

Australian Government

Department of Education and Training

Annual Report 2014-15

Opportunity through learning



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The document must be attributed as the Department of Education and Training Annual Report 2014–15.

Aboriginal and Torres Strait Islander readers are warned that this document may contain images and names of deceased persons. The term 'Indigenous' in this report refers to Aboriginal and Torres Strait Islander peoples unless otherwise stated.



Australian Government Department of Education and Training

> Secretary a Paul AO PSM

The Hon Simon Birmingham MP Minister for Education and Training Parliament House CANBERRA ACT 2600

Dear Minister

It is my pleasure to present to you the Department of Education and Training Annual Report for 2014-15.

The report reflects the department's legislative reporting requirements and has been prepared in accordance with section 63 of the *Public Service Act 1999*. Subsection 63(1) of that Act requires me to provide you with a report for you to present to the Parliament. It reflects the *Requirements for Annual Reports* as approved by the Joint Committee of Public Accounts and Audit.

The report includes the information required to be laid before each House of Parliament in accordance with section 127 of the Australian Education Act 2013 for the 2014 year.

The report includes the 2014-15 Annual Reports of the:

- Tuition Protection Service (TPS) Director, as required under section 170B of the Education Services for Overseas Students Act 2000;
- Student Identifiers Registrar, as required under section 51 of the Student Identifiers Act 2014; and
- Trade Support Loan Programme, as required under section 103 of the Trade Support Loans Act 2014.

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

As required by section 10 of the Public Governance, Performance and Accountability Rule 2014, I certify that I am satisfied that the department:

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

Yours sincerely

V

Lisa Paul

October 2015

Opportunity through learning

50 Marcus Clarke Street, Canberra ACT 2601 GPD Box 9880, Canberra ACT 2601 | Phone (02) 6121 6000

CONTENTS

Letter of Transmittal

PART 1 Overview

Secretary's overview	2
Our portfolio	5
Our portfolio entities	6
Our department	7
Our executive	8
Our departmental structure	12
Outcome and programme structure	14

PART 2 Performance report

Outcome 1 Schools and Youth	16
Outcome 2 Higher Education, Research and	
International, and Skills and Training	38

PART 3 Our accountability

Corporate governance	74
Financial Performance	76
Purchasing and Consultancies	76
External scrutiny	78
Information Publication Scheme	79
Audit processes	79

PART 4 How we operate

Our people	82
Shared Services Centre	89
Environmental performance	90
Information technology	93

Report Guide

iii

This report is prepared in accordance with parliamentary reporting and legislative requirements and its purpose is to provide details of departmental activities and performance during the financial year.¹

Overview

Comprises an overview by the Secretary, Executive biographies and the department's role and structure.

Performance report

Reports on the department's performance against the Portfolio Budget Statements 2014–15 and Portfolio Additional Estimates Statements 2014–15.²

Our accountability and How we operate

These parts explain measures to remain transparent and accountable in the department's operations including corporate governance and external scrutiny.

They also cover compliance activities and how the department manages its workplace environments and human resources.

PART 5 Financial statements

Department of Education and Training	
Financial Statements for 2014–15	96

PART 6 Appendicies

Appendix 1: Advertising and market research	194
Appendix 2: Agency resource statement and resources for outcomes	195
Appendix 3: Carer Recognition Act	205
Appendix 4: Tuition Protection Service (TPS) Annual Report 2014–15	206
Appendix 5: Trade Support Loans Annual Report 2014–15	213
Appendix 6: Student Identifiers Office Annual Report	217
Appendix 7: Work Health and Safety	224
Appendix 8: Workforce statistics	226

PART 7 Reference Materials

List of Requirements	232
Glossary	238
Acronyms and abbreviations	239
List of Charts and Tables	242
Index	244

Financial statements

Includes the independent auditor's report and the department's financial statements.

Appendices

The appendices provide additional information about the department's operations and responses to a number of legislative reporting requirements.

Reference materials

This section includes reference material to assist in the navigation and understanding of this report.

- 1 As a result of the Administrative Arrangements Order (AAO) that took effect on 23 December 2014, some responsibilities of the Department of Industry moved to the department. Child care functions also moved from the department to the Department of Social Security. In addition, the department's name changed from the Department of Education to the Department of Education and Training.
- 2 The Annual Report details the department's performance against the relevant outcomes and performance frameworks outlined in the Department of Education 2014–15 Portfolio Budget Statements, the Department of Industry 2014–15 Portfolio Budget Statements and the Department of Education and Training 2014–15 Portfolio Additional Estimates Statements.



PART 1 Overview

Secretary's overview	2
Our portfolio	5
Our portfolio entities	6
Our department	7
Our executive	8
Our departmental structure	12
Outcome and programme structure	14

SECRETARY'S OVERVIEW

The 2014–15 year saw the formation of the new Department of Education and Training, with a vision to provide *opportunity through learning*, and a strong focus on building jobs and opportunities through education, skills and training.

The department is responsible for national policies and programmes that help Australians access quality early learning, school education, higher education, vocational education and training, and international education and research.

We play a key role in delivering a lifetime of learning for all Australians. Our department helps to build a stronger more productive economy and stronger communities, offering education and training opportunities that lead to a more equitable society.

The department supported the Minister for Education and Training, the Hon Christopher Pyne MP, the Assistant Minister for Education and Training, Senator the Hon Simon Birmingham, and the Parliamentary Secretary to the Minister for Education and Training, Senator the Hon Scott Ryan in their delivery of the Government's education and training agenda.

In 2014–15 we achieved strongly against our four goals:

Support quality early learning and schooling

Following broad consultation, the department assisted in the preparation of the Government's response to the Productivity Commission Inquiry into Childcare and Early Childhood Learning, the most comprehensive review of the child care system in a quarter of a century. This underpinned the later policy development for the Government's landmark Child Care Assistance Package, announced in the 2015–16 Budget.

The department provided young children with more learning opportunities, through access to 600 hours of quality early childhood education in the year before they enter full time schooling.

Under the *Students First* agenda, policies and programmes were implemented to address the four areas that make a difference to student outcomes in schools: high-quality teaching; parent engagement in a child's learning; greater autonomy for schools; and a strong national curriculum.

Our department helped deliver the Government's response to the Teacher Education Ministerial Advisory Group report *Action Now: Classroom Ready Teachers*, including a focus on improving initial teacher education and supporting teacher graduates to be 'classroom ready'.

We also delivered initiatives to strengthen the Australian Curriculum, with a particular focus on science, technology, engineering and mathematics, to ensure all students have the knowledge and skills they need to succeed and compete in a global market.

Excel through knowledge

In higher education, we worked on initiatives to progress the Government's higher education reform agenda to enhance competition, improve quality and expand opportunity and choice for all students.

This included a focus on making sure Australia's education system is world-class and ready to harness the many opportunities offered by international education and links. The Government's *Draft National Strategy for International Education* provided a focus for this work.

In August 2015, preliminary figures from the Australian Bureau of Statistics showed that Australia's international education services sector had reached a record high of \$18.1 billion in 2014–15. This reflects just why international education has been placed at the heart of the nation's future prosperity as part of the *Draft National Strategy for International Education*.

We also achieved much in the research space in 2014–15. In particular, we supported the Government's vision to translate our research success into an economic boost, as part of the Boosting the Commercial Returns from Research initiative. We also continued to encourage world-class research collaboration through the National Collaborative Research Infrastructure Strategy (NCRIS).

Build skills and capability

The department helped deliver an ambitious agenda to reform vocational education and training (VET) to get the best results for students, and for Australian businesses looking for skilled workers.

This included a new training package development model, which is expected to be introduced from 2016, to make sure training keeps up to pace with the needs of modern businesses and encourages competition and excellence in training providers, giving students more choice.

We also helped deliver new measures to protect students from unscrupulous training providers—with new standards that ensure providers are responsible for the quality of services delivered by third parties, and support for the Australian Skills Quality Authority to regulate the sector and secure the quality and integrity of our training system.

Enable business areas

During 2014–15, our people have continued to be dedicated to achieving our goals. We also offered opportunities for our people to build their knowledge and capabilities through learning and development, and internal and external mobility opportunities. Our mobility programme was particularly successful, with many of our people taking the chance to work in other areas, to broaden their skills and to bring their skills to other teams.

The 2014–15 our department went through some machinery of government changes, which meant we said a fond farewell to our childcare people, who moved to the Department of Social Services, while we welcomed new people to our department when training was added to our education responsibilities. I am so pleased with how everyone has come together to deliver on our goal of *creating opportunity through learning*. We also continued to build on our strong working relationship with the Shared Services Centre to deliver many key services and corporate functions efficiently.

Another important focus in our department is making sure *Indigenous business is everyone's business*. We continued to deliver on this commitment, developing and delivering education policies and programmes by working with Aboriginal and Torres Strait Islander peoples, respecting their cultures and building the cultural capability of our people.

Our Reconciliation Action Plan stands as a formal commitment and call to action for our people to further reconciliation and improve outcomes for Aboriginal and Torres Strait Islander peoples. Our Indigenous Leader, Kevin Brahim, also continued to work throughout 2014–15 to ensure our department is regarded as an employer of choice for Aboriginal and Torres Strait Islander peoples, and that the expertise of Aboriginal and Torres Strait Islander peoples.

I thank everyone for their ongoing efforts to continue to create *opportunity through learning* and look forward to working with all Education and Training people in 2015–16.

OUR PORTFOLIO



The Hon Christopher Pyne MP Minister for Education and Training



Senator the Hon Simon Birmingham Assistant Minister for Education and Training



Senator the Hon Scott Ryan Parliamentary Secretary to the Minister for Education and Training

Department of Education and Training

Lisa Paul AO PSM, Secretary

Portfolio entities

Australian Curriculum, Assessment and Reporting Authority Robert Randall—Chief Executive Officer

Australian Institute of Aboriginal and Torres Strait Islander Studies Russell Taylor—Principal (Chief Executive Officer)

Australian Institute for Teaching and School Leadership Margery Evans—Chief Executive Officer

Australian Research Council Professor Aidan Byrne—Chief Executive Officer

Australian Skills Quality Authority Chris Robinson—Chief Commissioner and Chief Executive Officer

Tertiary Education Quality and Standards Agency Professor Nicholas Saunders AO—Acting Chief Commissioner



OUR PORTFOLIO ENTITIES

Australian Curriculum, Assessment and Reporting Authority

Outcome: Improved quality and consistency of school education in Australia through national curriculum, national assessment, data collection and performance reporting system.

Australian Institute of Aboriginal and Torres Strait Islander Studies

Outcome: Further understanding of Australian Indigenous cultures, past and present through undertaking and publishing research, and providing access to print and audiovisual collections.

Australian Institute for Teaching and School Leadership

Outcome: Enhance the quality of teaching and leadership through developing standards, recognising teacher excellence, providing professional development opportunities, and supporting the teacher profession.

Australian Research Council

Outcome: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.

Australian Skills Quality Authority

Outcome: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.

Tertiary Education Quality and Standards Agency

Outcome: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.

OUR DEPARTMENT

The Department of Education and Training is the Australian Government's lead agency responsible for helping Australians access flexible, high-quality early childhood, school, international and higher education, research and vocational education and training.

The department works to provide opportunity through learning for everyone.

The department's national policies and programmes support:

- a world-class early childhood learning and school education system that is based on teacher quality, school autonomy, engaging parents in education and strengthening the Australian Curriculum, which can have a significant impact on student outcomes
- higher education and research so that Australia excels through knowledge, by enabling the delivery of quality higher education, international education, and research opportunities that contribute to Australia's society and the global economy
- a responsive vocational education and training (VET) sector delivering the skills that employers need for their workforce.

The department collaborates closely with a range of stakeholders, such as other Australian Government agencies, state and territory governments, individually and through forums such as the Council of Australian Governments (COAG) and non-government education bodies.

The department's responsibilities changed as a result of the Administrative Arrangements Order that took effect on 23 December 2014. In addition to the transfer of functions, the department's name also changed from the Department of Education to the Department of Education and Training.

Prior to publishing, on 21 September 2015 the department's responsibilities changed as a result of an Administrative Arrangements Order. Resulting ministerial and organisational changes have not been included in this report as these took effect in the 2015–16 financial year.

OUR EXECUTIVE

The department is headed by an Executive team that provides strategic leadership and engagement with the education and training sector and leads the department in strategic policy development supporting access to quality education and teaching in Australia.



Executive team as at 30 June 2015. Standing clockwise from top left: Jessie Borthwick, Tony Cook, Subho Banerjee and Lisa Paul.

Lisa Paul

Secretary for Education and Training

Tony Cook

Associate Secretary, Schools and Youth

Subho Banerjee

Deputy Secretary, Skills and Training

Jessie Borthwick

Acting Deputy Secretary, Higher Education, Research and International



Lisa Paul AO PSM

Secretary for Education and Training

Lisa Paul is the Secretary of the Commonwealth Department of Education and Training.

Lisa has been a Chief Executive for 10 years across four different Secretary roles:

- Secretary Department of Education, Science and Training 2004–2007
- Secretary Department of Education, Employment and Workplace Relations 2007–2013
- Secretary of the Department of Education 2013–2014
- Secretary of the Department of Education and Training 2014-current.

In 2011, Lisa was made an Officer of the Order of Australia for distinguished service to public sector leadership in key policy and programme implementation and received the Chartered Accountants Australia Federal Government Leader of the Year award. In 2003 Lisa was awarded a Public Service Medal for leading the Australian Government's domestic response to the Bali bombings.

Lisa is a national fellow of the Institute of Public Administration Australia, a fellow of the Australian Council for Educational Leaders, a fellow of the Australian Institute of Management, an Australian National University Public Policy fellow, a fellow of the Australian Institute of Company Directors and a member of Chief Executive Women.



Tony Cook PSM

Associate Secretary, Schools and Youth

Before joining the former Department of Education, Employment and Workplace Relations in October 2011, Tony Cook was the Deputy Secretary, Government and Corporate, with the Victorian Department of Premier and Cabinet. Tony has held a number of senior executive education positions within the Victorian Department of Education and Early Childhood Development including:

- Deputy Secretary, Office for Children and Portfolio Coordination
- Deputy Secretary, Office for Planning, Strategy and Coordination
- General Manager, Student Learning.

Tony began his education career with Education Queensland.

Tony is a registered primary school teacher with a major in early childhood education and has been a deputy principal and taught in schools and preschools in Queensland and the United Kingdom. Tony holds a Bachelor of Education degree from the Queensland University of Technology.

In October 2013 Tony was made an honorary fellow of the Australian Council for Education Leaders and in January 2014 he was awarded a Public Service Medal for outstanding public service, especially in driving schools policy and funding reform in Australia.



Robert Griew

Associate Secretary, Higher Education, Research and International

Robert spent the first 28 years of his career focused on health and community services, including four years as Secretary of the Northern Territory Department of Health and Community Services, and senior positions in New South Wales and Victoria. He spent more than 10 years managing Commonwealth health and community services, including running the Commonwealth aged care and Aboriginal health programmes. He has run his own consulting business doing both technical and organisational development work and held senior positions in the community health sector.

