 100 young Australians aged between 15 and 24 years to consider the 10 key themes for Australia 2020. A communiqué, including the 2020 Youth Summit top 10 ideas, was presented to the Prime Minister and delegates at the Australia 2020 Summit the following weekend. Eleven Youth Summit delegates and the Co-chair attended the Australia 2020 Summit to champion these ideas. A steering committee of young Australians worked with the department to develop the program and papers, and to select participants from over 1300 applications.

Over the three weeks leading up to the Youth Summit, schools across Australia were invited to hold their own summits addressing the ten key themes for Australia 2020. More than 500 schools took up the invitation and held summits with pupils from Years 5 to 12. Working with teachers across these age groups, the department developed conversation starters and discussion guides for schools to lead their summits. Ideas and suggestions from the schools summits were collated and fed into the *Voices of the Future* report which was presented to the Youth Summit by the Hon Julia Gillard MP, Deputy Prime Minister.

Table 5.3

Performance in delivery of administered outputs for Outcome 5

Performance indicator	Estimate	Actual
Careers, transitions and partnerships		
Number of young people supported through:		
▶ Youth Pathways	25 500	30 286[a]
▶ Connections (formerly known as Partnership Outreach Education Model)	3000	1743[a]
▶ Structured Workplace Learning	65 000	78 927[a]
Number of schools supported through:		
▶ Career and Transition Support	3128	2548[a]
▶ Adopt a School	1000	1219[a]
Number of students supported through Adopt a School	16 000	22 694[a]
Regional Industry Career Advisers (RICA) Network:		
▶ Number of contracts	57	57[a]
▶ Number of service regions	57	57[a]
Number of industry sectors with contracts in place to deliver National Industry Career Specialist (NICS) Network services	10	10[a]
Disability Coordination Officers[b]		
Number of Disability Coordination Officers funded (FTE)	11.5	16.5
Mentor Marketplace		
Number of young people assisted	3200	2560
Transition to Independent Living Allowance (TILA)		
Number of young people accessing TILA	1300	1504
YouthLinx		
Effectiveness—Adequacy		
Percentage of young people and YouthLinx service providers reporting positive outcomes from participation in YouthLinx activities	85%	92%
Percentage of young people, young peoples' families and YouthLinx service providers reporting positive outcomes from contact with YouthLinx for family support services	85%	86%
Quantity		
Number of contacts with young people through YouthLinx activities	250 000	297 496
Number of families engaged through YouthLinx family support[c]	10 000[d]	15 604
Number of young people engaged through YouthLinx family support activities	20 000[d]	49 041

a   Local Community Partnerships, Youth Pathways and Connections figures reflect the 2007 calendar year due to the reporting systems used. Note that Connections commenced in April 2007.

b   Funded positions from June to December 2007 only. Program replaced by the National Disability Coordination Officer programs from 1 January 2008.

c   The current guidelines for Youthlinx family support allow for flexibility in assessing engagement.

d   Updated in the DEEWR Portfolio Budget Statements 2008–09.

Departmental outputs

Table 5.4

Performance in delivery of departmental outputs for Outcome 5

Performance indicator	Estimate	Actual
Program management		
Quality		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	All programs made payments in accordance with administrative targets set by quality assurance processes
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Payments made by all programs were accurate and met relevant administrative targets
Timeliness of Parliamentary reports (including interim responses where appropriate) provided to Parliament and its Committees	At least 90% meet deadline	At least 90% were completed to plan
High quality Ministerial replies as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the replies.	Qualitative evaluation of satisfaction using feedback from the Ministers and Parliamentary Secretary to the Secretary Analysis of trends over time to monitor percentage delivered within agreed timeframes	Satisfied[a]
Number of contracts/service agreements under management	241	128[b]
Service agreements/contracts that meet legislative, government policy and departmental requirements in place with all service providers	100 per cent	All service providers are engaged under service agreements/contracts that met legislative, government policy and the requirements of DEEWR
Policy services		
Quality		
High quality policy advice as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from the Ministers and Parliamentary Secretary to the Secretary	Satisfied[a]
High quality research and evaluation reports as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the reports	Qualitative evaluation of satisfaction using feedback to the Secretary from Ministers and Parliamentary Secretary	Satisfied[a]
Research activities are completed according to plan	At least 90% completed to plan	All research projects were completed according to plan
Service delivery		
Quality—Assurance		
Service providers deliver services to the standards agreed with DEEWR	100 per cent	All service providers met standards as agreed with DEEWR

a   During the year ministers, parliamentary secretaries and their staff provided feedback on the level of satisfaction with departmental advice during regular meetings with the department and, in some cases, by rating briefs according to a five-point scale, with five being the maximum. Overall feedback from ministers, parliamentary secretaries and their staff confirmed that they recognise the significant efforts being made by departmental staff and are generally satisfied with the quality of briefings. Note that these satisfaction levels incorporate feedback for the former departments, DEEWR, and the youth and early childhood and child care functions from FaHCSIA.

b   This figure does not include those contracts/service agreements made under the Reconnect program.

Outlook for 2008–09

A vision for career development as an aspiration for all young people will continue to be developed and promoted as a lifelong process for individuals so that career development, as a national strategy, will improve the quality of life and contribute to the economic and social well being of Australia. Career development will, as well, be a vehicle for social inclusion so that the disadvantaged, through raised aspirations, have better access to opportunities for life and learning.

The department will continue to manage programs and support initiatives which engage young people and encourage them to make well-informed decisions about their lives and careers and be able to recognise the opportunities that lifelong learning can provide.

The department will continue to administer career development and support activities delivered through the Career Advice Australia initiative.

Local Community Partnerships will continue to:

▶ deliver programs which facilitate industry involvement in school career education and transitions

▶ be active in the government's Skilling Australia initiative.

The department will continue to support the Commonwealth's involvement in youth policy development and raising the profile of youth across governments and in the media.

The department will be actively involved in and support initiatives for National Youth Week 2009.

The Office for Youth will continue to provide an agenda for young people by bringing together issues affecting youth that extend across portfolio boundaries and so identify opportunities to integrate policies and programs to benefit young people. The Australian Youth Forum will continue to be the vehicle for identifying the priority issues facing young people.

Report on performance

Outcome 6—International influence

2

Outcome 6
International influence

In 2007–08, the international arm of the department, Australian Education International (AEI), successfully worked in partnership with international education stakeholders to deliver a sustainable internationalised education and training sector that contributes to Australia's long-term productivity and prosperity. Through our international engagement, the department showcased the quality of our education and training system and adopted world's best practice to ensure that our education system remains world-class, and that our qualifications continue to be internationally recognised and highly valued.

Domestically and internationally, through its strategic links with government and industry representatives, educational institutions and international students, AEI integrates policy, regulation, international engagement and promotion to support our largest services export industry.

International education and training is now worth around $12.5 billion a year to the national economy, and is our third largest export earner. The sector has grown at an average of 15 per cent a year over the past decade. In 2007, there were more than 455 000 international student enrolments at Australian education institutions—a number that continues to grow as more students learn of the quality educational experience that Australia provides. There are now estimated to be more than one million Australian alumni around the world, providing numerous business, technical, scientific, diplomatic and security links that benefit Australia.

Nearly 40 per cent of international students in Australia study at our 39 universities or independent higher education institutions. The Vocational Education and Training (VET) system is the fastest growing education sector for international students in Australia, with 121 422 enrolments in 2007. Enrolments of international students in Australian schools grew by 11 per cent in 2007. Increasingly, international students are seeking Australian VET qualifications in their own countries. Australian universities had more than 1000 offshore programs with overseas higher education institutions in 2007 and our VET institutions now deliver courses in more than 30 countries.

AEI delivers its services through its national office in Canberra and an international network which extends to 17 economies across the world, including 25 offices, mainly based at Australian embassies, consulates and high commissions. It is also represented in a further nine European and two Latin American locations.

Chart 6.1

AEI's international network
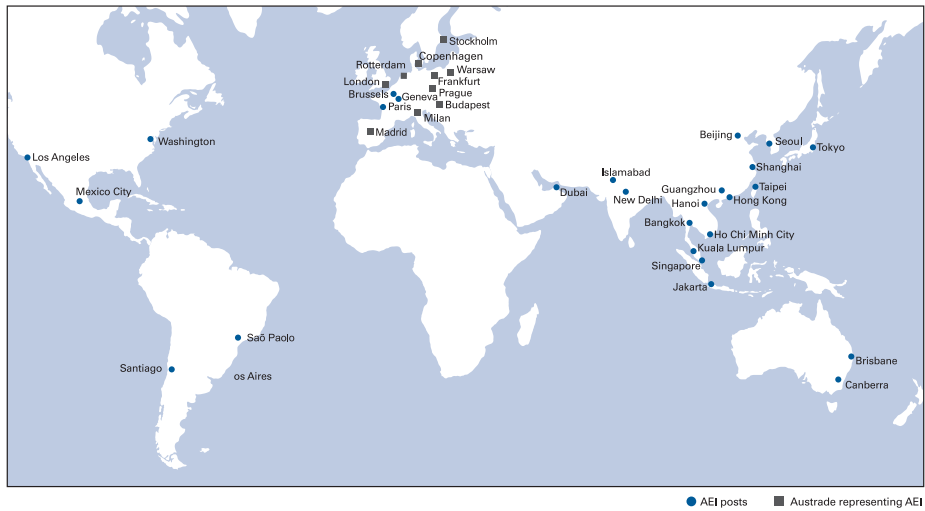
Key achievements

The key achievements for Outcome 6 in 2007–08 were as follows:

► At the fourth meeting of the Australia–Malaysia Joint Working Group (JWG) on Education held in Canberra in June 2008, AEI agreed to run a pilot project for 25 Australians to take up internships in Malaysia. This pilot is an element of the broader goal to increase the international mobility of Australian students and their take-up of internships. The JWG progressed greater bilateral cooperation on a wide range of sector issues, including sister school relationships, scholarships, quality assurance, and qualifications recognition. The Malaysian delegation, which was led by the Director General of the Ministry of Higher Education, Dato' Professor Ir Dr Radin Umar Radin Sohadi, included representatives from the Ministry of Higher Education, the Ministry of Education and the Malaysian High Commission in Australia.

► AEI showcased Australia's education and training system to the Vietnamese Deputy Prime Minister and Minister for Education and Training, Professor Nguyen Thien Nhan, on his visit to Australia in February 2008. Professor Nhan and the Hon Julia Gillard MP, Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion (the Minister) renewed the Memorandum of Understanding (MoU) on Cooperation in Education and Training between Vietnam and Australia. Professor Nhan was accompanied by high level officials, including the Director of the Southeast Asian Ministers of Education Organisation Training Centre.

► Strategic National Initiatives–International projects were implemented in the interests of the long-term international sustainability of Australia's VET sector. Projects included international missions to identify new markets and showcase Australian vocational education and training; the development of strategies for greater international recognition of Australian VET qualifications; and the preparation of publications and digital communications materials explaining Australia's VET system and its capabilities.

► AEI played a leadership role when it hosted a symposium on the English Language Competence of International Students in August 2007, providing governments and education sectors with a better understanding of the complex issues surrounding the English language competence of international students. This forum bought together 150

high level education and government representatives, who discussed entry pathways, in-course support, graduate outcomes and community engagement. A number of government- and sector-led projects and programs were initiated following the symposium.

▶ A set of quality assurance principles for higher education were developed at a seminar hosted by the department in association with the Asia–Pacific Quality Network in Chiba City, Japan. Quality assurance experts and practitioners from across the Asia–Pacific region worked to identify quality assurance principles relevant to the range of countries and their diverse higher education systems. The Minister forwarded the quality assurance principles to all education ministers and associates in the Asia–Pacific region in July 2008.

▶ At the February 2008 Future Directions Workshop, held in partnership with Universities Australia, AEI worked with the university sector to identify the key drivers of change for the internationalisation of Australian higher education and the links to the government's productivity, participation and social inclusion agenda. This two-day workshop, attended by international pro vice-chancellors and deputy vice-chancellors, identified strategic approaches to internationalisation for and by institutions, government and the broader education sector.

▶ AEI informed governments and the international education sectors about the experiences of international students in its research report, the 2006 *International Student Survey*, published in December 2007, and the 2007 *Follow-up International Student Survey*. These comprehensive reports indicated that most international students were satisfied with their experiences, the follow-up survey showing that most students achieved the employment or other outcomes they sought.

▶ In order to improve the quality of the educational experience and the rights of international students studying in Australia, the department implemented an enhanced National Code— under the *Education Services for Overseas Students Act 2000* (ESOS Act)—to apply to all institutions and courses enrolling international students from 1 July 2007.

▶ Opportunities for improved student mobility and access to further educational opportunities for both Australian and Chinese students were furthered by the renewal of the Australia– China Arrangement on Higher Education Qualifications in October 2007.

▶ The department awarded scholarships to 467 candidates from across the Asia–Pacific and Middle East regions, including Australia, in the second round of the Endeavour Awards. In addition, the department funded 646 student exchange subsidies, enabling incoming and outgoing undergraduate students to undertake international study.

▶ AEI worked with relevant Indian agencies, the Australian and New Zealand governments and the British Council to improve the recognition of qualifications and bring greater transparency of quality assurance and regulatory requirements associated with the delivery of courses by Australian providers in India. These were the outcomes of a strategic policy forum on quality assurance in higher education co-hosted by AEI in Chennai, India in March 2008 and attended by 200 participants representing governments, quality agencies and institutions from a number of Asia–Pacific countries.

▶ AEI represented Australia's National Information Centre at a meeting held in Malta in June 2008, which brought together the International Network of Centres established under the UNESCO Lisbon Recognition Convention. The meeting discussed the 'global dimensions of Bologna' that is, the impact Bologna changes are having on the rest of the world. (The Bologna Process is the process of creating the European Higher Education Area (EHEA) and is based on cooperation between ministries, higher education institutions, students and staff from 46 countries, with the participation of international organisations). Australia had the opportunity to explain how its qualifications methodology was able to accommodate Bologna style qualifications. The meeting was also an excellent opportunity to showcase the Australian qualifications framework, which is the envy of many European countries.

Key priorities

Australia's education and training system operates in a global environment in which students and providers are becoming more discerning and mobile. In this environment, Australia's ability to remain an international influence in education and training will depend on the strength of its international relationships and its ability to deliver world-class education and training, both onshore and offshore, and to maintain its quality assurance mechanisms.

The key priorities for Outcome 6 in 2007–08 were to:

▶ continue to create the environment for sustainable international education engagement by the Australian education and training sector by:

– progressing Australia's free trade agreements agenda and regional and international trade agreements

– hosting JWG meetings under education and training MoUs that enhance Australia's relationships with key educational partners

▶ strengthen engagement and communication with stakeholders by deepening AEI's understanding of each sector and its needs while improving stakeholders' understanding of AEI's objectives and the need for strategic partnership between AEI and the industry

▶ encourage more Australians to study abroad as part of their education experience while attracting the world's best students to undertake Australian education and/or training

▶ drive the implementation of the Transnational Education Quality Framework

▶ administer the ESOS Act and its National Code 2007, including continued policy enhancements

▶ utilise multilateral forums to enhance qualifications recognition and quality assurance in the Asia–Pacific region

▶ The International Education Group delivered these priorities for 2007–08 through its research capabilities and market intelligence.

Table 6.1
Resources invested in Outcome 6 in 2007–08 ($'000)

Outcome 6	Budget PBS (2007–08) $'000 A	Actual expenses (2007–08) $'000 B	Variation (2007–08) $'000 C = B – A	Budget (2008–09) $'000 D
Administered Expenses				
International Education and Training	33,790	33,388	-402	38,828
Assessment Subsidy for Overseas Trained Professionals	728	728	-	743
Total administered expenses	**34,518**	**34,116**	**-402**	**39,571**
Price of departmental outputs				
Output Group 6.1—Policy Services	9,010	15,524	6,514	8,638
Output Group 6.2—Program Management	47,947	37,599	-10,348	46,373
Output Group 6.3—Service Delivery	1,179	1,177	-2	1,130
Total departmental expenses	**58,136**	**54,300**	**-3,836**	**56,141**
Funded by				
Revenue from government (appropriations) for departmental outputs	32,496	33,287	791	31,151
Revenue from other sources	25,640	21,013	-4,627	24,990
Total price of departmental outputs	**58,136**	**54,300**	**-3,836**	**56,141**
Total for Outcome 6	**92,654**	**88,416**	**-4,238**	**95,712**
Average staffing level (number)		**200**		**190**

Effectiveness indicators

The department uses several effectiveness indicators to measure the impact of the government's international education agenda. The overall impact of the department's activities should be viewed in the context that AEI's role is to work in partnership with various external stakeholders and that performance over the long term can be influenced by prevailing economic and labour market conditions and, in some cases, by international circumstances.

Table 6.2
Effectiveness indicators for Outcome 6

International education

▶ Trends in the level of national income derived from international education and training

▶ Trends in the level of employment associated with education exports

▶ Trends in the number of international student enrolments in Australia

▶ Diversification within the international education and training market, in terms of countries of origin and fields of study

National economic benefit

The international education and training sector is Australia's third largest export industry behind coal and iron ore, contributing $12.5 billion in education exports to the Australian economy in 2007.

Chart 6.2
National income derived from international education and training—education exports 2002 to 2007
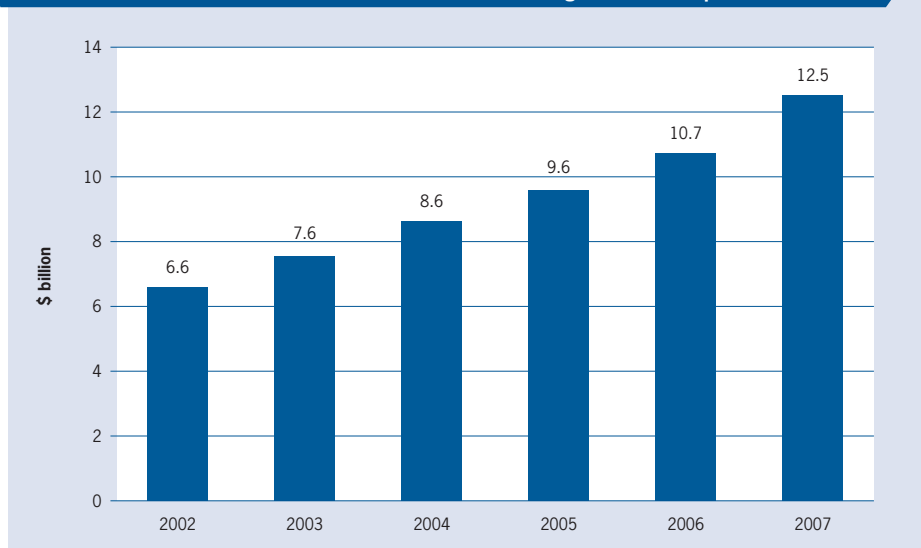
Source: Australian Bureau of Statistics, *Trade in Services, Australia*, Cat. No. 5368.0, ABS, Canberra, May 2008.

Note: The total value of education exports does not include other national income from Australian providers' operations in foreign economies.

Employment trends associated with education exports

Research by Curtin University of Technology in 2003 indicated that the international education sector generated more than 46 000 jobs (see Chart 6.3). Data projections indicated an increase to 51 480 positions by 2005; however, further projections were not calculated.

Chart 6.3
Level of employment associated with education exports
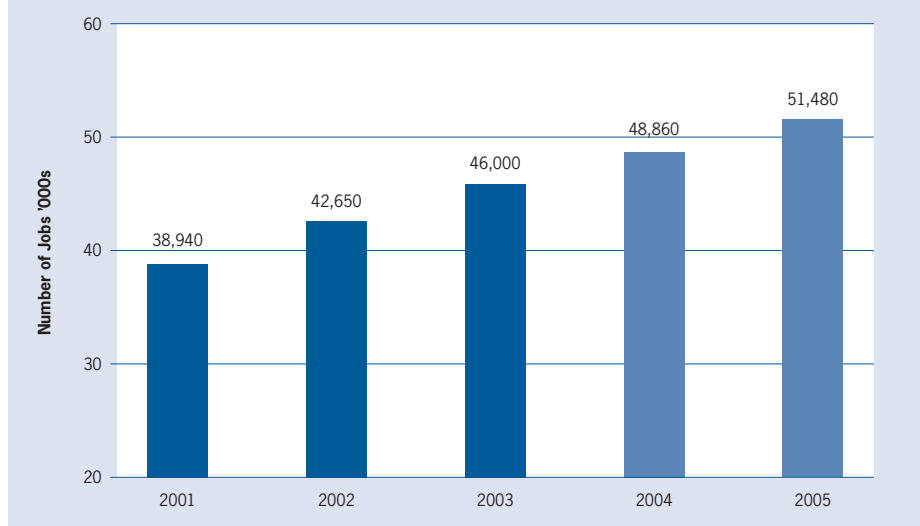
Source: Curtin University of Technology, *The Economic Benefits to Australia from International Education*, 2003.
Note: Includes data projections for 2004 and 2005. More recent data is not available.

International student enrolments in Australia

Enrolments by international students, on student visas in Australia, reached 455 185 during the 2007 calendar year—a 19 per cent increase on enrolments in 2006.

Table 6.3
Number of international student enrolments in Australia (from top 10 source countries)

Ranking in top 10 and number of enrolments for each year								
	2004*		**2005***		**2006***		**2007**	
	Rank	No.	Rank	No.	Rank	No.	Rank	No.
China	1	70 741	1	81 843	1	90 048	1	107 071
India	4	20 749	2	27 581	2	38 804	2	63 604
Republic of Korea	2	23 807	3	26 293	3	31 142	3	34 674
Thailand	8	16 320	7	16 525	6	17 865	4	19 987
Malaysia	6	19 994	5	19 336	5	19 118	5	19 874
Hong Kong	3	22 816	4	21 266	4	20 424	6	19 742
Japan	5	20 038	6	19 048	7	17 772	7	16 077
Indonesia	7	18 140	8	16 118	8	14 999	8	14 919
Brazil	13	4 731	12	7 075	10	10 170	9	12 545
United States of America	9	12 793	9	12 583	9	12 038	10	11 822
Subtotal		230 129		247 668		272 380		320 315
Other countries		95 240		98 304		110 100		134 870
Total		**325 369**		**345 972**		**382 480**		**455 185**

* AEI enrolment data are extracted from a live database which is continually updated by education providers and by the Department of Immigration and Citizenship. Consequently, previously published figures may have been updated in this report.

Diversification within the international education and training market

The source countries for Australia's international students continued to expand. Students from over 210 countries chose to study with an Australian education institution in 2007–08. Asia remained Australia's main source of international students, contributing nearly 80 per cent of all enrolments. High growth occurred in enrolments between 2006 and 2007: China 18.9 per cent; India 63.9 per cent; and the Republic of Korea 11.3 per cent. The Asian market continued to diversify, with large increases in enrolments from Nepal, Thailand, Vietnam, Sri Lanka and Pakistan. Growth also occurred in enrolments from the Americas, the Middle East and North Africa.

The fields of education chosen by international students also continued to diversify. In recent years, there has been considerable growth in student enrolments in hospitality management. Hospitality management accounted for 11 per cent of student enrolments at the end of 2007. Over the same period there was a decline in enrolments in previously popular fields of education such as information technology.

Table 6.4

Diversification within the international education market (%)

		2004	2005	2006	2007
Student country of origin	Asia	78.3	78.3	78.0	78.7
	Other	21.7	21.7	22.0	21.3
Field of education[a]	Hospitality Management	3.5	5.2	7.7	11.0
	Accounting	6.9	9.2	10.8	10.4
	Society and Culture	9.0	8.6	8.2	8.4
	Information Technology	15.4	12.6	9.9	7.9
	Other Management and Commerce	34.8	33.6	32.1	30.5
	Other	30.4	30.8	31.3	31.8
Level of study[b]	Undergraduate	60.3	58.5	57.2	56.0
	Postgraduate	39.7	41.5	42.8	44.0
Location of supply[c]	Onshore	66.5	64.2	64.7	68.0
	Offshore	33.5	35.8	35.3	32.0

a   Includes higher education and vocational education and training enrolments only. In 2008, the Australian Standard Classification of Education (ASCED) was introduced into the AEI International Student Data series. Consequently 'Field of Education' replaces the previously published 'Broad field of study' classification.

b   Includes higher education enrolments only.

c   Based on higher education statistics.

Trends in the number of international student enrolments in Australia

The largest numbers of enrolments were in the higher education sector (see Chart 6.4) which experienced growth of 3.8 per cent in 2007. The second largest and fastest growing sector was VET, which increased by 45.6 per cent on the previous year. The English Language Intensive Courses for Overseas Students (ELICOS) sector also experienced significant growth of 30.7 per cent in 2007, and growth of a similar magnitude continued in these sectors in the first half of 2008. Schools sector enrolments grew by 11.5 per cent in 2007. This growth reverses a trend of declining enrolments in the previous two years.

Chart 6.4
International student enrolments by sector
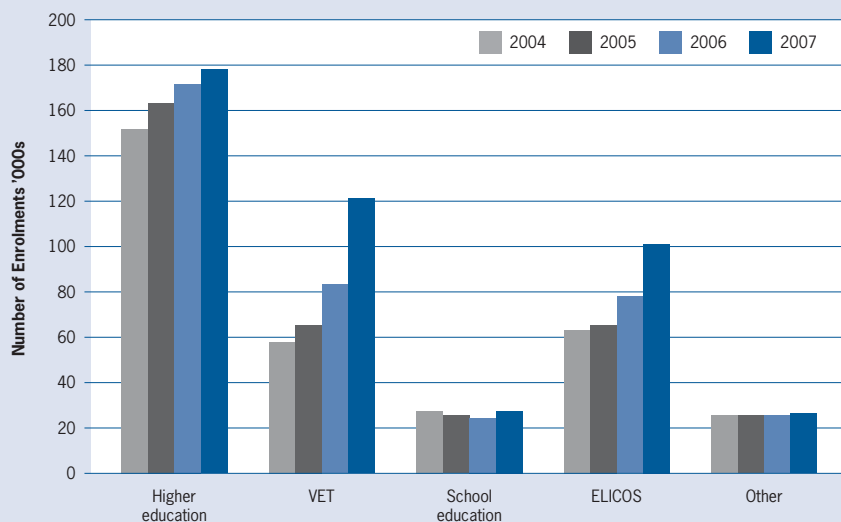
Note: Other: Courses not classified in the Australian Qualifications Framework.

Performance information for Outcome 6

Administered activities

The department administers several programs to support the government's international education policies.

International education and training support programs

Professional Services Development Program

The Professional Services Development Program facilitates international mobility by funding Australian organisations to work towards achieving international recognition of Australian professional qualifications and skills and recognising overseas professional qualifications and skills in Australia. In 2007–08, approximately $380 000 was provided to fund eligible activities.

Regional Links Program

The Regional Links Program develops relationships in the Asia–Pacific region for the benefit of Australian education and training. In 2007–08, approximately $500 000 was provided to fund research, education and training initiatives, and to promote Australia's profile in those areas. Some of the planned activities were deferred to 2008–09, due to the timing of decisions with international agencies.

Australian International Education Sector program

In 2007–08, approximately $1 million was provided to fund initiatives in the Australian International Education Sector program. Those initiatives, which included the fourth round of European Union–Australia Education Cooperation in Higher Education and VET Projects, help develop credit transfer arrangements between Australian and EU partners and contribute to building a culture of academic cooperation and student mobility.

Endeavour Awards and student exchange programs

The Endeavour Awards build enduring regional links and foster closer educational, professional and research ties between Australia and participating countries across the Asia–Pacific and Middle East regions. The program continues the spirit of the Colombo Plan by encouraging citizens of those regions to undertake study, research and professional development in Australia. Awards are also available for Australians to undertake similar activities abroad.

The Endeavour Awards comprise Endeavour Executive Awards, Endeavour Research Fellowships (including Endeavour Research Fellowships for Indigenous Australians and Endeavour Australia Cheung Kong Research Fellowships), Endeavour Postgraduate Awards and Endeavour Vocational Education and Training Awards. The awards provide opportunities for high achieving individuals to increase their skills and enhance their global awareness, thus extending Australia's influence in the international education sector and contributing to Australia's position as a high quality education and training provider and leader in research and innovation. In 2007, 467 award recipients, including 65 Australians, undertook international research or professional development.

The department also administers funding for a number of ongoing student exchange programs. These programs support the government's objective of building international links between Australian and overseas institutions and enrich the experience of students. The International Student Exchange Program is made up of three individual programs: the Endeavour Student Exchange Program (ESEP); the Endeavour Cheung Kong Student Exchange Program (ECKSEP) and the University Mobility in Asia and the Pacific (UMAP) Student Exchange Program. These programs promote diversification in the international education market in terms of countries of origin and fields of study.

The programs provide funding to Australian higher education institutions to support Australians studying overseas (ESEP, ECKSEP, UMAP) and international students studying in Australia on exchange (ESEP, ECKSEP).

Through the international student exchange programs, the department provided funding to enable 969 students to participate in a student exchange in Australia and overseas in 2007–08. Funding to support 46 staff visits was also included in the programs.

Developing international networks across the Asia–Pacific and Middle East regions

The Endeavour Awards aim to develop ongoing education, research and professional links between individuals, organisations and countries across the Asia-Pacific and Middle East regions. The awards provide high achieving individuals with an opportunity to increase their skills and enhance their global awareness.