Robert moved to the education sector in 2008 and, prior to joining the department as part of the 2013 machinery of government changes, has been responsible for labour market strategy, tertiary education and Indigenous employment programmes.

Robert has a bachelor's degree in health science and education, a master's degree in public health and a graduate economics degree from the Australian National University.

Robert left the department on 3 July 2015.



Dr Subho Banerjee

Deputy Secretary, Skills and Training

Dr Subho Banerjee assumed responsibility for oversight of skills and training in September 2013. These functions were transferred from the Department of Industry to the Department of Education and Training in December 2014.

Subho has previously served in senior executive roles in a range of departments in the Australian public service, providing advice across economic, social and environmental policy.

Subho has also worked as a management consultant in the private sector and for an Indigenous policy think-tank.

Subho has a Bachelor of Science and a PhD in physics from the Australian National University. He also completed masters studies in environmental policy and economic and social history at the University of Oxford, where he was a Rhodes scholar.



Jessie Borthwick

Acting Deputy Secretary, Higher Education, Research and International

Jessie Borthwick is acting Deputy Secretary for Higher Education, Research and International, a position she has occupied since June 2015.

Prior to this, Jesse was acting Deputy Secretary, Higher Education Reform and Support, from April 2014.

Earlier to this, Jessie was Group Manager, Higher Education in the Department of Education and Training and earlier, head of the Tertiary Quality and Participation Division in the former Department of Industry, Innovation, Science, Research and Tertiary Education, having returned to the department in 2011 from the Australian National University, where she worked as Executive Director, Strategy for the Australian National Institute for Public Policy.

Before working at the Australian National University, Jessie was Division Head for Science and Research in the former Department of Industry, Innovation, Science and Research. She was also Group Manager, Science and Group Manager, Strategic Analysis and Evaluation, in the former Department of Education, Science and Training.

Jessie has extensive experience at senior levels in state and Commonwealth agencies across tertiary education including in the New South Wales Technical and Further Education Commission, the Employment and Skills Formation Council, the Australian National Training Authority and the National Centre for Vocational Education Research.

OUR DEPARTMENTAL STRUCTURE



OUTCOME AND PROGRAMME STRUCTURE

Outcome 1:

Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality support, parent engagement, quality teaching and learning environments

- Programme 1.1: Government Schools National Support
- Programme 1.2: Non-Government Schools National Support
- Programme 1.3: Early Learning and Schools Support
- Programme 1.4: Trade Training Centres in Schools
- Programme 1.5: More Support for Students with Disabilities
- Programme 1.6: Youth Support

Outcome 2:

Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training

- Programme 2.1: Commonwealth Grant Scheme
- Programme 2.2: Higher Education Superannuation Programme
- Programme 2.3: Higher Education Support
- Programme 2.4: Higher Education Loan Programme
- Programme 2.5: Investment in Higher Education Research
- Programme 2.6: Research Capacity
- Programme 2.7: International Education Support
- Programme 2.8: Building Skills and Capability



PART 2 Performance report

Outcome 1: Schools and Youth

Outcome 2: Higher Education, Research and International, and Skills and Training 38

16

OUTCOME 1

Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality support, parent engagement, quality teaching and learning environments

The Department of Education and Training is committed to working in partnership with states and territories and the non-government sector to improve education outcomes for Australia's students. Under the Australian Government's *Students First* package of reforms, the department focuses on the four key areas that will make a positive difference: quality teaching, school autonomy, engaging parents in education, and a strong and robust Australian curriculum. In 2014–15, the department also supported increased enrolment in preschool programmes and a high quality early childhood education system to strengthen child development in the early years and prepare children for their first year of formal schooling.

The Government recognises the social and economic benefits of high-quality and equitable school education. To this end, the department contributes to the costs of government and non-government schooling through the provision of needs-based funding. The bulk of the Government's investment in schooling is made through direct payments to states and territories for government and non-government schools and schooling systems. Since 1 January 2014, recurrent funding to all schools and systems in Australia has been based on the needs-based funding arrangements contained within the *Australian Education Act 2013*.

The department continues to play an important national policy leadership role, working in collaboration with states and territories and the non-government sector to implement evidence-based initiatives. This work seeks to encourage innovation, improve student outcomes and address disadvantage, including for students from low socio-economic backgrounds, students with disability, Aboriginal and Torres Strait Islander students, and students in regional and remote areas.

In line with the department's increasing national policy focus, there has been a corresponding reduction in the direct delivery of programmes. This shift recognises the constitutional responsibility of states and territories for the delivery of school education and the important role of schools, parents and communities in translating national policy settings into action at the local level.

The Government is committed to improving national data collection and monitoring and reporting arrangements, including reporting on student achievement through the National Assessment Programme. The department works closely with states and territories to use data to support the development of evidence-based policy and practices.

The principal forums for policy coordination and collaboration at the national level are: the Council of Australian Governments (COAG) Education Council, the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC) and associated advisory bodies and working groups, and national agencies: the Australian Curriculum, Assessment and Reporting Authority (ACARA), the Australian Institute for Teaching and School Leadership (AITSL), Education Services Australia (ESA) and the Australian Children's Education and Care Quality Authority (ACECQA).

Outcome 1 priorities

- Improving outcomes in early childhood education by ensuring children have access to, and participate in, quality preschool programmes through continued funding for the National Partnership Agreement on Universal Access to Early Childhood Education.
- Ensuring all Australian schools and systems have their Commonwealth recurrent funding determined on a needs-basis in accordance with the Australian Education Act 2013.
- Providing additional recurrent funding to non-government boarding schools with significant numbers of Indigenous boarding students from remote areas.
- Ensuring that capital funding to assist non-government school communities supports the most educationally-disadvantaged students.
- Implementing the Government's response to the Teacher Education Ministerial Advisory Group report, *Action Now: Classroom Ready Teachers*, following its release in February 2015.
- Working with states and territories to provide government schools and school leaders greater autonomy over decision-making at a local level.
- Supporting research being conducted by the Australian Research Alliance for Children and Youth (ARACY) to identify best practice to increase parent engagement and involvement in their child's education.
- Undertaking a legislated review of ACARA and supporting the Government's initial response to the Review of the Australian Curriculum, which was released in October 2014.
- Invigorating the teaching of foreign languages by prioritising the development of the Australian Curriculum: Languages, delivering a one year trial of online language learning for preschool children, and researching national approaches to foreign language education in the senior secondary years.
- Enhancing the focus on science, technology, engineering and mathematics (STEM) in schools to ensure students are equipped with the skills they need to participate more fully in the 21st century workforce.
- Implementing the Flexible Literacy for Remote Primary Schools programme to improve student outcomes and increase teacher skills in participating schools.
- Supporting better outcomes for students with disability and learning difficulties by undertaking the scheduled 2015 Review of the Disability Standards for Education 2005 and implementation of the Nationally Consistent Collection of Data on School Students with Disability, which will include all schools in Australia in 2015 for the first time.
- Working cooperatively with states, territories and national agencies to deliver the National Assessment Program – Literacy and Numeracy (NAPLAN) online from 2017 and to reduce the turnaround time for providing results back to teachers and parents so they can take timely and targeted action to improve the literacy and numeracy skills of young people.
- Supporting a programme of national data reform with government and non-government stakeholders.
- Supporting implementation of the Preparing Secondary Students for Work framework through the development of tools and resources for stakeholders. Equipping secondary students to make effective decisions about their education and training options, and providing them with opportunities to explore a broad range of pathways to post-school destinations, is integral to meeting Australia's workforce challenges and building a highly-skilled workforce.
- Upskilling of the teacher workforce through the Teach for Australia programme, which attracts and supports high calibre candidates into teaching.
- Ensuring that mainstream schools policy, programmes and service delivery contribute to improvements in attendance and outcomes for Aboriginal and Torres Strait Islander students.

Outcome 1 achievement statements

- \$412 million was provided to states and territories to support access to preschool education for all children under the National Partnership Agreement on Universal Access to Early Childhood Education and the National Partnership Agreement on Universal Access to Early Childhood Education – 2015.
- A further \$843 million was committed to support access for all children to preschool education in 2016 and 2017. This funding extends the National Partnership Agreement on Universal Access to Early Childhood Education.
- The department facilitated the first national Australian Early Development Census conference in February 2015. Approximately 300 representatives came together to share research, policy, and ways in which the evidence is being used to inform practice in schools and local communities.
- A total of \$13.75 billion in recurrent funding entitlements was provided to Australia's approximately 9400 schools for the 2014 school year.
- \$6.2 million was provided to 21 non-government boarding schools with significant numbers of Indigenous boarding students from remote areas under the Indigenous Boarding Initiative.
- \$134.5 million was provided for 254 projects at 221 non-government schools under the Capital Grants Programme in 2014.
- The report of the Teacher Education Ministerial Advisory Group was released on 13 February 2015. The Government's response, also released on 13 February 2015, broadly supports the recommendations and provides a clear direction for the preparation of future teachers.
- The department worked closely with all jurisdictions to gain agreement to participate in the Independent Public Schools initiative. Providing funding of \$70 million from 2013–14 to 2016–17, the initiative will enable state and territory governments to introduce strategies for their government schools that will enable them to make local decisions about how to achieve the best education outcomes for their students and increase parent and community engagement.
- A Parent Engagement Expert Reference Group has been established to guide ARACY's research and provide advice on increasing parent engagement. Its inaugural meeting was held at Parliament House in March 2015.
- The Review of the Australian Curriculum has resulted in actions to address overcrowding of the curriculum, particularly in the primary school years, and rebalance its content. The review will also lead to a curriculum that is more accessible, particularly for students with disability, and improve parent engagement with the curriculum. A review of ACARA to consider its ongoing role and functions has also commenced.
- The Early Learning Languages Australia (ELLA) trial commenced in 41 services offering a preschool programme across Australia. Through the one year trial, more than 1600 preschool children are trialling innovative new applications (apps) to develop recognition of different sounds and concepts of a language other than English through play based learning.
- The department has commenced work on a range of STEM initiatives: Coding across the Curriculum, Mathematics by Inquiry, seed funding to pilot an innovation-focused Pathways in Technology Early College High School (P-TECH) styled secondary education initiative, and convening STEM summer schools focusing on underrepresented students, including girls, Aboriginal and Torres Strait Islander and disadvantaged students. This has included formative research and convening a roundtable that brought together some of the nation's best minds in mathematics education to consider the evidence and advise Government.

- The delivery of the Flexible Literacy in Remote Primary Schools programme commenced in 33 participating schools at the start of the 2015 school year, with training provided for over 300 teachers, principals, teacher aides and coaches.
- Over 80 high-quality digital learning resources have been developed through the Government's Agriculture in Education initiative and aligned to the Australian Curriculum.
- The More Support for Students with Disability (MSSD) initiative was finalised with a national showcase that allowed states and territories to share best practice and demonstrated how the Australian Government's investment of \$300 million from 2012–2014 made a lasting impact, building the skills of teachers and increasing the capacity of schools to better meet the needs of students with disability.
- Individual NAPLAN student reports were delivered to schools by 8 September 2014, two weeks earlier than in previous years. ACARA is working with states and territories to further reduce NAPLAN turnaround times in 2015.
- A review of the My School website and the Government's response, Making *My School* better, were released in March 2015. The Education Council has since requested that ACARA provide advice about options for improving the My School website.
- National data reform progressed, including the adoption and reporting of new COAG-endorsed school attendance measures by Indigenous status.
- In December 2014, the Education Council endorsed Preparing Secondary Students for Work a framework for vocational learning and vocational education and training (VET) delivered to secondary students. The framework provides clarity of terminology, purpose and expected outcomes and supports clear and meaningful pathways for secondary students, and was developed collaboratively by a national working group comprising representatives from the schools, industry and training sectors.
- Under the Trade Training Centres in Schools Programme, a total of 511 centres benefiting 1290 schools have been funded. As at 30 June 2015, 59 centres reported commencing their trade training delivery during 2014–15, bringing the number of operational centres under the programme to 390 and the number of schools with access to a Trade Training Centre to 1064.
- An independent review of the Trade Training Centres in Schools Programme conducted in 2014 included opportunities to maximise existing training infrastructure. The department will work with schools, local businesses, industry and the community to build stronger partnerships over the programme's 10 year reporting period.
- Since its launch in 2010, Teach For Australia has placed over 270 participants into metropolitan as well as rural and remote schools in Victoria, the Australian Capital Territory, and the Northern Territory. In 2014, 67 Associates were selected to take part in the programme including for the first time in Western Australia. Interest in the programme continues to grow with applications increasing in 2014 by 30 per cent.
- During the 2015 school year over 3000 schools are participating in the National School Chaplaincy Programme which supports the emotional wellbeing of students through the provision of pastoral care services and strategies.

Programme 1.1 Government Schools National Support

This programme contributes to productivity and participation in Australia by providing supplementary recurrent funding to state and territory governments under the *Australian Education Act 2013* to support government schools in the provision of school education. State and territory governments provide the majority of public funding for government schools.

The purposes for which this funding may be used include, but are not limited to, the payment of teacher salaries and other expenses relating to school staff, developing curriculum materials, general operating expenses of schools, and purchasing or maintaining school land, buildings and capital equipment.

Recurrent funding

Since 1 January 2014, funding for government schools has been appropriated under the Australian Education Act 2013. A total of \$4.91 billion was paid in monthly instalments to state and territory governments in 2014.

Independent Public Schools

The Independent Public Schools initiative is providing funding to government schools to help them become more autonomous and to increase parent and community engagement. Funding of \$70 million will be available to states and territories over the life of the initiative to 2016–17.

The initiative is supporting professional development for principals and school leaders in management of their schools, including operational issues such as budgets and staffing. It also provides training for members of school communities in more effective participation in the governance of their schools. The initiative is being implemented in a flexible way that benefits schools and takes into account their local circumstances and needs.

Performance Information

Table 1: Programme 1.1 Government Schools National Support performance information

Deliverables	Estimate	Actual
Government schools specific purpose payment		
Funded full-time equivalent student enrolment projections ^a	2,417,000	2,383,000

a Funded full-time equivalent student enrolment projections do not include unfunded students such as full fee paying overseas students.

Key Performance Indicators	Estimate	Actual
Enrolment projections – government schools ^a		
All full-time enrolments in Australian schools:		
Primary students	1,502,000	1,493,000
Secondary students	892,000	894,000
Number of Indigenous students at school ^b	160,000	161,000

a All full-time student enrolments in Australian schools include unfunded students such as full fee paying overseas students. The aggregate of all primary and secondary student enrolments will not match funded enrolments.

b Indigenous student enrolments are a subset of primary and secondary student enrolments.

Programme 1.2 Non-government Schools National Support

This programme contributes to productivity and participation in Australia by providing funding for non-government schools and systems under the *Australian Education Act 2013*. The Government provides the majority of public funding for non-government schools. This funding is supplemented by state and territory governments and funding from other sources, including fees and other contributions from school communities.

Recurrent funding

Recurrent funding under the Australian Education Act 2013 is paid through state and territory governments to non-government schools and systems for the provision of school education. The purposes for which this funding may be used include, but are not limited to, teacher salaries and other expenses relating to school staff, developing curriculum materials, general operating expenses of schools, maintaining school land and buildings, and purchasing capital equipment. Non-government special schools, special assistance schools, majority Aboriginal and Torres Strait Islander schools, and sole provider schools may also use this funding to purchase land and buildings.

Approximately \$8.84 billion in recurrent funding was paid in three instalments to non-government schools through state and territory governments in 2014 under the *Australian Education Act 2013*.

Indigenous Boarding Initiative

The Indigenous Boarding Initiative¹ provided interim funding in 2014 to non-government boarding schools with significant numbers of Indigenous boarding students from remote areas while the Review of Australia's Welfare System, including ABSTUDY, is being completed. This funding assisted eligible schools to meet the additional costs associated with boarding and educating these students.

In 2014, approximately \$6.2 million was provided to 21 eligible schools in the Northern Territory, Queensland, Western Australia and Victoria, under the prescribed circumstances provisions of the Australian Education Act 2013.

Capital Grants Programme

The Government provides funding to assist non-government school communities to improve capital infrastructure at schools, particularly for the most educationally-disadvantaged students. Capital grants are supplementary to funding provided by school communities and non-government school authorities who have the primary responsibility for providing, upgrading and maintaining school facilities.

In 2014, the Government provided \$134.5 million for 254 projects at 221 non-government schools under the *Australian Education Act 2013*.

¹ Referred to as Remote Indigenous Students Attending Non-Government Boarding Schools — Additional Funding in the 2014–15 Budget.

Special Circumstances Funding - Short Term Emergency Assistance funding

Under the Australian Education Act 2013, the Government can provide funding through the Short Term Emergency Assistance programme in accordance with the provisions of Special Circumstances Funding under the Act to assist non-government schools in the event of an unexpected circumstance causing severe and temporary financial difficulty.

In 2014, no special circumstances funding was paid to non-government schools under the Australian Education Act 2013.

Non-government Representative Bodies - Student First Support Fund

Associations of Independent Schools and Catholic Education Commissions in each state and territory have been approved as non-government representative bodies under the *Australian Education Act 2013*. These bodies receive funding to provide additional support to the schools they represent through the Students First Support Fund to help non-government schools implement national reforms.

In 2014, a total of \$41.2 million was paid to non-government representative bodies under the Australian Education Act 2013.

Performance Information

Table 2: Programme 1.2 Non-government Schools National Support performance information

Deliverables	Estimate	Actual
Recurrent grants – non-government		
Funded full-time equivalent student enrolment projections ^a	1,297,000	1,281,000
Capital grants – non-government		
Number of schools assisted with capital support ${}^{\mbox{\tiny b}}$	245	221

a Funded full-time equivalent student enrolment projections do not include unfunded students such as full fee paying overseas students.

b Capital grants is a calendar year programme. The number of schools assisted from year to year varies depending on the size of projects supported.

Key Performance Indicators	Estimate	Actual
Enrolment projections – non-government ^a		
All full-time student enrolments in Australian schools:		
Primary students	674,000	670,000
Secondary students	619,000	617,000
Indigenous students ^b	30,000	30,000

a All full-time student enrolments in Australian schools include unfunded students such as full fee paying overseas students. The aggregate of all primary and secondary student enrolments will not match funded enrolments.

b Indigenous student enrolments are a subset of primary and secondary student enrolments.

Programme 1.3 Early Learning and Schools Support

National Partnership Agreement on Universal Access to Early Childhood Education

The National Partnership Agreement on Universal Access to Early Childhood Education supports the delivery of preschool programmes regardless of setting. The objective of the 2015 National Partnership extension is to provide universal access to quality early childhood education programmes for all children in the year before full-time school for 600 hours per year, delivered by a qualified early childhood teacher who meets National Quality Framework requirements. The agreement also has a continued focus on improved participation by vulnerable and disadvantaged children and children living in remote Aboriginal and Torres Strait Islander communities.

Australian Early Development Census

The Australian Early Development Census (AEDC) is a population measure of children's development before their first year of full-time school. The AEDC helps governments at all levels, as well as community organisations and early childhood services, to monitor progress, consider emerging trends and inform early childhood policy and planning across education, health and community services.

The AEDC has been conducted every three years since 2009. The third collection window occurred between 4 May and 31 July 2015 and will collect data on over 290,000 of the more than 310,000 children in their first year of full-time schooling across the country to inform the Australian, state, territory and local governments, schools, and early childhood education and care providers.

Australian Government response to the Teacher Education Ministerial Advisory Group

The Teacher Education Ministerial Advisory Group was established in February 2014 to provide advice on how teacher education can be improved to better prepare new teachers with the practical skills needed for the classroom. The Advisory Group's report, Action Now: Classroom Ready Teachers, was released on 13 February 2015, along with the Government's response to its recommendations. The Government has accepted most of the recommendations in the report and believes they are practical and achievable with the potential to make a real impact on the quality of teaching and student outcomes in schools.

The Government's response addresses five key areas for improvement in initial teacher education: stronger quality assurance of teacher education courses, rigorous selection for entry to teacher education courses, improved and structured practical experience for teacher education students, robust assessment of graduates to ensure classroom readiness and national research and workforce planning capabilities.

In the 2015–16 Budget, the Government provided funding to support implementation of the response, including work towards introduction of a national literacy and numeracy test which will commence in 2015 and be implemented nationally from 2016. The Government has asked the Australian Institute for Teaching and School Leadership to take the lead on the majority of work arising from the response.

Teacher Education Ministerial Advisory Group's report Action Now: Classroom Ready Teachers

The Teacher Education Ministerial Advisory Group's report Action Now: Classroom Ready Teachers released in February 2015 identified significant concerns in relation to teacher quality, the readiness of new teachers entering classrooms and the variation of consistency in teacher education courses.

Teacher quality is a key influence on educational outcomes, with international experience and evidence showing that countries with high standards for teacher education and close monitoring of those standards being met significantly outperform other countries in the quality of the education delivered in schools. The report advised that enhancing teacher quality would play a crucial role in addressing the declining performance of Australian students in international testing.

The Government believes the recommendations in the report are practical and achievable, with the potential to make a real impact on the quality of teaching and student outcomes in Australian schools. At the Government's direction, the Australian Institute for Teaching and School Leadership is working with states and territories, teacher registration bodies, universities and relevant experts to ensure that teacher education programmes are held to high standards and that graduates are genuinely classroom ready—ready to deliver high quality instruction for all students in their classroom and to monitor student progress against objective measures of success.

Teach for Australia

The Teach for Australia programme was established to introduce employment-based pathways into the teaching profession and attract high-calibre graduates who may otherwise not have considered a teaching career. On completion of their two-year placement, participants are awarded a postgraduate qualification. Reflecting the Government's commitment to ongoing support for this programme, a new contract for a further three intakes of participants was signed in 2014.

Teach Next

The Teach Next programme provided an employment-based pathway into teaching for skilled and experienced professionals who were seeking a career change into the profession. The programme ceased after all participants completed in December 2014.

Grants and Awards

Grants and Awards funding is used to support a number of initiatives. In 2014–15 a total of \$771,000 was provided to parent bodies: the Australian Council of State School Organisations, the Australian Parents Council and the Isolated Children's Parents' Association, and to the Family School and Community Partnerships Bureau to support parent engagement in education and provide a conduit for parents to influence education policy.

Review of the Australian Curriculum

The Government undertook a review to evaluate the robustness, independence and balance of the Australian Curriculum in 2014. In October 2014, the Government released the review's final report and an initial response to its recommendations. All state and territory education ministers have agreed to refer the themes outlined in the Government's initial response to the Australian Curriculum, Assessment and Reporting Authority (ACARA), which is developing advice for the Education Council to implement changes to address the key themes of overcrowding, rebalancing content, parent engagement, and accessibility of the curriculum, especially for students with disability.

Review of ACARA

A review of ACARA is being conducted by the department to assess the appropriateness of ACARA's ongoing role and functions against the aims and objectives described in its charter. It will also examine ACARA's structure, governance, delivery and processes. The review is being conducted as required by Section 44 of the Australian Curriculum, Assessment and Reporting Authority Act 2008.

Improving the uptake of foreign languages

A number of measures are being implemented to improve languages education, which reflects the importance of understanding foreign languages for Australia's economic future and social cohesion.

- ACARA is being funded to produce curricula for Auslan, Hindi, Turkish and Classical languages, finalising the full suite of languages included in the Australian Curriculum: Languages. Publication is expected in December 2016.
- The ELLA trial aims to determine the effectiveness of providing preschool children with early exposure to a language other than English through online learning programmes. By June 2015, three out of a total of seven apps in five languages had been launched and were being trialled with more than 1600 children across 41 preschool services.
- Research has been undertaken by the Asia Education Foundation to investigate ways of improving foreign language education for senior secondary students.

Early Learning Languages Australia trial

The Government is providing \$9.8 million for the Early Learning Languages Australia trial, which is trialling innovative online early learning languages software, with minimal reliance on access to proficient language speakers.

In 2015, 41 services providing a preschool programme are participating in the one year trial using custom developed language learning play based applications (apps) on mobile tablet devices. The languages chosen for the trial take into account Australia's trading and investment partners, those in the Australian Curriculum and the major languages other than English spoken in Australia. The languages included in the trial are Chinese (Mandarin), Japanese, Indonesian, French and Arabic,

More than 1600 preschool age children are directly benefitting from this initiative. Through the innovative apps these children are developing recognition of the different sounds and concepts of a language other than English through play based learning. Children are being introduced to words, sentences and songs in the language and will be provided an age-appropriate experience and practice in the language other than English. The language activities in each of the apps are aligned to the learning outcomes in the Early Years Learning Framework, a key component of the Government's National Quality

Framework for early childhood education and care.

To date, three apps have been released to the participating sites: The Polyglots in the Playroom, The Polyglots at the Beach, and The Polyglots at the Birthday Party. The remaining apps will be rolled out progressively to participating preschool services throughout the 2015 school year.

Image above: The Polyglots in the Playroom



The Polyglots at the Birthday Party

Restoring the focus on science, technology, engineering and mathematics— Mathematics by Inquiry

The Mathematics by Inquiry initiative is aimed at developing innovative teaching and learning resources to support problem-solving and reasoning in mathematics. As a first step, the department has commissioned two desktop reviews by the Australian Association of Mathematics Teachers and the Australian Academy of Science.

A roundtable attended by eminent mathematics education experts and opened by the Hon Christopher Pyne MP, Minister for Education and Training, was held in Adelaide on 7 May 2015. Attendees considered the two reports and made recommendations for how the Mathematics by Inquiry initiative should proceed.

Restoring the focus on science, technology, engineering and mathematics

A workforce skilled in Science, Technology, Engineering and Mathematics (STEM) is critical to the nation's innovative capacity and, as a result, the national economy. The department is implementing a number of STEM initiatives, including a \$12 million package announced under the Government's Industry, Innovation and Competitiveness Agenda. This includes Coding across the Curriculum, Mathematics by Inquiry, a trial of a Pathways in Technology Early College High School (PTECH) style school, and more summer schools for science and mathematics which focus on female, Aboriginal and Torres Strait Islander and disadvantaged students.

Flexible Literacy in Remote Primary Schools

The Flexible Literacy in Remote Primary Schools programme supports implementation of the Direct Instruction and Explicit Direct Instruction teaching pedagogies to improve student outcomes and increase teacher skills in remote primary schools. These teaching approaches are particularly beneficial for students who are struggling to master basic literacy. Participating schools are required to have a whole-school approach to literacy, a whole-school attendance strategy and parental and community support for the programme.

Training for over 300 teachers, principals, teacher aides and coaches has been provided by Good to Great Schools Australia as part of initiating programme delivery in 33 participating schools at the start of the 2015 school year, with programme coaches making follow up visits to each school.

Parliament and Civics Education Rebate

The Parliament and Civics Education Rebate (PACER) assists students' civics and citizenship education at national democratic, historical and cultural institutions. PACER has provided over \$38 million in rebates for over 800,000 students on more than 16,000 school visits since it commenced in 2006–07. The rebate ranges from \$20 to \$260, depending on distance from Canberra, for students in Years 4–12. It is provided as a contribution to assist with travel costs, not to cover them in full. No eligible school has been declined access to rebates under the PACER programme.

In 2014–15, funding of \$5.03 million was paid or committed to 1960 schools for 105,835 students.

Civics and citizenship education

The National Schools Constitutional Convention, National History Challenge and Simpson Prize contribute to a richer civics and citizenship education for young Australians, helping them to become active and informed citizens.

- The National Schools Constitutional Convention brings around 120 students from state and territory
 conventions to Canberra each year to discuss constitutional issues. With a focus on the Magna Carta
 in the year of its 800th anniversary, the theme for 2015 was 'Checks and balances: do we need an
 Australian Bill of Rights?'
- Almost 7000 primary and secondary school students took part in the 2014 National History Challenge. Winners attended a national presentation ceremony in Parliament House.
- The Simpson Prize is a national history contest on the ANZAC tradition for Year 9–10 students. A total of 2296 students entered the 2015 prize, more than double the number of entries for 2014. The eight winners attended Centenary of Anzac commemorations in Gallipoli on 25 April 2015.



Victorian delegate, Alexandra de Lacy from Our Lady of Sion College, Box Hill, and Senator the Hon Scott Ryan, Parliamentary Secretary to the Minister for Education and Training, at the 2015 National Schools Constitutional Convention at Old Parliament House in Canberra. The convention included a focus on the 800th anniversary of the Magna Carta. Alexandra is a descendant of John de Lacy, one of the 25 barons involved in the Magna Carta in 1215.

Agriculture in Education

The Agriculture in Education initiative is providing online resources to help teachers better understand food and fibre production, giving students an opportunity to understand agriculture's contribution to the Australian economy. Over 80 highquality digital learning resources developed through phase one of the initiative and aligned to the Australian Curriculum are freely available to schools through www.scootle.edu.au.



The Hon Christopher Pyne MP, Minister for Education and Training, with students from Stradbroke School, South Australia, at the launch of Agriculture in Education curriculum resources on 18 May 2015.

Helping Children with Autism—Positive Partnerships

The Positive Partnerships programme is the education component of the Helping Children with Autism package, building partnerships between schools and families to help improve the educational outcomes of students with autism spectrum disorder. As well as providing professional development for teachers and school leaders, it also offers workshops and information sessions to assist parents and carers of school-age students with autism to work with their school.

During 2014, Positive Partnerships provided parent and carer training to 2017 parents and carers across Australia. The programme piloted 16 'Get Togethers' that were workshops designed specifically for Aboriginal and Torres Strait Islander communities. It also piloted a modified version of the parent/carer workshop in five culturally and linguistically diverse communities (CALD) in New South Wales, Victoria and Queensland, as well as creating a CALD resource pack. Professional development training was provided to 1161 teachers, school leaders and other school staff. In addition, 40 webinars were delivered to 324 participants across Australia as well as ongoing support provided online through the Positive Partnerships website: www.positivepartnerships.com.au.

National School Chaplaincy Programme

The National School Chaplaincy Programme supports the emotional wellbeing of students through the provision of pastoral care services and strategies. The programme commenced in 2015, and over 3000 schools have been selected to receive funding for the 2015 school year. The programme is funded by the Commonwealth and delivered by the states and territories through a project agreement under the Intergovernmental Agreement on Federal Financial Relations.