Ayad Anwer, from Iraq, undertook an Endeavour Research Fellowship in Australia at Macquarie University. Ayad's research focused on laser scanning microscopy and related techniques, in order to develop new diagnostic techniques and improve applications of lasers in life sciences and medicine. In Iraq, Ayad is a microbiologist and staff member of the Institute of Laser for Postgraduate Studies at the University of Baghdad.

Through the partnerships he developed during his Endeavour Research Fellowship, Ayad hopes to map out a collaborative research and postgraduate training program for his postgraduate students, which may involve cooperative arrangements, and possible exchange visits, with Australia.

Australian Anne Ottaway received an Endeavour Executive Award and did an in-depth study in China of the Chinese education system and the issues its teachers confront, with a view to assessing areas of potential future collaboration.

Anne said, 'Being involved with a different education system made me aware of alternative approaches, values and philosophies which impacted on the delivery of the knowledge'.

Anne's research highlighted some key differences between Australian and Chinese learning methods. Anne was able to establish useful contacts with members of the education industry and, following completion of her study, has continued to facilitate the building of professional links between her Australian colleagues and members of her Chinese networks.

Assessment Subsidy for Overseas Trained Professionals

The Assessment Subsidy for Overseas Trained Professionals (ASDOT) program provides financial assistance to financially disadvantaged, overseas-trained professionals to cover the cost of assessments and/or examinations which must be passed to qualify for employment in certain professions in Australia. In 2007–08, approximately $728 000 was provided to cover assessment/examination fees. The ASDOT program is administered by the department in conjunction with Centrelink.

Table 6.5

Performance in delivery of administered outputs for Outcome 6

Performance indicator	Estimate	Actual
Higher education funding *International Postgraduate Research Scholarship Scheme*		
Number of higher education providers supported	41	a
International education and training		
Number of funding recipients supported by the Professional Services Development Program	12	15
Number of projects and/or activities funded by Regional Links Program	20	13
Number of projects and/or activities funded by the 'Increased profile of Australian International Education Sector' program	10	14
Number of international scholarships, fellowships and exchange opportunities supported (Endeavour Awards)	1792	1436
Assessment Subsidy for Overseas Trained Professionals		
Number of eligible clients supported	500	479

a   As a result of machinery of government changes this indicator was transferred to the Department of Innovation, Industry, Science and Research.

Departmental outputs

Information for international education providers and students

AEI Online

Our comprehensive and up-to-date market information supports the international education industry on a daily basis. More than 350 market updates garnered from AEI international offices were published on AEI Online and over 15 000 individuals subscribed to receive the free e-newsletter, which provides a short summary of each market update. In addition, the Market Information Package (MIP)—updated daily—supports the planning and business development needs of education and training providers. This fee-for-service subscription was purchased by 165 eligible institutions in 2007–08.

Study in Australia

Study in Australia is the government's flagship brand for promoting Australian education and training to the global market. Launched in 2002, Study in Australia has quickly grown to become a highly visible and relevant brand within its target markets, and one which remains competitive against larger nations such as the United Kingdom, the United States and Canada.

Study in Australia brand communications were repositioned in 2007–08 to focus on Australia's unique competitive advantages, particularly in regard to the quality of learning and lifestyle. These core brand attributes appeared in a variety of new print and advertising media and on the Study in Australia website <www.studyinaustralia.gov.au>. In excess of three million unique visits to this multilingual website were recorded throughout 2007–08, a growth of one million visits.

In addition to being an essential element for showcasing Australia at major student events and seminars throughout the year, a comprehensive and successful Study in Australia online advertising campaign was held in key markets, including India, China and South America.

Protecting international students

The department administers the ESOS Act, which provides one of the world's most rigorous consumer protection mechanisms for international students. On 1 July 2007 a revised National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (the code) was introduced. Consultation with state and territory governments, education providers and the Department of Immigration and Citizenship ensures that the code provides greater flexibility and clarity to providers and stronger support for students. The introduction of the code was followed by a round of workshops in capital cities to discuss emerging issues with providers.

Ministerial engagement in international education, employment and workplace relations

In June, the Minister delivered the keynote speech on Australia's productivity and participation agenda at the 16th annual Australian-American Leadership Dialogue in Washington and visited Washington, New York, London and Singapore. The Minister also met with key figures in the US Administration, including Dick Cheney, US Vice President, Margaret Spellings, Secretary of Education, and Elaine Chao, Secretary of Labor. In New York and London, the Minister also discussed initiatives that will inform the government's education and social inclusion agendas.

The Hon Maxine McKew MP, Parliamentary Secretary for Early Childhood Education and Child Care, represented Australia at the fourth Asia–Pacific Economic Council Education Ministers Meeting in Lima, Peru, in June 2008. The Parliamentary Secretary and Mr Jose Antonio Chang Escobedo, Peru's Minister of Education, signed the Agreement for a Cooperation Program in Education between the two countries during her visit.

International influence

Report on Performance

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The Hon Maxine McKew MP, Parliamentary Secretary for Early Childhood Education and Child Care, representing Australia at the fourth APEC Education Ministers Meeting in Lima, Peru, in June 2008. Photo courtesy of APEC.

AEI industry seminars

The International Education Forum 2008 was attended by approximately 550 delegates. The theme—Globally Connected—addressed industry's growing focus on fostering a diverse, globally connected education sector. The program covered current and future issues impacting on the international education sector and comprehensive updates (including AEI market indicator data) on each of the markets in which AEI has a presence. Ninety-six per cent of delegates rated the event as good to excellent.

The Hon Julia Gillard MP, Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion, opened the International Education Forum at the Melbourne Convention Centre in April 2008.

VET Outward Mobility Pilot Project

As part of a suite of projects designed to foster VET international engagement, AEI's Strategic National Initiatives–International funded a pilot outward mobility project in 2007. In partnership with the Queensland Department of Education, Training and the Arts, AEI selected five projects aimed at enhancing the international learning experiences of VET staff and students and developing links and cultural understanding.

One of these projects assisted nursing students from West Coast TAFE (Western Australia) to undertake work experience in a hospital in Bangladesh. Student feedback suggested that the opportunity to experience an alternative health care system and develop an awareness of diseases not seen in Australia was an invaluable learning tool. Building on the success of the first visit, West Coast TAFE anticipates that other nursing students will visit Bangladesh in 2008.

Ensuring quality transnational delivery

Following agreement with state and territory governments and sector stakeholders, AEI is developing AusLIST, a voluntary list of transnational providers and their courses. AusLIST will provide assurance to students, parents and other intermediaries and governments that an Australian transnational and education training course on AusLIST is of comparable quality to that delivered by the provider in Australia.

AEI commissioned further projects to promote good practice among Australian providers engaged in transnational education. Those projects included workshops on risk management strategies, work on a comprehensive good practice guide and professional development in teaching and learning and business administration.

Research

AEI provides essential and comprehensive, up-to-date market intelligence to support Australia's international education and training industry.

The most significant published research this year examined the international student experience in Australia. The 2006 International Student Survey and the 2007 Follow-up International Student Survey sought the views of international students in Australia. The first survey provided evidence that most international students were satisfied with the experience of living and studying in Australia. The follow-up survey showed that most are achieving the employment or further study outcomes they sought when coming to Australia.

Dr Zak Rahmani (centre), AEI's senior researcher for the Follow-up International Student Survey 2007, with Mr Anthony Fernando (right), International Strategy and Communication Branch Manager, and Mr Graeme Peacock (left), Ipsos Pty Ltd, at the Australian International Education Conference held in Melbourne in October 2007.

Table 6.6
Performance in delivery of departmental outputs for Outcome 6

Performance indicator	Estimate	Actual
Program management		
Quantity		
Number of registrants for AEI industry seminars	700	550
Number of market opportunities issued through AEI market alerts	320	356
Quality		
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Administrative targets met
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR	Administrative targets met
Timeliness of parliamentary reports (including interim responses where appropriate) provided to Parliament and its committees	At least 90%	Responses to parliamentary reports provided on time
High quality ministerial replies as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the replies	Qualitative evaluation of satisfaction using feedback from the Ministers and Parliamentary Secretary to the Secretary Analysis of trends over time to monitor percentage delivered within agreed timeframes	Satisfied[a]
Number of subscribers to the AEI Market Information Package (MIP)	300 institutions	165 institutions (reduced promotion of MIP due to proposed redevelopment)
Timely provision of advice on education related issues for the development and implementation of free trade agreements	At least 95% meet deadlines	All deadlines met
Number of subscribers to the AEI newsletter	11 900	15 255
Number of visits to the AEI's Study in Australia website	2 800 000	3 844 727
Timely and relevant information provided by AEI websites and publications	95% of materials on AEI Online and Study In Australia website up to date Country Education Profiles Online updated as planned	95% of materials on AEI Online and Study In Australia website up to date Country Education Profiles Online updated
Client satisfaction		
Satisfaction with bilateral, regional, multilateral and industry relationships which augment Australia's international engagement in education and training	80% client satisfaction rating	80% client satisfaction rating
Satisfaction with AEI Industry Forum	80% satisfaction rating by participants	96% of delegates rated the event good to excellent
Satisfaction with AEI information in publications and websites	80% client satisfaction with AEI information	80% client satisfaction rating

Performance indicator	Estimate	Actual
Policy services		
Quality		
High quality policy advice as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of policy advice	Qualitative evaluation of satisfaction and timeliness using feedback from the Ministers and Parliamentary Secretary to the Secretary	Satisfied[a]

a   During the year ministers, parliamentary secretaries and their staff provided feedback on the level of satisfaction with departmental advice during regular meetings with the department and, in some cases, by rating briefs according to a five-point scale, with five being the maximum. Overall feedback from ministers, parliamentary secretaries and their staff confirmed that they recognise the significant efforts being made by departmental staff and are generally satisfied with the quality of briefings. Note that these satisfaction levels incorporate feedback for the former departments, DEEWR, and the youth and early childhood and child care functions from FaHCSIA.

Outlook for 2008–09

The internationalisation of education and training will continue to bring strong benefits to Australia. International education is a significant export industry. The participation of international students enhances the learning experiences of all students. The increasing interest of Australian students in an offshore study experience contributes to their global understanding and their employability. The interaction of international students with their institution and the wider Australian community leads to lifelong links which benefit Australia in business, diplomacy, trade and scientific engagement.

In 2008–09 the global education marketplace will become more complex and competitive. Traditional student source countries for Australia are building their own domestic and international capabilities. Students are more informed and are becoming more selective in their educational choices. New strategies, technologies and infrastructures are stemming the physical flow of student traffic to foreign destinations.

The department sees four major influences shaping the future international education environment:

▶ Education and training will become more globally connected.

▶ Students will become increasingly sophisticated in seeking a range of education products and services delivered in a variety of ways.

▶ Global demand for skilled labour will become more intense and jobs more diverse—many of the jobs of the next decade have not yet been invented.

▶ Employers will become more demanding of the education and training industry.

The government is committed to providing the framework and working in partnership with industry to meet these challenges to maintain the world-class and globally connected status of our education and training system. AEI's Strategic Directions 2008–11 sets out 'the road ahead' for the department. The directions set out a cohesive and strategic approach to the wide-ranging international issues of the portfolio.

Report on performance

Outcome 7—Labour market assistance

2

Outcome 7
Labour market assistance

The department plays a strategic role in the government's productivity agenda, designed to lead to long-term economic growth. Part of this agenda is to increase workforce participation and the quality of outcomes for unemployed Australians.

The department delivers this agenda through labour market assistance and income support payments that work together to reduce social exclusion and provide opportunities for people to contribute to economic growth.

Outcome 7 contributes to a more productive economy through:

▶ effective administration of working age income support payments

▶ effective labour market program management and delivery.

Outcome 7 manages a number of employment programs and the working age income support payments for eligible job seekers. It also manages the infrastructure for the effective delivery of Employment Services.

The effectiveness of the working age income support payments and Employment Services is detailed in the performance indicators below. These indicators focus on the monitoring and analysis of payment trends and the average duration of unemployment. Through the management and administration of Employment Services and the efficient delivery of income support payments, this outcome has helped unemployed Australians to work to their capacity, reducing welfare dependency.

The current Employment Services contracts end on 30 June 2009. In January 2008, the government reviewed Employment Services as part of its social inclusion and productivity agenda. The government followed the review with the announcement that it would commit $3.9 billion over three years to a new integrated Employment Services system, starting from 1 July 2009. The new system will integrate Job Network, Work for the Dole (WfD), the Personal Support Programme, Green Corps, Job Placement, Employment and Training, Harvest Labour Services, the New Enterprise Incentive Scheme (NEIS) and Remote Bundled Services. Under the new system, providers will deliver the full suite of general Employment Services. The assistance provided to job seekers will better reflect their level of disadvantage. The objective of the new Employment Services is to help individuals obtain the skills they need and to secure sustainable employment.

Because of the necessary connection between program policy development and delivery, the outcome works closely with Outcome 8—Increased workforce participation. To further the goal of developing the skills of unemployed job seekers, the outcome is also closely connected with other outcomes across School Education, Higher Education, and Vocational Education and Training.

As part of the machinery of government changes, the Disability Support Pension (DSP) policy and administration was transferred to the Department of Families, Housing, Community Services and Indigenous Affairs.

Key achievements

The key achievements for Outcome 7 in 2007–08 were as follows:

▶ Newstart Allowance (NSA) numbers declined by 4.4 per cent in 2007–08.

▶ The number of Youth Allowance (other) YA(o) recipients fell by 5.5 per cent, from approximately 68 700 in June 2007 to 64 900 in June 2008.

▶ The number of Parenting Payment (Single) recipients declined by 8.8 per cent in 2007–08. The number of Parenting Payment (Partnered) recipients decreased by 12.8 per cent.

▶ The proportion of Parenting Payment recipients with earnings increased. In June 2008 the figure for Parenting Payment (Single) recipients was 39.6 per cent, compared with 36.0 per cent in June 2007. The equivalent figures for Parenting Payment (Partnered) recipients were 14 per cent in June 2007 and 15.5 per cent in June 2008.

▶ Consistent job results were achieved by Australian Government Employment Services for job seekers in priority and disadvantaged groups throughout 2007–08. Aggregate off-benefit outcomes for the department's target groups were consistent with the very strong results achieved in 2006–07.

▶ Approximately 578 000 job placements were achieved by Job Network members and job placement organisations, helping job seekers move into sustainable employment and reducing dependence on income support.

▶ Approximately 67 100 job placements and 29 200 13-week jobs were achieved by Job Network members for job seekers receiving Parenting Payments.

▶ During 2007–08 the Disability Employment Network (DEN) capped stream provided employment assistance to approximately 51 000 clients. The demand-driven (uncapped) DEN stream assisted approximately 18 000 clients in 2007–08.

▶ Partial contestability of Vocational Rehabilitation Services (VRS) was introduced from 1 July 2007, with 18 new providers servicing 50 per cent of the demand-driven (uncapped) stream and 20 per cent of the fixed place (capped) stream.

▶ The Australian JobSearch website was successfully updated to achieve greater access for people with disability.

▶ Approximately one million vacancies were lodged on the Australian JobSearch website.

▶ Approximately 49 100 job placements and approximately 16 200 13-week jobs jobs were recorded for Indigenous Australians by Job Network members.

▶ The Indigenous Employment Program recorded approximately 24 200 commencements for Indigenous job seekers in 2007–08.

▶ The Corporate Leaders for Indigenous Employment Project continued to grow in 2007–08, with a total of 95 signatory companies.

▶ The Structured Training and Employment Projects Employment and Related Services panel of providers was established. At 30 June 2008, 202 organisations were providing pre-employment support and employment placement and mentoring services to employers in labour market regions.

▶ The department deployed a total of 58 Community Employment Brokers (CEBs) to Northern Territory Emergency Response communities throughout the year to help assist with the rollout of mainstream employment programs and services to support participation. CEBs play a valuable role in helping Indigenous people to access and maintain appropriate participation opportunities.

▶ JobAccess, an information and advice service operating under the Employer Incentives Strategy, was awarded a United Nations Public Service Award for service delivery in assisting people with disability and mental illness to find and retain employment.

Key priorities

The key priorities for Outcome 7 in 2007–08 were as follows:

▶ help unemployed Australians to work to their capacity

▶ reduce welfare dependency

▶ help develop and implement new Employment Services

▶ work closely with Outcome 8 to implement new policy initiatives such as social inclusion

▶ effectively manage working age income support payments

▶ ensure high-performing employment, pre-employment and specialist programs and services, achieving value for money and maximising employment outcomes through exemplary contract management.

Table 7.1

Resources invested in Outcome 7 in 2007–08 ($'000)

Outcome 7	Budget PBS (2007–08) $'000 A	Actual expenses (2007–08) $'000 B	Variation (2007–08) $'000 C = B – A	Budget (2008–09) $'000 D
Administered Expenses				
Job Network	1,177,390	1,141,346	-36,044	1,175,599
Work for the Dole	145,280	143,510	-1,770	192,554
Indigenous Employment	113,348	109,524	-3,824	115,595
Job Placement, Employment and Training	21,136	20,592	-544	20,940
Green Corps	25,435	25,313	-122	25,945
Employment Assistance and Other Services	285,638	287,963	2,325	334,239
Personal Support Programme	95,896	97,924	2,028	99,305
Rehabilitation Services	226,202	198,259	-27,943	266,017
Modified Compliance Framework	3,390	2,880	-510	6,703
Ex-Gratia Payment	885	221	-664	539
Advertising	10	-	-10	400
Mature Age Allowance	26,455	28,939	2,484	107
Mobility Allowance	114,723	114,070	-653	132,415
Newstart Allowance	4,161,560	4,180,817	19,257	4,974,334
Parenting Payment (Partnered)	1,041,756	1,024,171	-17,585	951,178
Parenting Payment (Single)	4,387,411	4,368,571	-18,840	4,139,911
Partner Allowance (Benefit)	86,415	80,054	-6,361	57,563
Partner Allowance (Pension)	346,332	351,010	4,678	273,661
Pensioner Education Supplement	70,655	69,795	-860	65,868
Sickness Allowance	85,014	83,363	-1,651	88,419
Utilities Allowance	19,404	16,409	-2,995	27,930
Widow Allowance	490,269	480,081	-10,188	457,916
Youth Allowance (other)	442,639	451,782	9,143	510,882
Total administered expenses	**13,367,243**	**13,276,595**	**-90,648**	**13,918,020**
Price of departmental outputs				
Output Group 7.1—Policy Services	22,630	20,221	-2,409	298,334
Output Group 7.2—Program Management	292,768	286,382	-6,386	29,867
Output Group 7.3—Service Delivery	815,042	815,279	237	908,955
Total departmental expenses	**1,130,440**	**1,121,883**	**-8,557**	**1,237,156**
Funded by				
Revenue from government (appropriations) for departmental outputs	1,126,236	1,119,280	-6,956	1,229,804
Revenue from other sources	4,204	2,603	-1,601	7,352
Total price of departmental outputs	**1,130,440**	**1,121,883**	**-8,557**	**1,237,156**
Total for Outcome 7	**14,497,683**	**14,398,477**	**-99,206**	**15,155,176**
Average staffing level (number)		**1,995**		**1,919**

Effectiveness indicators

The government's employment policies and programs aim to maximise the ability of unemployed Australians to find work, particularly those facing the most severe barriers to employment. This focus is reflected in the outcome effectiveness indicators for Outcome 7 (see Table 7.2).

Table 7.2

Effectiveness indicators for Outcome 7

Impacts	Performance indicators
Maximise ability of unemployed Australians to find work	The average duration of unemployment relative to labour market performance
	Comparative labour market experience
	▶ Long term unemployed
	▶ Indigenous Australians
	▶ Mature aged
	▶ People of culturally and linguistically diverse backgrounds
	▶ Sole parents
	▶ People with disability
	▶ Young people

Note: Performance indicators for administered activities, including third party outputs.

Operating environment in 2007–08

Economic conditions and employment

The economic growth rate in Australia was robust at 3.7 per cent for the 2007–08 year. Growth was underpinned by solid household consumption expenditure and strong gains in private business investment. Growth in the resource-rich regions of Western Australia, Queensland and the Northern Territory continued to outpace activity elsewhere in mainland Australia, due, in large part, to the impact of the commodity price boom.

Against the backdrop of robust economic conditions, the labour market strengthened considerably in 2007–08. Employment increased by 251 800, or 2.4 per cent, to stand at 10 711 000 in June 2008. Full-time employment rose by 169 500, or 2.3 per cent, to stand at a record high of 7 666 600, while part-time employment increased by 82 300, or 2.8 per cent, to 3 044 400. Importantly, full-time employment accounted for 67.3 per cent of total employment growth in 2007–08. Strong jobs growth was recorded in a number of industries, including Education; Construction; Mining and Health and community services.

Reflecting the strong pace of jobs growth, the unemployment rate continued to decline over 2007–08, falling by 0.1 percentage points to stand at 4.3 per cent in June 2008. Nevertheless, despite this improvement, the level of long-term unemployment increased slightly over 2007–08, by 500 (or 0.7 per cent), to stand at 67 600 in June 2008, although long-term unemployment incidence (the proportion of unemployed persons who were long-term unemployed) was steady at 14.2 per cent.

The strong economic conditions over 2007–08 lead to continued high levels of demand for skilled workers. DEEWR skill shortage research showed skill shortages were widespread across a range of professions, associate professions and trades, as well as for some management occupations, with employers reporting difficulty recruiting the skills they need.

Changes in the average duration of unemployment per labour force member indicate the ability of unemployed people to find work. Chart 7.1 provides a time series for this measure for the last 25 years. In the 12 months to June 2008 the average duration of unemployment per labour force member fell by 6.2 per cent to about 1.5 weeks—the lowest level in 30 years.

Chart 7.1
Average duration of unemployment per labour force member, June 1983 to June 2008
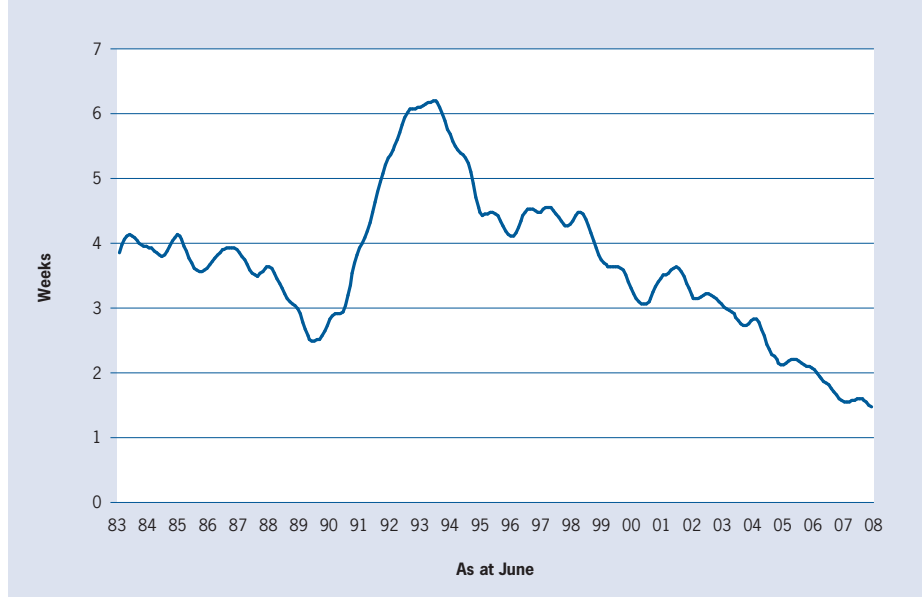
Source: Based on data from ABS 2008, *Labour Force, Australia, Detailed—electronic delivery*, ABS Cat. no. 6291.0.55.001,
Australian Bureau of Statistics, Canberra, and ABS SuperTABLE UM1, seasonally adjusted and trended in DEEWR.

It is possible for persons to be in employment and still be entitled to receive part rate income support. Changes in the average duration of unemployment therefore can also be measured by the duration on full rate unemployment allowance—NSA and YA(o). In 2007–08 the average duration on full rate unemployment allowance continued to trend down (Table 7.3).

Table 7.3
Average duration on full rate unemployment allowance[a], June 2003 to June 2008 (weeks)

Measure	2003	2004	2005	2006	2007	2008	Trend
Average duration on full rate unemployment allowance	48.5	44.8	41.0	39.4	37.0	35.3	Decrease

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

Table 7.4

Average duration on full rate unemployment allowance[a], by disadvantaged group, June 2003 to June 2008 (weeks)

Measure	2003	2004	2005	2006	2007	2008	2007–08 % change	Trend
Long-term unemployed	167.4	164.9	164.6	161.7	162.0	163.4	+0.3%	Increase
Indigenous Australians	58.6	54.8	50.5	47.6	44.4	42.2	-3.1%	Decrease
Mature age[b]	75.0	64.9	59.3	56.5	51.4	48.5	-6.9%	Decrease
Culturally and linguistically diverse backgrounds[c]	54.4	48.4	42.8	40.6	37.7	35.6	-6.2%	Decrease
Single parents	42.9	45.0	49.0	49.1	23.3	18.7	-19.8%	Decrease
People with disability	79.8	76.2	80.0	67.4	65.1[d]	61.9	-7.2%	Decrease
Young people[e]	17.3	16.7	14.4	14.1	14.0	12.7	-2.6%	Decrease
All client groups	48.5	44.8	41.0	39.4	37.0	35.3	-4.6%	Decrease

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

b   Aged 45 or more.

c   Other than people from main English-speaking countries.

d   The average duration on full rate unemployment allowance reported for People with Disability in June 2007 is slightly different to that reported in the 2006–07 Annual Report because of the need to re-estimate the duration to take into account the over-riding of a job seeker's JSCI response that occurred in 2006–07.

e   15 to 20 years old.

For each target group, except the long-term unemployed, the average duration on full rate unemployment allowance fell by approximately 2 per cent during 2007–08 (see Table 7.4). While smaller than the change in 2006–07, the drop in average duration for single parents should be interpreted with care. Over the year to June 2008 the number of single parents on unemployment allowance increased, partly due to an inflow of single principal-carer parents (of school-aged children) who would have received Parenting Payment Single in the absence of welfare-to-work policy changes. This inflow has had a downward effect on the average duration of unemployment for single parents.

Working age payments

Working age payments and compliance contributes to achieving efficient and effective labour market assistance by providing financial assistance for people who are unemployed, looking for work or participation in employment preparation programs or have parenting responsibilities. The output group contributes to the outcome by:

▶ provision of information and advice to ministers and other key stakeholders on program matters

▶ monitoring and analysis of payment trends

▶ monitoring and analysis of payment accuracy and payment compliance

▶ oversight of effective program delivery by Centrelink.

Administered activities

The administered items associated with working age payments and compliance are as follows:

- ► Newstart Allowance
- ► Youth Allowance (other)
- ► Parenting Payment (Partnered and Single)
- ► Pensioner Education Supplement
- ► Mobility Allowance
- ► Sickness Allowance
- ► Widow Allowance
- ► Partner Allowance (Benefit and Pension)
- ► Mature Age Allowance
- ► Utilities Allowance
- ► Ex Gratia Payment.

Working age payments and compliance

Note that data for this section of the report refers to recipients of all ages.

Newstart Allowance

Newstart Allowance (NSA) provides income support for eligible job seekers aged 21 years or over and under Age Pension age. Recipients must satisfy the activity test by seeking and accepting suitable work and participating in activities designed to improve their employment prospects.

The number of NSA recipients decreased by 4.4 per cent, from approximately 417 800 recipients in June 2007 to 399 400 in June 2008.

Youth Allowance (other)

Youth Allowance (other) (YA(o)) is a means-tested income support payment available to eligible young people aged 16 to 20 years who are seeking or preparing for paid employment or are temporarily unable to work.

In June 2008 there were approximately 64 900 recipients of YA(o), a decrease of 5.5 per cent since June 2007, when there were 68 700 recipients. The number of YA(o) recipients as a proportion of the total Youth Allowance population (students are the main group) is 20.2 per cent.

Parenting Payment (Partnered and Single)

Parenting Payment (PP) is the main income support payment for the principal carer parent with sole or primary responsibility for the care of a young child. Single parents may be eligible for Parenting Payment (Single) until their youngest child turns eight. Partnered parents may be eligible for Parenting Payment (Partnered) until their youngest child turns six.

In 2007–08, the number of Parenting Payment (Single) recipients declined by 8.8 per cent, from approximately 395 500 to 360 600 in June 2008. The number of Parenting Payment (Partnered) recipients also declined by 12.8 per cent, from approximately 144 400 to 125 900 in June 2008.

Principal carer parent recipients granted payment on or after 1 July 2006 are required to look for part-time work of at least 15 hours per week when their youngest child turns six. For recipients of Parenting Payment who were receiving the payment immediately prior to 1 July 2006, compulsory participation requirements commenced on 1 July 2007 or when the youngest child turns seven, whichever is the later.

Mobility Allowance

Mobility Allowance is a fortnightly payment designed to assist people with a disability who are undertaking approved activities and are unable to use public transport without substantial assistance. Mobility Allowance is not subject to the income and assets tests.

Mobility Allowance is payable at a standard rate of $75.90 and a higher rate of $106.20. In June 2008, 91.4 per cent of recipients received the standard rate and 8.6 per cent the higher rate.

Standard rate

To qualify for the standard rate of Mobility Allowance, recipients must be undertaking approved activities such as job seeking or any combination of paid employment, voluntary work, vocational training, independent living or life skills training or (from 8 December 2007) Vocational Rehabilitation Services for at least 32 hours every four weeks.

Higher rate

The higher rate of Mobility Allowance may be payable to people who qualify for the standard rate and who are working 15 hours or more a week in the open labour market for wages at or above the relevant minimum wage or (from 8 December 2007) set in accordance with the Supported Wage System, or who are looking for such work under an agreement with an Employment Service Provider. From December 2007, access to the higher rate of Mobility Allowance was extended to eligible Parenting Payment recipients, as well as eligible Disability Support Pension, Newstart Allowance and Youth Allowance (other) recipients.

The number of Mobility Allowance recipients increased by 0.6 per cent, from approximately 54 900 recipients in June 2007 to 55 300 in June 2008.

Sickness Allowance

Sickness Allowance is a means tested income support payment for people who are temporarily incapacitated for work or study as a result of illness, are unable to work or study, and have a job or course of study to return to.

In June 2008, there were approximately 7400 recipients of Sickness Allowance, a 2.5 per cent decrease on the approximate 7600 recipients in June 2007.

Widow Allowance

Widow Allowance provides income support for older working age women who become single after turning 40, and have no recent workforce experience.

Widow Allowance is being phased out. From July 2005 new grants have been made only to women who were born on or before 1 July 1955.

In June 2008 there were approximately 39 100 Widow Allowance recipients, a 2.8 per cent decrease compared with approximately 40 200 recipients in June 2007.

Partner Allowance

Partner Allowance (PA) assists mature age people who are partners of income support recipients and who face difficulty gaining employment due to a lack of recent workforce experience.

PA was closed to new claimants on 20 September 2003. People who previously would have been eligible for PA can now apply for Newstart Allowance.

PA numbers have declined in recent years as a result of the closure of the allowance to new claimants. In June 2008 there were approximately 38 500 recipients of the allowance, a decline of 16.3 per cent compared with June 2007, when there were approximately 46 000 recipients.

Mature Age Allowance

Mature Age Allowance (MAA) provides income support for unemployed people aged 60 years to Age Pension age who have been receiving another income support payment for more than nine months and have no recent workforce experience. The payment has been closed to new claimants since 20 September 2003 and will be completely phased out in 2008–09. People who would have previously been eligible for MAA can now apply for Newstart Allowance.

Recipient numbers have continued to decline because MAA is a closed payment. In June 2008 there were approximately 750 recipients, a reduction of 85.0 per cent compared with June 2007. Those who leave this payment mainly transfer to the Age Pension.

Ex Gratia Payment (Widow Allowance)

Ex Gratia Payments mirroring Widow Allowance provide income support for a number of older working age women who were incorrectly granted Widow Allowance as a result of a Centrelink system error.

The majority of recipients in the identified group will remain on the Ex Gratia Payment for a period of up to 10 years until they become eligible for another income support payment such as Age Pension. If a recipient loses qualification for the Ex Gratia Payment, it cannot be regranted.

In June 2008, 10 recipients received the Ex Gratia Payment (Widow Allowance).

Supplementary labour market assistance payments

- ▶ Pensioner Education Supplement (PES). This is a fortnightly income supplement of up to $62.40 payable to certain income support recipients, such as single parents or people with disability, who are undertaking approved full- or part-time study. In June 2008, approximately 46 700 income support recipients received PES.
- ▶ Community Development Employment Projects Participant Supplement. This is a fortnightly payment of $20.80 to assist with the cost of participating in a Community Development Employment Project.
- ▶ Education Entry Payment (EdEP). This is a lump-sum payment of $208, payable once annually, to assist with the costs associated with beginning approved study. It is available to people who qualify for the Pensioner Education Supplement; people who have received income support for at least 12 months may also be eligible. In 2007–08, approximately 72 800 income support recipients received an EdEP.
- ▶ Employment Entry Payment (EEP). This is a lump-sum payment of up to $104 (or up to $312 for Disability Support Pension (DSP) recipients) payable once annually, to help people meet the costs associated with starting employment. It is available to certain working age

payment recipients who have received income support for at least 12 months and who meet other criteria. Parenting Payment (Single) recipients who start work are not subject to the 12-month waiting period. Eligibility for EEP will cease from 1 July 2008. Where a job seeker's employment starts after 1 July 2008, the EEP will not be paid, unless a claim for EEP was lodged before 1 July 2008. In 2007–08, approximately 102 800 people received an EEP.

▶ Language, Literacy and Numeracy Supplement. This is a fortnightly supplement of $20.80 to assist people on eligible income support payments with the costs associated with participating in the Language, Literacy and Numeracy program.

▶ Utilities Allowance (UA). This is a supplement paid to older Australians in receipt of income support to assist with their household bills, such as energy, rates and water. Previously paid twice a year, from 20 March 2008 the UA payment was increased and eligible households can receive a UA payment of up to $500 per annum paid in quarterly instalments.

▶ Work for the Dole Supplement. This is a fortnightly supplement of $20.80 to assist with the cost of participating in Work for the Dole.

Contribution to Outcome 7

Table 7.5

Performance for working age payments and compliance

Performance indicator	Estimate	Actual
Quantity		
Average (mean) duration on income support by current income support payment (weeks):		
Newstart Allowance	205	199
Youth Allowance (other)	80	75
Parenting Payment (Single)	350	349
Percentage of time on income support in the last 12 months that customer declares earnings:		
▶ Parenting Payment (Single)	37%	40%
▶ Parenting Payment (Partnered)	14%	15%
Percentage of income support recipients who exit income support within three months of grant:		
▶ Newstart Allowance	30%	36%
▶ Youth Allowance (other)	40%	38%
Percentage of income support recipients who exit income support within 12 months of grant:		
▶ Newstart Allowance	75%	79%
▶ Youth Allowance (other)	77%	80%
Proportion of activity tested working age income support population not exempted from the activity test	No target	93%

Note: In accordance with the guidance outlined in the publication *Requirements for annual reports for departments, executive agencies and FMA Act bodies,* produced by the Department of the Prime Minister and Cabinet (PM&C), the Disability Support Pension will be reported on by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) as the responsible agency following the machinery of government changes announced during the reporting period.

Program performance

The results for average (mean) duration on income support by current income support payment for Newstart Allowance, Youth Allowance (other) and Parenting Payment (Single) were all less than estimated, which is a positive result reflecting a general reduction in recipients' dependence on income support across the financial year.

The percentage of time that earnings have been declared exceeds the estimate and the performance in 2006–07, indicating increasing engagement with the labour market for these recipients.

Exits from payment within three months and 12 months of grant for Newstart Allowance were above estimate, and consistent with the previous year's results. Exits within three months of grant for Youth Allowance (other) averaged 38 per cent for 2007–08 and exits within 12 months of grant were above estimate, a marginal increase since last year.

Initiatives

The department has a number of initiatives in place to provide assurance over the accuracy of working age payments and to assist in maintaining the integrity of administered payments. These are outlined below.

Random Sample Survey Program

The Random Sample Survey Program provides assurance about the accuracy of working age income support payments.

The survey selects recipients at random from the population for each payment type. It is a point-in-time assessment of recipient circumstances and is designed to establish the value of total outlays accurately paid and to provide reasons for any debt, error or change in payment rate.

The 2007–08 Random Sample Survey Program conducted approximately 14 200 reviews over the 12-month period, not including reviews of DSP recipients.

The survey provides benchmark data on the level of inaccurate payments.

Table 7.6

Level of payment accuracy determined from Random Sample Surveys, 1 July 2007 to 30 June 2008

Payment type	Residual rate of accuracy[a] (%)
Newstart Allowance	94.5
Parenting Payment (Partnered)	94.1
Parenting Payment (Single)	97.5
Youth Allowance (other)	92.4
Total[b]	**95.4**

a   Figures are based on a statistical estimation of the level of accuracy of payments.

b   Results do not include a measure for the level of fraud as yet unidentified resulting from recipient non-disclosure.

Note: In accordance with the guidance outlined in the publication *Requirements for Annual Reports* produced by PM&C, the Disability Support Pension will be reported on by FaHCSIA as the responsible agency following the machinery of government changes announced during the reporting period.

Reviews of recipients' compliance

In addition to the Random Sample Survey Program, the department has a review program to assist in maintaining the integrity of administered payments.

Information obtained from Centrelink's Integrated Review System mainframe data shows that approximately 3 068 600 reviews were completed in the reporting year. As a result of the reviews, approximately 132 200 recipients had their payment cancelled; approximately 363 700 debts, with an estimated value of $344.2 million, were raised; approximately 391 500 payments were reduced; and approximately 99 300 payments were increased.

Data matching

Centrelink data is interrogated to identify inconsistent recipient circumstances, including incorrect earnings, multiple identities, incorrect rental information and incorrect information about dependants in care. Data is matched with government agencies—including the ATO, the Department of Immigration and Citizenship, the Defence Housing Authority, ComSuper, AUSTRAC and state and territory Births, Deaths and Marriages. There were approximately 629 200 reviews of this type in 2007–08.

Budget initiatives

In addition to the initiatives outlined above, in 2007–08 two new measures were introduced to increase the rate of payment accuracy.

Verification of earnings to improve the accuracy of payments

The purpose of this measure, which commenced 1 January 2008, is to assist Centrelink in paying the correct amount of working age payment, and thus reduce the frequency of debt in certain payment types.

Improved reporting of changes in income of people receiving Centrelink payments

This measure, which was implemented from 1 April 2008, aims to make better use of information supplied to Centrelink by Employment Service Providers to ensure that working age payment recipients are paid accurately.

Working age payments debts raised and recovered

In 2007–08, approximately 830 000 new working age payment debts, with a value of almost $600 million, were raised; $433.9 million of debt was recovered by Centrelink and its contracted mercantile agents; and $18.3 million was waived under provisions of the *Social Security Act 1991*.

It should be noted that the Youth Allowance (YA) components of these figures are estimates because YA debt data include both student (the responsibility of Outcome 2) and other YA debts.

On 19 June 2008 the Australian National Audit Office tabled Audit Report No. 42, the *Performance Audit Management of Customer Debt Follow-up Audit*. The main focus of the report is on Centrelink processes. The department will work with Centrelink to address the working age payment matters raised in the report.

Labour market program management and delivery

Labour market program management and delivery contributes to achieving efficient and effective labour market assistance by providing an integrated suite of programs to assist people into work or to provide assistance to prepare them for employment.

Labour market program management and delivery output group contributes to the outcome through the following outputs:

▶ information, referral and support services, including the Centrelink Gateway, services an online employment information service

▶ management of Employment Services including Job Network, NEIS and Harvest Labour Services;

▶ management of Indigenous Employment Programs

▶ management of Disability Employment Services, including Disability Employment Network, Vocational Rehabilitation and Employer Incentive Strategy

▶ management of Employment Preparation Services: the Personal Support Programme and the Job Placement, Employment and Training Program

▶ management and support of Mutual Obligation initiatives, including Work for the Dole.

Performance information for Outcome 7

Administered activities

The administered items are associated with labour market program management and delivery are:

▶ Job Network

▶ Indigenous Employment

▶ Work for the Dole

▶ Green Corps

▶ Job Placement, Employment and Training

▶ Employment Assistance and Other Services

▶ Personal Support Programme

▶ Rehabilitation Services

▶ Modified Compliance Framework

▶ Cyclone Larry—a wage assistance program

▶ Other—ex gratia.

Information, referral and support services

Delivering innovative information technology systems

Information, referral and support services contributed to the achievement of broader government economic performance, employment and social goals by delivering innovative information technology systems. Major achievements included:

- implementation of major enhancements to improve useability and provide accessibility options for the EA3000 IT systems that support the provision of Employment Services. In particular, vision-impaired users of the IT systems will benefit from the enhanced useability

- improved and more transparent budget management and contract management, better performance reporting and efficient contract administration for the Indigenous Employment Program

- deployment of a new content management system that enables timely updates and improved search functionality of Australian JobSearch content. Help text has been redesigned and rewritten to make the site easier to use and navigate for people with disability and the site now complies with World Wide Web Consortium (W3C) AA rating standards for accessibility

- time savings, cost benefits and increased user satisfaction to Job Network members due to the improved user interface for job seeker expenditure upload.

Table 7.7

Performance for employment preparation services

Performance indicator	Estimate	Actual
Quantity		
Number of referrals for PSP	45 000	52 641
Ratio of commencements to referrals for PSP	80%	86%

Support for job seeker participation

The department works with Centrelink on a range of job seeker participation related services, including:

- initial referral to Employment Services

- job seekers' compliance with activity test and participation requirements

- the reconnection of job seekers to Employment Service Providers after their participation has been interrupted

- analysis of management information about job seeker participation outcomes.

Job seeker compliance

Further work on the compliance framework continued throughout the 2007–08 financial year.

The department continued to work with Centrelink to review and improve the quality and accuracy of participation reports submitted by Employment Service Providers when job seekers do not fulfil their requirements and the Centrelink decisions resulting from these reports.

The Hon Brendan O'Connor MP, Minister for Employment Participation, wrote to chief executive officers of all Employment Service Providers on 15 April 2008 regarding application of the current job seeker compliance system.

In addition, a vulnerability flag has been placed on the records of approximately 7 000 job seekers who have had a Remote Area Exemption lifted within the past 12 months. This is to recognise that the changing expectations and obligations placed upon job seekers living in remote areas may be extremely difficult for some, leaving them vulnerable and at risk of disengagement. This is particularly the case for job seekers living in Northern Territory Emergency Response (NTER) communities who may also be living in income-managed communities and who have literacy issues.

Financial Case Management

Financial Case Management continued as an integral component of the compliance framework. Financial Case Management is able to be applied to both exceptionally vulnerable job seekers and their dependants, ensuring that they do not suffer inappropriate financial disadvantage because of an eight-week non-payment period.

Employment services

Employment services include Job Network, Disability Employment Network, Vocational Rehabilitation, the New Enterprise Incentive Scheme, Job Placement and Harvest Labour Services.

Table 7.8

Performance for Employment Services

Performance indicator	Estimate	Actual
Quality		
Number of DEN organisations achieving quality assurance certification within required timeframes	100%	100%
The proportion of Disability Employment Network (DEN) job seekers who received assistance during 2007–08 that achieve a sustainable employment outcome (8 hours of work per week for 26 weeks) in:		
▶ The capped stream	34%	39%
▶ The uncapped stream	No estimate	[a]
Quantity		
Proportion of job seekers in employment three months following participation in Employment Services		
▶ Job Placement	70%	72.6%
▶ Intensive Support	54%	51.6%
▶ New Enterprise Incentive Scheme	80%	88.1%
Proportion of job seekers in education/training three months following participation in Employment Services		
▶ Job Placement	10%	12.5%
▶ Intensive Support	10%	12.3%
▶ New Enterprise Incentive Scheme	10%	8.4%
Proportion of job seekers off benefit three and 12 months following participation in Employment Services		
3 months		
▶ Intensive Support	48%	46.7%
▶ New Enterprise Incentive Scheme	80%	82.4%

Performance indicator	Estimate	Actual
12 months		
▶ Intensive Support	55%	59.9%
▶ New Enterprise Incentive Scheme	80%	84.2%
Proportion of job seekers referred to demand driven VRS who commence	85%	81%
Proportion of job seekers referred to fixed place VRS who commence	70%	69%
Proportion of job seekers in VRS, in jobs, who go on to achieve a 13-week employment outcome	70%	69%
Proportion of job seekers in employment three months following participation in VRS	37%	35.8%
Proportion of job seekers off benefit three months following participation in Employment Services by disadvantaged group	Maintain off-benefit outcomes (as compared with 2006–07) across all disadvantaged groups	Total outcomes for each disadvantaged group exceeded targets. See Table 7.9
Total job placements achieved	550 000	577 868
Utilisation of program capacity (commencements)		
▶ New Enterprise Incentive Scheme	6800	6429
▶ Employment Preparation Capped	5000	208
▶ Employment Service for Age Pensioners	2500	241
▶ Wage Assist	5000	1466
▶ DEN Capped	18 000	20 490
▶ Other Disability Employment including Assistance and services— Employer Incentives Strategy of Wage Subsidy Scheme (WSS), Supported Wage System (SWS), Workplace Modifications Scheme (WMS), Auslan for Employment Program (AFE) (instances)	10 500	12 118
▶ National Disability Recruitment Coordinator (NDRC)	1000	608
▶ Work Experience Placement (WEP) program[b]	20 000	1498
Cost per employment outcome three months following participation in Job Network Employment Services (Job Placement and Intensive Support)[c]	$3800	$3643

a   The uncapped stream provides up to 24 months of assistance. The program was introduced in July 2006, so this figure is not yet available.

b   WEP data as at 30 June 2008, with an extract date of 11 July 2008.

c   Employment and education outcomes are measured three months after job seekers cease assistance. Results relate to job seekers who left assistance in the 12 months ending 31 March 2008. The department's Post-Program Monitoring Survey is the source of the employment and education outcomes data.

Program performance

Targets for the proportion of job seekers in employment three months after participation in Employment Services were met for Job Placement and the New Enterprise Incentive Scheme. With the strong labour market, job seekers assisted through Intensive Support have become increasingly disadvantaged, resulting in assistance generally taking longer to have an effect. As a result, the employment and off-benefit outcome targets at the three-month mark were not met, while the 12-month off-benefit estimate was exceeded.

For both Intensive Support and Job Placement, the proportions of job seekers in education or training three months after leaving employment assistance were above their respective targets.

For job seekers assisted through the VRS program, the proportion in employment three months after leaving was slightly below the estimate. This was in part a result of the impact of the transition to the current contract round.

The cost per employment outcome through Job Network was below the estimate.

Job Network

Job Network is currently the government's largest employment service. Job Network services currently include assistance to job seekers with training, wage subsidies, clothing and equipment and other work related needs through the Job Seeker Account and Training Account. Job Network members also assist eligible job seekers to connect with complementary programs and with Mutual Obligation activities. In 2007–08, 97 contracted organisations provided Job Network services around Australia, including rural and remote locations.

Job Placement

The role of Job Placement organisations (mainly private recruitment companies and Employment Service Providers) is to canvass employers for vacancies, record those vacancies on Australian JobSearch and then match, screen and refer eligible job seekers to those vacancies.

Job Network members and other Job Placement organisations made approximately 577 800 job placements, against an annual estimate of 550 000.

A total of 60 new Job Placement Licences were granted in 2007–08. At the end of June 2008, there were approximately 460 Job Placement licensed organisations (including Job Network members). Job Placement licensed organisations (excluding Job Network members) lodged approximately 250 800 vacancies on Australian JobSearch and made approximately 121 900 job placements in 2007–08.

Chart 7.2
Total job placements, by client group, 2005–06 to 2007–08
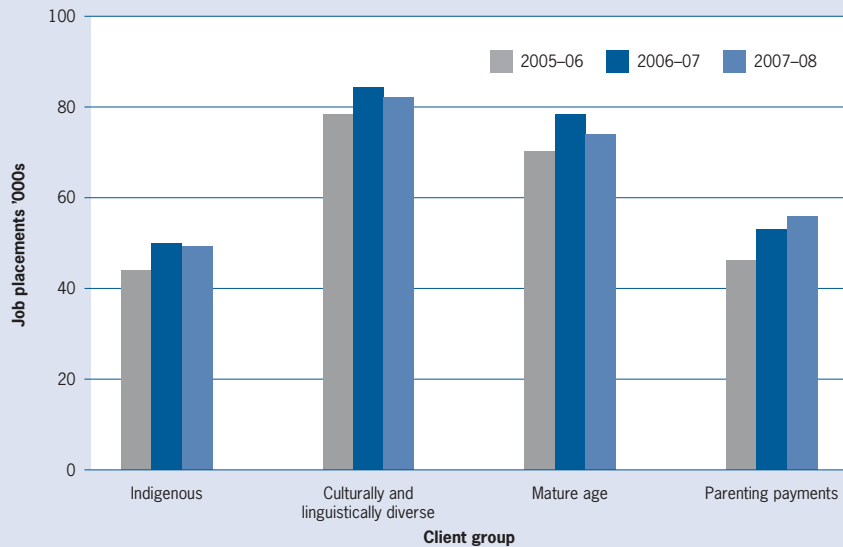
13-week jobs

Approximately 183 700 13-week jobs were achieved by Job Network members for disadvantaged job seekers and those unemployed for more than three months. This was in line with 2006–07, with improvements seen across key job seeker groups:

▶ approximately 16 200 13-week jobs achieved for Indigenous Australian job seekers, an increase of 11 per cent on 2006–07

▶ approximately 29 100 13-week jobs achieved for job seekers from culturally and linguistically diverse backgrounds, an increase of 6 per cent on 2006–07

▶ approximately 26 800 13-week jobs achieved for mature age job seekers, an increase of 4 per cent on 2006–07

▶ approximately 29 200 13-week jobs achieved for Parenting Payment job seekers, an increase of 41 per cent on 2006–07.

The number of 13-week jobs decreased for a number of client groups:

▶ approximately 37 100 13-week jobs for highly disadvantaged job seekers, a decrease of 3 per cent, compared to a decline of 6 per cent in the active caseload from June 2007 to June 2008

▶ approximately 28 000 13-week jobs for young job seekers (aged under 21), a decrease of 12 per cent, compared to a decline of 14 per cent in the active caseload from June 2007 to June 2008.

Chart 7.3
13-week jobs, by client group, 2005–06 to 2007–08

Chart 7.3: 13-week jobs, by client group, 2005–06 to 2007–08. Y-axis: 13-week jobs '000s. X-axis: Client group. Legend: 2005–06, 2006–07, 2007–08.
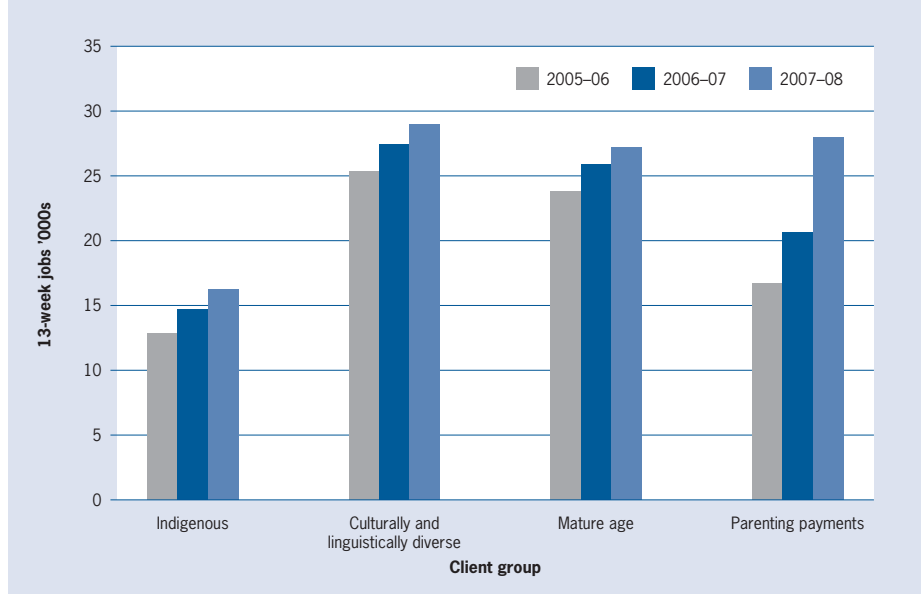
Job Search Support

Generally Job Search Support provides assistance to all job seekers working or studying less than 15 hours a week. This includes developing and lodging a résumé on Australian JobSearch, automated vacancy matching and notification services. Employment service providers advise on job search techniques, career options and employment programs, and assist with job search facilities such as Australian JobSearch touch screen kiosks, telephones and a telephone information service.

Intensive Support

Job Network Intensive Support is available to disadvantaged job seekers and other eligible job seekers who have been registered for more than three months. In addition to ongoing Job Search Support services, job seekers in Intensive Support receive a range of assistance under the *Active Participation Model* continuum.

Employment Service Providers use a range of strategies to assist job seekers overcome barriers to their employment, as well as identifying employment and training opportunities. The initial stage of Intensive Support generally involves job search training, and is available to eligible young people, Indigenous and mature age job seekers when they first start looking for work. For other job seekers, Intensive Support services begin after three months of registration, at which point they undertake job search training.

Intensive Support customised assistance is available to eligible job seekers if they are still unemployed after 12 months. Some highly disadvantaged job seekers may have more immediate access to customised assistance.

In 2007–08 approximately 360 100 seekers commenced in Intensive Support services, with approximately 114 000 job seekers commencing job search training and approximately 220 500 highly disadvantaged and long-term unemployed job seekers commencing customised assistance.

Job Seeker Account and Training Account

The Job Seeker Account is a pool of funds available to Job Network members to purchase goods and services to help job seekers secure ongoing employment. It is particularly designed for those job seekers who are disadvantaged in the labour market. Assistance with the account is tailored to an individual job seeker's needs and must meet expenditure principles, including value for money. In 2007–08 approximately $165 million from the Job Seeker Account was spent on providing goods and services to assist approximately 281 100 job seekers. The most common purchases made using the Job Seeker Account in 2007–08 were wage subsidies, training, professional services, and employment-related clothing and equipment.

Job Network members also provide additional assistance for Indigenous job seekers through the Training Account. Funds from this account can be used to assist with the cost of work related training, purchasing essential books and equipment for eligible job seekers. In 2007–08, the Training Account expenditure was $6.8 million to assist approximately 13 800 job seekers.

Job seekers in Intensive Support who were assisted through the Job Seeker Account tended to achieve higher post-assistance outcomes. Data from the Post-Program Monitoring survey show that, of those who did receive Job Seeker Account assistance, 53.5 per cent achieved an employment outcome. Employer Incentive Job Seeker Account expenditure resulted in the highest levels of post-assistance employment of all forms of Job Seeker Account assistance.

Employment Preparation

The demand driven or 'uncapped' Employment Preparation is provided through Job Network to help Fully Job Network Eligible job seekers who are mature age (50 years and over), parents, and carers on income support, to develop skills to re-enter the workforce. Assistance is based on the job seekers' individual needs. Eligible job seekers with no recent work experience may receive Employment Preparation services as soon as they start participating in Job Network. Job seekers with recent work experience may receive Employment Preparation after they have been participating in Job Network for three months without finding employment.

An additional 5000 places are available annually to eligible job seekers who are not on income support and have no recent work experience. These places are referred to as 'capped' places. Employment Preparation capped commencements rely on mature age (50 years and over), parent and carer job seekers volunteering to participate in the program. During 2007–08, the commencement numbers have been below estimate.

Employment Services for Age Pensioners

Employment Services for Age Pensioners commencements rely on job seekers volunteering to participate. Commencement numbers for the program's first year of implementation have been below estimate. The department is actively encouraging and supporting JNMs to increase their usage through targeted advice to account and contract managers and by raising awareness of the guidelines. Articles to increase usage of these places have been published through Centrelink and various age pensioner publications.

Wage Assist

Wage Assist is a wage subsidy program which targets full-time, sustainable and ongoing work opportunities for Very Long Term Unemployed job seekers. In 2007–08, 5000 program places were available. As at 30 June 2008, approximately 1450 job seekers were assisted into employment through Wage Assist. Program performance for Wage Assist is below estimate. However, the department raised awareness of the program, which increased the number of commencements in 2007–08 from approximately 1000 in 2006–07.

New Enterprise Incentive Scheme

NEIS helps eligible unemployed people establish new small businesses by providing training in small business skills (including developing a business plan), NEIS allowance for up to 52 weeks for eligible participants, advice, support and mentoring during the first year of business operation. NEIS was delivered through 41 Employment Service Providers and some 350 sites nationally.

NEIS commencements for 2007–08 were approximately 6400, filling 94.5 per cent of the available places.

Remote Services

During 2007–08, under the Remote Services Deed, Employment Service Providers continued to provide job seekers with Employment Services across communities in 16 remote Employment Service Areas, covering northern parts of Queensland, Western Australia, South Australia, and the majority of the Northern Territory.

Links continued to be built across the Job Network, Disability Employment Network, Community Work Coordinators, Job Placement, Employment and Training, the Personal Support Programme and the New Enterprise Incentive Scheme, as well as with other government programs and services, to achieve better outcomes for remote participants.

The remote servicing model, allowing providers to more effectively tailor services to suit local conditions, significantly benefits remote job seekers, many of whom are highly disadvantaged.

With the acceleration of the removal of Remote Area exemptions, under the NTER, providers were required to work closely with communities and other agencies to ensure the establishment of effective client servicing across all 73 prescribed communities.

Harvest Labour Services

Harvest Labour Services (HLS) help to match workers, including job seekers, backpackers and mature age Australians, with seasonal harvest work. Harvest work can include picking, packing, weeding, pruning and thinning of a range of crops. Nine providers are contracted to deliver the service across 18 areas of regional Australia.

The National Harvest Labour Information Service coordinates and distributes harvest labour information across Australia, including producing the *National Harvest Guide* and posting harvest labour vacancies on the Harvest Trail website <www.harvesttrail.gov.au>. Since the commencement of HLS on 1 July 2003, approximately 90 000 job seekers have been placed in harvest work.

Work Experience Placement program

The Work Experience Placement (WEP) program aims to help job seekers find employment. This includes those who have been unemployed for more than 12 months, Indigenous Australians, job seekers with disability, and some parenting payment recipients.

The WEP program was intended to allow eligible job seekers to participate in short-term work experience placements in most Australian businesses, which provide job seekers with an opportunity to gain skills and experience that may lead to sustainable ongoing employment. For 2007–08 commencements were approximately 7.5 per cent of forecasted figures. A number of factors contributed to this lower than expected utilisation of the WEP program, such as WEP being a voluntary program and the newness of the initiative. Take-up is increasing slowly as providers become more accustomed to its use.

Disadvantaged groups

Australian Government Employment Services continued to focus on job seekers in priority and disadvantaged groups throughout 2007–08. Aggregate off-benefit outcomes increased for each of the department's target groups during 2006–07; maintenance of these results during 2007–08 indicates the sustained performance of Employment Services over time.