Under the project agreement, each state and territory is responsible for inviting all schools in their jurisdiction to apply to participate in the programme. Jurisdictions are also required to form a crosssector panel (consisting of government, Catholic and independent school representatives) to select and prioritise schools
for funding in their jurisdiction. Schools which have been prioritised for funding are eligible to receive up to \$20,000 each year (or up to \$24,000 if the school is in a remote or very remote location). Participation by schools and students is voluntary.

National Assessment Reform

The National Assessment Reform initiative provides funding for the development and ongoing maintenance of the platform that will deliver national assessments online, including the National Assessment Program — Literacy and Numeracy (NAPLAN). The platform will first be used to conduct the National Assessment Program—Civics and Citizenship sample assessment in 2016, with NAPLAN assessments being available for use by schools from 2017 onwards. The Education Council has committed to all schools undertaking NAPLAN online by 2019.

Moving NAPLAN online will transform national testing, giving teachers and parents faster and more accurate information regarding student performance by tailoring individual tests to match each student's ability. As a result, NAPLAN online will provide even greater opportunities for teachers to help students develop the crucial skills of literacy and numeracy.

Performance Information

Table 3: Programme	1.3 Early	Learning and	Schools Support	performance	information
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Deliverables	Estimate	Actual
Parliament and Civics Education Rebate		
Number of schools visiting Canberra under PACER	2,155	1,960 ª
Helping Children with Autism package		
Number of teachers and other school staff attending professional development courses	450	1,161
Number of parents and carers attending workshops and information sessions	1,800	2,017
National School Chaplaincy Programme ^b		
Number of schools receiving support for chaplaincy services	3,000	3,070
Early Learning Languages Australia trial		
Online foreign language learning in preschool programmes trialled in 2015	Programme commenced	Programme commenced with 41 services participating

a Number of schools paid or committed to by 30 June 2015. Final figure may vary slightly as schools acquit.

b Programme came into effect on 1 January 2015.

Part 2

Key Performance Indicators	Estimate	Actual ^a
Universal Access to Early Childhood Education National Partnership		
Percentage of all children enrolled in preschool	95%	100% ^b
Percentage of Indigenous children enrolled in preschool	95%	79.76% ^{b c}
Percentage of Indigenous children enrolled in preschool in remote areas	95%	86.28 % ^d
Percentage of children enrolled in an early childhood education programme that is available for at least 15 hours a week	95%	83.71 % ^b

a Actual figures are based on data derived from the 2014 National Early Childhood Education and Care Collection published by the ABS in March 2015, Preschool Education Australia, 2014 (cat. no. 4240.0).

- b Data may include some children aged five years who were also counted in the National Early Childhood Education and Care Collection for 2013. Proportions are calculated using two different sources of data. As such, significant data comparability issues can emerge and in some cases result in estimates greater than 100 per cent of the population. Where this has occurred, figures have been capped for presentation purposes.
- c The Aboriginal and Torres Strait Islander population count is subject to a number of issues that limit its accuracy, including variable levels of Aboriginal and Torres Strait Islander identification and inaccuracies at fine levels of disaggregation.
- d Data for National Indigenous Reform Agreement reporting purposes is based on population projections of Aboriginal and Torres Strait Islander peoples based on the 2011 Census published by the ABS 2014, Estimates and Projections, Aboriginal and Torres Strait Islander Australians, 2001 to 2026 (cat. no. 3238.0). Data excludes some children aged five years who were also counted in the National Early Childhood Education and Care Collection for 2013.

Note: Data for 2015 will be available in March 2016.

Programme 1.4 Trade Training Centres in Schools

Trade Training Centres and Trades Skills Centres provide students with access to trade training facilities and vocational pathways. They help to keep students engaged in school and create links between schools, communities, and local industry and employers. To date \$1.4 billion of Government funding has been allocated to establish 511 Trade Training Centres to service over 1290 schools.

On 23 January 2014, Senator the Hon Scott Ryan, the Parliamentary Secretary to the Minister for Education and Training, announced that the \$209 million offer for Round Five (Phase One) of the Trade Training Centres in Schools Program will continue with the 136 new centres to be known as Trades Skills Centres.

These centres will have a renewed focus on delivering excellent vocational training in secondary schools through stronger partnerships between schools, local businesses and industry along with student support arrangements to help with the transition to a post school pathway.

Performance Information

Progress against COAG targets is reported through the National Education Agreement and National Indigenous Reform Agreement.

Table 4: Programme 1.4 Trade Training Centres in Schools performance information

Deliverables	Estimate	Actual
Trade Training Centres in Schools Programme		
Total announced projects (cumulative)	511	511

Programme 1.5 More Support for Students with Disabilities

The More Support for Students with Disabilities (MSSD) initiative provided funding to government and non-government education authorities to build the ongoing capacity of schools and teachers to better support the needs of students with disability into the future. The extensive resources developed and professional learning undertaken by school leaders, classroom teachers, support staff and specialists will continue to provide benefits beyond the life of the initiative.

In 2014–15, the MSSD initiative provided \$57.7 million to education authorities to undertake activities to improve the education of students with disability in their jurisdiction. The initiative ceased as planned on 31 December 2014. Over the 2012–2014 school years, MSSD achievements include:

- 8014 assistive technology items for 1143 schools and 14,157 teachers trained in their use
- 1763 health/allied health professionals have provided support to 1389 schools
- Over 21,000 paraprofessionals (e.g. teacher aides) have undertaken professional development (Certificate 3 and other courses) and/or have been engaged
- 179 support centres have provided support to 2181 schools
- 3474 students with disability have been provided with support in transitioning either from school into work, further education or between stages of schooling
- 12,559 school leaders have undertaken training in inclusive practices
- 36,261 teachers have undertaken training in specific disabilities either face to face, online or through post-graduate studies
- 47,821 teachers have undergone training in adapting the curriculum and assessment to support the needs of students with disability
- 78,150 teachers have been trained in the Disability Standards for Education 2005, with much of this training conducted through online modules developed with the University of Canberra
- 7346 schools have received additional support to assist in their understanding and implementation of the Nationally Consistent Collection of Data on Students with Disability.

Performance Information

Performance indicators for this programme were developed at the jurisdictional level. Indicators are detailed in jurisdiction implementation plans that were approved by the Government. All targets were achieved and exceeded for each of the outputs of this initiative.

An independent evaluation of the initiative was completed in mid-2015, which includes over 40 case studies available at **www.education.gov.au/more-support-students-disabilities-case-studies**. These will provide future direction to education authorities, schools and teachers, highlighting good practice and learnings.

Programme 1.6 Youth Support

Youth attainment and transitions

As at May 2014, the proportion of 20 to 24 year olds with at least a Year 12 or Certificate II qualification was 86.3 per cent, up from the 2007 COAG target baseline of 83.5 per cent.

The Youth Connections and School Business Community Partnership Brokers programmes concluded as scheduled in December 2014.

Young Australian of the Year Award

The Government is the principal sponsor of the Young Australian of the Year Award. In 2015, the department hosted the first official event on the National Australia Day Council's calendar of events: a congratulatory afternoon tea for the finalists of the Young Australian of the Year Award.

The sponsorship is now being administered by the Department of the Prime Minister and Cabinet. The Government's investment in 2015 will extend the reach of the awards to more disadvantaged young people than are currently accessing the programme, which will open up opportunities for a broader range of participants.

National Youth Week and National Youth Awards

National Youth Week is an annual joint Australian, state, territory and local government initiative that celebrates and recognises the value of all young Australians to their communities. National Youth Week 2015 was held from 10 to 19 April 2015 with the theme 'It starts with us'.

The National Youth Awards celebrate and recognise young Australians aged 12–25 years. The Awards were presented during National Youth Week on 16 April 2015.

National Awards for Local Government

The National Awards for Local Government recognise and promote the innovative work of local governments across Australia and are important in supporting the Government's partnership with local government. The Government sponsored the Youth Employment category in 2015, which recognises councils that empower young people to take part in their communities.

Heywire

In 2015, the Government, through the department, co-sponsored Heywire, an Australian Broadcasting Corporation (ABC) Radio initiative that provides an opportunity for rural and remote young people to voice their stories. Every year each ABC regional station chooses a winning entry to represent their region. Winners are invited to take part in the annual Heywire Regional Youth Summit in Canberra. Following the summit, Heywire ideas are promoted to rural and regional areas for adoption.

Duke of Edinburgh Awards

The Duke of Edinburgh Awards involve personal challenges and require young people to complete personal development activities, establish new networks and complete new challenges. It is open to both males and females aged between 14–25 years old of any cultural background, religious or political affiliation, or ability. Undertaking these awards encourages young people to volunteer their time in their communities, participate in sport and recreational activities, and develop their personal interests and social skills. The benefits are far-reaching and extend to schools, communities and governments investing in youth development programmes.

Australian Clearinghouse for Youth Studies

The Australian Clearinghouse for Youth Studies provided information for young people through library and helpdesk services, a website and a monthly newsletter.

International

As part of Australia's presidency of the G20 in 2014, a Youth 20 (Y20) Summit was hosted from 12–15 July 2014 in Sydney. The Y20 was the official G20 engagement group for young people, and the department provided secretariat support to the Y20 Planning Group responsible for organising the summit.

Performance Information

Table 5: Programme 1.6 Youth Support performance information

Deliverables	Estimate	Actual
Youth Attainment and Transitions		
Progress towards 2015 COAG target of 90 per cent Year 12 equivalent attainment	No targets	86.3% ª
Number of young people for whom outcomes are achieved through support provided by the Youth Connections Programme	10,000	9,564 ^b
Number of regions that School Business Community Partnership Brokers support (delivered through 31 Local Learning and Employment Networks in Victoria)	107	107

a Source: ABS 6227.0 - Education and Work, Australia, May 2014

b Youth Connections data is a six monthly average. This figure includes final outcomes (over a 13 week period) and progressive outcomes measured against a number of criteria including but not limited to: returning to education, improved attendance at school, improved performance at school and minimising the barriers that lead to disengagement.



PART 2 Performance report

 Outcome 1: Schools and Youth
 16

 Outcome 2: Higher Education, Research and
 16

 International, and Skills and Training
 38

OUTCOME 2

Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.

Robust higher education, vocational education and training (VET) and research sectors are vital to Australia's long-term economic prosperity and development. The department is increasing economic growth and social wellbeing through access to quality higher education, VET, international education and world-class research. It is through our higher education and training systems, that Australia ensures graduates have the skills to realise their career aspirations and be internationally competitive.

More people than ever before are enrolling in Australian higher education and developing the skills needed to succeed in a globalised and knowledge-based workforce. In 2014, more than 1,370,000 students were enrolled in higher education. This represents a 4.5 per cent increase compared to 2013, or approximately 60,000 additional students. Notably, the proportion of undergraduate students from low socio-economic backgrounds also increased over this period.

Higher education provides an important platform for research and innovation—both of which are essential to growth in productivity. Continued and sustained investment in research, research training and research infrastructure has ensured that Australia has a highly competitive and well resourced research capacity. Our researchers are leading the world in solving some of the most pressing problems facing Australia and the world through a highly competitive and well-resourced research sector. In 2014–15, more than \$1.76 billion was provided to eligible higher education providers in research block grants to support research and research training. This funding also supported just under 3500 new Australian Postgraduate Awards and 330 new International Postgraduate Research Scholarships. To support the translation of research into benefits for Australia, the department actively supports collaboration between universities, research institutes, government and industry.

The VET system provides highly-skilled graduates to meet the needs of Australian businesses. Ensuring that students are well-prepared for the workplace is critical to Australia's ongoing prosperity and international competitiveness. It is estimated that during 2013, three million students enrolled in VET courses around Australia.

Over the year, the department has focused on progressing the Government's significant reforms for the higher education and VET sectors. The proposed reforms in the Higher Education and Research Reform Bill 2014, introduced on 3 December 2014, aim to enhance competition, improve quality and expand opportunity and choice for all students. The reforms are designed to encourage competition and innovation by deregulating university fees and expanding the demand-driven system to non-university and private higher education providers and to the sub-bachelor level. The department has worked closely with universities, non-university higher education providers and students to explain the proposed changes and seek their views. The Government remains committed to working with the higher education sector to pursue implementation that is practical and achievable.

Initiatives to promote quality have been at the centre of the Government's VET reform agenda and the department's work. VET reform has focused on improving the quality of training and job outcomes for students. This will ensure the VET system provides high-quality training and the skills Australian employers need in an efficient and competitive market. Throughout the VET reform process, the department has worked closely with stakeholders to build a flexible, high-quality national training system, with industry at its centre.

The department continued to support Australia's thriving international education sector. Between 2013 and 2014, international student enrolments increased by 12 per cent. In 2014–15, the international education sector, including higher education, VET, English language training and schools, contributed over \$18 billion to the Australian economy. In April 2015, the Government's Draft National Strategy for International education to Australia's economic prosperity, social wellbeing and international relationships. The department supports the quality and integrity of international education services offered by Australian institutions through its administration of the Education Services for Overseas Students (ESOS) legislative framework.

Implementing and supporting the Government's commitment to reduce red tape has also been a focus of the department's work this year. In line with this agenda, the department commenced a review of the ESOS legislative framework in 2014. The review will ensure the legislative framework minimises the regulatory burden for education institutions and supports Australia's global competitiveness.

International education at the heart of Australia's future prosperity

International education is a vital part of Australia's national prosperity and critical to the Australian Government's plan to build a more diverse, world-class economy. To ensure its continued success and coordinate a shared national vision, the Government is developing Australia's first-ever National Strategy for International Education.

In April 2015, the Hon Christopher Pyne MP, Minister for Education and Training, released the Draft National Strategy for International Education for consultation. The Minister welcomed feedback on the draft strategy to build on Australia's achievements in international education and become the best in the world.

The draft strategy takes a broad view of international education, highlighting the contribution international education makes to the Government's policy objectives such as enhancing Australia's international standing, increasing the internationalisation of Australian education, driving international trade, investment and diplomacy, sourcing skilled migrants, creating jobs nationally and supporting regional Australia.

On 3 June 2015. Minister Pyne announced the first-ever Coordinating Council for International Education to oversee the finalisation of the national strategy and develop an implementation plan. The council comprises six Australian Government ministers with responsibilities for aspects of international education, and six prominent education and industry experts The council met for the first time on 18 June 2015 at the inaugural Roundtable on International Education at Parliament House, Canberra. With around 100 participants

from education and training institutions, businesses, peak bodies, community groups and all levels of government, participants heard from Minister Pyne and council members about the potential of international education, and tackled key questions on the opportunities, challenges and priorities. Outcomes from the discussions and consultations will ensure the final national strategy represents a shared national vision.

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Image above:

The Hon Christopher Pyne MP, Minister for Education and Training, releasing the Draft National Strategy for International Education at the University of Adelaide Village in April 2015.