Table 7.9
Disadvantaged groups: Off-benefit outcomes (%)
Target: Maintain off-benefit outcomes
(as compared with 2006–07 across all disadvantaged groups)

Disadvantaged groups	Job Placement	Intensive Support job search training	Intensive Support customised assistance	Intensive Support	New Enterprise Incentive Scheme	Total[a]
Long-term unemployed						
Result in 2007–08	43.5	44.0	37.7	36.5	71.8	36.1
Result in 2006–07	43.5	42.7	32.8	33.1	69.0	31.9
Indigenous Australians						
Result in 2007–08	51.0	50.2	38.7	39.7	72.8	40.1
Result in 2006–07	49.1	47.4	36.7	39.2	68.0	38.2
Mature age people (50+)						
Result in 2007–08	51.8	42.9	37.4	36.7	77.2	38.4
Result in 2006–07	53.4	37.8	30.9	33.6	74.0	34.6
People from culturally and linguistically diverse backgrounds						
Result in 2007–08	56.1	51.9	42.2	44.0	81.8	44.7
Result in 2006–07	55.2	48.9	38.0	41.1	82.9	41.1
Single parents						
Result in 2007–08	48.7	42.3	39.1	42.2	74.4	40.4
Result in 2006–07	44.5	36.0	33.1	42.6	76.4	36.8
People with disability						
Result in 2007–08	40.7	44.7	37.4	37.6	75.3	37.1
Result in 2006–07	40.0	39.7	33.9	32.2	72.2	32.4
Young people (<21)						
Result in 2007–08	63.4	54.7	50.7	56.2	77.7	53.7
Result in 2006–07	61.9	51.6	46.7	53.5	74.8	50.6

a   Total is a weighted average of Job Placement, Intensive Support job search training, Intensive Support customised assistance, Intensive Support, New Enterprise Incentive Scheme, Indigenous Employment Policy (Structured Training and Employment Projects and Wage Assistance) and Work for the Dole off-benefit outcomes.

Note: For Intensive Support, off-benefit outcomes are measured three months after job seekers cease assistance or reach 12, 24 or 36 months' participation in Intensive Support. For Job Placement, off-benefit outcomes are measured three months after job seekers are placed in an eligible Job Network placement. For other programs, off-benefit outcomes are measured three months after job seekers cease assistance. The results relate to job seekers who came in scope to have their outcomes measured in the 12 months ending 30 June 2008. Administrative data held within the departments employment systems are the source of the off-benefits data.

Very Long Term Unemployed

During 2007–08, Job Network recorded approximately 132 500 job placements for Very Long Term Unemployed (registered for 24 months plus) job seekers—a decrease of 8 per cent on 2006–07—and approximately 44 600 13-week job outcomes were achieved—an increase of 1.7 per cent. The number of Very Long Term Unemployed job seekers on the Active Caseload as at 30 June 2008 was approximately 216 600, representing a decrease of just over 15 per cent compared to the same time the previous year.

During 2007–08, Job Network recorded approximately 36 700 job placements for job seekers registered for five years plus—a decrease of 10 per cent on 2006–07—and approximately 11 500 13-week job outcomes were achieved—a decrease of 1.9 per cent. There were 272 900 long-term unemployment benefit recipients (more than 12 months on income support) in May 2008, of whom 106 800 had been in receipt of income support for 5 years or more.

Indigenous Australians

Job Network is the largest employment assistance program for Indigenous Australians. During 2007–08, approximately 49 100 job placements and 16 200 13-week jobs were recorded for Indigenous job seekers. These results represent a decrease of 2 per cent for job placements and an increase of 11 per cent for 13-week jobs on the 2006–07 figures. The number of Indigenous job seekers on the active caseload as at 30 June 2008 was approximately 81 600.

Job Network has 14 sites that offer services exclusively to Indigenous job seekers. Other resources available to assist Indigenous job seekers include Indigenous Youth Employment Consultants—funded under the Indigenous Employment Program—who assist Indigenous youth to enter education, training and work.

On 1 July 2007, Community Development Employment Projects ceased operating in urban and major regional areas. Job seekers from the closing Community Development Employment Projects were directed to mainstream Employment Services. In 2007, Structured Training and Employment Projects Employment and Related Services (STEP ERS) commenced operation, providing pre-employment, job placements and mentoring services from a wide range of organisations to assist Indigenous job seekers.

Mature age job seekers

During 2007–08, Job Network recorded approximately 73 500 job placements for job seekers aged 50 years or more—a decrease of 6 per cent on 2006–07—and approximately 26 900 13-week job outcomes were achieved. The number of mature age job seekers on the active caseload as at 30 June 2008 was approximately 121 000, representing a decrease of just over 11 per cent compared to the same time the previous year.

People from culturally and linguistically diverse backgrounds

During 2007–08, Job Network recorded approximately 81 500 job placements, and approximately 29 100 13-week job outcomes for people from culturally and linguistically diverse backgrounds—a decrease of 3.2 per cent for job placements and an increase of 5.6 per cent for 13-week jobs on 2006–07. These figures include approximately 11 800 job placements and approximately 4300 13-week job outcomes for humanitarian entrants. The number of job seekers from culturally and linguistically diverse backgrounds on the active caseload as at 30 June 2008 was approximately 117 300, representing a decrease of approximately 6.5 per cent compared to the same time the previous year. Job Network has 23 sites specialising in the provision of Employment Services to job seekers from culturally and linguistically diverse backgrounds.

The department has provided advice and contributed to the work of the National Multicultural Reference Group and the Interdepartmental Committee on English Language Training. The department is also working with the Department of Immigration and Citizenship to ensure the best outcomes for people from culturally and linguistically diverse backgrounds and humanitarian refugees regarding future Employment Services and the review of Adult Migrant English Program services.

Parents

During 2007–08 the department worked with Centrelink and Employment Service Providers to complete the transition of grandfathered Parenting Payment recipients—that is, those parents in receipt of Parenting Payment prior to 1 July 2006—to the new regime of part-time compulsory participation requirements. This was a phased process involving three identified priority groups.

At the end of June 2008, there were approximately 97 200 principal carer parents with participation requirements registered with Job Network, comprising approximately 79 200 Parenting Payment recipients—including approximately 73 300 grandfathered recipients—and approximately 17 900 parents in receipt of Newstart Allowance or Youth Allowance (other).

The department continues to work closely with Centrelink on voluntary service offers to interested Parenting Payment recipients wishing to gain access to Job Network.

In 2007–08, approximately 80 600 job placements and 35 000 13-week job outcomes were recorded for all principal carer parents. This comprised approximately 67 100 job placements for Parenting Payment recipients—an increase of almost 14 200, or 27 per cent, on 2006–07—and approximately 29 200 13-week job outcomes. For principal carer parents on Newstart Allowance and Youth Allowance (other), approximately 13 500 job placements were recorded and approximately 5900 13-week job outcomes were achieved.

Job seekers with disability

In 2007–08, approximately 45 200 job placements were recorded by Job Network members and other Job Placement organisations for job seekers who self-identified as having disability, including job seekers receiving a Disability Support Pension—approximately 8900 placements—representing a decrease of 8 per cent on 2006–07. The number of job seekers receiving the Disability Support Pension on the Active Caseload as at 30 June 2008 was approximately 26 200, representing a decrease of almost 24 per cent compared to the same time the previous year.

Young people

In 2007–08, Job Network recorded approximately 189 600 job placements and approximately 52 400 13-week job outcomes for youth job seekers aged 24 years or less—a decrease of 16.3 and 12.7 per cent respectively on 2006–07. The number of youth job seekers on the active caseload as at 30 June 2008 was approximately 208 000, representing a decrease of just over 14 per cent compared to the same time the previous year. Job Network has 10 sites specialising in the provision of Employment Services to job seekers aged 24 years or less.

In July 2007, the Careers Kit was issued to every secondary school, TAFE and university, and electronic copies were made available on the Job Juice website. The Careers Kit provides information to career counsellors to assist students with advice on options for joining the workforce or going on to further study or training.

The department has continued to provide advice and contribute to the work of the National Action Plan, which aims to build social cohesion, harmony and security in Australian communities. Community Employment Coordinators are currently funded until June 2009 to increase workforce participation, job opportunities and connection with Employment Services for young disadvantaged jobseekers in Macquarie Fields and Lakemba in Sydney.

Northern Territory Emergency Response

On 21 June 2007, the former government announced a package of measures (known as the Northern Territory Emergency Response) intended to protect Aboriginal children in remote Northern Territory communities. The measures included compulsory health checks for all Aboriginal children, and welfare reforms, including the introduction of income management.

As part of a whole of government approach, the department continues to play an active role, including getting people into jobs, delivering Employment Services and programs to working age adults on income support payments and improving school attendance, engagement and achievement. The department developed legislative change to enable income management and the removal of Remote Area Exemptions in 86 communities and 606 associated outstations in the Northern Territory. The lifting of the Remote Area Exemptions was completed on time in December 2007.

Disability Employment Network

The Disability Employment Network (DEN) provides specialist assistance to job seekers with disability who require ongoing support to find and maintain employment. These services are purchased under the *Disability Services Act 1986*. Services provided include individual employment planning, training, job search activities, work experience and post placement or ongoing support.

2007–08 was a year of consolidation for the DEN program after a period of significant change, with the move to a new portfolio in late 2004 and the transition to full Case Based Funding in 2005–06. The DEN uncapped stream entered its second year of operation, and the DEN performance framework was strengthened with the first publication of star ratings for both streams of the program.

The DEN capped stream has a fixed capacity of approximately 39 000 places. It assists eligible job seekers who are unable to work at full award wages or are able to work a minimum of eight hours a week in the open labour market who are likely to require ongoing support to retain employment once they have found a job. In 2007–08, 201 organisations delivered the capped stream from 371 sites, assisting approximately 51 000 clients.

The demand driven DEN uncapped stream guarantees assistance to job seekers receiving income support who are required to look for work to meet part-time participation requirements. Introduced in July 2006, it provides up to two years of employment assistance to job seekers assessed as able to work 15 or more hours a week independently at full award wages. In 2007–08, 106 organisations delivered uncapped services from 497 sites, assisting approximately 18 000 job seekers.

Extension of funding agreements

In May 2008 the government announced an extension of DEN funding agreements until February 2010 to allow outcomes from consultations on the National Mental Health and Disability Employment Strategy to be taken into account in the review of disability Employment Services.

The Hon Brendan O'Connor, Minister for Employment Participation, with Brant Garvey at Grand Toyota in Wanneroo.

Brant Garvey was a Paralympian wheelchair basketballer, representing Australia at many international events. In 2007, Brant decided on a career change and completed a pre-apprenticeship course in mechanics with a group training organisation in Western Australia, where Brant was recommended for a position at Grand Toyota's service department. EDGE Employment Solutions provided the necessary equipment (a work bench on wheels) to enable Brant to move his heavy tool box around the worksite and reduce the physical impact on his prosthetic leg. EDGE also provides on-the-job support, and will continue to help Brant as he works towards completing the academic component of his apprenticeship.

Vocational Rehabilitation Services

Vocational Rehabilitation Services (VRS) is covered by the *Disability Services Act 1986*. VRS combines specialist employment assistance with vocational rehabilitation, to assist people with an injury, disability or health condition find and retain safe and sustainable employment in the open labour market. VRS assists job seekers to understand, compensate for and manage their injury or disability by building work capacity and/or developing new work strategies to avoid re-injury. The services are tailored to individual needs and can include vocational assessment and counselling, job preparation, placement and training, injury management, and workplace modifications.

VRS assisted approximately 72 000 clients in 2007–08, including approximately 40 000 new commencements, with 36 per cent in employment three months after participation in VRS.

In May 2008 the government announced an extension of VRS service contracts until February 2010 to allow outcomes from consultations on the National Mental Health and Disability Employment Strategy to be taken into account in the review of disability Employment Services.

Other disability employment assistance

Employer Incentives Strategy

The Employer Incentives Strategy has five main elements:

► The Workplace Modifications Scheme reimburses employers for the cost of workplace modifications and equipment for workers with disability. It can be used to purchase, lease or hire services, products or equipment. Access to the scheme has been made easier by broadening eligibility requirements and simplifying the application processes. This has resulted in a 53 per cent increase in the number of applications submitted in 2007–08, compared to the previous 12 month period.

► The Supported Wage System (SWS) recognises that some people cannot maintain employment at full wage rates because of their disability, allowing eligible workers to access an independent, reliable process of productivity-based wage assessment to determine fair pay for fair work. An upgrade of the department's IT platform that supports SWS has reduced the administrative burden of this program and provided easier access. In 2007–08, approximately 5100 SWS productivity-based wage assessments were completed.

► The Wage Subsidy Scheme provides a financial incentive to employers to increase the competitiveness of job seekers with disability when seeking employment under open labour market conditions. In 2007–08, the Wage Subsidy Scheme assisted in approximately 4500 employment placements.

► The Auslan for Employment Program maximises the capacity and workplace independence of deaf workers who are Auslan users. Assistance is available for Auslan interpreting services and for deaf awareness training and Auslan courses for co-workers. The program was introduced on 1 January 2007 and assisted approximately 270 deaf workers in 2007–08.

► The National Disability Recruitment Coordinator offers a single point of contact for large, private sector employers seeking to recruit employees with disability. In 2007–08 it provided support to seven new employers and achieved approximately 600 eligible employment placements for people with disability.

The Prime Minister's Employer of the Year Awards

The Prime Minister's Employer of the Year Awards recognises excellence in the employment of people with disability. In 2007, 252 nominations for awards were received. Award nominations were assessed by an independent judging panel and winners were selected in five categories—national employer, large employer, medium employer, small employer and Employment Service Provider.

Customer service and quality improvement

The Employment and Related Services Code of Practice and relevant service guarantee covers all providers of Australian Government employment and related services holding contracts with the department. The Code of Practice describes how providers must deliver services to clients, and the service guarantees specify the types of services clients can expect to receive.

Complaints handling and client feedback

The department's approach to handling complaints is, in the first instance, to resolve concerns with the organisation involved. The benefits of this approach have been highlighted to all providers currently holding a contract with the department.

A customer service line is also available for clients to make inquiries and complaints, raise any concerns, and provide suggestions for improvement. Clients of DEN and VRS are able to contact the free independent complaint handling body, the Complaints Resolution and Referral Service, directly or through the department's customer service line. In addition, clients can use interpreter services and telephone typewriter facilities through the National Relay Service; feedback is also collected from departmental websites, letters, feedback forms and quality assurance questionnaires.

Report on performance

The department received approximately 33 600 calls from job seekers to the Customer Service Line and the Complaints Resolution and Referral Service, of which around 19 000 were complaints. The percentage of complaints made against each Employment Services program compared to the number of participants in those programs was comparatively low. Of the three programs with the most complaints, the percentage of clients who had made a complaint compared to the number of participants as at 30 June 2008 was 1.9% for Job Network, 1.1% for Community Work Coordinators and 0.5% for Personal Support Progamme. The remainder of the calls included requests for information and suggestions about—and compliments on—services received. In addition, over 268 400 calls were received by the Employment Services information line from job seekers asking for information about employment and related services.

Contract management

The department has further developed its contract management processes to ensure that it obtains value for money in the delivery of Employment Services programs, including the enhancement of its risk management system. The department's Employment Services information portals have also been the subject of review and redevelopment work—which is ongoing—aimed at improving the usability of this resource for providers.

A key objective of the government's social inclusion agenda has also been implemented by the department offering formal contract variations to Employment Services providers to ensure that existing contract provisions cannot be interpreted as preventing providers from engaging in advocacy activities.

The department has commenced reviewing its approach to contract management in the course of designing the new Employment Services model that will operate from 1 July 2009. The department's approach to contract management will be guided by a Charter of Contract Management, to be developed in consultation with providers and approved by the Minister for Employment Participation.

Indigenous Employment programs

Indigenous Employment programs forms a component of the Indigenous Employment Policy. The policy was implemented in July 1999 in recognition of the particular disadvantage of Indigenous Australians in the labour market.

Table 7.10

Performance for Indigenous Employment programs

Performance indicator	Estimate	Actual
Quantity		
Proportion of job seekers in employment and/or education/training (positive outcomes) 3 months following participation in Indigenous Employment program	65%	71.9%
Utilisation of program capacity		
► Indigenous Employment programs	8500	24 233

Note: Outcomes are measured three months after job seekers cease assistance. Results relate to job seekers who left assistance in the 12 months ending 31 March 2008. The department's Post-Program Monitoring survey is the source of the positive outcomes data.

Program effectiveness

Structured Training and Employment Projects

The Structured Training and Employment Projects (STEP) program assists employers to provide ongoing employment for Indigenous Australians, particularly in the private sector. Through STEP, the department provides direct support to employers for the recruitment and retention of their Indigenous employees. The department can also purchase services through the STEP ERS Panel, where panel members are contracted to deliver pre-employment, employment placement and/or mentoring services to assist employers and Indigenous job seekers in specified locations.

As part of the Northern Territory Emergency Response, a tender process was undertaken to increase the number of STEP ERS panel members able to deliver services in the Northern Territory. A total of 34 organisations successfully tendered to be added to the panel with coverage to deliver services in the Northern Territory.

With the STEP ERS model for delivery of STEP in operation for the full financial year, significant increases occurred in STEP commencements during 2007–08, with approximately 15 300 commencements achieved, against approximately 5100 in 2006–07. A proportion of this increase is due to pre-employment training commencements through STEP ERS services. Employment commencements also increased significantly, with approximately 24 200 employment commencements, a 65 per cent increase on 2006–07.

Sundale Garden Village

Sundale Garden Village, located in Nambour, Queensland, is a not-for-profit retirement and aged care facility.

In 2007–08, under the Structured Training and Employment Projects (STEP) program, Sundale Garden Village helped 10 Indigenous participants gain certificate-level qualifications in a range of occupations in the aged care industry.

All 10 Indigenous participants gained permanent employment, eight with Sundale Garden Village and two with other aged care employers in the areas of laundry operations, personal care, horticulture and maintenance.

Sundale's Corporate Services Manager, Paul McDonald, considers its first STEP program to be a great success. Sundale is now considering a second STEP program to provide further employment opportunities for Indigenous Australians.

Labour market assistance

2

Report on Performance

Corporate Leaders for Indigenous Employment Project

The Corporate Leaders for Indigenous Employment Project encourages partnerships between employers to generate increased employment opportunities for Indigenous Australians in the private sector. Additionally it encourages organisations to enter into partnerships with Indigenous communities to build capacity to support local jobs for local people. During 2007–08 eight corporate organisations became Corporate Leader signatories, bringing the total number of signatories to 95.

During 2007–08, two roundtable workshops were held with employers across the finance and construction industries. The aim of the roundtables was to raise awareness within these industries of some of the barriers to employing Indigenous Australians and to discuss strategies to overcome those barriers. In addition, the roundtables sought to share best practice and networking opportunities to increase employment for Indigenous Australians.

Indigenous Wage Assistance

Indigenous Wage Assistance provides a wage subsidy for 26 weeks for employers who offer ongoing full- or part-time work to eligible Indigenous Australians. Approximately 2900 Wage Assistance commencements were recorded for 2007–08, 21 per cent more than the 2400 commencements in 2006–07.

Construction trade services (approximately 400 commencements) and business services (approximately 300 commencements) represented a quarter of all new commencements, and 62.7 per cent of new commencements were male.

Community Development Employment Projects Placement Incentive

The Community Development Employment Projects (CDEP) Placement Incentive program facilitates the movement of CDEP participants into ongoing, unsubsidised employment with an employer in the private, public or community sector under the normal employer–employee relationship.

The CDEP Placement Incentive program assists in the achievement of the objective by giving CDEP providers a payment for every Indigenous participant who leaves CDEP for an ongoing job. Approximately 4300 initial claims were paid through the program in 2007–08.

National Indigenous Cadetship Project

The National Indigenous Cadetship Project aims to improve the professional employment prospects of Indigenous Australians by linking students and employers in an arrangement that involves full-time study and work placement. Eligible study includes diploma, advanced diploma and undergraduate degree courses. Cadets participate in full-time study and take up complementary work placements. On successful completion of their studies, the cadets generally move into ongoing employment with their cadetship employer.

In 2007–08, approximately 200 cadets commenced under the project, bringing the total number of commencements since 1999 to approximately 1500.

Aboriginal Employment Strategy

The Aboriginal Employment Strategy is funded under the Indigenous Employment Policy to assist Indigenous job seekers to prepare for, gain and retain jobs.

During 2007–08 the Aboriginal Employment Strategy expanded from seven to nine sites with the opening of sites in Alice Springs and Kempsey. In 2007–08 the Aboriginal Employment Strategy placed approximately 1300 Indigenous job seekers in employment.

Through a STEP funded School-Based Traineeship Program, the Aboriginal Employment Strategy has built links between education and employment to assist students with the transition from school to work placements.

Indigenous Small Business Fund

The Indigenous Small Business Fund offers funding to Indigenous community-based organisations to assist Indigenous people to learn about business, develop good business skills and expand their businesses. Funding is available to identify and facilitate business opportunities, help Indigenous people start businesses, and provide advice and support services to small business people developing their skills, markets and networks.

In 2007–08, 171 Indigenous Small Business projects were approved.

Indigenous Capital Assistance Scheme

The Indigenous Capital Assistance Scheme (ICAS) offers Indigenous businesses access to commercial finance and culturally appropriate professional and mentoring support services. The economic opportunities created through ICAS supports improved employment opportunities for Indigenous Australians. Financial support for loans ranges from $50 000 to $500 000. Other assistance provided under the scheme includes an interest rate subsidy, reimbursement of bank application and establishment fees and a professional services subsidy. In 2007–08, there were 49 new loans valued at $6.5 million.

Indigenous Youth Employment Consultants program

The Indigenous Youth Employment Consultants (IYEC) program, announced in the May 2004 Budget, is funded under the Indigenous Employment Policy. Currently 27 Indigenous consultants work with young Indigenous people aged from 15 to 19 years providing links to work opportunities or further education and training. The main role of the consultants is to encourage the successful transition of these young people from school to work. The consultants are based with selected Job Network providers throughout Australia and also work with families, communities, local schools, vocational education and training providers, and local businesses. In 2007–08 there were approximately 3100 participants in the IYEC program, with approximately 2100 positive outcomes, including approximately 1000 employment outcomes.

Emerging Indigenous Entrepreneurs Initiative

The Emerging Indigenous Entrepreneurs Initiative (EIEI) is a flexible funding resource aimed at establishing an economic base from which to build future prosperity in communities where historically employment and business opportunities have been limited. Funding is available to support projects which will improve the economic development, business skills and financial literacy of Aboriginal and Torres Strait Islander people.

In 2007–08 EIEI funded 45 new projects, including five business/tourism hubs and 46 economic development officers specialising in tourism, mining, arts and forestry. Funding was also provided for training and workshops to support emerging entrepreneurs.

The proportion of job seekers in employment and/or education/training three months after participation in the Structured Training and Employment Projects or Wage Assistance components of the Indigenous Employment Program exceeded its estimated level for 2007–08. This was driven by growth in both employment and education outcomes compared to 2006–07.

Mutual Obligation initiatives

Activity-tested job seekers with Mutual Obligations may be able to satisfy their obligations through a range of activities, which include Work for the Dole, Community Work and Green Corps.

Table 7.11

Performance for Mutual Obligation initiatives

Performance indicator	Estimate	Actual
Quantity		
Utilisation of program capacity		
▶ Work for the Dole	55 000	37 815
▶ Green Corps	1392	1548

Note: Use of program capacity for Work for the Dole was below the estimate set. This can be attributed to the effects of a strong labour market and a corresponding low unemployment rate.

Program effectiveness

Work for the Dole

Work for the Dole is delivered by Community Work Coordinators (CWCs). The aim of Work for the Dole is to equip participants with skills that are required in the local labour market, give them an opportunity to engage with others, and contribute in a team environment.

CWCs are required to incorporate the skills that are in demand in their local communities into all activities. There were approximately 4000 Work for the Dole activities approved in 2007–08.

Very Long Term Unemployed job seekers (more than two years) participate in full-time Work for the Dole for 25 hours a week, 10 months a year. There were approximately 11 500 commencements in full-time Work for the Dole in 2007–08.

Community Work

Community Work is voluntary work done by job seekers and income support recipients who are registered with and monitored by a CWC. It is one of the ways job seekers can meet their Mutual Obligation requirements. The initiative offers people on income support the opportunity to work in an approved volunteer organisation and improve their work skills, gain experience and contribute to their community through worthwhile activities. Participants work in organisations that provide services in areas including conservation, community radio, aged care, libraries and museums. There were approximately 350 Community Work commencements in 2007–08.

Drought Force

Drought Force helps farmers and farming communities maintain drought-affected farms and properties and assists in keeping a pool of farm labour within a drought declared region. People who are eligible for income support or who are living in a drought-affected area can volunteer to work on drought-affected farms. This can include farms where they were previously employed. There were approximately 2000 Drought Force participants in 2007–08.

Green Corps

Green Corps is an environmental training program that gives young people the opportunity to volunteer to conserve and restore Australia's environment and cultural heritage. During 2007–08, 174 Green Corps projects commenced around the nation and approximately 1700 young Australians participated in Green Corps activities.

Employment preparation services

Employment Preparation Services covers management of the Personal Support Programme and the Jobs Placement, Employment and Training program.

Table 7.12

Performance for employment preparation services

Performance indicator	Estimate	Actual
Quantity		
Percentage of Personal Support Programme (PSP) participants exiting PSP who are in employment for 13 weeks duration, education/ training, referred to Disability Employment Network (DEN) and/or referred to Job Network Service (JNS (ISca)) (positive outcomes) or social outcomes, within the last 12 months		
▶ positive outcomes	30%	30%
▶ social outcomes	40%	43%
Effective strategies to stabilise circumstances, identify and overcome barriers and achieve outcomes for Job Placement, Employment and Training (JPET) participants		
▶ Proportion of JPET participants who achieve economic outcomes	25%	29%
Efficient engagement of the JPET target group		
▶ Number of actual commencements in JPET	14 000	15 544
Utilisation of program places		
▶ PSP	75 000	87 686

Job Placement, Employment and Training

The Job Placement, Employment and Training (JPET) program is an employment preparation program that offers young people transitional assistance to help them overcome difficulties in their life. The program is for people aged from 15 to 21 who are homeless or at risk of homelessness, and/or have multiple non-vocational barriers.

Assistance allows young people to engage in employment or education or make the transition to training or employment assistance programs such as Job Network. Providers use the JPET core services to deliver assessment activities, case management and personal support services, referral and advocacy services, based on an understanding of the local community and relationships with other organisations.

JPET providers commenced approximately 15 500 participants during the reporting year.

Personal Support Programme

The Personal Support Programme (PSP) helps participants deal with non-vocational barriers preventing them from obtaining a job or benefiting from employment assistance programs such as Job Network, VRS or the DEN. The barriers can include homelessness, mental health problems, drug use, gambling problems and social isolation. The program is open to people in receipt of income support and people aged 15 to 20 years who are not in receipt of income support and not in full-time study.

In 2007–08, the government increased the number of places available in PSP by approximately 9000. PSP providers assisted approximately 87 700 participants during the reporting year PSP was delivered by 120 organisations at 684 sites across Australia.

In 2007–08 the department completed work to move PSP and JPET providers onto the same IT system platform as other Employment Service Providers, with new arrangements coming into effect on 2 July 2007.

Departmental outputs

Table 7.13

Performance in delivery of departmental outputs for Outcome 7

Performance indicator	Estimate	Actual
Working age payments		
Program management		
Accuracy of working age payments	95%	95%
Policy services		
Level of satisfaction of Ministers with provision of advice	Satisfactory or above	Satisfied[a]
Service delivery		
Centrelink delivers services to the standards agreed with DEEWR in the Business Partnership Agreement (BPA)	Agreed standards are met	Centrelink met most agreed standards. For further information, see *Centrelink services* below
Labour market program management and delivery		
Program management		
Employment IT applications services cost	$1250 per function point	$1089.79
Employment IT applications system availability	99.5%	99.99%
Policy services		
Level of satisfaction of Ministers with provision of advice	Satisfactory or above	Satisfied[a]
Service delivery		
Level of satisfaction of service providers with contracted information and support services	80% satisfied	90.9%
Centrelink delivers services to the standards agreed with DEEWR in the Business Partnership Agreement (BPA)	Agreed standards are met	Centrelink met most agreed standards. For further information, see *Centrelink services* below

Performance indicator	Estimate	Actual
Employment services		
Policy Services		
Level of satisfaction of Ministers with provision of advice	Satisfactory or above	Satisfied[a]
Mutual Obligation initiatives		
Program management		
Percentage of Work for the Dole activities that address one or more skill in demand	75%	100%
Policy Services		
Level of satisfaction of Ministers with provision of advice	Satisfactory or above	Satisfied[a]
Service delivery		
Level of satisfaction of participants with Work for the Dole program	80%	82.4%
Level of satisfaction of participants with Green Corps program[b]	80%	90.0%
Employment preparation services		
Policy services		
Level of satisfaction of Ministers with provision of advice	Satisfactory or above	Satisfied[a]

a   During the year ministers, parliamentary secretaries and their staff provided feedback on the level of satisfaction with departmental advice during regular meetings with the department and, in some cases, by rating briefs according to a five-point scale, with five being the maximum. Overall feedback from ministers, parliamentary secretaries and their staff confirmed that they recognise the significant efforts being made by departmental staff and are generally satisfied with the quality of briefings. Note that these satisfaction levels incorporate the former departments, DEEWR and the youth and early childhood and child care functions from FaHCSIA.

b   Satisfaction with assistance is measured three months after job seekers cease assistance. Results relate to job seekers who left assistance in the 12 months ending 31 March 2008. The department's Post-Program Monitoring survey is the source of the satisfaction data.