Outcome 2 priorities

- Work collaboratively with the higher education sector to implement the Government's higher education agenda to create a more a sustainable system, drive quality improvements and expand opportunities for students.
- Invest in programmes to promote quality assurance in higher education and the enhancement of quality teaching and learning.
- Increase participation and support success in higher education by people from disadvantaged backgrounds, including Aboriginal and Torres Strait Islander people.
- Provide a direct contribution towards the cost of study for Commonwealth supported students via the Commonwealth Grant Scheme (CGS), and reduce upfront cost barriers through the provision of income-contingent loans under the Higher Education Loan Programme (HELP).
- Build collaboration across and between universities, research institutes, government and industry to generate new knowledge and the translation of research into benefits for Australia.
- Enhance Australia's research capacity through the provision of world class national scale research infrastructure under the National Collaborative Research Infrastructure Strategy (NCRIS).
- Promote the importance of mathematics and science through targeted initiatives to increase participation in science and technology-based careers.
- Develop a national strategy for international education following the release of the Draft National Strategy for International Education.
- Enhance the ESOS legislative framework to ensure it maintains Australia's reputation as a high-quality destination for international education while reducing unnecessary red tape on education providers.
- Support more Australian students to study overseas as part of their Australian qualification.
- Advance international education and research multilateral engagement to ensure that Australia is recognised as a leader in international education cooperation and that Australia's education and training system is globally connected.
- Ensure a highly-skilled workforce, by focusing on giving all students opportunities for access, participation and success by creating an effective and efficient skills and training system that is industry-led and delivers the skills Australian employers need.
- Implement the VET reform agenda to ensure the VET system provides high quality training and improves the links from training to jobs, including through Australian Apprenticeships.
- Ensure consumers are able to make wise choices and decisions about VET and higher education.
- Improve quality in VET delivery through new national standards for training providers and a comprehensive review of training products.
- Eliminate duplication and improve efficiency in the VET sector by implementing streamlined governance arrangements, including a new VET Advisory Board and an Australian Industry and Skills Committee.
- Ensure Australian Apprentices and their employers are supported to enable increased completion rates.
- Enhance national transparency across the VET sector.
- Improve the status of VET domestically and overseas.

Outcome 2 achievement statements

- There were 1,373,230 students enrolled in higher education in 2014, a 4.5 per cent increase, or around 60,000 additional students compared with 2013 enrolments. Of these, more than 793,000 students were supported by the Government through a Commonwealth-supported place funded under the CGS.
- More than 1,105,000 students deferred payment related to higher education and vocational education and training through HELP in 2014.
- The proportion of commencing domestic undergraduate students from low socio-economic status backgrounds participating in higher education increased from 17.3 per cent in 2013 to 17.5 per cent in 2014.
- In 2014 there were 15,112 Indigenous students enrolled in higher education. This was a 9.7 per cent increase, or around 1300 additional students compared with 2013 enrolments.
- Over \$1.76 billion was provided in research block grants to support research and research training across all disciplines in eligible Australian higher education providers over 2014–15.
- Fifteen projects were supported under the Australian Maths and Science Partnerships Programme, totalling \$5.4 million, to improve engagement in mathematics and science.
- The number of students supported under the Research Training Scheme increased by 2 per cent to 26,293. Funding also supported just under 3500 new Australian Postgraduate Awards and 330 new International Postgraduate Research Scholarships.
- The Australian international education market continued to grow, contributing over \$17 billion to the economy in 2014 from across higher education, vocational education and training, English language training and the schools sector. International student enrolments increased by 12 per cent from 2013 to 2014.
- The Draft National Strategy for International Education was released for consultation in April 2015.
- The Coordinating Council for International Education was established to oversee the finalisation of the strategy and an implementation plan. Convened the inaugural Roundtable on International Education on 18 June 2015 as a key step towards finalising the strategy.
- Engagement with Latin America was increased with the establishment of a new counsellor position in Brasilia in October 2014. High level visits in 2015 resulted in a renewed memorandum of understanding with Mexico, and work plans with Colombia and Brazil.
- In the 2015 funding round, international student mobility grants were offered to 5540 Australian tertiary students to study overseas, similar to the number of grants offered in 2014.
- The department engaged the International Education Association of Australia to develop arrangements to support education providers to manage their education agents.
- Endeavour Scholarships and Fellowships were offered to 682 recipients for 2015.
- Awarded 682 Endeavour Scholarships and Fellowships to citizens around the world to undertake study, research or professional development in Australia and for Australians to do the same overseas.
- Supported high-achieving female researchers from APEC economies through the Australia APEC Women in Research Fellowships to pursue research opportunities in partnership with Australian education and research institutions. Up to 10 fellowships will be awarded each year to female researchers at the forefront of their research discipline.
- Chaired the Regional Committee on the Recognition of Qualifications in Higher Education in Asia and the Pacific under the 1983 UNESCO Regional Convention on the Recognition of Studies, Diplomas and Degrees in Higher Education in Asia and the Pacific.

- Trade Support Loans for apprentices commenced in July 2014 to encourage more young people to take up and complete a trade by providing financial support when they need it most. The loans provide substantial support to eligible apprentices to assist them with the costs of living and learning while undertaking an apprenticeship.
- Governance arrangements have been streamlined to reduce overlap and duplication and improve accountability. A number of committees were replaced by the VET Advisory Board in August 2014 which provides feedback to the sector on reforms and ensures that industry views are taken into account during policy development.
- To help inform the final design of the new approach to deliver industry-led development and maintenance of training packages, the discussion paper Industry Engagement in Training Package Development Towards a Contestable Model, was released on 31 October 2014.
- In March 2015, the department launched two new pilot programmes to support young people in their transition to training and employment. The Training for the Employment Scholarships pilot addresses youth unemployment by supporting businesses to employ more young people and the Youth Employment Pathways pilot funds community organisations to help young people return to school, start vocational training or move into work.
- The Industry Skills Fund was introduced in January 2015 and has been a key focus of the department. The fund aims to support the skills and workforce needs of Australian businesses aiming to take up a growth opportunity.
- Since 1 January 2015 all students undertaking nationally recognised vocational education and training are required to have a Unique Student Identifier (USI). This not only assists students by providing online access to consolidated records of training undertaken during their life (including with different providers in different states), but also provides data to government about the training behaviour of students over time, which will be invaluable when designing future VET policy to support students. Over 2.5 million USIs had been created by the end of June 2015.
- In January 2015 a new National Training Complaints Hotline —13 38 73—was established to protect students and improve the national training system by providing an avenue for apprentices, students, employers and others to lodge complaints about any aspect of the training system.
- The new Standards for Registered Training Organisations (RTOs) 2015 came into effect on 1 January 2015. The standards for RTOs applied to new RTOs immediately, and to existing RTOs from 1 April 2015. These standards include increased responsiveness of training providers to the needs of industry and strengthened requirements around marketing and the information provided to prospective students.
- Implementation of reforms to the VET FEE-HELP programme commenced from 1 April 2015 including amendments to the VET Guidelines banning inducements, establishment of a VET FEE-HELP Reform Working Group, extensive consultation across Australia, and amendments to the Commonwealth Assistance Form from 1 June 2015.
- On 16 March 2015, legislative amendments to the *National VET Regulator Act 2011* strengthened the regulation of training providers and will enable the Australian Skills Quality Authority (ASQA) to take action against unscrupulous providers and to improve training quality.
- The new arrangements for Training Product Development for Australian Industry model was announced in April 2015. A new Australian Industry and Skills Committee was established in May 2015 to oversee qualifications and training product development, further ensuring that the VET system is focused on the needs of employers, students and the broader economy.
- The total VET activity reports submitted in 2015, for 2014 training activity, provide the first national view of all recognised training activity in the VET sector, including VET in schools, by both public and private training providers.

Programme 2.1 Commonwealth Grant Scheme

The objective of the Commonwealth Grant Scheme (CGS) is to support people to obtain higher education qualifications which provide the skills that are needed in a more competitive and globalised world, and which will underpin Australia's future economic growth and prosperity.

Through the CGS, the Australian Government subsidises tuition costs for higher education students across a wide range of disciplines and qualifications.

Currently the majority of CGS funding is provided to public universities for students enrolling in bachelor degrees. These are funded on a demand-driven basis. CGS funding is also provided for a designated number of sub-bachelor and non-research postgraduate student places, and a designated number of places in courses at private universities and non-university higher education providers.

Programme 2.1 components contribute to achieving the objectives through:

- making a direct contribution to the cost of educating all domestic Commonwealth supported students
- providing additional funding to meet the higher cost of regional higher education (regional loading)
- supporting students to prepare for and successfully complete higher education through funding for enabling courses (enabling loading)
- meeting medical workforce needs through the provision of targeted support for medical programmes (medical loading).

Performance Information

Table 6: Programme 2.1 Commonwealth Grant Scheme performance information

Deliverables	Estimate	Actual
Provision of funding to higher education providers to support higher education		
Number of Commonwealth supported domestic undergraduate places	558,700	557,972
Number of Commonwealth supported domestic postgraduate coursework places	39,000	38,762
Number of enabling places	9,800	9,793
Number of Commonwealth Grant Scheme (CGS) medical places	13,100	13,074
Number of regional campuses under the CGS for which regional loading is applied	46	46

Note: Almost 597,000 Commonwealth supported places were provided in 2014 (equating to approximately 793,000 students), with about 558,000 of these places being for undergraduate students. The continued growth in the number of undergraduate student places reflects the introduction of the demand-driven funding system in 2012 and is expected to continue under the Government's proposed higher education reforms

Key Performance Indicators	Estimate	Actual
Increased student participation in higher education		
Number of domestic enrolments (full-time equivalent)	721,200	719,363
Number of domestic postgraduate enrolments (full-time equivalent)	122,300	123,810
Number of undergraduate completions	201,200	196,089
Number of postgraduate coursework completions	122,600	113,514

Programme 2.2 Higher Education Superannuation Programme

The Higher Education Superannuation Programme (HESP) provides funding to assist eligible universities as listed at Table A in the *Higher Education Support Act 2003* (HESA) to meet certain superannuation expenses for eligible current and former university employees who are members of identified state government emerging cost superannuation schemes. Funding is administered in accordance with the HESA Other Grants Guidelines (Education) 2012.

These schemes have been closed to new members for some time but are still active for existing members.

Cost-share arrangements are in place with relevant state governments and a proportion of HESP funding is recovered from these states under cost-sharing arrangements, which are the result of their historical responsibilities for funding higher education.

Performance Information

The level of supplementary funding is demand-driven, with assessment of claims from individual eligible Table A universities occurring annually.

Currently there are 27 eligible Table A universities participating in the programme. It is expected that, as remaining eligible staff retire, there will be an increase in demand for funding, which is expected to peak around 2020.

In 2015, \$187.4 million was provided to the 27 universities and \$26.1 million was recovered from the relevant state governments for the 2014–15 financial year.

Table 7: Programme 2.2 Higher Education Superannuation Programme performance information

Key Performance Indicators	Estimate	Actual
Eligible Table A universities	17	27

Note: Ten NSW universities resumed participation in the Programme in December 2014.

Programme 2.3 Higher Education Support

The objectives of Programme 2.3 are to improve higher education access and participation and to ensure that the quality of our higher education system is maintained. This includes the provision of high-quality infrastructure for teaching and learning.

Programme 2.3 components contribute to achieving the programme objectives through:

- promoting and supporting change in higher education institutions for the enhancement of learning and teaching through the Promotion of Excellence in Learning and Teaching in Higher Education programme
- independently administering quality indicators for learning and teaching that increase focus on quality and provide better information for student choice
- targeted initiatives to promote the importance of mathematics and science
- improving access to, and participation and success in, higher education for students from low socio-economic status and Aboriginal and Torres Strait Islander backgrounds
- removing barriers to participation in higher education for students with disability
- supporting the ongoing operations of a limited number of national institutes
- supporting regional higher education institutions to improve the quality of training and education for regional students.

Provision of learning and teaching awards and grants

The Office for Learning and Teaching (OLT) leads sustainable quality improvement in higher education learning and teaching through a suite of grants, fellowships and awards under the Promotion of Excellence in Learning and Teaching in Higher Education programme. The OLT encourages broad and deep dissemination of the work it funds to maximise impact. In addition to institution-led activities, this occurs through online communications, conferences, forums, and the facilitation of national networks, professional development and collaborative opportunities for academics.

The OLT is supported by an expert panel, which is chaired by a Vice-Chancellor and has membership from across the higher education system. The panel provides guidance and advice to the Minister for Education and Training and the OLT on issues of strategic importance in higher education, makes recommendations on the provision of grants, fellowships and awards to the Minister, and promotes the importance of learning and teaching.

Initiative: Bridges to Higher Education funded through the Higher Education Participation Programme

More than 73,000 students, over 3000 teachers and close to 9000 parents have benefited from the Bridges to Higher Education initiative which has received more than \$21.2 million in funding from the Higher Education Participation and Partnerships Programme (HEPP).

Bridges to Higher Education is designed to improve the higher education participation and outcomes for students from low socio-economic (low SES) backgrounds. It is delivered through a partnership between the University of Western Sydney, the University of Sydney, Macquarie University, the Australian Catholic University and the University of Technology Sydney.

Bridges to Higher Education encompasses 96 projects including student mentoring initiatives, summer schools, tutoring and preparatory programmes, virtual academic lectures, a TV series, and community engagement programmes. The results from the Bridges to Higher Education initiative were positive:

- 91 per cent of students who participated reported better study skills
- 87 per cent of students reported having greater awareness of higher education and career pathways

- 92 per cent of students felt better prepared for university
- 91 percent of students from Aboriginal and Torres Strait Islander backgrounds felt improved motivation to complete high school
- 97 per cent of teachers felt better supported to engage students in learning
- 94 per cent of parents and carers reported better capacity to support their child's higher education goals.

Provision of supplementary support—Indigenous and low socio-economic status

The HEPP provides funding to assist public universities to undertake activities that lift aspirations and improve access to undergraduate courses for people from low socio-economic status (low SES) backgrounds, and support their participation and success.

As part of its higher education reform agenda, the government has flagged changes to the HEPP which would broaden the programme's scope and provide universities with high proportions of students from low SES and disadvantaged backgrounds with a new scholarships fund targeted at these students.

In 2014, the National Priorities Pool component of the HEPP allocated funding for 41 projects over the 2015–18 period totalling \$10.19 million. Approaches taken by universities to support low SES prospective and current students under HEPP include:

- providing access to higher education via alternative entry schemes and scholarships
- assisting students to succeed through academic, peer and pastoral support
- developing outreach activities to raise the aspirations and build the capacity of people from low SES to participate in higher education.

Support to promote engagement in maths and science

The Australian Maths and Science Partnerships Programme aims to improve student engagement in maths and science courses at university and schools through innovative partnerships between universities, schools, and other relevant organisations.

Australian Mathematical Sciences Institute activities

The Australian Mathematical Sciences Institute Vacation Schools and Scholarships project aims to encourage university students to continue studies in mathematics and science to advanced levels, and to prepare them to transition into research careers and other specialist roles in the mathematical sciences.

Support for higher education infrastructure

Under the Education Investment Fund (EIF), \$312.5 million has been provided since 2013 to 11 regional universities for infrastructure to help them improve the quality of education for regional students. In response to a recommendation of the National Commission of Audit on the future use of the Nation-building Funds, the Government announced in the 2014–15 Budget that the EIF would be terminated from 1 January 2015 and that no further funding rounds will be held. Existing EIF projects will continue to be funded until completion.