Program effectiveness

Contractual obligations ensured 100 per cent of Work for the Dole activities addressed one or more skills in demand, significantly exceeding the 75 per cent estimate.

Participants in the Work for the Dole and the Green Corps programs indicated a high level of satisfaction with the respective programs. Participants were surveyed on activity organisation, quality of supervision, opportunities for skills development and to contribute to the community, and the quality of assistance and services. Overall satisfaction levels were above the estimate levels.

Centrelink services

The Key Performance Indicator framework is specified in the Business Partnership Agreement between DEEWR and Centrelink. During 2007–08, this framework measured Centrelink's performance in delivering services including the administration of income support, the assessment and referral of job seekers to employment services, and the application of compliance requirements.

Centrelink's performance against the agreed key performance indicator standards was satisfactory overall.

Minimum standards for both the timeliness and accuracy of processing participation reports were met. Centrelink actioned 90 per cent of participation reports within 16 working days—compared to the minimum standard of 80 per cent—while 96 per cent of surveyed participation reports were assessed as being actioned appropriately—compared to the minimum standard of 80 per cent.

Standards for timeliness and accuracy in the processing of new and continuation claims for income support were met for Youth Allowance, Widow Allowance, and Sickness Allowance. Similarly, for Newstart Allowance, where the estimate was 80 per cent of new claims to be assessed within 16 days, 86 per cent of claims were processed on time. The estimate for Newstart continuation claims was 95 per cent of claims to be processed within two days—100 per cent of those claims were processed within that time frame.

Centrelink achieved the minimum standards for timeliness and accuracy in the referral of job seekers to Employment Services, with 93 per cent of initial referral appointments to service providers made within two working days and 92 per cent of reconnection appointments made within two working days. Centrelink achieved the minimum standards for timeliness and accuracy in the assessment of job seekers, with 96 per cent of Job Seeker Classification Index assessments resulting in an appropriate referral and 100 per cent of assessments completed within two working days.

The estimate was achieved for performance against debt raising (71 per cent; estimate 70 per cent). For debt recovery, the estimate for the value of debts under recovery as a proportion of the debt base was met (67 per cent; estimate 65 per cent). The value of total recoveries as a proportion of new debt raised did not meet the estimate (71.8 per cent; estimate 77.5 per cent).

Significant changes in participation arrangements for parents were introduced in July 2007. These new arrangements increased the numbers of parents with participation requirements. The implementation of these arrangements required more time than expected, with the phased transition completed by Centrelink in May 2008. For new Parenting Payment (Single) claims, Centrelink did not meet the minimum timeliness standard of 90 per cent of claims processed within 21 days—89 per cent of claims were processed within that period.

Following the December 2007 machinery of government changes, a new interim Business Partnership Agreement (BPA) was agreed for 2008–09. This interim BPA continues to specify minimum standards for the delivery of services by Centrelink to assure the ongoing effective implementation of government policies and programs. In addition to working age payments and employment participation services, the interim BPA includes student payments, child care and other services that now fall within the DEEWR portfolio.

Outlook for 2008–09

▸ Develop a new integrated Employment Services system, which will be implemented on 1 July 2009. These services will include tailor-made assistance for job seekers, emphasis on skills development and training and greater assistance for the most disadvantaged job seekers. The new system will also place a greater emphasis on supporting employers to fill vacancies, particularly in areas of skills shortages.

▸ Continue to review and develop strategies that drive employment initiatives to help disadvantaged job seekers in the labour market, maximise their participation and build skills through Employment Services.

▸ Continue to manage Employment Services with a view of making the transition to the new model as smooth as possible.

▸ Finalise the review of the JSCI. The review is scheduled for completion in late 2008.

▸ Continue to manage and deliver disability Employment Services and related programs for people with disability, maintaining a strong focus on performance in order to achieve better outcomes.

▸ Develop service delivery and administrative arrangements for disability Employment Services that incorporate the findings from the disability Employment Services review and reflect the focus of the National Mental Health and Disability Employment Strategy. After the current review of services, the new disability Employment Services delivery arrangements, to commence on 1 March 2010, will ensure that people with a disability, injury or health condition receive the most effective and efficient employment assistance.

▸ Continue to administer working age income support payments in accordance with the legislation and policy guidelines.

Labour market assistance

2

Report on Performance

Report on performance

Outcome 8—Workforce participation

2

Outcome 8
Workforce participation

Outcome 8 contributes to the long-term economic priority of increasing workforce participation to contribute to productivity growth, thus adding to the Australian economy's potential output and raising living standards. Increasing workforce participation over the long term is important because of Australia's changing demographic profile.

The Commonwealth Treasury's Intergenerational Report in 2007 estimated that over the next 40 years the proportion of Australia's population over the age of 65 will double to around 25 per cent of the nation's population. Over the same period, the proportion of the population participating in the workforce will decline from 65 per cent to 57 per cent in 2046.

Increasing workforce participation requires both bringing people who have the capacity to work, but are not currently working, into the workforce, and maximising the participation of those who are already working. Outcome 8 contributes to this by providing high quality labour market research and evaluation and high quality policy formulation and advice. It develops and implements strategies to increase labour supply and employer demand for workers from priority groups and to promote social inclusion.

Outcome 8 also contributes to the department's key role of assisting the government to meet its commitment to review and improve employment services, with a view to helping the most disadvantaged job seekers.

As part of the machinery of government changes, responsibility for the Disability Support Pension and Community Development Employment Projects (CDEP) was transferred from this department to the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

Key achievements

The key achievements for Outcome 8 in 2007–08 were as follows:

▶ In 2007–08, the department undertook a number of activities to support the implementation of the government's social inclusion agenda, including:

– establishing the Social Inclusion team to provide cross-portfolio support and policy advice for the Hon Julia Gillard MP, Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion and Senator the Hon Ursula Stephens, Parliamentary Secretary for Social Inclusion and the Voluntary Sector, Parliamentary Secretary Assisting the Prime Minister for Social Inclusion

– undertaking a national consultation process on the National Mental Health and Disability Employment Strategy which forms part of the government's social inclusion agenda. The strategy is being developed to address the barriers to employment faced by people with disability and/or mental illness

– conducting research on jobless families and at-risk youth and commissioning research papers on social inclusion and mental health issues relating to transition points for single parents. This research contributes to employment policy development focused on the government's social inclusion agenda

– establishing a new Strategic Policy Group in the department at the end of 2007–08 to further enhance the department's capability to provide coherent, evidence-based policy advice for the long term.

- The department managed the Review of Employment Services by:

  - drafting a discussion paper, *The Future of Employment Services in Australia,* outlining the government's emphasis on disadvantaged job seekers, greater employer focus and links to training in its approach to employment services

  - undertaking national consultations on the new employment services proposal

  - developing further options for employment service reform based on feedback from national consultations.

- The department monitored and evaluated Welfare to Work reforms introduced in 2006, the *Active Participation Model* for employment services and the Case Based Funding model for the Disability Employment Network.

- To inform policy development, the department managed Australia's participation in Organisation for Economic Co-operation and Development (OECD) thematic reviews, including:

  - the Thematic Review for Reforming Sickness and Disability Policies to Improve Work Incentives. The OECD released the report *Sickness, Disability and Work: Breaking the Barriers—Volume 2* in December 2007, which included a review of sickness and disability policies in Australia, Luxembourg, Spain and the United Kingdom

  - the Thematic Review of Policies to Improve School-to-Work Transitions and Improve Youth Employment (Jobs for Youth). The OECD review team visited Australia in April 2008 on a fact finding mission for its examination of Australia's policies to address barriers to youth transitions to employment.

- In a joint project undertaken with FaHCSIA, the paper *Increasing Indigenous economic opportunity—A discussion paper on the future of the CDEP and Indigenous Employment Programs* was released and the department undertook associated consultation sessions in over 50 locations, including 18 remote communities.

- The department implemented reforms to the delivery of Indigenous employment services in urban and major regional centres, which further improved employment outcomes and economic independence for Indigenous Australians.

- The department used labour market data and stakeholder consultation to inform the development of the temporary and permanent migration arrangements, which have contributed to improving labour supply to industries and regions facing skilled labour shortages, while safeguarding employment, training and career development opportunities for Australians.

- The department used research into skills shortages to update the Migration Occupations in Demand List (MODL), which is used to target skilled migrants under the General Skilled Migration program.

- The department used regional and industry employer surveys data to identify the priority occupations for the Productivity Places Program.

- The department continued to develop the SkillsInfo website <www.skillsinfo.gov.au>, Labour Market Information Portal <www.workplace.gov.au/lmip> and Job Outlook <https://jobsearch.gov.au/joboutlook> by adding data on employment trends, employment characteristics such as part-time/full-time share and prospects for industries and occupations.

- During the year, to facilitate evidence-based policy development, Outcome 8 helped improve the department's collection and management of data by:

  - playing a major role in the strategic management of the department's information activities. This included supporting the department's data requirements for research and evaluation through the Research and Evaluation Dataset (RED), and providing leadership in SAS (Statistical Analysis Software) high level analytics Business Intelligence performance

- developing the department's spatial data capacity and participating in developing options for a social spatial data platform for use by all Commonwealth agencies
- undertaking the Employer Survey and the fifth and final wave of the Longitudinal Pathways Survey of income support recipients.

▶ The department provided information and coordinated employment assistance to 14 640 workers who were made redundant in 2007–08.

Key priorities

The key priorities for Outcome 8 in 2007–08 were:

▶ monitoring and analysing the labour market to:
  - identify emerging trends in workforce participation and employment rates
  - identify and predict labour supply and skill shortages by industry, occupation and labour market region
▶ improving labour supply to industries, occupations and regions facing labour supply and skill shortages
▶ providing input to the management of the Skilled Migration program and related activities, including through the review of the Migration Occupations in Demand List
▶ increasing business development opportunities and their take-up by Indigenous Australians
▶ developing the new employment services model by:
  - integrating the productivity agenda's focus on training into the new model
  - drafting the detail of the new model to the Request for Tender stage
  - developing the new performance management arrangements
▶ contributing to policy development to increase working age employment participation and the implementation of the government's social inclusion agenda by providing policy advice and guidance on income support, employment participation issues and evaluation of trials of new policy and service delivery approaches, including by:
  - undertaking an evaluation of Best Practice Employment Assistance to People with Mental Illness to inform future policy and program decisions on employment assistance
  - starting to develop a National Mental Health and Disability Employment Strategy to address the barriers to employment faced by people with disability and/or mental illness as part of the government's social inclusion agenda
  - developing a body of research on the relationship between mental health and employment as part of the department's contribution to the Council of Australian Governments' (COAG) National Action Plan on Mental Health
  - coordinating Australia's contribution to the OECD Thematic Review of Policies to Improve School-to-Work Transitions and Improve Youth Employment
  - developing an agreed model for implementing the government's Improving School Enrolment and Attendance through Welfare Reform Measure
  - monitoring and evaluating the effectiveness of policies aimed at improving labour market participation and tackling passive welfare dependence
  - monitoring and evaluating the effectiveness and cost-efficiency of the department's employment programs

- ► contributing to the policy evidence base by:
  - – implementing the Strategic Management of Information Plan's action plan to improve business intelligence and drive the department's focus on employment-related information
  - – facilitating high quality research, both in-house and commissioned, into workforce participation and labour market issues
- ► increasing employment outcomes for Indigenous Australians by:
  - – negotiating industry strategies which encourage employment in specific industry sectors that are prominent in regional and remote areas with significant Indigenous populations
  - – implementing economic development strategies to support Indigenous self-employment and business development
  - – seeking feedback on the future of Indigenous employment services through releasing *Increasing Indigenous economic opportunity—A discussion paper on the future of the CDEP and Indigenous Employment Programs* and holding a nation-wide consultation process.

Table 8.1
Resources invested in Outcome 8 in 2007–08 ($'000)

Outcome 8	Budget PBS (2007–08) $'000 A	Actual expenses (2007–08) $'000 B	Variation (2007–08) $'000 C = B – A	Budget (2008–09) $'000 D
Administered Expenses				
Advertising	400	31	-369	417
Evaluation			-	1,060
Total administered expenses	**400**	**31**	**-369**	**1,477**
Price of departmental outputs				
Output Group 8.1—Policy Services	79,014	63,636	-15,378	71,411
Output Group 8.2—Program Management	29,654	34,651	4,997	19,257
Output Group 8.3—Service Delivery	1,688	7,833	6,145	1,337
Total departmental expenses	**110,356**	**106,120**	**-4,236**	**92,005**
Funded by				
Revenue from government (appropriations) for departmental outputs	109,734	99,486	-10,248	91,305
Revenue from other sources	622	6,634	6,012	700
Total price of departmental outputs	**110,356**	**106,120**	**-4,236**	**92,005**
Total for Outcome 8	**110,756**	**106,151**	**-4,605**	**93,482**
Average staffing level (number)		**544**		**396**

Effectiveness indicators

Table 8.2
Effectiveness indicators for Outcome 8

Workforce participation
▶ Labour force participation rate for civilians aged 15–64 years
▶ Employment-to-population ratio for civilians aged 15–64 years
▶ Proportion of population of workforce age on working age income support payment:
  – full rate
  – part rate

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

The labour force participation rate refers to the proportion of the working age population that is either employed or looking for work. It is used to determine whether an increasing proportion of the population is working or looking for work and is a good indicator of the total supply of labour. However, it does not include those who are marginally attached to the labour force.

The employment-to-population ratio refers to the proportion of the working age population that is employed. This ratio is influenced by both labour demand and effective labour supply factors. It is also a good summary indicator for measuring labour market performance relative to comparative countries, particularly those in the OECD.

Reflecting the clear strengthening in labour market conditions that occurred over 2007–08, the employment-to-population ratio for persons aged 15–64 years increased strongly, by 0.5 percentage points over the period, to stand at 73.4 per cent in June 2008, an equal record high. Importantly, this ratio has been on an upward trend since the recession of the early 1990s. Australia's working age participation rate also increased in 2007–08, by 0.5 percentage points to 76.7 per cent in June 2008, another equal record high.

Chart 8.1
Labour force participation rate and employment-to-population ratio: persons aged 15–64 years: trend data, June 1978 to June 2008
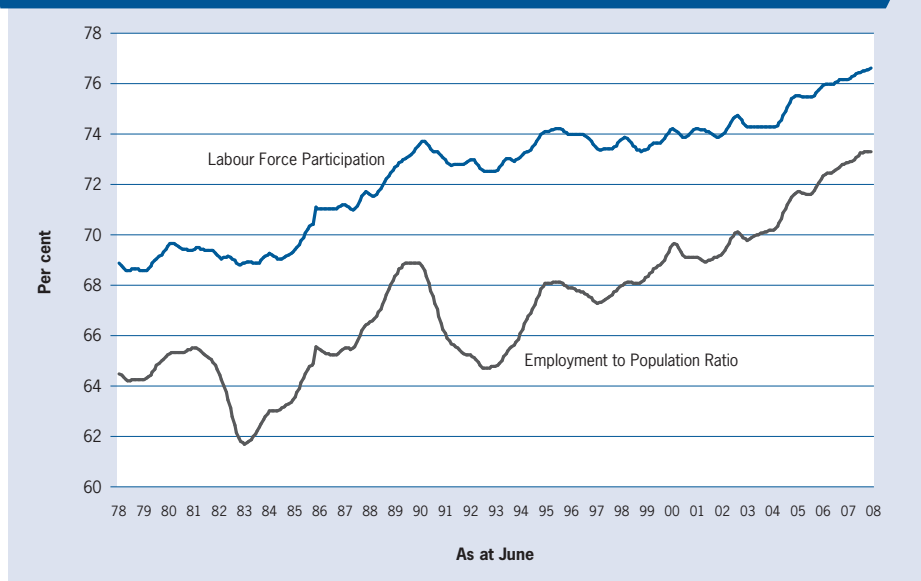
Source: Australian Bureau of Statistics, *Labour Force*, Cat. no. 6202.0.55.001, ABS, Canberra, June 2008.

Proportion of the civilian population aged 15–64 years on working age income support payments

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

► Newstart Allowance

► Youth Allowance

► Parenting Payment

– Single

– Partnered

► Disability Support Pension

► Sickness Allowance

► Widow Allowance

► Mature Age Allowance

► Partner Allowance

► other payments—the Age Pension (women aged 63.5 and 64 years are eligible for the Age Pension although they are still of workforce age), Carer Payment, Special Benefit, Youth Allowance (full-time students and New Apprentices), Austudy, ABSTUDY (especially those receiving a living allowance), Widow B Pension, Wife Pension (Age and Disability Support Pension), Bereavement Allowance and Sickness Allowance.

Table 8.3

Proportion of the workforce age population on income support payments, full and part rate

Payment type by rate[a]	June 2007	June 2008	Percentage point change
Part rate[b]	4.5	4.4	-0.1
Full rate	12.4	11.6	-0.8
Total	**16.9**	**16.0**	**-0.9**

a   CDEP supplementary payment is no longer included in these payment types.

b   This includes part rate payment, manual rate payment, Disability Support Pension suspended, undetermined and zero-rate payment types.

Source: DEEWR Administrative data.

Overall, the proportion of civilians aged 15–64 years on workforce age income-support payments fell substantially during 2007–08, although the proportion on part rate payments fell only slightly. The fall on part rate payments was tempered by a rise in the number of people receiving part rate payments for Carer Payment, Austudy and Disability Support Pension.

The relatively slower decline in the proportion of the workforce age population receiving part rate payments can generally be attributed to an increasing number of recipients—who would otherwise be receiving full rate payment—taking on part-time work.

There were large falls in 2007–08 in the proportion of civilians aged 15–64 years on both Mature Age Allowance and Partner Allowance because of the cessation of entry into these two payment types from September 2003. There were also falls in the percentage of the population receiving Parenting Payment (Partnered) and Parenting Payment (Single) in 2007–08.

Performance information for Outcome 8

Administered activities

There are no administered activities for Outcome 8.

Working age policy

Working age policy outputs are information-based and contribute to the outcome through the provision of policy advice, research and evaluation to sustain an efficient and equitable labour market. In 2007–08, the department focused, in particular, on the implementation of the government's social inclusion agenda. Key functions of the outputs include:

► providing policy advice and briefings to ministers, national committees and other key stakeholders

► researching, analysing and developing policy to increase labour force participation of working age people and reduce their reliance on income support

► contributing proactively to policy development across the whole of government

► ensuring that legislation and associated documentation reflect policy intention

► conducting research and evaluation of the effectiveness and efficiency of welfare reform policies and labour market programs and services delivered by the department

► providing information, education and communication services through the development of publications (particularly through online information)

► working with key stakeholders to implement a seamless transition from policy formulation to program implementation.

Policy advice and supporting the implementation of the government's social inclusion agenda

In 2007–08 the department worked with various external agencies and non-government stakeholders to support the government's commitments and future policy reforms by:

► advising internal and external stakeholders on policy and arrangements for means testing, eligibility, participation, compliance and activity testing under the post–Welfare to Work reforms

► undertaking research and policy development on 'jobless families' to contribute to the government's social inclusion agenda

► developing strategic, proactive policy to encourage and help people with disability to participate in the workforce to their capacity. Policy analysis and development were directed at identifying the types of intervention and assistance that lead to sustained employment outcomes for people with disability

► providing policy advice and contributing to the work of whole of government mature age employment and participation initiatives

► providing support and advice to the Minister and the Parliamentary Secretary.

Graham Carters, Deputy Secretary Workforce Participation, with Wayne Kayler-Thomson, CEO of the Victorian Employers' Chamber of Commerce and Industry, in Melbourne to discuss the Australian Government's response to labour and social inclusion, Victoria.

Development of spatial data capacity for social inclusion

The government's social inclusion agenda requires all government programs and initiatives to deliver on social inclusion. All programs need to develop clear targets and means by which progress towards social inclusion targets can be measured and reviewed. This requires a capacity to identify, analyse and measure Commonwealth-held data in a more sophisticated and consistent way. For maximum benefit, a social spatial data platform and whole of government coordination is required. Consequently, the department, as well as developing its own spatial data capacity, also helped develop options for a social spatial data platform for all Commonwealth agencies to use. In 2007–08, the department convened an interdepartmental committee to progress this work and undertook preliminary work to build a whole of government

capacity for setting, measuring, comparing and reporting on social inclusion targets. Improved coordination and development of spatial capabilities will enable agencies to make better use of the data they already hold and increase their ability to compare and merge data.

People with disability

In 2007–08, as part of the COAG National Action Plan on Mental Health, policy analysis was supported by research on the linkages between employment and mental health. Under this plan, $5 million was allocated to the department over four years for research related to employment and mental illness. Nine research projects funded under this plan were completed in 2007–08. One project funded under the COAG National Action Plan on Mental Health, the 'Evaluation of best practice employment assistance for people with mental illness', is taking place between 2007 and 2010. This project will add to the body of evidence about effective employment assistance for people with mental illness, allowing for more effective policy development and advice.

OECD Thematic Review Reforming Sickness and Disability Policies to Improve Work Incentives

The department managed Australia's contribution to the OECD Thematic Review Reforming Sickness and Disability Policies to Improve Work Incentives. The OECD released the report *Sickness, Disability and Work: Breaking the Barriers—Volume 2* in December 2007, which included a review of sickness and disability policies in Australia, Luxembourg, Spain and the United Kingdom. The report praised some recent initiatives, such as JobAccess, and provided policy recommendations aimed at assisting people with sickness or disability to move into work. These recommendations are being considered in developing the National Mental Health and Disability Employment Strategy.

National Mental Health and Disability Employment Strategy

During 2007–08, the department undertook a national consultation process on the National Mental Health and Disability Employment Strategy. The strategy is being developed to address the barriers to employment faced by people with disability and/or mental illness. The terms of reference for the strategy were released in February 2008 by the Hon Brendan O'Connor MP, Minister for Employment Participation, and the Hon Bill Shorten MP, Parliamentary Secretary for Disabilities and Children's Services. The strategy is being developed in consultation with people with disability and/or mental illness, peak bodies, employers, service providers, trade unions, state and territory governments and experts. Consultations were held in every capital city and some regional centres. A total of around 740 individuals, covering some 380 organisations, accepted invitations to attend the sessions.

The department established, and provided secretariat services for, the Strategy Advisory Committee which provides expert advice to the Minister and the Parliamentary Secretary for Disabilities and Children's Services. A discussion paper to facilitate stakeholder input was released by the Minister and the Parliamentary Secretary for Disabilities and Children's Services. Two thousand copies of the discussion paper were printed and distributed. Information about the strategy and electronic copies of the discussion paper were made available on the Workplace website <www.workplace.gov.au>. A toll free number was also established to receive questions and comments from potential contributors. The submission process was open to the public from 14 March 2008 until 30 June 2008. Over 300 written submissions were received from individual consumers, people who have had a relative or close friend touched by disability and/or mental illness, community groups, peak bodies, employers, service providers and academics.

Mature age people

The department developed guidelines for Employment Service Providers on activity test requirements for job seekers aged 55 years and over, including those with partial capacity to work. It continued to work with peak bodies representing mature age people to raise awareness among employers of the benefits of recruiting and training mature age people. The department also provided input to the Participation Taskforce established by the government to examine participation requirements for parents and mature age people on income support.

The department managed the Melbourne Institute of Applied Economic and Social Research project on mature age employment. It worked with the Attorney-General's Department on age discrimination issues and contributed to publications of other Australian Government departments such as the *Seniors Guide for MPs* and *Older Australia at a Glance*. It also contributed to the work of the New South Wales Government Ministerial Advisory Committee on Ageing.

Youth and job seekers from culturally and linguistically diverse backgrounds

During 2007–08, the department provided advice and contributed to the work of committees and working groups focused on youth employment issues. The department is a member of the Longitudinal Surveys of Australian Youth Strategic Advisory Committee, the Australian Bureau of Statistics' Children and Youth Statistical Portal Reference Group and the Intergenerational Transmission of Disadvantage: Patterns, Causation and Implications for Australian Social Policy Project Steering Committee. The department also contributed to the Australian Institute of Health and Welfare's report *Australia's Welfare 2007*, which was published in December 2007.

The department supported implementation of the COAG National Action Plan to Build Social Cohesion, Harmony and Security through its participation in the National Action Plan interdepartmental committee. In particular, the department implemented the Community Employment Coordinator Pilot Project in the Lakemba and Macquarie Fields regions of Western Sydney, targeting young Muslim job seekers and disadvantaged young people.

School enrolment and attendance measure

During 2007–08, the department drove the development of the School Enrolment and Attendance Senior Officials Working Group and the School Enrolment and Attendance Working Group. These interdepartmental bodies meet on a regular basis to discuss high level policy formulation. The government announced a measure as part of the 2008–09 Budget linking parents' income support to their children's enrolment and attendance at school.

Strategic management of information

The department established the Strategic Management of Information Committee in 2007–08 and progressed key action items from the Strategic Management of Information Plan (SMIP), including:

► coordinating the Business Intelligence budget for 2007–08 and planning for 2008–09, developing an employment information portal, and undertaking a full review of strategic business information requirements for all groups in Outcome 7 Labour market assistance, and Outcome 8

► managing consultancies for the development of the SMIP and the review of business intelligence tools

- providing input and guidance to the Business Representatives Group and the Data Definitions Group to advance the department's business intelligence capability
- providing input for employment and workforce participation reporting.

Parent policy

The department managed a number of research consultancies, namely:

- a social inclusion literature review
- a study of single parent and mental health concerns
- research projects undertaken as part of the department's research contract with the Melbourne Institute.

Other activities focusing on parents included implementing changes for Parenting Payment recipients with compulsory part-time participation requirements from 1 July 2007. The department also established the Participation Taskforce, to advise the government on appropriate participation requirements for parents and mature age people on income support.

Initiatives to improve outcomes for Indigenous Australians

In 2007–08, the department commenced work on an overarching strategy to close the gap between Indigenous and non-Indigenous Australians in employment and employment opportunities within the next decade. The strategies developed focus on building incentives and skills for those currently not in the labour force; skilling the unemployed to obtain a job; encouraging up-skilling of those currently in a job; and ensuring Indigenous young people complete school and transition successfully into a job. A place-based approach will be utilised to connect disadvantaged Indigenous job seekers with employment opportunities and fostering greater partnerships between government, community and business.

The department, along with FaHCSIA, initiated reforms of the CDEP program and the Indigenous Employment Program and, on 18 May 2008, *Increasing Indigenous economic opportunity—A discussion paper on the future of the CDEP and Indigenous Employment Programs* was released. An extensive consultation process followed, with face-to-face sessions held in almost 60 locations, including 18 remote communities. Written feedback in more than 125 submissions will inform future policy direction for these programs. The reformed programs will complement the new universal Employment Services system, which will be introduced in Australia from 1 July 2009.

In the six months until December 2007, the department focused much of its efforts on supporting the Northern Territory Emergency Response (NTER) by removing Remote Area Exemptions in 71 communities and 592 outstations in the Northern Territory. After their Remote Area Exemption is removed, activity-tested income support recipients in remote communities are required to participate in appropriate work related programs and activities. The department also supported the NTER by converting 1327 CDEP positions into jobs in government service delivery.

Remote Area Exemptions were also removed in 95 communities and 130 outstations in other states.

In addition to the jobs created out of CDEP positions in government service delivery as part of the NTER, the department helped create 389 non-CDEP jobs in government service delivery in other areas of Australia.

The department worked to provide more universal employment services to Indigenous Australians to ensure equal and equitable access to government services. In 2007–08, the Job Network placed over 49 100 Indigenous job seekers into employment.

Myuma Indigenous Employment Mobility Program

Myuma Pty Ltd is operated by the Indjilandi and Dhidhanu people of Queensland's Camooweal region, 200km north-west of Mount Isa. This community-based organisation has implemented a successful program that combines a place-based approach with a collaborative solution to help Indigenous Australians prepare for work in the civil construction and mining industries.

The program encourages mobility while remaining culturally sensitive by considering the need for a transition from community life to employment. It has drawn participants from nine communities throughout the North Queensland region, including Mount Isa and the remote communities of Mornington Island, Palm Island and Aurukun. Participants travel to the Dugalunji Training Camp for a 13 week training course. The camp environment reflects day-to-day living in the mining industry: training shifts are 11 days on and three days off; participants stay in dormitory accommodation; a mess hall is provided for meals; and strict rules regarding drugs and alcohol are enforced.

The training is industry specific and closely linked to employment opportunities in the area. Supervised experience is also provided in the safe operation and maintenance of heavy plant and equipment. In 2008, participants worked alongside experienced leading hands and supervisors under a contract that Myuma held with a chemical manufacturing plant. The team maintained a perfect safety record during the contract and were rewarded with a bonus payment.

Upon successfully completing the training program, participants are awarded a Statement of Attainment at Certificate I and II levels in either Civil Construction or Mining (Open Cut). Assistance is then provided to participants to find employment in an entry level position. Post-employment participants are offered the support of a mentor for six months.

Participants in the program have demonstrated strong rates of completion and success in finding full-time work. Since the program's inception in 2007, 52 (or 84 per cent) of its 62 participants have completed the program. Of those, 43 participants (83 per cent) have been supported into full-time employment. Thirty-nine (75 per cent) of those are still employed.

Myuma has been assisted in this endeavour through the department's Structured Training and Employment Projects Employment and Related Services (STEP ERS) program and Queensland Government funding.