The Higher Education Infrastructure Working Group was established in May 2014 by the Minister to examine the existing practices of universities to support their teaching and research infrastructure needs and identify any impediments there might be to more strategic management of infrastructure. The working group will report to the Minister for Education and Training in September 2015.

Support to universities for structural adjustment

The Structural Adjustment Fund (SAF) has provided \$377.2 million since 2010 to enable universities to make the changes necessary to secure longer-term financial stability and ensure that students have access to a high-quality teaching and learning experience.

In the 2014–15 MYEFO, the Government announced it would provide \$100 million over three years from 2015–16 to establish a new Structural Adjustment Fund to assist higher education providers to adapt to the introduction of the higher education reforms announced in the 2014–15 Budget, should legislation proceed.

AMSI Vacation Schools and Research Scholarship programme: increasing Australia's knowledge economy

More than 200 students, researchers and professionals came together to share state-of-the-art technologies and learn about the use of mathematics and computational science in biological contexts at the Australian Mathematical Sciences Institute's (AMSI) 2014 BioInfoSummer symposium, supported by the Australian Government.

BiolnfoSummer 2014, the eighth in a series, was held at Monash University from 1 to 5 December 2014. Bioinformatics is an exciting discipline analysing and simulating both the structures and processes of biological systems.

The programme covered an impressive array of topics ranging from cancer treatments, cutting edge computational platforms predicting the effects of drugs on bone health to the mathematical biology of living cells. AMSI's BioInfoSummer series has made a significant contribution to the future of science and innovation in Australia by inspiring talented students in relevant disciplines to develop an interest in this ground breaking area of study. This is important in helping to address the shortage of skilled bioinformaticians and computational biologists.

One student commented that 'BioInfoSummer gave me a great introduction to what the field of bioinformatics provides, and the numerous opportunities that it offers,' Phillip Luong, Monash University.

The Government provided \$2 million over four years to 2016 for the AMSI's Vacation Schools and Scholarships project as part of its Science, Technology, Engineering and Mathematics (STEM) policy. AMSI has been helping students to get the very best start in their maths and science education and careers through its winter and summer residential schools, the week-long bioinformatics symposium and research scholarship programme. Collectively these activities improve the quality, international engagement and breadth of frontline research experience available to students and professionals in Australia. In 2014–15 over 330 students participated in AMSI's activities, including 56 scholarships.

Restoring the focus on STEM subjects in schools and universities is essential to ensure young Australians are equipped with the skills necessary for their careers and for the future of the Australian economy.

Improved quality in higher education

Assuring the quality of higher education is a priority for the Government. Ensuring that student outcomes and student experiences are of high quality is vital to Australia's economy and safeguards the reputation of Australia's large education export market.

In 2014–15, the department continued its implementation of the recommendations of the Review of Higher Education Regulation. Activities included passage of the *Tertiary Education Quality and Standards Agency Amendment Act 2014* and establishing and providing support for the Tertiary Education Quality and Standards Agency (TEQSA) Advisory Council. In response, TEQSA introduced new risk-based regulatory processes that delivered significant reductions in registration and accreditation requirements for the higher education sector. During 2014–15 the inaugural Higher Education Standards Panel completed its review of the standards against which TEQSA assesses applications for provider registration and course accreditation. The Panel delivered its findings and recommendations to the Minister. Implementation of the revised standards will add clarity and transparency to the regulatory process. In early 2015 the TEQSA Advisory Council was abolished and its membership transferred to the Higher Education Standards Panel. Minimising the impact of regulation is important to ensure that higher education institutions are able to focus on their core business of teaching students and conducting research.

The department also supported people with disability to access and participate in tertiary education and subsequent employment. Key programmes in this area included the National Disability Coordination Officer (NDCO) programme and the Disability Support Programme (DSP).

The NDCO programme funded provider organisations to employ a national network of NDCOs who operate in 31 regions across Australia. NDCOs worked with local stakeholders to reduce systemic barriers, facilitate smooth transitions, build links and coordinate services for people with disabilities between the education, training and employment sectors.

Over the year the department worked closely with the Aboriginal and Torres Strait Islander Higher Education Advisory Council (ATSIHEAC) to increase access to and participation in higher education for Aboriginal and Torres Strait Islander people. In line with the recommendations of the *Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People*, ATSIHEAC established priorities to improve the participation of Aboriginal and Torres Strait Islander people in higher education and the professions.

Throughout the year, ATSIHEAC provided independent advice to Government and contributed to a wide range of policy discussions, including the Government's agenda for STEM and the draft Aboriginal and Torres Strait Islander Education Strategy.

Performance Information

In 2014, 68.1 per cent of the bachelor degree graduates who were available for full-time work were employed full time four months after graduation, down from 71.3 per cent in 2013. The decline in graduate employment outcomes correlates with conditions in the general labour market over this period, during which unemployment rose slightly. In May 2014, the unemployment rate for all graduates was 3.2 per cent in comparison with the overall unemployment rate of 5.8 per cent. This shows that graduates continue to have good prospects over the long term. The decline in graduate starting salaries relative to Male Average Weekly Earnings also reflects these soft labour market conditions.

Table 8: Programme 2.3 Higher Education Support performance information

Deliverables	Estimate	Actual
Provision of learning and teaching awards and grants		
Number of learning and teaching citations and awards provided to higher education providers by the Promotion of Excellence in Learning and Teaching in Higher Education Programme	184	135
Number of learning and teaching projects supported by the Promotion of Excellence in Learning and Teaching in Higher Education Programme	58	66
Value of funding for the Australian Maths and Science Partnerships Programme (\$'000) $^{\circ}$	5,350	10,728
Value of funding for the Australian Mathematical Sciences Institute (\$'000)	473	500

a The Australian Maths and Science Partnerships payment is for the 2014 and 2015 calendar years.

Key Performance Indicators	Estimate	Actual
Improved infrastructure for tertiary education		
Number of infrastructure projects supported by EIF Regional Priorities Round and SAF	15	15
Improved quality in higher education ^a		
Higher education graduates in full-time employment within four months of completion of degree as a proportion of those available for work	68%	68.1%
Graduate starting salaries as a proportion of Male Average Weekly Earnings	74%	74%
Increased participation by previously under-represented groups		
Number of domestic undergraduate low SES enrolments	131,400	130,308
Statistical Area Level 1 (SA1) measure of the number of domestic undergraduates in low SES	119,700	117,191
Proportion of higher education undergraduate students from a low SES background	18%	17.5%
Number of Indigenous students enrolled at funded institutions	13,800	14,555
Number of Indigenous completions at funded institutions	1,850	1,944
Number of Indigenous student enrolments by selected higher education course level categories	14,200	15,043
Number of maths and science projects supported by the Australian Maths and Science Partnership Programme	22	22
Number of students participating in Australian Mathematical Sciences Institute activities	313	333

a Student data and data relating to the 'Improved quality in higher education' key performance indicators is provided by calendar year.

Programme 2.4 Higher Education Loan Programme

Provision of Higher Education Loan Programme loans to higher education students

The Higher Education Loan Programme (HELP) supports access to higher education for Australian citizens and permanent humanitarian visa holders. HELP consists of a number of programmes:

- HECS-HELP for eligible Commonwealth-supported students
- FEE-HELP for eligible fee-paying students enrolled at an eligible provider
- VET FEE-HELP for eligible students undertaking certain VET courses
- OS-HELP to assist Commonwealth-supported students who wish to study overseas
- SA-HELP to assist students to pay their student services and amenities fee.

Repayment of Higher Education Loan Programme debts

Individuals' debts from each of these programmes are combined by the Australian Taxation Office and treated as one debt. The repayment arrangements under HELP ensure that people only commence repaying their HELP loan once their income exceeds the minimum repayment income (\$53,344 in 2014–15). People may also make voluntary repayments towards their HELP debts at any time.

VET FEE-HELP component

The VET FEE-HELP scheme provides access to higher level vocational education and training for many Australians by removing the need for individuals to pay for their training upfront through the use of an income-contingent loan. The scheme offers many students the opportunity to enhance their skills, many of whom may not otherwise have been able to afford to do so.

In 2014–15 the Government commenced introduction of a range of reforms to the VET FEE-HELP scheme to protect vulnerable students and taxpayers, and the reputation of Australia's high quality VET system, from the unfair and unethical actions of a small number of unscrupulous training providers or their agents/brokers. Implementation of these reforms commenced in April 2015 with changes to legislative guidelines banning providers from offering prohibited inducements designed to entice students to enrol in courses under the VET FEE-HELP scheme.

Performance Information

Table 9: Programme 2.4 Higher Education Loan Programme performance information

Deliverables	Estimate	Actual
Provision of HELP loans to higher education students		
Number of Commonwealth supported places for which HECS-HELP loans paid	509,100	507,629
Number of places for which FEE-HELP loans paid	91,600	76,613
Number of OS-HELP loans to assist students to undertake some of their course overseas	12,500	10,986
Number of SA-HELP loans to assist students to pay their services and amenities fees	479,900	444,344
Number of places for which VET FEE-HELP loans paid	225,500	131,344

Key Performance Indicators	Estimate	Actual
Students who are able to repay their HELP debts do so		
Average amount of debt (\$) °	17,500	18,000
Average number of years to repay debt	8.7	8.7
Proportion of new debt not expected to be repaid	20%	19%

a Average amount of outstanding debt.

Programme 2.5 Investment in Higher Education Research

Programme 2.5 aims to drive quality, excellence, collaboration, diversity and sustainability throughout the higher education research sector, which in turn stimulates economic growth.

The objectives of programme 2.5 are to underpin the production and use of research knowledge through:

- sustaining a world-class higher education research system that values quality, collaboration, transparency, and accountability
- attracting high-quality domestic and international students to provide the skilled research workforce of the future.

Research Block Grants

The components of Programme 2.5 that contributed to achieving the objectives during 2014–15 are:

- Research Training Scheme
- Australian Postgraduate Awards
- International Postgraduate Research Scholarships
- Joint Research Engagement Scheme
- Research Infrastructure Block Grants
- Sustainable Research Excellence.

Funding is provided through these schemes to enable universities to support the research process and to train research students. The Research Training Scheme supports students undertaking higher degrees by research at the masters and PhD level. The Australian Postgraduate Awards provide living allowance stipends to postgraduate research students and International Postgraduate Research Scholarships cover the costs of research tuition fees and health insurance.

The Sustainable Research Excellence and Research Infrastructure Block Grants support the indirect costs associated with conducting research funded by Australian competitive grants and the Joint Research Engagement scheme encourages collaborative research between universities, industry and other end users of research.

Performance Information

Table 10: Programme 2.5 Investment in Higher Education Research performance information

Deliverables	Estimate	Actual
Provision of support for new and existing research training		
Number of commencing Australian Postgraduate Awards allocated ^a	Up to 3,500	3,499
Number of commencing International Postgraduate Research Scholarships allocated ^a	330	330

a The data for this deliverable is by calendar year e.g. the 2014–15 data relates to the 2014 calendar year.

Key Performance Indicators	Estimate	Actual	
Sustained research performance, transparency and accountability of Australian higher education providers			
Number of higher education providers receiving support for research	41	41	
Sustained number of students completing higher degrees by research			
Number of higher education providers receiving support for research training	41	41	
The Equivalent Full-time Student Load supported by the Research Training Scheme $^{\rm a}$	21,500	26,293	
Number of higher degree by research student completions ^a	7,400	9,556	

a The data for this deliverable is by calendar year e.g. the 2014–15 data relates to the 2014 calendar year.

Programme 2.6 Research Capacity

Research advances our knowledge and drives our potential for innovation, as it shapes economic competitiveness and social wellbeing. The objectives of Programme 2.6 are to increase the production, use and awareness of research knowledge through promoting a strong culture of collaboration and networking. This will generate new knowledge, world-class research and a highly trained workforce through more industry-ready graduates, support higher education and research infrastructure, and raise awareness of the importance of research and promoting scholarship across all fields of study.

Programme 2.6 components contribute to achieving the programme objectives through:

- promoting a strong culture of collaboration and networking across and between universities, research institutes, government and industry
- providing major research infrastructure in a framework that is strategic, national and collaborative, through the National Collaborative Research Infrastructure Strategy (NCRIS)
- facilitating and supporting science and research cooperation and strategic alliances with international
 partners for the benefit of all Australians through increased participation in, and access to, leading
 scientific research globally.

Research determines our potential for innovation and our capacity to access and benefit from advancing knowledge as it shapes economic competitiveness and social changes.

Government funding supports research infrastructure and helps to raise awareness of the importance of research and promoting scholarships across all fields of study, including the efforts that promote an increase in science, technology, engineering and mathematics.

Support for research infrastructure

The NCRIS network is designed to provide Australia's research sector with ongoing access to high quality, national scale research infrastructure. This will ensure that Australian research continues to undertake world-class research and rank highly internationally.

The Australian Government's investment of \$300 million at the 2015–16 Budget in the NCRIS network will continue to enable over 35,000 researchers to access the latest facilities and expertise until June 2017. The network consists of 27 active projects delivered through 222 institutions employing well over 1700 technical experts, researchers and facility managers.

The Minister for Education and Training commissioned a research infrastructure review in November 2014 to advise the Australian Government on future national scale research infrastructure needs and provision to support research. The Review commenced its work in December 2014 and will report to Government in September 2015.

Support for research collaboration

The Collaborative Research Networks (CRN) programme encourages less research-intensive, smaller and regional higher education institutions to develop their research capacity by teaming up with other institutions in areas of common research interest. These collaborations generate new knowledge (publications), generate new partnerships with other institutions (both private and public), develop career researchers (post-doctorates and fellowships) and train higher degree students.

Support for collaborations between the Australian Public Service and the research community

The Government has enhanced research collaboration through its investment in a strategic relationship with the Australian National University (ANU) through creation of new public policy institutes that have strengthened the links between the Australian Public Service (APS), academia and the broader community and ensures that the APS is well equipped to tackle future policy challenges through evidence-based public policy.

The National Security College, which provides courses for national security agencies, received funding under the strategic relationship and will continue to receive funding until the end of 2018–19.

Higher Education and Research Promotion

Higher Education and Research Promotion supports Australia's Learned Academies and the Australian and New Zealand Association for the Advancement of Science to increase awareness of the importance of research and to promote research and scholarship in science, social science, and the humanities.

Australia's four Learned Academies and the Australian Council of Learned Academies, the peak coordinating body, continue to deliver high-level policy inputs, science and education training and extension activities. Detailed information about the wide range of activities undertaken during the year is available at the following websites:

- Australian Academy of the Humanities: www.humanities.org.au
- Australian Academy of Science: www.science.org.au
- Australian Academy of Technological Sciences and Engineering: www.atse.org.au
- Academy of Social Sciences in Australia: www.assa.edu.au
- Australian Council of Learned Academies: www.acola.org.au.