Research and evaluation

The employment services, programs and working age payments administered by the department are continually reviewed and evaluated. Activities include formal evaluation of major policy reforms and programs and measurement of post-assistance outcomes and service quality. Those activities are supported by an extensive survey program and administrative databases.

During 2007–08, the department undertook a range of research and evaluation activities to support policy development and program management. It also conducted a range of surveys and built and maintained administrative data sets to support its research and evaluation activities.

Major evaluation activities included:

▶ The department evaluated the Welfare to Work Contact Model that sought to increase engagement of job seekers in face-to-face contact with Centrelink.

- The department evaluated the Case Based Funding model for the Disability Employment Network, which replaced the previous Block Grant Funding Model in 2005.
- The findings of a research project examining the operation of the Job Placement, Employment and Training (JPET) program were published.
- The performance of Job Network from the time of the *Active Participation Model's* implementation in 2003 until June 2006 was evaluated.
- The department continued to monitor and evaluate Welfare to Work to identify emerging issues in the working age income support population. The evaluation also included an examination of the performance of Job Capacity Assessments (JCA).

2005–09 Social Policy Research Services Agreement

The department, through the 2005–09 Social Policy Research Services Agreement, has contracted the Melbourne Institute of Applied Economic and Social Research to undertake approximately eight research projects per calendar year. The agreement enhances the department's ability to analyse aspects of current policy relating to the workforce participation agenda and maximises the value of major investments in longitudinal data. During 2007–08, the following six reports were publicly released:

- Project 1/2005—*Income support reliance in Australia*
- Project 2/2005—*Previous income support experience of people granted Disability Support Pension*
- Project 3/2005—*An examination of welfare transitions using the first three waves of the HILDA survey*
- Project 7/2005—*The dynamics of income support receipt among 'new' income support customers*
- Project 8/2005—*Duration analysis of income support spells initiated by unemployment*
- Project 9/2005—*Transitions from casual employment in Australia*.

Findings from those research projects informed discussion at a two-day workshop on labour market dynamics hosted by the department on 20 and 21 September 2007. The workshop focused on the 'Changing nature of work and welfare' and was attended by departmental employees and staff from other Commonwealth agencies and by invited academics.

New research projects agreed during 2007–08 under the Social Policy Research Services Agreement for the 2008 calendar year included research on youth transitions from education to employment and on the experiences of income support recipients with a mental illness.

Research panels

The department continued to maintain research panels to streamline the engagement of consultants to undertake commissioned research outside of the Social Policy Research Services Agreement. The research area provided an advisory service to other areas of the department about appropriate research strategies and the process involved in procuring consultants through the 2005–08 research panels.

Towards the end of the 2007–08 financial year, a tender was called to establish a new research panel to reflect the expanded portfolio responsibilities of the department as a result of the machinery of government changes.

In-house research

Following the change of government, the department's in-house research capability was reoriented to support the new government's agenda emphasising education and training, social inclusion, increased workforce participation and more effective employment assistance. The research strategy is based on undertaking research projects to provide an evidence base for future policy development. The projects assess and draw on linkages across the portfolio to ensure a coordinated and consistent policy approach.

The projects being undertaken include investigations into:

▶ the prevalence of jobless families on income support, their characteristics, and the extent to which they remain persistently jobless

▶ the characteristics of jobs obtained by working age income support recipients, and factors that affect the sustainability of their employment and job progression

▶ changes in the number of people exiting income support, the sustainability of their exits, and the degree to which they churn through different income support systems

▶ the performance of the compliance arrangements across various income support recipient groups

▶ the extent to which people on income support are engaged in education and training, and how that relates to their experiences of work over time

▶ income support trends for Indigenous job seekers, including trends related to their exits from income support, level of employment, and reliance on income support

▶ the prevalence of mental health issues among parents

▶ the extent of disengaged or at-risk youth.

During 2007–08, the department also contributed to the collection of data for the Longitudinal Study of Australian Children Wave 2.5. These data will provide information on parents' work patterns, their attitudes to work, and the effect of work on their children.

Developing social inclusion indicators

In 2007–08, research to support the development of social inclusion indicators for jobless families, early childhood education, literacy and numeracy, school retention and workforce participation and welfare policy settings was begun. The initial focus of the research is on analysing lessons learned about the development of indicators in national and international settings.

Job Seeker Omnibus Survey

The department's quarterly Job Seeker Omnibus Survey gathers information about job seekers' perceptions of, and experiences and satisfaction with, employment services provided by Centrelink and Job Network. While a core set of questions was again asked in 2007–08, additional information on operational matters, such as who delivers services and how they are delivered, was also gathered on services provided to people with disability.

Longitudinal Pathways Survey

The Longitudinal Pathways Survey tracks, over time, the participation in, and barriers to, employment and education of current and former income support recipients. The survey collected five waves of data at six-monthly intervals. Information collected from the survey supplements administrative data. The survey results have been used in the Welfare

to Work evaluation and other research activities of the department. During 2007–08, approximately 26 000 interviews were conducted across the three groups of respondents for Waves 4 and 5 of the survey.

Survey of Employment Service Providers

Information about the quality of the department's services to organisations contracted to deliver employment services (Job Network, Disability Employment Network, Community Work Coordinators, Personal Support Programme and New Enterprise Incentive Scheme) was collected in the final quarter of 2007–08. Information was collected from 757 sites which operate on a full-time basis. The findings are included in Outcome 7 as one of their performance indicators.

Employer survey

In 2007–08, employer data from 8000 worksites across Australia was collected and analysed. The data covered their recruitment practices, their perceptions and experiences with government-funded employment services and initiatives, and their attitudes towards employing particular equity groups.

Post-Program Monitoring survey

The department's Post-Program Monitoring (PPM) survey has been in operation since 1988. It provides a range of detailed information on the employment and education outcomes of clients three months following a period of employment assistance. The results of the survey are discussed in the various sections of the Annual Report that cover the performance of individual programs, and the quarterly Labour Market Assistance Outcomes Report available at the Workplace website <www.workplace.gov.au>. In 2007–08 the JPET program was added to the PPM survey.

Employment Assistance Survey

At the beginning of 2008, the department began an Employment Assistance Survey. This survey provides detailed information about the quality and longer term impacts of employment assistance. It is a longitudinal survey which examines job seekers' experiences over time, with the employment assistance provided by Job Network and with paid work, voluntary work, and education and training. The survey examines whether Job Network assistance led to or involved any of these activities. It also collects data on job seekers' experiences after leaving Job Network.

Research and Evaluation Dataset

The Research and Evaluation Dataset (RED) was originally developed to provide information for monitoring and evaluating Welfare to Work. RED contains episodic longitudinal data on all working age income support recipients. It is updated on a regular basis and has extensive user documentation.

Since December 2007, RED has been further developed to allow research and evaluation on more recent government policies and programs, including social inclusion and the Northern Territory Emergency Response.

Labour market analysis

The department monitors the labour market and undertakes analysis to promote improved labour market effectiveness by identifying emerging issues and changing trends in the labour market, identifying labour supply and skills shortages, informing policy development and implementation, and developing interventions to meet specific labour market challenges.

Economics Research Unit

The Economics Research Unit undertook a range of medium-term research to support the government's participation and social inclusion agendas. This research involved the analysis of job and wage dynamics, effective marginal tax rates and Job Network.

Monitoring labour market trends

In 2007–08, the department undertook research into the labour market for more than 170 skilled occupations. The research included information provided by employers, who were contacted to discuss their recruitment experiences. This information combined with the department's analysis of supply and demand data for each occupation, formed the basis for updates to the Migration Occupations in Demand List and the National Skills Needs List and fed into the Priority Occupations for the Productivity Places Program.

The department also conducts a range of Surveys of Employers Recruitment Experiences to collect information about the recruitment experiences of employers at the regional level. To date, mail or phone surveys have been conducted in 119 regions or industries throughout Australia, and information has been collected from 30 000 employers. In 2007–08, information was collected from 12 000 employers across 44 regions, occupations or industries. Industries and occupations surveyed included aged care, airport security, logistics, meat processing, mining, pilots and truck drivers.

Labour market research and publications

Reflecting the importance of industry intelligence for employment services, workplace relations and education and training, the department maintains the following websites, which contain reports, information sheets and data relating to labour market research:

▶ SkillsInfo <www.skillsinfo.gov.au> provides information on employment trends and prospects for industries, and provides information on skills issues, including information and communications technology skills, workforce ageing and skills shortages. Publications on the SkillsInfo website include *Industry Employment Outlook* reports for each industry, and the *New Jobs* report, which provides an overview of employment trends and prospects for all industries and complements the *Industry Employment Outlook*.

▶ Job Outlook <www.joboutlook.gov.au> provides forward-looking information on characteristics, trends and prospects for around 400 occupations and is updated annually. This project includes employment projections for occupations and job prospects for each occupation.

▶ Labour Market Information Portal <www.workplace.gov.au/lmip> offers a range of labour market data at the national, state, labour force region and employment service area levels. Over the reporting period, Census 2006 employment data and Small Area Labour Markets data, with maps, were released. All data on the site are updated on a monthly or quarterly basis.

▶ Australian Jobs <www.workplace.gov.au/australianjobs> helps job seekers, students, people considering entering or re-entering the workforce and others interested in employment

to find up-to-date information on the jobs in which they are interested. It provides a guide to the occupations and industries in which Australians work and highlights jobs with good prospects. It also provides information about regional labour markets as well as information to assist all Australians to access education, training and employment services.

▶ In 2007–08, the department published extensive information on the Workplace website about occupational labour markets based on results of its skills shortage research program. Information published included reports for individual skilled occupations and overview reports for skilled labour markets, as well as skills shortage lists for each state and territory.

▶ The monthly *Vacancy Report* provides information on skilled vacancies, information and communications technology vacancies and Australian JobSearch vacancies, including for states and territories.

Departmental submissions were presented to the House of Representatives Standing Committee on Employment and Workplace Relations, to the Workforce Participation Inquiry into Workforce Challenges in the Australian Tourism Sector and to the Senate Standing Committee on Employment, Workplace Relations and Education Inquiry into Workforce Challenges in the Transport Industry.

The department contributed to the development of the OECD's Program for the International Assessment of Adult Competencies (PIAAC) survey by conducting cognitive testing and 600 in-depth surveys of workers on the experimental Job Requirements Approach (JRA) module. The JRA module measures the importance of skills that people use at work, including generic or soft skills. The results, when combined with information from other modules in PIAAC, will enable the importance of skills development on workplace outcomes to be assessed. Results obtained from the pilot testing will be used in partnership with the OECD and other participating countries to test the international validity of questions prior to PIAAC going into the field in participating OECD countries from 2011.

Occupational and skills analysis

Outcomes of the department's skills shortage research were used by the Department of Immigration and Citizenship to target the General Skilled Migration Program to those occupations that are in national shortage and for which there are good longer-term growth prospects, through updates to the Migration Occupations in Demand List (MODL). The department's skills shortage research formed the basis for advice to the Minister for Immigration and Citizenship about occupations to be included on the MODL. The MODL was updated on 30 July 2007 and 18 May 2008 to reflect findings of the department's most recent research.

The skills shortage research was also used to focus a range of government incentives and initiatives on training pathways into occupations in persistent national shortage, through updates to the National Skills Needs List (NSNL). The NSNL is used by the department to determine the eligibility of employers and their Australian apprentices for a range of government training incentives and initiatives. It was updated in May 2008 to reflect the most recent skills shortage research. Peak bodies consulted to verify the results of the skill shortage program included The Australian Industry Group, the Australian Council of Trade Unions, the Australian Chamber of Commerce and Industry and Industry Skills Councils.

Research into skilled labour markets and regional and industry employer surveys contributed to the allocation of training places for the 1 April 2008 phase of the Productivity Places Program, through the identification of Priority Occupations.

Migration policy analysis

The department also produced the quarterly *Australian Labour Market Update* publication. The publication provides information on the labour market for people seeking jobs in Australia, particularly migrants and people who may be interested in working in Australia on a temporary or permanent basis.

During 2007–08, the department participated in industry-based working parties and external reference groups reporting to the Minister for Immigration and Citizenship and the government on options to improve the targeting and integrity of temporary migration arrangements to meet the skilled labour needs of the Australian economy.

Job Seeker Classification Instrument review

A Review of the Job Seeker Classification Instrument (JSCI) is providing the department with opportunities to obtain feedback about the effectiveness, appropriateness and efficiency of the JSCI and to develop a new Instrument for the New Employment Services system, which aims to better identify areas of disadvantage for job seekers. The outcomes of the review will be used in the re-estimation of the Instrument, with a revised version of the JSCI being introduced to Employment Services in July 2009.

Monthly Leading Indicator of Employment

The department's Leading Indicator of Employment (the Indicator) is designed to foreshadow movements in cyclical employment—the component of employment that is most closely related to the economic cycle, calculated by subtracting the long-term trend, seasonal and irregular components from total employment. The Indicator uses a composite index of four weighted series—the ANZ Newspaper Job Advertisements series (representing future employment intentions), the Dun and Bradstreet Employment Expectations Index (representing future labour demand), the Westpac–Melbourne Institute Leading Index of Economic Activity (representing future general economic activity) and the Westpac–Melbourne Institute Consumer Sentiment Index (representing consumers' willingness to spend). The Indicator essentially measures the turning points in the weighted composite series, which has been proven to lead employment consistently during the past 30 years.

If the Indicator is rising (or falling), employment is expected to grow more (or less) rapidly than its long-term trend rate of growth, which is currently 2.5 per cent a year. A 'turning point' in the Indicator is said to be confirmed when there are six consecutive monthly movements in the same direction after the turning point. A fall (or rise) in the Indicator does not necessarily mean that the level of employment will subsequently fall (or rise). Rather, it implies that after a lag, the growth rate of employment may fall below (or rise above) its trend rate of about 2.5 per cent a year.

Chart 8.2
Levels of the department's Leading Indicator of Employment and Cyclical Employment
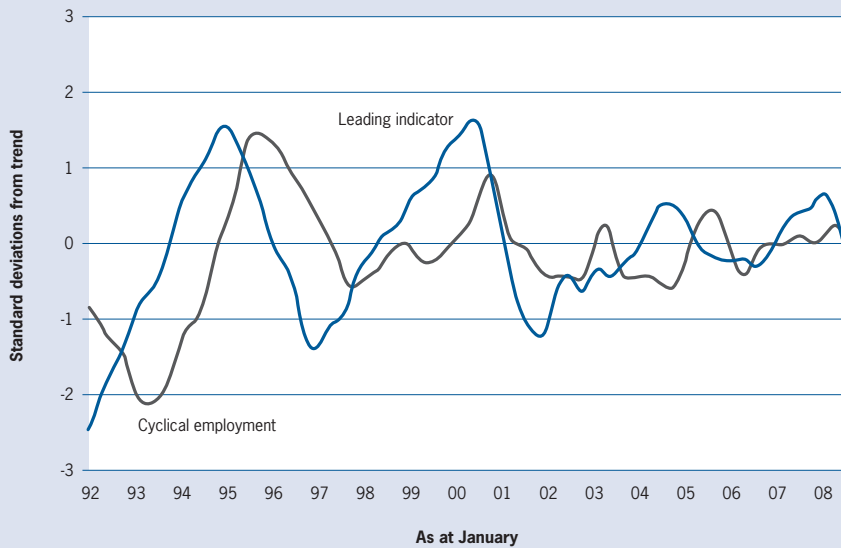
Industry and labour supply strategies

The department works in collaboration with industry and Employment Service Providers to assist into employment disadvantaged job seekers, especially those receiving income support. At the same time the department encourages employers to meet their labour and skills shortage needs by employing disadvantaged job seekers, especially those receiving welfare payments.

Employer Demand and Workforce Flexibility Strategy

In 2007–08, the department continued to implement the Employer Demand and Workforce Flexibility Strategy, a four-year measure designed to improve employment opportunities for priority groups—mature age people, parents, people with disability, and Very Long Term Unemployed people. The strategy is a component of the Welfare to Work reforms announced in the 2005–06 Budget.

The primary focus this financial year was to apply lessons learned from funded and brokered employment solutions to continue to develop innovative employment demonstration projects in response to identified employer demand for job seekers from the four priority groups. The department worked closely with Employment Service Providers to increase the supply of potential workers to meet the labour demands of employers, including through the management of Employer Demand Demonstration projects and the conduct of Better Connections workshops in some 34 locations.

The TOLL Logistics in2store project

The TOLL Logistics in2store project was a collaborative initiative demonstrating how companies can use Job Network services to meet their recruitment requirements. The TOLL retail distribution centre in Somerton Victoria is responsible for the logistics of all products in Coles supermarkets for Victoria. The company needed to fill a large number of vacancies in picking, packing and dispatching orders and sought the assistance of Employment Service Providers with screening and training job seekers. The project assisted 110 people into employment through Job Network members in Melbourne's western suburbs. At the same time the project worked to arrange flexible shifts, particularly four-hour daytime shifts, which proved ideal for parents with school-aged children. TOLL representatives said 'The quality of candidates that we have received from Employment Service Providers has been very good. Working with Employment Service Providers has also helped us to diversify our workforce, which is excellent'. This strategy has become a mainstay of TOLL's recruitment practices.

National Action Plan to Build on Social Cohesion, Harmony and Security

The department continued to support the implementation of the COAG National Action Plan to Build on Social Cohesion, Harmony and Security which aims to promote national security and social cohesion within the Australian community through a variety of means, including employment.

The department continued to manage the Community Employment Consultants appointed under this strategy in Lakemba and Macquarie Fields to engage with the community and build bridges between young job seekers, Employment Service Providers and employers. So far, the Community Employment Consultants have assisted over 200 disadvantaged job seekers and have placed over 130 job seekers into employment or ongoing education.

Job Seeker Relocation Project

The Job Seeker Relocation Project, announced in the 2007–08 Budget, provided for two Employment Service Providers to assist job seekers to relocate from areas with high unemployment to areas with low unemployment and strong demand for labour. Fifty-four job seekers from the Shoalhaven (New South Wales) and Northern Adelaide (South Australia) employment service areas were relocated to Perth, Darwin, and other areas to take up employment.

Mature Age Employment and Workplace Strategy 2007–08

The Mature Age Employment and Workplace Strategy, a four-year program that commenced in 2004–05, concluded this year. The strategy encompassed:

- Jobwise Outreach—aimed at improving the job search techniques of mature age people aged 45 years or more.
- The Mature Age Workplace Strategy—aimed at helping businesses implement age-positive workplace practices.
- The Mature Age Industry Strategy—provided funding for industry specific projects to enhance mature age recruitment and retention.

Employment Services review

In January 2008, the Minister for Employment Participation commissioned a review of Employment Services in Australia and received more than 270 submissions from providers, welfare organisations, employer groups, members of parliament and job seekers themselves. Suggestions and issues raised in the submissions were considered during the formulation of the new employment services system announced in the May 2008 Budget. The department also released a discussion paper, *The Future of Employment Services in Australia*, on the proposed new system, receiving more than 190 submissions in response to it. The department is in the process of finalising the new Employment Services system ready for implementation in 2008–09 and commencement of service delivery in July 2009.

Redundancies

The department continues to develop industry and regional strategies for meeting employers' needs and coordinates the provision of labour adjustment packages to help employees in industries affected by restructuring.

All workers who have had their redundancy confirmed are eligible for immediate Job Search Support assistance with a Job Network member. In 2007–08, the department was advised of 14 600 redundancies in 198 companies. The department works to coordinate employment assistance for workers who have been made redundant and to ensure that affected workers are assisted. Major closures announced in 2007–08 included the National Parts group closures, affecting 300 workers around Australia; Coles Group closures in Victoria, with around 444 expected redundancies; Fisher & Paykel closures in Brisbane, with around 310 workers expected to be made redundant by December 2008; and South Pacific Tyres closures in Victoria, with up to 587 redundancies expected by the end of 2008.

In February 2008, the Commonwealth and South Australian Governments announced a $50 million package to support workers and the region affected by Mitsubishi Motors Corporation's decision to close the Tonsley Park vehicle assembly plant at the end of March. This package includes $10 million to extend the existing labour adjustment package to assist these workers. It is estimated that around 1200 workers will be affected as a result of this.

Since May 2004, 3135 workers have been made redundant from Mitsubishi Motors Australia Limited and the company's suppliers. Of the 1451 who registered for assistance with Job Network, 1217 (83 per cent) have been placed into work, 1153 (81 per cent) have achieved 13-week outcomes and a further 43 have been placed into full-time education.

In July 2007, the Ford Motor Company announced their intention to close the Geelong factory in 2010, affecting approximately 600 workers. On 18 and 19 March 2008, the department conducted on-site information seminars for staff at the Ford Motor Company in Geelong to provide them with information and advice about their future employment options.

In February 2007, Telstra announced that its call centre operations around Australia would be rationalised. This resulted in the closure of the call centre at Launceston, affecting around 86 workers. The department was able to assist those workers by coordinating Employment Service Providers, providing some additional skills assessment and encouraging the retraining and placement of affected workers into employment. Of the 41 workers who registered for assistance with a Job Network member, 25 have been placed into work so far.

Recently, the department has provided comprehensive submissions to two inquiries. The submissions have been for the Automotive Manufacturing Industry Inquiry, conducted by Mr Steve Bracks for the Minister for Innovation, Industry, Science and Research, Senator the Hon Kim Carr, and the Textiles, Clothing and Footwear Manufacturing Inquiry, conducted by Professor Roy Green for Minister Carr.

Departmental outputs

Table 8.4

Performance in delivery of departmental outputs for Outcome 8

Performance indicator	Estimate	Actual
Policy services		
Quality		
Level of satisfaction of ministers with the provision of policy advice:		
► Working age policy	Satisfactory or above	Satisfied[a]
► Research and evaluation	Satisfactory or above	Satisfied[a]
► Labour market analysis	Satisfactory or above	Satisfied[a]
► Industry and labour supply strategies	Satisfactory or above	Satisfied[a]

a   During the year ministers, parliamentary secretaries and their staff provided feedback on the level of satisfaction with departmental advice during regular meetings with the department and, in some cases, by rating briefs according to a five-point scale, with five being the maximum. Overall feedback from ministers, parliamentary secretaries and their staff confirmed that they recognise the significant efforts being made by departmental staff and are generally satisfied with the quality of briefings. Note that these satisfaction levels incorporate the former departments, DEEWR and the youth and early childhood and child care functions from FaHCSIA.

Outlook for 2008–09

Creating stronger strategic policy capabilities in the department

The new Strategic Policy Group will work with research, analysis and policy experts within the department, in other key portfolios and outside of government on projects or topics of strategic interest. In 2008–09, the department will continue to implement the government's social inclusion agenda by working across key areas such as early childhood education, literacy and numeracy, school retention and workforce participation and welfare policy settings.

The government's social inclusion agenda places a significant emphasis on the importance of locational-based approaches to address disadvantage. This involves targeting areas identified as being currently disadvantaged or those in danger of becoming disadvantaged. The department is in the process of developing an appropriate strategy in partnership with other government agencies. The department has engaged Professor Tony Vinson to provide expert input to support the department's capacity to develop and report against social inclusion indicators.

The department will continue to provide policy advice and develop strategies to increase workforce participation for disadvantaged Australians through the following measures:

► finalising and implementing new arrangements for the next employment services contract, which will come into effect in 1 July 2009

► continuing to review and develop policies and strategies with a view to improving labour force participation and employment opportunities for the most disadvantaged job seekers, particularly the Very Long Term Unemployed

► reviewing policy settings in the context of post–Welfare to Work reforms to ensure that they align with the government's broad policy objectives and apply in a whole of government context

► contributing to the department's responsibilities in relation to the Northern Territory Emergency Response

- developing and implementing strategies in conjunction with key stakeholders across the department, the federal and state and territory governments, the private sector and Indigenous Australians to halve the gap in Indigenous employment over the next decade

- continuing to provide policy advice and develop strategies to increase participation of people with disability in education, employment and the community

- continuing to review and develop policies and strategies with a view to enhancing labour force participation and employment opportunities for mature age people. The recommendations of the Participation Taskforce will inform further mature age policy development

- managing the development of the National Mental Health and Disability Employment Strategy, which will continue until December 2008 when the strategy is scheduled to be released

- continuing to review and develop strategies and policies to engage and support young people and job seekers from culturally and linguistically diverse backgrounds and to increase their participation

- implementing the Improving School Enrolment and Attendance through Welfare Reform measures from the beginning of the 2009 school year in select pilot locations across Australia. Preparatory work for the measure's implementation will continue in the first half of 2008–09

- providing secretariat service to the government's Participation Taskforce and assisting the government in responding to the recommendations of the taskforce

- identifying emerging issues and developing strategies to engage and increase the participation of principal carer parents in the workforce, especially in light of the government's review of employment services and its social inclusion agenda

- progressively reviewing policy settings to ensure participation policy and strategies for principal carer parents align with the broader policy objectives and are placed within a whole of government context, including by contributing to the departmental response to work on parental leave being undertaken by the Productivity Commission.

The department's planned research, evaluation and reporting activities for 2008–09 include:

- continuing research to support policy development around the government's reform agenda, including the social inclusion agenda

- managing Australia's contribution to the ongoing OECD Thematic Review Reforming Sickness and Disability Policies to Improve Work Incentives. The OECD will be releasing a synthesis report, covering all countries reviewed as part of its thematic review, in mid-2009

- managing the 'Evaluation of best practice employment assistance for people with mental illness', which will continue through 2008–09 and is due for completion in June 2010

- undertaking further research activities funded under the COAG National Action Plan on Mental Health, aimed at building on the body of evidence about effective employment assistance for people with mental illness

- developing and implementing a new longitudinal survey to gather information about job seekers and income support recipients over time to support the evaluation of the new employment services model

- continuing to evaluate client satisfaction with the provision of employment services by Employment Service Providers, Centrelink and the department

- disseminating research findings provided under the Social Policy Research Services Agreement to ministers, departmental employees and the public

- laying the groundwork for an evaluation of the Schools Enrolment and Attendance Measure

- contributing to the department's strategic management of information needs, including by developing new information sources as required across the department

- using the results of the Employment Assistance Survey to examine the quality and longer-term effectiveness of various types of employment assistance and the extent to which participation in employment services enhances economic participation and social inclusion

- examining income support pathways following education

- contributing to the development of the National Mental Health and Disability Employment Strategy

- analysing the government's Skilling Australia for the Future initiative, with an emphasis on the Productivity Places Program

- analysing and advising on labour market aspects of Australia's migration arrangements, including in-depth analysis of Labour Agreement proposals from Australian employers and contribution to parliamentary and independent reviews

- conducting 40 employer surveys and 10 industry surveys in 2008. This program of work will include surveys at the regional and industry or occupation level

- continuing expansion of the Labour Market Information Portal. Additional data to be released onto the portal later in 2008 will include ABS unemployment duration data, and Centrelink and Job Network customer populations by age groups

- expanding the SkillsInfo website to include regional profiles based on 2006 Census data

- developing a new online vacancies count to monitor the demand for occupations and to assist in targeting education and training strategies

- introducing the Australian and New Zealand Standard Classification of Occupations (ANZSCO) as the basis for occupational definitions for its skills shortage research.

2

Workforce participation

Report on Performance

Report on performance

Outcome 9—More productive and safer workplaces

2

Outcome 9
More productive and safer workplaces

Outcome 9 activities improve productivity through the development of safer, fairer and more flexible workplaces, leading to greater employment for Australians and strong and sustainable economic growth.

Improving Australia's productive capacity is at the core of the government's economic policies. Australia's productive capacity will be enhanced by the government's national approach to reform in workplace relations, occupational health and safety and workers' compensation.

Critical to improving this capacity is a simpler, fairer and more flexible workplace relations system based on collective bargaining at the enterprise level, underpinned by a safety net of legislated minimum employment standards and modern awards. The creation of a uniform national workplace relations system for the private sector, and its potential to reduce complexity and duplication, will further boost productivity.

Implementing national approaches to occupational health and safety and workers' compensation will similarly contribute to productivity improvement in Australia. Harmonising laws in these areas will cut red tape, boost business efficiency and provide greater certainty and protections for all.

Achieving this outcome involves providing policy advice and legislation development services to government; and supporting employers and employees in adopting fair and flexible workplace relations practices, particularly as they transition to the new workplace relations system which will be fully operational by 1 January 2010.

On 14 January 2008 the Workplace Relations Implementation Group was created within Outcome 9. The Group comprises the functions previously performed by the Workplace Relations Services and Workplace Relations Industries Groups.

Key achievements

The key achievements for Outcome 9 in 2007–08 were as follows:

► The provision of policy and legal advice to support the development and implementation of the government's transitional workplace relations legislation. The *Workplace Relations Amendment (Transition to Forward with Fairness) Bill* was introduced into Parliament on 13 February 2008 and commenced operation on 28 March 2008.

► The release of the final ten legislated National Employment Standards (NES) on 16 June 2008, following public feedback on a discussion paper outlining the government's proposed NES. Together with modern awards, the NES will make up the safety net of minimum terms and conditions for employees to apply from 1 January 2010.

► The endorsement of Commonwealth, state and territory ministers at the Workplace Relations Ministers' Council (WRMC) on 1 February 2008 of the government's national workplace relations policy, *Forward with Fairness*, as providing the basis for a modern, fair and flexible workplace relations system. On 23 May 2008 ministers endorsed a set of principles that will guide the development of governance arrangements for a stable uniform national workplace relations system for the private sector.

- The continued building of constructive relationships in specific industries through various methods including engagement with employer and employee representatives and providing secretariat support to a range of workplace relations industry forums (the Business Advisory Group, the Workers' Advisory Group, the Small Business Working Group and the Union Working Group on unfair dismissal).

- The introduction of new arrangements for collective bargaining in the Commonwealth public sector through the release of the *Australian Government Employment Bargaining Framework* in February 2008. The framework guides bargaining for over 100 Commonwealth public sector agencies.

- The advancement under the General Employee Entitlements and Redundancy Scheme of over $60.7 million to 7808 Australian workers who lost their job as a result of their employer's insolvency.

- The finalisation of 35 215 applications for skills assessment by Trades Recognition Australia, which successfully met key performance indicators for Australian Recognised Trade Certificate applications despite increases in application rates.

- The assessment of 4500 industrial instruments against the National Code of Practice for the Construction Industry and Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry.

- The provision of policy advice on workplace relations matters arising from 33 machinery of government changes relating to Commonwealth public sector agencies.

- The agreement of WRMC in February 2008 to the use of model legislation as the most effective way to achieve occupational health and safety (OHS) harmonisation. In May 2008, Workplace Relations Ministers agreed in-principle to the first Intergovernmental Agreement (IGA) for Regulatory and Operational Reform in OHS. The IGA will be signed by the Council of Australian Governments (COAG) in July 2008.

- The declaration of three national Codes of Practice and a national OHS Standard by the Australian Safety and Compensation Council (ASCC)—the National Code of Practice for the Prevention of Musculoskeletal Disorders from Performing Manual Tasks at Work and the National Standard for Manual Tasks; the National Code of Practice for Precast, Tilt-up and Concrete Elements in Building Construction; and the National Code of Practice for the Prevention of Falls in General Construction.

- The amendment of the Australian Government Building and Construction OHS Accreditation Scheme (the Scheme), which took effect from 1 October 2007. These changes extended the Scheme to include projects indirectly funded by the government. Through the Scheme, the government has directly influenced OHS outcomes on 75 projects worth over $3 billion. At the end of the 2007–08 financial year, there were 97 accredited companies, representing a 47 per cent increase from the previous year.

More productive and safer workplaces

Report on Performance

2

Key priorities

To achieve the outcome of more productive and safer workplaces, the key priorities for Outcome 9 in 2007–08 were:

▶ supporting the government's policy and legislative program, which included developing and supporting the passage of the *Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008* and the development of the government's substantive workplace relations reforms

▶ working closely with state and territory governments to establish a uniform national workplace relations system for the private sector

▶ harmonising OHS legislation by 2011 by working closely with state and territory governments

▶ fully developing an effective process for the establishment of one-stop trades skills assessment centres in the COAG nominated countries and skills areas

▶ developing an improved onshore trade skills assessment system

▶ administering safety net schemes for the protection of employee entitlements in cases of business insolvency

▶ developing and implementing the Homeworkers' Code of Practice Program, as well as delivering ongoing workplace relations programs

▶ providing workplace relations policy advice to all Commonwealth public sector agencies to assist their bargaining and machinery of government changes

▶ improving national outcomes in OHS and workers' compensation by:

   – promoting safer workplaces through leadership and coordination of national efforts on workers' compensation and OHS arrangements to deliver nationally consistent frameworks

   – promoting best practice in OHS and workers' compensation

   – reviewing and developing national OHS regulatory material in the areas of manual handling, falls in housing and general construction, safe handling of tilt-up and precast concrete elements, noise, plant, licensing of persons performing high-risk work, major hazard facilities, workplace chemicals and stevedoring

▶ fostering improved OHS outcomes in the building and construction industry through the Office of the Federal Safety Commissioner (OFSC) by continuing to drive cultural and behavioural change.

Table 9.1

Resources invested in Outcome 9 in 2007–08 ($'000)

Outcome 9	Budget PBS (2007–08) $'000 A	Actual expenses (2007–08) $'000 B	Variation (2007–08) $'000 C = B – A	Budget (2008–09) $'000 D
Administered Expenses				
Workplace Reform—Secret Ballots	1,000	449	-551	1,000
International Labour Organization—Subscription	7,072	6,570	-502	7,068
General Employee Entitlements and Redundancy Scheme (S21 FMA Act)	67,979	61,705	-6,274	82,803
Workplace Relations Reform—Unlawful Termination Assistance Scheme	250	183	-67	3,018
Workplace Relations Reform—Alternative Dispute Resolution	70	-	-70	2,495
Advertising[1]	53,000	52,803	-197	895
Small Business Work and Family	-	-	-	2,313
Homeworkers Code of Practice	1,000	1,000	-	1,000
Air Passenger Ticket (Collection) Act 2001	1,800	765	-1,035	-
Coal Mining Industry (LSL) Funding Act 1992	68,080	72,482	4,402	74,900
Total administered expenses	**200,251**	**195,956**	**-4,295**	**175,492**
Price of departmental outputs				
Output Group 9.1—Policy Services	54,115	62,183	8,068	9,331
Output Group 9.2—Program Management	10,770	19,307	8,537	61,149
Output Group 9.3—Service Delivery	60,098	53,677	-6,421	32,755
Total departmental expenses	**124,983**	**135,167**	**10,184**	**103,235**
Funded by				
Revenue from government (appropriations) for departmental outputs	78,584	83,613	5,029	76,277
Revenue from other sources	46,399	51,554	5,155	26,958
Total price of departmental outputs	**124,983**	**135,167**	**10,184**	**103,235**
Total for Outcome 9	**325,234**	**331,123**	**5,889**	**278,727**
Average staffing level (number)		**628**		**603**

1 The 2007–08 advertising figures relate to the expense measure 'Workplace Relations Reform—communications campaign. The 2008–09 budget for advertising ($0.895 million) is a component of the Small Business Work and Family initiative.

Effectiveness indicators

The effectiveness indicators for Outcome 9 in 2007–08 are included in the following table.

Table 9.2

Effectiveness indicators for Outcome 9

Performance indicator	Performance summary
The federal workplace relations system supports choice of agreement with higher pay, higher productivity outcomes	The ABS Wage Price Index increased by 4.2 per cent (seasonally adjusted) over the year to the June quarter 2008, up slightly from 4.0 per cent over the year to the June quarter 2007
	The most common measure of productivity—GDP per hour worked in the market sector—increased by 0.6 per cent over the year to the June quarter 2008 down from 0.9 per cent over the year to the June quarter 2007
Low incidence of industrial action	Australia recorded a strike rate of 17.6 working days lost per thousand employees (17.6WDL/1000E) in the 2007–08 financial year. Australia's strike rate was 9.9WDL/1000E in the 2006–07 financial year
	The number of working days lost in federal bargaining disputes increased from 25 400 WDL in 2006–07 to 75 900 in 2007–08. The number of days lost in non-bargaining disputes increased from 62 800 in 2006–07 to 74 400 in 2007–08
The federal workplace relations framework is used by employers and employees	The ABS Employee Earnings and Hours publication found that around 2.2 million employees had their pay determined by a federally registered collective agreement in May 2006 (latest data). This is 16.9 per cent higher than the last survey in May 2004
	Since the commencement of the Transition to Forward with Fairness Act on 28 March 2008, Australian Workplace Agreements (AWAs) are not able to be made under the federal workplace relations system. Prior to their abolition, 273 847 AWAs had been lodged with the Workplace Authority in the 2007–08 financial year
	The Transition to Forward with Fairness Act allows employers using AWAs as at 1 December 2007 to offer Individual Transitional Employment Agreements (ITEAs) to new employees and employees already on AWAs, during the transition to the new workplace relations system on 1 January 2010. Since 28 March 2008, 26 474 ITEAs have been lodged with the Workplace Authority. ITEAs have a nominal expiry date of no later than 31 December 2009

Performance information for Outcome 9

The operating environment in 2007–08

Wages and earnings

Wages growth remained strong but contained in 2007–08. The ABS Wage Price Index increased by 4.2 per cent (seasonally adjusted) over the year to the June quarter 2008, up slightly from 4.0 per cent over the year to the June quarter 2007. In industry terms (original data), the highest rates of increase in the Wage Price Index over the year to the June quarter 2008 were mining (6.7 per cent) and property and business services (5.4 per cent). The mining industry, in particular, continues to experience strong labour demand.

Real wages, as measured by the ABS National Accounts publication, increased by 0.5 per cent (seasonally adjusted) over the year to the June quarter 2008, down from 2.6 per cent over the year to the June quarter 2007.

On 5 July 2007, the Australian Fair Pay Commission handed down its second minimum wage-setting decision which took effect from the first pay period on or after 1 October 2007. It increased the Federal Minimum Wage by $0.27 per hour from $13.47 to $13.74. The weekly Federal Minimum Wage increased to $522.12. The Federal Minimum Wage remains at these levels until the 2008 Wage-Setting Decision takes effect from the first pay period on or after 1 October 2008.

Trends in working hours

The average hours worked over the twelve months to May 2008 by full-time workers in all their jobs and including overtime was 40.9 hours, unchanged from the 12 month average to May 2007.

Industrial disputation

Australia recorded a strike rate of 17.6 working days lost per thousand employees (17.6WDL/1000E) in the 2007–08 financial year. Australia's strike rate was 9.9WDL/1000E in 2006–07.

Changes in the level of industrial disputation may be affected by changes in the number of expiring enterprise agreements. The number of expiring Federal collective agreements was 7812 in 2007–08 compared with 3446 in 2006–07. The increase in the number of expiring enterprise agreements in 2007–08 is reflected in the number of working days lost in federal bargaining disputes increasing from 25 400 working days lost in 2006–07 to 75 900 in 2007–08. The number of days lost to non-bargaining disputes increased from 62 800 in 2006–07 to 74 400 in 2007–08.

The health and community services, and education industries[1] accounted for 80 per cent of the total number of working days lost due to industrial disputes in the March quarter 2008 and 76 per cent in the June quarter 2008. The high number of working days lost in these industries was due to large scale bargaining related strikes by teachers in New South Wales, Victoria, Western Australia, South Australia and the Northern Territory.

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1   The Australian Bureau of Statistics does not report industrial disputes separately for these two industries.

Table 9.3

Industrial disputation, 1985–86 to 2007–08

Year	Working days lost per 1000 employees
Average 1985–86 to 1990–91	224
1991–92	183
1992–93	159
1993–94	82
1994–95	85
1995–96	114
1996–97	90
1997–98	82
1998–99	56
1999–2000	105
2000–01	45
2001–02	42
2002–03	30
2003–04	67
2004–05	29
2005–06	22
2006–07	10
2007–08	17.6

Agreement making

A total of 7954 collective agreements were lodged/approved in 2007–08. This was 12.3 per cent higher than the total of 7083 for 2006–07. Under the new Transition to Forward to Fairness system union and employee collective agreements come into operation only once they pass the no-disadvantage test. Previously, agreements commenced on lodgment with the Workplace Authority.

A total of 653 071 employees were covered by the 7954 collective agreements lodged/approved in 2007–08. This was an increase of only 0.4 per cent in the total number of employees covered, because the average number of employees covered by collective agreements in 2007–08 was lower. In 2007–08 an average of 82 employees were covered per agreement, down from 92 in 2006–07.

Chart 9.1
Federal collective agreements lodged/approved, 2007–08 compared with 2006–07
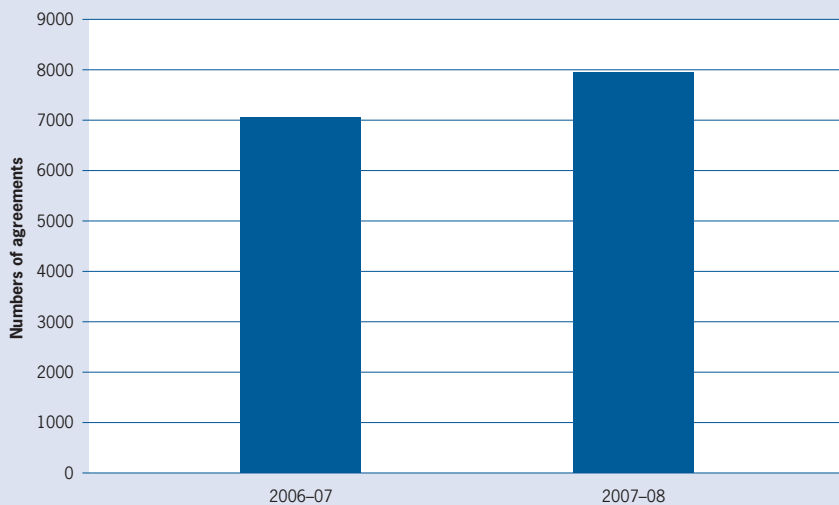
The ABS Employee Earnings and Hours Survey found that around 2.2 million employees had had their pay determined by a federally registered collective agreement in May 2006 (latest available data). This is 16.9 per cent higher than the last survey in May 2004.

Chart 9.2
Number of collective agreements lodged/approved in 2007–08 compared with 2006–07 by agreement type
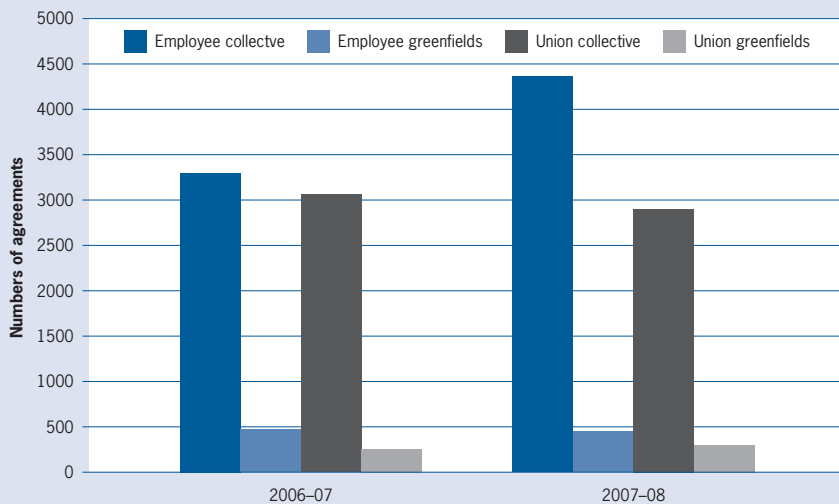
Union collective agreements fell between 2006–07 and 2007–08 both in numerical terms, from 3053 to 2892, and as a percentage of all collective agreements, from 43 per cent to 36 per cent. The number of collective agreements made directly with employees, that is, employee collective agreements, rose from 3292 in 2006–07 to 4349 during 2007–08. Also, employee collective agreements, as a percentage of all collective agreements lodged or approved in 2007–08, rose from 46 per cent to 55 per cent. Of the greenfields type of agreement, union greenfields accounted for 4 per cent and the employer greenfields made up 5 per cent of all collective agreements which is similar, in both cases, to the outcome for 2006–07.

While the number of employee collective agreements in 2007–08 continued to grow proportionally, union collectives covered 73 per cent of all employees under 2007–08 federal collective agreements, a drop of only 2 per cent on 2006–07. This suggests that the growth of employee collective agreements took place in workplaces with small numbers of employees.

Workplace relations policy and analysis

Workplace relations policy and analysis covers a number of important activities that promote improved productivity, greater employment for Australians and strong and sustainable economic growth through the development of safer, fairer and more flexible workplaces. It provides timely advice and analysis on policies and legislation to advance the government's national approach to reform of workplace relations, OHS and workers' compensation. Development and implementation of a simpler, fairer and more flexible framework for workplace relations will enhance Australia's productive capacity and complement the government's significant investment in human capital, through education, skills and training reforms.

The workplace relations policy and analysis contributes to Outcome 9 through:

► provision of policy advice, legal advice and analysis to the Hon Julia Gillard MP, Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion and other stakeholders in the areas of workplace relations, workers' compensation and OHS, with a goal of achieving safer, fairer and more flexible workplaces, and the development of legislation and regulations in these areas

► development of the government's substantive workplace relations reform legislation which will encourage collective bargaining at the enterprise level, underpinned by a safety net of legislated National Employment Standards and modern awards

► support for Commonwealth involvement in court and tribunal proceedings in relation to workplace relations, OHS and workers' compensation, and involvement on behalf of the government in relevant matters before state and territory courts and industrial tribunals

► strategic engagement in the International Labour Organization and the Asia-Pacific Economic Cooperation forum, as well as on a bilateral level, with the goal of advancing Australia's interests

► representing the government in Australian Fair Pay Commission inquiries

► support for portfolio agencies, tribunals and advisory bodies

► support for the Minister in relation to the appointment of office holders to related portfolio agencies, tribunals and advisory bodies.

Performance information

Administered activities

There is one administered item associated with the workplace relations policy and analysis output—International Labour Organization subscription.

Workplace relations policy advice

Award modernisation request and National Employment Standards

The *Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008*, which came into effect on 28 March 2008, included provisions to commence the award modernisation process. On 28 March 2008 the Minister signed a formal award modernisation request to the Australian Industrial Relations Commission (AIRC) providing guidance to it on the nature and function of modern awards and on the award modernisation process. The request was amended in June 2008 to reflect the final version of the National Employment Standards (NES).

In February 2008 the government released a discussion paper on the NES, inviting employers, employees and the community to provide feedback on the draft NES by early April 2008. After careful consideration of over 120 submissions and following extensive consultation with key stakeholders, the government released the final NES in June 2008. The NES is to be included in legislation to be introduced into Parliament in the second half of 2008.

Submission to inquiries

The department provided submissions to the following relevant inquiries.

Senate Education, Employment and Workplace Relations Committee inquiry

The department prepared a submission for the Senate inquiry into the *Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008* (the Bill). The Bill was referred to the Senate Education, Employment and Workplace Relations Committee for inquiry, with particular reference to the:

► economic and social impacts from the abolition of individual statutory agreements

► impact on employment

► potential for a wages breakout and increased inflationary pressures

► potential for increased industrial disputation

► impact on sectors heavily reliant on individual statutory agreements

► impact on productivity.

The department's submission addressed each of these issues.

Australian Fair Pay Commission's Minimum Wage Review

The Australian Fair Pay Commission (AFPC) invited interested groups and individuals to provide written submissions to its third Minimum Wage Review by 14 March 2008.

In its submission, the government stated the AFPC should grant an increase in minimum wages so that those who are reliant on minimum wages share in the strong growth in prosperity in Australia. The government also submitted to the AFPC that in arriving at its decision it should balance the potential impact of minimum wage increases on inflation, employment and the financial needs of low paid workers. The government's submission did not include a recommendation as to the quantum of any minimum wage increase.

Wages and Allowances Review

The department prepared the government's submission to the AIRC's Wages and Allowances Review seeking the flow-on of the AFPC's 2007 Minimum Wage Review decision to minimum wages in transitional awards. The submission also encouraged the AIRC to grant farm businesses in receipt of an Exceptional Circumstances Interest Rate Subsidy a deferral from the minimum wage increase for minimum wages above the Federal Minimum Wage. In its decision, the AIRC agreed with the government's submission with respect to these two matters.

Productivity Commission inquiry into paid maternity leave

On 17 February 2008, the government asked the Productivity Commission to undertake a public inquiry into paid maternity, paternity and parental leave. The department implements policies and strategies relating directly to this inquiry including workforce participation, more productive and safer workplaces and early childhood education and child care. The department's submission provided information on the workplace relations framework and detailed the financial assistance provided by the government to parents following the birth of a child, including child care payments and parenting payments.

Work and family

The Outcome coordinated the 2007 Australian Chamber of Commerce and Industry/ Business Council of Australia (ACCI/BCA) National Work and Family Awards which were presented in July 2007. There were 24 finalists from across Australia, with St George Bank and The Cancer Council Queensland each winning Gold Awards for overall outstanding achievement in work-life initiatives.

2007 ACCI/BCA National Work and Family Awards

The 2007 ACCI/BCA National Work and Family Awards were held at a gala dinner event in Sydney on 18 July 2007. The awards recognise practical and innovative workplace initiatives by businesses to help their employees achieve a better balance between work and family in the workplace.

Nine awards and six commendations were presented at the event. These award-winning businesses—of varying sizes and industries from all over Australia—were celebrated for their commitment to implementing the kind of work life policies that allow their employees to participate in the workforce, while achieving work-life balance. Winners and finalists represented a diverse range of industries, including finance, health, manufacturing, resources, property and business services, transport, and construction.

The 2007 winners were:

Gold Award—Private Sector—St. George Bank
Gold Award—Public or Community Sector—The Cancer Council Queensland
Large Business Award —St. George Bank
Medium Business Award—Overnewton Anglican Community College
Small Business Award—Benbro Electronics
Community Sector Award—The Cancer Council Queensland
Public Sector Award—The Bremer Institute of TAFE
Regional and Rural Award—Campbell Page
Rising Star Award—Probuild Constructions and Business & Employment

High Commendations were awarded to:

Large Business Award—PricewaterhouseCoopers
Small Business Award—TakeABreak
Public Sector Award—Sydney Water and Building Commission Victoria
Regional and Rural Award—Red Cliffs and Community Aged Care Services

In addition, the judges awarded two commendations to organisations that responded to the needs of employees with caring responsibilities:

Carer Support Commendation—Benbro Electronics
Carer Support Commendation—Nine2Three Employment Solutions

Comcare review

Self-insurance arrangements under the Commonwealth scheme were reviewed to determine whether they provide suitable OHS and workers' compensation arrangements for self-insurers and their employees. The department engaged Taylor Fry Consulting Actuaries to provide independent and expert advice to the review. Eighty written submissions were received and analysed to identify issues and suggestions for reform. The department will provide advice and recommendations to the Minister on the review outcomes by the end of July 2008.

The International Labour Organization

The department represented the Australian Government at the International Labour Organization (ILO) Governing Body meetings and at the 97th session of the International Labour Conference. In line with the ILO Constitution, the department funded three worker and three employer representatives for the 97th session.

At the 97th session Australian Government delegates:

► participated in general discussions on rural employment and skills development

► participated in the technical discussion of the institutional capacity of the ILO, which resulted in the adoption of the Declaration on Social Justice for a Fair Globalisation and its accompanying Resolution.

At the 2008 International Labour Conference, Australia was re-elected to the Governing Body of the ILO for the period 2008–11 as a titular member to represent the Far-East Asia and the Pacific sub-region. Australia also held this position for the period 2005–08. The Australian Government was also appointed a member of the Committee on Freedom of Association (CFA). Australia was last represented on the CFA during the period 1993–96.

The department was also represented at the ILO's Asian Regional Forum on Growth, Employment and Decent Work, and at the ILO Tripartite Technical Meeting on Decent Work: Pacific Island Countries.

In accordance with the ILO Constitution, the department provided the ILO with reports on selected ratified and unratified conventions, protocols and recommendations.

The International Labour Affairs Committee of the National Workplace Relations Consultative Council met in August 2007 and March 2008 to allow consultation between the Australian Government and worker and employer organisations. Further information is contained in Appendix 7 of this report.

Australia is the thirteenth largest contributor to the ILO budget, with an assessed contribution of 7.037 million Swiss francs (A$7.072 million), which is 1.78 per cent of the total regular ILO budget for 2008.

The Asia-Pacific Economic Cooperation forum

The department was active in organising and participating in a number of Asia-Pacific Economic Cooperation (APEC) meetings to support Australia's objectives in ensuring that APEC remains the pre-eminent regional forum through a revitalised policy agenda and institutional reform. Departmental representatives attended and presented at the New Zealand Higher Productivity Workplace Practices workshop, the US Innovations in Human Resource and Economic Development Conference and the 2008 Human Resources Development Working Group's annual meeting hosted by the Philippines.

Bilateral activities

During 2007–08, the department hosted 25 international delegations from 13 countries— Botswana, Canada, China (including from Hong Kong), Germany, Japan, Nepal, the Netherlands, Singapore, South Korea, Sweden, Thailand, the United Kingdom and the United States. The primary areas of interest for the delegations were the delivery of employment services in Australia, Australian policies in regard to workforce participation, and the department's role in public sector management reform and public sector pay-setting processes.

Workplace relations legislation development

Legal and legal policy advice

During 2007–08 the Workplace Relations Legal Group provided to the Minister, portfolio agencies and other stakeholders legal and legal policy advice about:

► the operation of the workplace relations system, including on the development of and transition to the new workplace relations system

- the development of the NES
- developments arising out of court and tribunal decisions in federal, state and territory jurisdictions
- OHS, workers' compensation and public sector employment matters.

In particular, significant resources were committed to the provision of legal policy advice to the Minister on the development of legislation to implement the government's workplace relations policies and the development of the NES.

Legislation development

Primary legislation

The following Acts were enacted in 2007–08:

- *APEC Public Holiday Act 2007*—this Bill was assented to on 3 September 2007. It ensured that the public holiday appointed in metropolitan Sydney to facilitate the holding of an APEC meeting on 7 September 2007 was available to federal system employees.
- *Building and Construction Industry Improvement Amendment (OHS) Act 2007*—this Bill was assented to on 24 September 2007. It extended the application of the Building and Construction Industry OHS Accreditation Scheme to cover projects where building work is indirectly funded by the Commonwealth or a Commonwealth authority.
- *Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008*—this Act was assented to on 20 March 2008, and amendments included:
  - preventing the making of any new Australian Workplace Agreements (AWAs)
  - allowing employers using AWAs as at 1 December 2007 to offer Individual Transitional Employment Agreements (ITEAs) to new employees and employees already on AWAs for the transition period while award modernisation takes place, that is until 31 December 2009
  - introducing a no-disadvantage test for new collective agreements and ITEAs
  - enabling the Australian Industrial Relations Commission (AIRC) to undertake the process of award modernisation
  - removing the requirement for employers to provide the Workplace Relations Fact Sheet to their employees.

Delegated legislation

During 2007–08 the Workplace Relations Legal Group developed a number of regulations and other legislative instruments covering workplace relations, the building and construction industry, OHS, workers' compensation and the Remuneration Tribunal. The instruments dealt with a diverse range of issues including:

- amendments to the *Workplace Relations Regulations 1996* to specify the manner in which the Workplace Relations Fact Sheet may be provided to an employee
- providing for officials of the Workplace Ombudsman or a workplace agreement official to provide information to the Minister and other specified persons
- amending the *Building and Construction Industry Improvement (Accreditation Scheme) Regulations 2005* dealing with the requirement of accredited persons to undertake work
- allowing for certain private corporations to be eligible to seek coverage under the Comcare scheme
- providing how Comcare may use money after calling in a bank guarantee
- giving effect to the 'pay freeze' on federal MPs salaries until mid-2009.

Commonwealth involvement in proceedings before courts and tribunals

The Workplace Relations Legal Group oversees matters in which the Commonwealth is a party or a respondent to legal proceedings under the *Workplace Relations Act 1996* and advises the Minister on these matters. Appendix 8 provides details of the proceedings in which the department was involved.

Appointment of office holders to workplace relations agencies, tribunals and advisory bodies

The Workplace Relations Legal Group manages the appointment of statutory office holders to workplace relations–related agencies, tribunals and advisory bodies. New and expected vacancies are monitored, and the Minister is supported in seeking and making nominations, as required by legislation and government protocols. Nominations are managed in accordance with government and Executive Council requirements.

Workplace relations implementation

Workplace relations implementation covers a number of important activities contributing to more productive and safer work places, for instance through administering the Australian Government Employment Bargaining Framework; the development and delivery of workplace relations programs; and the provision of secretariat services supporting the Defence Force Remuneration Tribunal (DFRT) and the Remuneration Tribunal.

Also included is the Office of the Australian Safety and Compensation Council (Office of the ASCC), which provides policy advice on national OHS and workers' compensation matters, as well as the Office of the Federal Safety Commissioner (OFSC), which works with industry and government stakeholders with a view to achieving the highest possible OHS standards on government funded building and construction projects and provides administrative support to the Federal Safety Commissioner.

The workplace relations implementation contributes to Outcome 9 through:

▶ developing initiatives that promote flexible work practices and ensure access and equity for all employees in the workplace

▶ providing information and assistance regarding cooperative agreement making and related matters to employers and employees

▶ providing policy advice about building and construction industry workplace relations matters, overseeing the implementation of the National Code of Practice (Code) and Australian Government Implementation Guidelines (Guidelines) for the Construction Industry, and assessing building and construction businesses' industrial instruments for compliance with the Code and Guidelines

▶ administering the Australian Government Employment Bargaining Framework

▶ administering the Commonwealth's employee entitlement safety net arrangements

▶ providing support for a number of workplace relations programs, including the Homeworkers' Code of Practice Program and the Protected Action Ballots Scheme, and assistance following unlawful termination and for alternative dispute resolution

▶ monitoring the offshore trades skills assessment processes established under the auspices of COAG

▶ assessing trade qualifications obtained either domestically outside Australian apprenticeship arrangements or overseas as part of the government's broader skilled migration policies

- providing advice on remuneration and related matters for a range of Commonwealth offices
- coordinating national efforts to improve OHS and workers' compensation arrangements, including developing national OHS standards and codes, and coordinating the department's international role in OHS and workers' compensation
- providing secretariat support to the national review into model OHS laws, which is being conducted by an expert advisory panel, and reporting on the Australian Safety and Compensation Council's achievements in developing and promoting national consistency in OHS and workers' compensation arrangements
- improving OHS in the building and construction industry, promoting excellence in OHS outcomes on government-funded building and construction projects, and helping government agencies be model clients in relation to OHS
- developing and administering the Australian Government Building and Construction OHS Accreditation Scheme
- working with industry stakeholders to identify and progress initiatives that will lead to improved OHS performance, and undertaking consultation through the Industry Reference Group and the Australian Government Agency Reference Group.