Science and Research Priorities

The Commonwealth Science Council was established and held its inaugural meeting in November 2014 and its second meeting in April 2015. The Science Council, chaired by the Prime Minister, brings together the Minister for Education and Training, the Minister for Industry and Science, the Minister for Health, Australia's Chief Scientist and ten eminent scientists and business people, to provide advice on strategies to ensure Australia's science and research efforts are targeted to deliver the best results for the nation. On 26 May 2015, following the recommendation of the Science Council, the Government announced new national Science and Research Priorities to help ensure our world-class science and research efforts reflect the needs of industry, the national economy and the community. The nine cross-disciplinary priorities are food, soil and water, transport, cybersecurity, energy, resources, advanced manufacturing, environmental change and health.

Population Health Research Network

The Population Health Research Network (PHRN) is an internationally significant health data infrastructure funded under the National Collaborative Research Infrastructure Strategy (NCRIS to manage health and health-related information across Australia securely and safely).

Since 2009, NCRIS funding of \$43,269,000 has helped the lead agent, the University of Western Australia, and its partner organisations, to build a transformative data resource for the health and medical sectors.

Australian governments collect vast amounts of information about Australians. This information is a valuable national resource which can be used to improve the understanding of disease. develop treatments and enhance services. The capacity to link information between Australian Government, state and territory agencies in a way that protects privacy and enables access to the information by researchers with the necessary high level analytical skills is necessary if Australia is to realise the maximum benefit from

analysis of this population data there must be.

With the support of every state and territory, PHRN is overcoming problems associated with working across jurisdictional boundaries to build a network that brings together existing health data from around the nation. This linked data is being made available for critical health-related research.

PHRN engages with research institutes, pharmaceutical and other companies to offer more efficient access to a rich, diverse array of datasets. The datasets will improve health and wellbeing policies through evidence-based care, resulting in increased national productivity and a better streamlined health system.

For example, PHRN has recently completed a study titled 'In-Hospital and Post-Discharge Mortality: A Study of Australian Hospital Quality of Care using Cross-Jurisdictional Data Linkages'. This study linked the hospital admission data and death data from four states (NSW, QLD, SA and WA) to understand cross-border hospital use and deaths related to hospital admissions. The research dataset included around 40 million records. The study found that three per cent of patients travelled across a state border to attend hospital and that 32 per cent of deathsalmost one third—associated with a hospital admission occurred within 30 days of the hospital admission. Almost five hundred of these deaths occurred in a different state to the person's hospital stay and were only associated with the hospital stay because of the availability of the linked data.

This and other research enabled by PHRN infrastructure empowers the health sector and policy makers to respond more effectively to the changing needs of Australians, strengthening evidence-based care to maintain a healthy national workforce and boost Australia's competitiveness and productivity.

Performance Information

Table 11: Programme 2.6 Research Capacity performance information

Key Performance Indicators	Estimate	Actual	
Improved research performance of less research intensive universities			
Number of research institutions supported by the Collaborative Research Networks programme	15	15	
Number of partnerships supported by the Collaborative Research Networks programme	23	23	
Increased number of participants in activities promoting research-based careers			
Number of attendees participating in activities promoting research awareness	54,110	54,000	
Increased access to research infrastructure to facilitate and support collaborative research activities			
Number of research infrastructure projects established under the National Collaborative Research Infrastructure Strategy to offer services to the research sector	27	27	
Number of institution-based research infrastructure projects supported through the Budget or Education Investment Fund competitive rounds over time	5	5	
National Security College training courses			
Number of Commonwealth participants in National Security College courses	150	80	

Programme 2.7 International Education Support

Australian international education is a core element of Australia's economic prosperity, social advancement and international standing. Programme 2.7 advances Australia's international engagement in education, training and research.

Draft National Strategy for International Education

In April 2015, the Government released the Draft National Strategy for International Education for consultation. The Government has established a Coordinating Council for International Education to oversee the finalisation of a national strategy and an implementation plan. A national strategy will help set a clear path for sustainable growth and strengthen all aspects of Australia's international education and training engagement.

Case Study

Vietnam, A Study Abroad Guide



Working with the Department of Foreign Affairs and Trade, the department published

a new study abroad guide providing information about study opportunities in Vietnam for Australian students.

The guide will help further the government's objective to increase the global engagement of Australian students. It profiles 40 Vietnamese universities which offer courses in English, located in areas with good access to accommodation, transport and other services, and which have experience in hosting foreign students. Vietnam is already a popular destination for Australian students, with over 400 students going to Vietnam in 2015 under the department's Endeavour Mobility Grants and the New Colombo Plan.

During a visit to Australia in March 2015, the Vietnamese Minister for Education and Training, Professor Pham Vu Luan, was able to preview the guide during a meeting in Canberra with the Hon Christopher Pyne MP, Minister for Education and Training.

Qualifications recognition

The department supports mobility through qualifications recognition. It is party to a number of UNESCO regional recognition conventions which promote best practice, and participates as Australia's national information centre within these networks. Qualifications recognition practices that are equitable, consistent, non-discriminatory and transparent are essential to the successful mobility of students, academics, researchers and workers, and therefore vital to Australia's productivity and participation strategy. The department engages domestically and internationally on qualifications recognition policy, and encourages improved recognition practices through a range of information services to support recognition authorities to make quality decisions.

Education exports hit a new record of over \$18 billion

Export income from Australia's international education services exceeded \$18 billion for the first time in 2014–15, eclipsing the previous peak of \$17 billion in 2009–10.

The majority of this export income is generated by the nearly half a million international students whose now choose Australia as their study destination. A national survey in 2014 found that these students chose Australia due to the reputation of its education institutions and the quality of teaching and research undertaken in those institutions.

International education is Australia's largest services export and has surpassed natural gas to become our third largest export after iron ore and coal.

These figures confirm Australia as one of the world's major knowledge-based economies.

Student protection

The Education Services for Overseas Students (ESOS) Act 2000 establishes legislative requirements and standards for the regulation of education and training institutions offering courses to international students in Australia on a student visa.

The Tuition Protection Service assists international students whose education providers are unable to fully deliver their course of study. The Tuition Protection Service's annual report can be found at Appendix 5.

Supporting two-way student mobility

The Government's Endeavour Scholarships and Fellowships promote individuals of academic merit with high quality learning opportunities that contribute to Australia's standing as a world leader in education and research. Endeavour Mobility Grants support Australian undergraduate, postgraduate and vocational education and training students to have an international study experience that contributes to their Australian qualification.

Case Study

Dr Ray Lovett is from the Australian Institute of Aboriginal and Torres Strait Islander Studies and was the first Indigenous graduate to attain a PhD from the Australian National University in the field of epidemiology.

Ray is working with world leading teams at the University of Oxford to develop the first national longitudinal study of Aboriginal and Torres Strait Islander health and wellbeing. 'My Endeavour fellowship will provide me with both the skills and the confidence to apply my international knowledge in my own country. The application of what I acquire will positively influence the longitudinal study. My intention is to utilise the expertise of others to contribute to and advance the cause of Aboriginal and Torres Strait Islander peoples and their health and wellbeing,' Ray said. Ray's fellowship will allow him to design aspects of a large-scale longitudinal study for the Aboriginal and Torres Strait Islander population. In combination with Australian experts, the University of Oxford has expressed an interest in the design and ongoing implementation of the longitudinal study. As a result, a collaborative and ongoing relationship with the University of Oxford will be established through Ray's Endeavour programme.

International network

The department's international network of counsellors manage the Australian Government's engagement with partner countries across the world on matters related to education. The network plays a valuable role in exchanging information and advice with host governments and in-country institutions and organisations. It is uniquely placed to build strong education partnerships internationally. In October 2014, the department established a new counsellor position in Brazil and renewed its cooperation efforts with countries in Latin America.

Multilateral engagement

The department's primary forums for multilateral engagement on education are the East Asia Summit and APEC, as well as SEAMEO, UNESCO, the OECD and the European Union.

Data and research

The department provides up-to-date data and research on international education including a monthly report on international students studying in Australia, information on offshore education delivery by Australian providers, and research snapshots on many aspects of international education in Australia and globally. The department investigates different areas of international student experience, including the biennial international student survey. The performance indicators below reflect responses from over 50,000 students studying across Australia's higher education, VET, English language and schools sectors.

Part 2

Performance Information

Table 12: Programme 2.7 International Education Support performance information

Deliverables	Estimate	Actual
Provision of international education support		
Number of projects and/or activities funded by Regional Links programme $\ensuremath{^\circ}$	14	13
Number of projects and/or activities funded by the Increasing the Profile of Australian International Education Sector programme	18	20
Number of international scholarships, fellowships and exchange opportunities supported (Endeavour and mobility programmes)	6,205	6,222
Number of eligible applications funded through the Assessment Subsidy for Overseas Trained Professionals programme	500	509

a The Regional Links and Increasing the Profile of Australia's International Education Sector programmes funded projects that supported Australia's international education, training and research engagement with overseas partners.

Key Performance Indicators	Estimate	Actual
International students' satisfaction with studying and living in Australia		
Proportion of international student survey respondents who are satisfied or very satisfied with studying in Australia	>80%	87%
Proportion of international student survey respondents who are satisfied or very satisfied with living in Australia	>80%	89%

Programme 2.8 Building Skills and Capability

Sub-programme 2.8.1 Industry Competitiveness

The Industry Skills Fund Programme

The Industry Skills Fund programme opened to applications in January 2015. The fund will provide over 250,000 training places and support services over five years. It is designed to develop the skilled workforce needed to maintain and improve Australia's economic position in response to increasing global competition. Australian businesses will be assisted in accessing training and support services so Australia will have the highly-skilled workforce it needs to adapt to new business growth opportunities, rapid technological change and market-driven structural adjustment.

In its first six months the fund has provided training places or support for over 200 businesses nationally. Over 800 enquiries have been made to the fund, with over 200 businesses receiving skills advice.

The Youth Employment Pathways pilot assists disengaged young people make transitions to education, training or work.

The pilot programme enables community service organisations to deliver support services to a person aged 15 to 18 years who has been disengaged from school for at least three months and is not participating in training or employment. Youth Employment Pathways commenced on 5 March 2015.

The Training for Employment Scholarships pilot programme supports young people seeking employment but who may require on the job training up to a Certificate II level to meet their employers' requirements. The pilot programme assists micro, small and medium sized businesses who hire an unemployed person aged 18 to 24 years with funding to reimburse the cost of up to 26 weeks of job specific training. Training for Employment Scholarships commenced on 5 March 2015.

National Workforce Development Fund

The National Workforce Development Fund continued to receive new enrolments into training in 2014–15. The programme has assisted businesses to increase workforce capacity in areas of need through formal training. Industry contributed to training costs. As at 31 March 2015, since the beginning of the programme, there were 72,134 enrolments in training and 37,203 completions.

Sub-programme 2.8.2 Skills Development

Australian Apprenticeships

The department has introduced a number of measures to support Australian apprentices to ensure that they are completing their qualifications and that they are placed with businesses that need their skills, including a new Australian Apprenticeship Support Network which will commence on 1 July 2015. The new network introduces innovative, targeted services which will deliver tailored advice and support to Australian Apprentices and employers.

Australian Apprenticeships Support Network

Following an extensive tender process, successful providers for the new Australian Apprenticeships Support Network (the Apprenticeships Network) were announced on 27 April 2015 by the Assistant Minister for Education and Training, Senator the Hon Simon Birmingham.

Commencing on 1 July 2015, the Apprenticeships Network will make it easier for employers to recruit, train and retain apprentices and trainees with the ultimate aim of improving Australian Apprenticeships completion rates.

The Apprenticeships Network introduces innovative new targeted services which will deliver tailored advice and support to Australian Apprentices and employers who need additional assistance prior to sign-up and training.

The department has been instrumental in supporting the delivery of the Government's reform agenda in the VET sector. Reforms focus strongly on improving the quality of training providers and their courses, enhancing the contribution that VET makes to the job prospects of students, and lifting the status of VET among families, students and employers, industry and the community.

Consultation with all stakeholders has been a key element of the VET reform process. Feedback has been sought at every step of the way to ensure the reforms take into account the needs and views of all stakeholders.

Comprehensive feedback from stakeholders on VET was gained through national consultations held by the department in early 2015, with the Assistant Minister Birmingham, consulting directly with over 1000 stakeholders on VET reform in sessions held across Australia. Assistant Minister Birmingham has also met with VET students, including apprentices, both on campus and in businesses around the country, to hear first-hand about students' experiences with the VET system.

The feedback from students, combined with broader consultations on VET reform, is crucial for ensuring that the training system will meet the needs of all stakeholders, particularly Australian students and employers, now and into the future.

Image above:

In May 2015, Senator the Hon Simon Birmingham hosted a workshop with students from the Holmesglen Institute (Chadstone campus). Students had the opportunity to raise a number of issues related to the VET system, including how they decided to study a VET course, the information they needed to support the decision process, and how they were finding their experience in VET studies.
The Australian Apprenticeships Incentives Programme

Under the Australian Apprenticeships Incentives Programme a range of financial incentives are available to employers to support them to offer employment related opportunities that will encourage people to acquire and expand their working skills and, as a result, set themselves towards worthwhile careers. In addition, there are a range of financial and other support measures available to Australian Apprentices to support them throughout the duration of their apprenticeship.

Through the Australian Apprenticeships Support Services contract, 22 organisations were engaged as Australian Apprenticeships Centres to deliver services to Australian Apprentices and their employers in approximately 350 sites around Australia. These arrangements will change from 1 July 2015.

The Trade Support Loans programme

The Australian Government's Better Support of Australian Apprentices policy included the introduction of the Trade Support Loans Programme (TSL) which provides Australian Apprentices with up to \$20,000 over the course of their apprenticeship as an income contingent loan.

The TSL aims to meet the Government's commitment to deliver improved productivity and competitiveness to the Australian economy by providing highly skilled individuals in priority trades where there are growing skills shortages.

The Trade Support Loans Annual Report 2014–15 is included at Appendix 6.

The Job Ready Programme

The Job Ready Programme (JRP) for international student graduates who hold a trade qualification issued by a Registered Training Organisation based on studies in Australia, is a four-step employment-based skills assessment program that provides applicants with the opportunity to demonstrate their skills and job readiness in an Australian workplace, relevant to their nominated occupation before they apply for migration in Australia.

The JRP aims to ensure that an international trade qualified graduate is well placed as a skilled worker to seek employment in their nominated occupation in Australia.

Sub-programme 2.8.3 Access to Training

The Skills for Education and Employment

The Skills for Education and Employment (SEE) programme is the Government's primary programme for helping eligible job seekers to improve their language, literacy and numeracy skills with the expectation that such improvements will enable them to participate more effectively in training or work.

SEE is delivered across Australia, from metropolitan and regional areas, right through to remote communities. It can be undertaken on a part-time or full-time basis, be delivered face-to-face or by distance learning, and provide initial, basic and advanced accredited English language, literacy and numeracy training. SEE can be contextualised and involve work experience and can involve a flexible method of delivery that is more tailored to remote areas.