Performance information

Administered activities

The administered items associated with the workplace relations implementation output are described below.

- The General Employee Entitlements and Redundancy Scheme is a basic payment scheme established to assist employees who have lost their employment due to the liquidation or bankruptcy of their employer and who are owed certain employee entitlements.
- The Special Employee Entitlements Scheme for Ansett Group Employees provides assistance for Ansett Group employees whose employment was terminated on or after 12 September 2001.
- Under the *Coal Mining Industry (Long Service Leave Funding) Act 1992* financing arrangements the cost of portable long service leave entitlements is managed through a central fund administered by the Coal Mining Industry (Long Service Leave Funding) Corporation. Monthly levy collection transfers are made from the consolidated revenue fund to the central fund.
- The Homeworkers' Code of Practice Program provides financial assistance to the Homeworkers' Code Committee Incorporated to support the promotion of the Homeworkers' Code of Practice and the 'No Sweat Shop' label.
- The Workplace Reform—Secret Ballots (Protected Action Ballots Scheme) pays the Commonwealth's liability for 80 per cent of the 'genuine and reasonable' costs of conducting protected action ballots.
- The Unlawful Termination Assistance Scheme provides eligible employees, who believe they have been unlawfully terminated, with up to $4000 (GST inclusive) worth of independent legal advice on the merits of their claim.
- The Alternative Dispute Resolution Assistance Scheme provides parties to eligible disputes with access of up to $1500 (GST inclusive) of government assistance for private alternative dispute resolution services.

Industry and Australian Government employment advice

Private sector industries

The department continued to provide advice to the government on workplace relations developments in private sector industries. It contributed to the government's consultative process on workplace relations reform through the provision of secretariat support to a range of workplace relations forums including the Business Advisory Group, the Workers' Advisory Group, the Small Business Working Group and the Union Working Group on unfair dismissal. Additionally, the Workplace Relations Implementation Group contributed to the department's submissions to a number of industry inquiries. These include government inquiries into the aviation; automotive; textile, clothing and footwear; and coastal shipping industries.

The department continued to administer the *Coal Mining Industry (Long Service Leave Funding) Act 1992*. The Corporation publishes an annual report.

The building and construction industry

During 2007–08 the department continued to support and advise on the government's workplace relations policies related to the building and construction industry.

The department continued to assist government agencies in applying the National Code of Practice and Implementation Guidelines. A total of 52 presentations and seminars were delivered to government agencies and industry bodies.

Additionally, the department continued to provide advice and assessment services regarding whether building and construction employers' industrial instruments comply with the Code and Guidelines. During the reporting year the department completed 4588 assessments, with an average turnaround time of 3.32 days. This average turnaround time was a significant improvement on the previous year's performance of just over 2.5 weeks on average, due in large part to the introduction of enhanced online IT facilities.

During 2007–08 the department responded to over 7500 inquiries from industry participants via the National Code Hotline (1300 731 293) and building mailbox <building@deewr.gov.au>. This was a 90 per cent increase in inquiry volume relative to 2006–07, in part due to increased bargaining.

A range of material on the application of the Code and the Guidelines is available on the Workplace website <www.workplace.gov.au/building>.

Agreement making in Australian Government employment

The Australian Government Employment Bargaining Framework and the Supporting Guidance to the Australian Government Employment Bargaining Framework were released on 29 February 2008. This policy framework provides guidance and support to Australian Public Service (APS) Agencies and non-APS Commonwealth authorities on workplace relations matters, including collective bargaining.

Training and information sessions were held to ensure the effective implementation of the policy and were attended by around 200 representatives of 87 government bodies. The department also continued to provide ongoing strategic policy advice to the Minister, agency heads and APS executives on a variety of issues related to bargaining and workplace relations matters more broadly. The department also liaised with other APS agencies by chairing the APS Round Table as well as the monthly meetings of the APS Round Table Heads of Corporate Group, which promote information-sharing on workplace relations matters.

Machinery of government

The department provides advice on workplace relations matters arising from machinery of government (MoG) changes to the Minister and agencies. During the reporting year there were 33 MoG changes affecting Commonwealth public sector agencies.

Australian Defence Force pay setting arrangements and related allowances

The Minister is the employing authority for Australian Defence Force (ADF) members and as a result the department was involved in a broad range of matters before the Defence Force Remuneration Tribunal.

Cost recovery

A variety of services were provided to assist Commonwealth public sector employers with workplace relations matters. This included the Personnel Operations Program. During the reporting year 422 people participated in 104 Personnel Operations Program training courses. The department also offered an allowance subscription service and conducted fairness testing on the workplace agreements of the staff of the Workplace Authority. These activities were conducted on a fee-for-service basis.

Cost recovery activities generated $914 687 (GST inclusive) in 2007–08.

Workplace relations services

Trades Recognition Australia

Trades Recognition Australia (TRA) is a designated assessing authority responsible for:

▶ recognising the trade skills of potential migrants as part of the General Skilled Migration program, in accordance with the *Migration Act 1958*, for 170 trade and associate professional occupations

▶ recognising the trade skills of Australian residents with skills acquired outside the Australian apprenticeship framework, in 49 metal and electrical trades as prescribed in the *Tradesmen's Rights Regulation Act 1946*.

In 2007–08, TRA received a total of 34 179 applications—an average of 2848 per month. This comprised 31 245 international applications and 2934 domestic (Australian Recognised Trade Certificate) applications.

TRA finalised 94 per cent of international Migration Occupations in Demand List applications within 10 working days. All TRA performance targets were met for the financial year.

Table 9.4

Skills assessment applications, 2006–07 and 2007–08

	International applications			Domestic applications			Total applications		
	2006–07	2007–08	Change %	2006–07	2007–08	Change %	2006–07	2007–08	Change %
	(number)			(number)			(number)		
Received	36 366[a]	31 245	-14.1	2453[a]	2934	+19.6	38 819[a]	34 179	-12.0
Finalised	35 330[a]	32 406	-8.3	2461[a]	2805	+14.0	37 791[a]	35 211	-6.8
Successful	25 659	22 184		1439	1849		27 098	24 033	

a   Includes minor differences to the figures reported in the 2006–07 annual report due to database changes implemented in 2007–08.

New offshore assessment services

A consortium of Australian-registered training organisations selected to provide the COAG-initiated offshore assessment service began receiving applications from 1 September 2007. In 2007–08, a total of 1243 applications were received from residents of India, Sri Lanka, the United Kingdom, South Africa and the Philippines in the following trades: general electrician, cable jointer, electrical power line tradesperson, general plumber, refrigeration and air-conditioning mechanic, carpenter and joiner, motor mechanic, and bricklayer.

Relevant supervisor occupations were added to the scope of occupations assessed by the consortium in April 2008.

TRA undertook monitoring visits to observe practical assessments in the United Kingdom, South Africa, and India as a part of its quality assurance regime to ensure Australian standards are maintained.

Homeworkers' Code of Practice Program

The Homeworkers' Code of Practice Program provides $4 million (GST exclusive) over four years to support the promotion of the Homeworkers' Code of Practice (the Code) and the 'No Sweat Shop' label.

The Code is voluntary and encourages manufacturers, suppliers and retailers to make their production and supply chains transparent; to better understand their supply chains to minimise the potential for exploitation of outworkers; and to adopt ethical procurement policies. The Code provides for accreditation of parties along the textile, clothing and footwear supply chain to assist in ensuring that homeworkers are employed according to relevant award conditions.

The department signed a funding agreement with the Homeworkers' Code Committee Incorporated on 8 April 2008. The Minister launched the program on 1 May 2008.

Protected Action Ballots Scheme

The *Workplace Relations Act 1996* provides that, before authorised protected industrial action may occur, employees or a union must obtain an order from the AIRC for a secret ballot to be held. Under the Act the Commonwealth is required to meet 80 per cent of the 'reasonable and genuine' costs of secret ballots on proposed protected action. The department administers the Protected Action Ballots Scheme to discharge the Commonwealth's liability.

At 30 June 2008 the department processed invoices relating to 325 ballots and paid $448 922 (GST exclusive) under the Scheme. The Australian Electoral Commission acted as ballot agent for all but 14 of the ballots.

Unlawful Termination Assistance Scheme

The Unlawful Termination Assistance Scheme was established to provide financial assistance to people who believe they may have been unlawfully terminated under s. 659 of the *Workplace Relations Act 1996*. Eligible employees, who believe they have been unlawfully terminated, can access up to $4000 (GST inclusive) worth of independent legal advice to assist them in making an informed decision about whether to commence further legal proceedings in relation to their claim.

During 2007–08 the department processed 106 applications for assistance. Of the 82 eligible applicants, 57 received financial assistance under the Scheme (the 25 eligible applicants who did not receive assistance have not proceeded with their claims under the Scheme). Original decisions regarding six applications were reviewed.

Alternative Dispute Resolution Assistance Scheme

The Alternative Dispute Resolution Assistance Scheme was established to provide choice in dispute resolution and provide financial assistance to access private alternative dispute resolution (ADR). Eligible parties can access up to $1500 (GST inclusive) for ADR services per eligible dispute, and up to $500 (GST inclusive) additional assistance is available to meet ADR provider travel expenses in regional or remote areas. Costs in excess of these amounts are to be paid by the parties.

The Scheme received no applications for funding during 2007–08.

Project Office

During 2007–08, the Outcome 9 Project Office provided ongoing support to the Outcome's business areas to successfully deliver eight information technology projects on time and within budget. The Project Office also assisted in the scoping, development and prioritisation of eight project proposals for 2008–09 projects. During 2007–08, the Project Office worked closely with the department's IT Services Group to apply enhancements to several existing applications to support the needs of Outcome 9.

Employee entitlements safety net schemes

The General Employee Entitlements and Redundancy Scheme (GEERS) is a basic payment scheme which protects the entitlements of employees who have lost their job as a result of the bankruptcy or liquidation of their employer. Eligible entitlements under GEERS consist of up to three months unpaid or underpaid wages for the period prior to the appointment of the insolvency practitioner (including amounts deducted from wages, such as for superannuation, but not passed on to the superannuation fund), all unpaid annual leave, all unpaid long service leave, all unpaid payment in lieu of notice and up to a maximum of 16 weeks unpaid redundancy entitlement. Payments made under GEERS are subject to an annually indexed income cap, which was $101 300 for 2007–08.

The Special Employee Entitlements Scheme for Ansett Group Employees (SEESA) was implemented following the passage of the *Air Passenger Ticket Levy (Collection) Act 2001* to provide assistance to the former employees of the Ansett Group, which collapsed on 12 September 2001. SEESA was a safety net scheme under which former Ansett Group employees were entitled to receive all unpaid wages, annual leave, long service leave, payment in lieu of notice and up to eight weeks unpaid redundancy entitlement. The remaining employees of the Ansett Group had their employment terminated by the administrators in January 2008. All eligible former Ansett Group employees have now received 100 per cent of the SEESA payments to which they are entitled. During the Scheme's operation a total of $383 672 581 was advanced to 13 075 former Ansett Group employees.

The following achievements are of note in connection with the employee entitlements safety net schemes for 2007–08:

▶ A total of $60 779 791 was advanced under GEERS to 7808 eligible claimants from 972 insolvent businesses.

▶ Over 24 000 calls were received on the GEERS Hotline.

▶ The number of appeals under GEERS fell from 213 in 2006–07 to 203 in 2007–08.

▶ A total of $16 787 789 advanced under GEERS was recovered during 2007–08.

▶ A total of $709 876 was advanced under SEESA to the final seven former Ansett Group employees. A total of $21 539 336 advanced under SEESA was recovered during 2007–08.

Stakeholder feedback

As part of its administration of GEERS, the department works closely with insolvency practitioners to determine employees' entitlements and to process GEERS claims quickly and accurately.

Insolvency practitioners are a key stakeholder of GEERS and to guide the continuous improvement processes of GEERS their feedback is sought regularly through a number of avenues, including an annual stakeholder satisfaction survey.

In 2007–08, 142 insolvency practitioners were surveyed through the annual stakeholder satisfaction survey, in which 89 per cent rated the department's management of GEERS as 'very good or above'. This was an improvement from the 84 per cent achieved in 2006–07. The proportion of 'extremely satisfied' stakeholders increased from 21 per cent in 2006–07 to 29 per cent in 2007–08.

GEERS Active Creditor Pilot

In November 2006 the department commenced trialling a litigation funding program, the GEERS Active Creditor Pilot, under which funding was provided to insolvency practitioners to enable them to pursue causes of action which may have resulted in more funds becoming available to creditors (including the Commonwealth). In 2007–08 the Active Creditor Pilot was discontinued pending a full review of the pilot's outcomes.

Defence Force Remuneration Tribunal

The Defence Force Remuneration Tribunal (DFRT) was established in 1984 to enable the pay and allowances of members of the Australian Defence Force (ADF) to be determined having regard to the special nature of Defence Force service. The DFRT, which is supported by a secretariat staffed by departmental employees, has two functions:

▶ to inquire into and determine the salaries and relevant allowances to be paid to members of the ADF

▶ to inquire into and make determinations on prescribed matters that have been referred to the DFRT.

The DFRT's work is predominantly determined by the matters brought before it by the parties, in particular by the ADF. To deal with these matters the DFRT sits as and when required. The Tribunal heard/presided over 31 Matters and made a total of 93 Determinations. Of the 93 Determinations issued, 69 applied to individual members (Star Rank Officers), with the remaining 24 being applied ADF wide or to specific branches and employment categories.

Remuneration Tribunal

The Secretariat to the Remuneration Tribunal advises and supports the Remuneration Tribunal, an independent statutory body established under the *Remuneration Tribunal Act 1973* to inquire into and determine or provide advice on remuneration and related matters for a range of Commonwealth offices. The Secretariat is staffed by departmental employees and supports the Tribunal's work by researching, analysing and providing briefings on matters to be considered by the Tribunal and by providing associated administrative support.

The Remuneration Tribunal is required by the *Remuneration Tribunal Act 1973* to report annually to the Minister. Details of reviews undertaken and the remuneration outcomes decided by the Tribunal are provided in that report. The Tribunal made 17 determinations to give effect to its decisions. In particular, it determined an annual adjustment of 4.3 per cent for offices in its determinative jurisdiction, with effect from 1 July 2008.

Office of the Australian Safety and Compensation Council

The Office of the Australian Safety and Compensation Council (Office of the ASCC) provided the Australian Safety and Compensation Council (ASCC) with support for the three ASCC meetings held in 2007–08. The first of these meetings was held in Canberra on 22 August 2007, the second in Melbourne on 27 February 2008, and the third in Canberra on 29 April 2008. An important outcome of this last meeting was the declaration of the National Code of Practice for Prevention of Falls in General Construction.

The ASCC is supported by two working groups that assist in the identification and refinement of matters for consideration by the Council. The OHS Working Group met three times during 2007–08. The meetings were held on 3 July 2007, 8 October 2007 and 6 June 2008 in Canberra. The Workers' Compensation Working Group met via teleconference on 24 October 2007. A workers' compensation workshop on comparison of workers' compensation arrangements was held on 9 August 2007.

A national occupational health and safety framework

In February 2008, the Workplace Relations Ministers' Council (WRMC) agreed that the use of model legislation is the most effective way to achieve harmonisation of OHS laws and supported the government's intention to initiate a review to develop model legislation.

Workplace relations ministers also agreed in February 2008 to replace the ASCC with a new and independent national body. During the first half of 2008 substantial progress was made toward this objective. Enabling legislation was drafted for introduction into Parliament, and the membership and funding of the new body was also agreed by WRMC.

On 4 April 2008, the Minister announced the appointment of an advisory panel to conduct a national review into model OHS laws. The secretariat assisting the panel is located within the department.

During April and May 2008, the panel consulted with key stakeholders in all jurisdictions, including industry and union bodies, regulators and OHS policy agencies. The panel subsequently released an issues paper for public comment on 30 May 2008.

In May 2008, WRMC agreed in-principle to the Intergovernmental Agreement (IGA) for Regulatory and Operational Reform in OHS. The IGA was signed by heads of governments at the COAG meeting on 3 July 2008. This historic agreement articulates the commitment of all jurisdictions to the implementation of a uniform OHS legislative framework, complemented by consistent compliance and enforcement.

The second triennial review of the National OHS Strategy 2002–12 (the Strategy) also commenced this year. The review is examining the national targets and priorities, assessing the Strategy's contribution to improved OHS performance, and the extent of the contribution, commitment and engagement of the parties to the Strategy. The review is expected to conclude by the end of 2008.

National OHS standards and codes

The ASCC declared a number of standards and codes over the reporting period, including:

▶ the National Standard for Manual Tasks and the National Code of Practice for the Prevention of Musculoskeletal Disorders from Performing Manual Tasks at Work in August 2007

▶ the National Code of Practice for Precast, Tilt-up and Concrete Elements in Building Construction in February 2008

▶ the National Code of Practice for the Prevention of Falls in General Construction in April 2008.

Once standards and codes have been declared by the ASCC, they are endorsed by WRMC to ensure they are incorporated into state and territory OHS regulations.

The ASCC also agreed to progress work to develop national OHS material for the stevedoring industry.

Public comment was sought on the Draft National Code of Practice for the Prevention of Falls in Housing Construction in April 2008. The National Code of Practice for OHS Induction for Construction Work was implemented across all jurisdictions in the reporting year.

In 2007–08, work continued on the Draft National Standard for the Control of Workplace Hazardous Chemicals, which is expected to be completed in late 2008.

Substantial development of revised Approved Criteria for Classifying Hazardous Substances was undertaken based on the United Nations' Globally Harmonised System of Classification and Labelling of Chemicals, and it is expected that a draft will be available for public comment in late 2008 or early 2009.

The Office of the ASCC also initiated a review of the National Standard and Code of Practice for the Control of Major Hazard Facilities. Work progressed to revise the Guidance Note for the Protection of Workers from Ultraviolet Radiation in Sunlight, and it is continuing work on the review of the National Code of Practice for the Prevention of Noise Induced Hearing Loss in the Workplace.

Research, data analysis and communication activities

The Minister announced the winners of the 2007 National Safe Work Australia awards on 28 April 2008. The awards, coordinated by the Office of the ASCC, acknowledge individual and organisational excellence in OHS.

The ASCC published a number of guidance documents to improve the integration of OHS into education at various levels, including *Guidance on preparing a simple OHS business case;* the *Student Work Placement Guide*; and *Guidelines for Integrating OHS into National Industry Training Packages*. The ASCC also approved the release of the publication *Mesothelioma in Australia—Incidence 1982 to 2004, Deaths 1997 to 2005* (March 2008).

The Office of the ASCC produced the ninth *Comparative Performance Monitoring Report* of WRMC. The report provides trend analysis of the OHS and workers' compensation scheme performance in Australian jurisdictions and New Zealand. The *2007 Comparison of Workers' Compensation Arrangements in Australia and New Zealand* (the Comparison) was also finalised and approved for publication.

The Office of the ASCC also implemented an OHS Program in support of the National Nanotechnology Strategy to facilitate a nationally consistent and responsive approach to management of OHS issues. To support this it developed guidance material; established reference groups; and developed collaborative relationships with nanotechnology stakeholders in Australia and overseas. It was also represented at the International Organisation for Standardization Technical Committee General Meeting in Bordeaux, France, to ensure that Australia continues to appropriately contribute to international standard setting for nanotechnology.

The first nationally representative benchmark survey of workplace hazard exposures and controls was also completed in 2007–08.

The Office of the ASCC worked with Heads of Workplace Safety Authorities throughout 2007–08 to evaluate the effectiveness of a range of OHS interventions such as guidance material, audits, workshops and codes of practice.

Australian Safety and Compensation Council Chairman, Mr Bill Scales AO; winner Best Individual Contribution to Workplace Health and Safety, Captain Sharryn Batt; and the Hon Julia Gillard MP, Minister for Employment and Workplace Relations at the 2007 National Safe Work Australia awards on 28 April 2008.

International collaboration

During the reporting year, the Office of the ASCC continued to contribute to international activities with a view to improving national and international policy outcomes in OHS and workers' compensation.

It participated in forums relating to the classification and labelling of chemicals, including the United Nations Sub-Committee of Experts on the Globally Harmonised System of Classification and Labelling of Chemicals, and the Organisation for Economic Cooperation and Development Task Force on Harmonisation of Classification and Labelling. The Office of the ASCC coordinated technical work on classification and labelling criteria in the area of health and environmental hazards, and continued to work with government chemical regulators in order to integrate international classification schemes in Australia. It was also represented at a range of international activities relating to OHS and hazardous substances, including:

▶ the New Caledonian Forum on Occupational Health and Safety to enable discussion on New Caledonia's proposed OHS legislation

▶ the World Health Organization (WHO) Western Pacific Meeting on Occupational Health and Safety in Kuala Lumpur, to discuss the progress of the WHO Global Plan of Action on Workers' Health 2008–17 and the elimination of asbestos-related disease.

The Office of the ASCC contributed to ILO discussion concerning a new ILO policy framework and action plan including the integration of both OHS instruments and those dealing with hazardous substances. Representatives also attended the 18th World Congress on Health and Safety at Work in Korea, focused on the prevention of occupational accidents and the protection of workers' health.

During 2007–08 the Office of the ASCC hosted a visit by a representative from the ILO International Occupational Safety and Health Information Centre and coordinated a visit by a delegation from the New Caledonian Department of Labour and Employment who aimed to learn about the management of asbestos in Australia.

The Australian Forum of Explosives Regulators

The Australian Forum of Explosives Regulators (AFER), with the assistance of the Office of the ASCC as secretariat, released the Draft Australian Code for the Transport of Explosives by Road and Rail—Third edition, for public comment in March 2008. A total of 18 submissions were received during the public comment period, and AFER has agreed to a number of changes as a result of these submissions. The Code is currently being updated to reflect the agreed changes and a revised Code is expected to be finalised for endorsement by WRMC later this year.

Office of the Federal Safety Commissioner

In 2007–08 the Federal Safety Commissioner (the Commissioner) and his Office met with many industry stakeholders in order to foster support and involvement in the Office's initiatives. Key industry participants have embraced the work of the Office and a number of partnerships in research and case study projects have been established. The Office has also worked closely with government agencies to ensure OHS is a key factor in their building and construction procurement and project management.

The Office has also:

▶ presented and participated in a range of conferences, seminars and award ceremonies. This included the Commissioner delivering speeches at the 2008 Australian Institute of Building (AIB) Conference and the 2007 Excellence in Worker Compensation and Safety Conference

▶ sponsored a number of activities that promote safety and excellence in the building and construction industry. These include the Cooperative Research Centre for Construction Third International Conference, Master Builders Australia National Building and Construction Awards, AIB Annual Conference and the ACT OHS Commissioner's 2008 Health and Safety Month

▶ collaborated with industry to develop and implement strategies in areas such as safe design, health and subcontractor OHS management

▶ released a number of fact sheets, case studies and other publications including:

– *Model Client: Promoting Safe Construction*—this set of five booklets provides a framework for government agencies to integrate safety initiatives into the management of their construction projects

- *Data Dictionary*—this tool was developed in consultation with industry to foster consistency in OHS reporting terminology
- *Leaders in Safety*—this is a guide designed to assist senior managers to demonstrate a tangible commitment to OHS
- *Documentary Evidence Guide* and *Project Safety Audit Criteria*—this material was developed to assist companies to understand Australian Government Building and Construction OHS Accreditation Scheme requirements
- *Federal Safety Commissioner's Progress Report*—this report provides a comprehensive summary of the achievements of the OFSC for 2006–07.

The Model Client: Promoting Safe Construction

In April 2008 the Federal Safety Commissioner released a series of booklets *The Model Client: Promoting Safe Construction*.

The booklets were developed to provide Australian Government agencies (as clients) with practical guidance on how to integrate best practice safety initiatives into the management of their construction projects. This resource will allow agencies to work in partnership with building companies to ensure successful OHS outcomes on Australian Government funded construction sites.

The framework adopts a project lifecycle approach and establishes a series of key management actions for the agency to implement throughout the construction project. There are five booklets: *The Model Client Framework*; *The Planning Stage*; *The Design and Procurement Stage*; *The Construction Stage*; and *The Completion Stage*. The framework is supported by a range of checklists, templates and tools. The pack also contains a CD of this material so agencies can tailor templates to suit their individual needs.

By following the initiatives contained in the five model client booklets, Australian Government agencies can show strong OHS leadership and promote the development of a culture of OHS in the procurement and management of construction projects.

No such guidance material has previously been available to clients for managing their construction projects. The benefits flowing from these new processes will positively reinforce safety behaviour and expectations, not only for Australian Government agencies but also for consultants and contractors engaged by agencies.

These booklets have received widespread praise from international, academic and industry stakeholders.

The model client booklets are a critical step forward in ensuring best practice OHS across all Australian Government building and construction projects.

Departmental outputs

Table 9.5

Performance in delivery of departmental outputs for Outcome 9

Performance indicator	Estimate	Actual
Program management		
Quality		
Trades skills assessment applications	95% of applications in the international stream from the Migration Occupations in Demand List finalised within 10 working days	93.8%[a]
	95% of all other applications in the international and domestic streams finalised within 20 working days	98.4%
Timeliness of processing claims for the General Employee Entitlements and Redundancy Scheme	90% of claims processed within 16 weeks of receipt	93%
	98% of claims processed within 4 weeks of verified entitlement data	99%
Accuracy of processing of claims under the General Employee Entitlements and Redundancy Scheme	Over 98% of payments not varied after appeal	99%
Timeliness of processing applications for Alternative Dispute Resolution and Unlawful Termination Assistance Schemes	95% processed within 5 working days	99.05%
Policy services		
Quality		
Level of satisfaction of the Minister with policy advice	Satisfactory or above	Satisfied[b]
Level of satisfaction of the Minister with legislation development services	Satisfactory or above	Satisfied[b]
Level of satisfaction of the Minister and agencies with the provision of (Industry and Australian Government employment) policy advice	Satisfactory or above	Satisfied[b]
Level of satisfaction of the Minister with the provision of advice provided by the Office of the Australian Safety and Compensation Council	Satisfactory or above	Satisfied[b]
Level of satisfaction of the Minister with the provision of advice provided by the Office of the Federal Safety Commissioner	Satisfactory or above	Satisfied[b]
Service delivery		
Quality		
Level of satisfaction of the President of the Defence Force Remuneration Tribunal with the quality and timeliness of the services provided by the Tribunal Secretariat	Very good or above	The President of the Tribunal, the Hon Senior Deputy President RN Cartwright, reported a high level of satisfaction with the Secretariat's performance
Level of satisfaction of the President of the Remuneration Tribunal with the quality and timeliness of the services provided by the Tribunal Secretariat	Very good or above	The President of the Tribunal reported a high level of satisfaction with the Secretariat's performance

Performance indicator	Estimate	Actual
Level of satisfaction of the Chairman of the Australian Safety and Compensation Council with the quality and timeliness of support to the Council	Very good or above	The Chairman reported a very good level of satisfaction with the quality and timeliness of support to the Council based on a survey of members
Level of satisfaction of stakeholders with the management of the Employee Entitlements Safety Net Schemes	Very good or above	89% of stakeholders rated the department's management of GEERS as 'very good or above'
Client satisfaction with Alternative Dispute Resolution and Unlawful Termination Assistance Schemes	80% of clients surveyed satisfied	78%[a]
Level of satisfaction of clients with the provision of advice, information, education and promotion of safer workplaces on Australian Government construction sites by the Office of the Federal Safety Commissioner	Very good or above	A survey of client agencies conducted at the April 2008 Model Client workshop indicated that 70% of participants rated their overall level of satisfaction with the advice, information and education provided by the OFSC as 'extremely satisfied'

a   If the result reflects 95–100 per cent of the estimate the estimate is considered to have been met.

b   During the year ministers, parliamentary secretaries and their staff provided feedback on the level of satisfaction with departmental advice during regular meetings with the department and, in some cases, by rating briefs according to a five point scale, with five being the maximum. Overall feedback from ministers, parliamentary secretaries and their staff confirmed that they recognise the significant efforts being made by departmental staff and are generally satisfied with the quality of briefings. Note that these satisfaction levels incorporate the former departments, DEEWR and the early childhood and child care functions from FaHCSIA.

Note: The estimate under Output 2.2.3 (Workplace relations services) for the former DEWR regarding 'client satisfaction with advice and education services' was removed as a result of the creation of the Workplace Authority.

Outlook for 2008–09

In 2008–09 the major priorities for Outcome 9 are:

► to provide policy and legal advice regarding implementation of the government's workplace relations policy, *Forward with Fairness*, which involves the development of a simpler, fairer and more flexible workplace relations system

► to develop for introduction into Parliament substantive legislation giving effect to *Forward with Fairness*, in readiness for the new workplace relations system to be fully operational by January 2010

► to continue engaging with state and territory governments to establish uniform national workplace relations laws for the private sector

► to develop the arrangements for new institutions to implement the government's reforms in relation to workplace relations and OHS

► to develop national approaches to OHS and workers' compensation, particularly in relation to progressing implementation of uniform OHS legislation

► to enhance engagement with the ILO through close collaboration with worker and employer stakeholders, state and territory governments and other federal agencies, particularly the Australian Agency for International Development (AusAID)

► to successfully deliver programs to support implementation of the new workplace relations system

► to continue monitoring and promoting workplace relations reform across both the public and private sectors

► to continue developing and implementing initiatives to support work and family balance

► to continue working with the building and construction industry to improve OHS performance

► to continue extensive consultation with key stakeholders as major reforms across the Outcome are developed and implemented.

Index—Volumes 1 and 2

Note: Volume 1 ends at page 242, Volume 2 starts at page 243.