Part 2

Partnerships with employers through SEE

STEPS Group Australia and RioTinto Alcan RALPA Programme (SEE Programme)

STEPS Group Australia, a Skills for Education and Employment programme provider, developed the RALPA programme with RioTinto Alcan's Arnhem Learning Education Regional Training (ALERT) team. RALPA training runs for eight-week intensive blocks, and includes practical iob skills development. Training consists of a mixture of class time and real work related activities Trainees undertake training in areas such as manual handling, Occupational Health and Safety, workplace communication. customer expectations and health, fitness and nutrition. Ralpa is a Yolgnu term meaning 'get up and get moving'.

The STEPS Skills for Education and Employment trainer is located onsite to facilitate the seamless integration of language, literacy and numeracy training into the RALPA curriculum. The trainer facilitates classroom and workplace literacy and numeracy activities related to daily topics such as workplace safety, measurements, working in a tropical climate, and filling out timesheets.

Trainees also tour local workplaces such as RioTinto Alcan sites, Gove District Hospital and the Nhulunbuy Fire Station. Guest speakers, who have included local businesses, the Department of Health, Westpac and the Nhulunbuy Police, talk with trainees and give practical insights into their business.

Following on from the initial eight weeks of practical job skills development, the trainees undertake an exciting work placement (supported by the ALERT team) for a further eight weeks with the potential to lead to full-time employment. Work placements, which have included activities such as gardening at Gove Country Club and Gove Peninsular Surf Lifesaving Club, occur at the ALERT facility, RioTinto Alcan sites or local community organisations.

Support continues as the trainees move into work placements with RioTinto Alcan mine and Gumatj Corporation. During the placement, trainees further their understanding of workplace documents, workplace instructions, safety alerts and policies, plus communication and numerical requirements.

The Adult Migrant English Programme

In 2014–15, the Adult Migrant English Programme (AMEP) continued to assist eligible migrants and humanitarian entrants to learn foundation English language skills by providing up to 510 hours of free English language tuition. Additional tuition is also available to eligible clients through AMEP's Special Preparatory Programme and the Settlement Language Pathways to Employment and Training programme.

AMEP is delivered across Australia by contracted service providers. In 2014–15, ACIL Allen Consulting was commissioned to undertake an evaluation of AMEP. This work will continue in 2015–16.

During 2014–15, the department also provided assistance for workplace English language and literacy, employment-based training, Indigenous training facilities and training for Indigenous job seekers through the Workplace English Language and Literacy Programme, Alternative Pathways – Incentives for Higher Technical Skills Programme, Australian Government Skills Connect, Industry and Indigenous Skills Centre and Industry Vocational Training and Employment Centre Initiative.

A client's experience in the AMEP

Mr Rupak Subba is Bhutanese but lived in Nepal prior to arriving in Australia in March 2014. Mr Subba attended AMEP classes in 2014–15. Mr Subba provides an insight to his experiences as an AMEP student with TAFE NSW.

'My name is Rupak Subba. I came to Australia on 21st March 2014 from Nepal. Since my arrival in this wonderful country, I have always experienced best days of my life. I visited many beautiful places around Sydney and they are really fantastic.

In the process of settling in, I joined TAFE English class [AMEP] to improve my understanding about Australia and its culture as well as to improve my English. I was really happy and fortunate to have friendly environment and wonderful teachers in TAFE. I could update myself and also internalise myself with different skills that could help me stand up tall. I thought of testing my abilities and applied

for a job and guess what! I was successful. This was all possible with the help and guidance of the kind teachers.

At last but not least, I just want to say to new migrants that 'Rome was not built in a day' and also keep trying and aim for the moon, even if you fail you will land among the stars.'

Sub-programme 2.8.4 Support for the National Training System

The Government invests in the operation of the VET system in Australia.

States and territories have responsibility for the delivery of training and, under the Constitution, are responsible for all aspects of VET. However, by agreement, or referral of powers, national approaches are in place. This national approach includes development of industry defined standards for training and assuring quality of providers, information services to facilitate choice for students, research and national statistics, and the operation of the Australian Skills Quality Agency.

These arrangements facilitate nationally consistent outcomes from training so businesses can be assured that VET graduates are ready for work with skills at an industry-defined standard. VET graduates are assured that their qualification is recognised equally across Australia.

Support for the National Training System is directed to five key initiatives:

- Industry Workforce Training supports industry engagement in the national training system, primarily through Industry Skills Councils.
- The Myskills website supports market operations in the VET sector by providing individuals and businesses with improved access to information on nationally recognised vocational education and training.
- The National Centre for Vocational Education Research (NCVER) collects national VET data necessary for research, analysis, policy development and quality assurance. The appropriation represents the Australian Government's subscription to NCVER. NCVER receives additional funding for data and research services.
- The Australian Industry and Skills Committee provides industry-based advice to governments on strategies to lift the quality and relevance of training. It will also play the critical role of overseeing qualifications and training product development, ensuring Australian workers are provided with industry-relevant skills that meet the future needs of employers.
- The National Training System Commonwealth Own Purpose Expenditure (NTS COPE) provides for development of, and ongoing support for, infrastructure and initiatives which address issues which require a cross-border approach and cross-border cooperation.

Student Identifiers Registrar

The Unique Student Identifiers scheme was officially launched on 1 January 2015. It will link an individual with their secure online record of all nationally recognised training and qualifications gained anywhere in Australia from 1 January 2015 onwards. The Student Identifiers Registrar's Annual Report can be found at Appendix 7.

Performance Information

Table 13: Programme 2.8 Building Skills and Capability performance information

Key Performance Indicators	Estimate	Actual
Sub-programme 2.8.1: Industry competitiveness		
Industry Skills Fund		
Number of participants supported to undertake training and/or support services	7,000	7,035ª
Sub-programme 2.8.2: Skills development		
Australian Apprenticeships Centres		
Number of organisations contracted to provide services as Australian Apprenticeships Centres	22	22
Australian Apprenticeships Incentives Programme ^b		
Total number of employers assisted nationally through the programme	81,000	68,036
Total number of Australian apprentices receiving a Personal Benefit through the programme	84,000	70,458
Trade Support Loans °		
Total number of Australian Apprentices assisted through Trade Support Loan payments	59,500	26,097
Sub-programme 2.8.3: Access to training		
Adult Migrant English Programme		
Number of eligible migrants and humanitarian entrants assisted through the programme	57,000	62,638
Skills for Education and Employment Programme		
Number of individuals assisted through the programme	27,000	24,632
Sub-programme 2.8.4: Support for the National Training System		
National Partnership on Skills Reform (NP): Building Australia's Future Workford	orce – Skills Refor	m (SPP)
Monitoring of progress of NP reforms through assessment of achievement as outlined in Annual Performance Reports	Implementation plans and appropriate payments monitored.	Implementation plans and appropriate payments monitored.

a Programme commenced in January 2015. The actual figure is based on data as at 30 June 2015 and comprises training places and support services including skills advice provided for individuals through the Skills Advisory services.

Part 2

- b Australian Apprenticeships Incentives Programme—This difference between the estimate and actual numbers of employers supported can be attributed to:
 - fewer new commencements in apprenticeships and training arrangements than was initially projected in 2014
 - the removal of incentives for those employers who are likely to complete within 2 years, leaving a higher proportion of trades employers, who have larger gaps (2 to 3 years), between the payments under the programme, and
 - the removal of incentives for some employers and decrease of the number of payments for others (such as employers of parttime apprentices). This removed their eligibility to claim a payment, and hence being counted in the numbers.

This difference between the estimate and actual numbers of apprentices supported relates to complications in estimating when payments fall due. The last payment under Tools For Your Trade was paid on successful completion and there is inherent difficulties in estimating when an Australian Apprentice may successfully complete their training.

c Trade Support Loans—This is the first year of operation of the loan scheme. The difference between the estimate and the actual number of apprentices taking out Trade Support Loans may have been influenced by a range of factors, including the Fair Work Commission's decision to increase apprentices' wages and conditions in many industries, and fewer new commencements than originally projected. As with all demand driven programmes this will be closely monitored as it matures.



PART 3 Our accountability

Corporate governance	74
Financial Performance	76
Purchasing and Consultancies	76
External scrutiny	78
Information Publication Scheme	79
Audit processes	79

CORPORATE GOVERNANCE

Our approach to governance enables us to deliver outcomes effectively and achieve high levels of performance in a manner consistent with applicable legal and policy obligations.

The Executive Board is the decision-making body for the department. Membership consists of the Secretary, Associate and Deputy Secretaries, and the two corporate Group Managers.

The Executive Board facilitates work across the department to achieve corporate objectives and promotes the core principles of good public sector governance—accountability, transparency, integrity, stewardship, efficiency, leadership and risk management.

The Departmental Network Meeting is an information sharing, consultative forum comprising the Executive Board and the department's senior executive staff. The Departmental Network Meeting provides input to strategic and policy matters across the department.

As at 30 June 2015, the Executive Board was supported by five departmental committees:

- Audit
- Information Technology
- Strategy and Impact
- People and Culture
- Deregulation

The committees met on either a monthly, bi-monthly or quarterly basis and assisted with broader departmental reporting and decision making processes, developing new ideas and providing forums for consultation. The committees reported regularly to the Executive Board.

Our Strategic Plan

The Department of Education Strategic Plan 2014–2017 was launched in July 2014. Development of the plan, through consultation with our people, provided an exciting opportunity to consider who we are, what we do and why we do it.

The plan sets out our vision—opportunity through learning—and our department's goals, which reflect the Australian Government's priorities. An important component of the plan is our commitment to improving education outcomes for Aboriginal and Torres Strait Islander peoples. The plan also describes our pathways, values and culture and highlights how we support our people, stakeholders and clients.

The strategic plan was developed prior to machinery of government changes announced on 23 December 2014. As such, it does not include the vocational education and training function of the Department of Education and Training. These functions are reflected in the Department of Education and Training Corporate Plan 2015–19, developed during early 2015 and released on 31 August 2015.

Business planning

Business plans are developed annually for business units and outline a formal statement of goals and how they will be achieved. At the beginning of 2014–15 the department's business plans aligned with the vision and goals set out in the strategic plan, which in turn are linked to individual performance and development plans.

Business plans were developed in mid-2015 to align with the visions, goals and resourcing set out in the Department of Education and Training Corporate Plan 2015–19. Plans are updated as needed to reflect any changes in priorities and are reviewed biannually.

Fraud control

As required by section 10 of the Public Governance, Performance and Accountability Rule 2014, the department has:

- conducted fraud risk assessments as required under the department's Risk Framework
- implemented a fraud control plan
- appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the specific needs of the department
- taken all reasonable measures to appropriately deal with fraud relating to the department.

In 2014–15, the department promoted fraud awareness and managed fraud risks by:

- continuing to integrate fraud risk assessment into the department's business planning processes
- providing an interactive online fraud awareness training package for employees
- maintaining a suite of fraud control guidance documents for all employees
- developing a new Department of Education and Training Fraud Control Plan 2015–2018, which will be implemented in the 2015–16 financial year
- providing advice to programme and policy areas on fraud risk analysis and management
- investigating instances of possible fraud in accordance with the Australian Government Investigations Standards and the Commonwealth Fraud Control Framework 2014.

Risk management

The department's risk management framework and policy was updated in August 2014 to align with the new Commonwealth Risk Management Policy.

To assist in accomplishing our vision the department has adopted an enterprise-wide risk management approach, designed to ensure risk is managed in an integrated way and operationalised as an essential part of all business processes. This approach is to ensure risk management is considered a critical part of business delivery and good governance that supports our initiatives by providing systematic, timely and structured methods for managing uncertainty.

The Executive Board's management of risk at the strategic level is supported by the commitment to risk management as an integral part of the department's planning and decision making processes. Accurately identifying, treating and monitoring departmental risks and opportunities at the operational and organisational level enhances the department's resilience and capacity to positively respond to complex environments.

The department's risk management framework and policy guide the way risks are managed across the department with an emphasis on a positive risk culture and understanding of risk that provides a greater certainty for our stakeholders. By being fully cognisant of our risk profile we are better informed, more decisive and move with increased confidence to achieve our vision and successfully deliver government initiatives.

The department's risk landscape is captured by the use of RiskActive, an integrated whole-of-department risk management system. Our risk register allows for the management of risk in real time, provides a central repository for risk plans and supports the risk management framework and policy. RiskActive open days are held on a regular basis to enable staff to become acquainted with the system, supported by an eLearning component and an on-line assisted environment.

In January 2015 the department participated in the annual Comcover Risk Management Benchmarking Survey. The results from the Survey saw the department achieve a risk maturity level rating of 'advanced' for its approach to risk management. This is the second highest rating that can be achieved, is above the government entity average of 'integrated' and is consistent with the department's size, complexity, operating environment and agreed expectations of our accountable authority.

FINANCIAL PERFORMANCE

After adjusting for depreciation the department reported an operating surplus for 2014–15 of \$3.3 million (1.05 per cent of departmental revenue). This compares to a deficit in 2013–14 of \$1.8 million (0.8 per cent of departmental revenue). The department's administered expenses over the same period were \$30 million compared to \$22.7 million in 2013–14.

PURCHASING AND CONSULTANCIES

Purchasing

The department's procurement policies and practices are consistent with all relevant Commonwealth laws, the Commonwealth financial framework (including the Commonwealth Procurement Rules) and other relevant policies. Specialist legal and probity advice is available to all areas of the department engaged in procurement. The department uses AusTender to publish its procurement activities and plans. The department's procurement activities are accessible to all business enterprises.

The department has implemented the requirements of the government's Indigenous Opportunities Policy in tendering and contracting processes. The department works in partnership with Supply Nation in applying the policies to support participation of Aboriginal and Torres Strait Islander businesses in Government procurement activities.

There were no contracts exempt from being reported on AusTender during 2014–15.

Procurement Initiatives to Support Small Business

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

The department recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website: www.treasury.gov.au/.

The department's procurement practices support SMEs though a range of initiatives and practices including the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000, Australian Industry Participation Plans where applicable and the Small Business Engagement Principles.

Consultancies

The department engages consultants to provide professional, independent and expert advice or services, taking into account the skills and resources required for the task, the skills available internally and the cost-effectiveness of those options. The decision to engage a consultant is made in accordance with the *Public Governance, Performance and Accountability Act 2013* and related regulations.

The methods of selection used for consultancies are consistent with government requirements. Consultants are typically engaged to investigate or diagnose a defined issue or problem, carry out defined research reviews or evaluations, or provide independent advice, information or creative solutions to assist the department make decisions.

In 2013–14, 62 new consultancies were entered into, involving total actual expenditure of \$5,179,933. In addition, 26 ongoing consultancy contracts were active during 2014–15, involving total actual expenditure of \$1,310,642.

Information on the value of contracts and consultancies is available on the AusTender website **www.tenders.gov.au**.

Grants programmes

Information on grants awarded by the Department of Education and Training during the period 1 July 2014 to 30 June 2015 is available at **www.education.gov.au**.

EXTERNAL SCRUTINY

The following provides information on the most significant developments in external scrutiny for the department.

Judicial decisions

There were no decisions of any Court during 2014–15 that have had, or may have, a significant impact on the operations of the department.

Decisions of Administrative tribunals and the Office of the Australian Information Commissioner

There were no decisions of administrative tribunals or the Office of the Australian Information Commissioner during 2014–15 that have had, or may have, a significant impact on the operations of the department.

Reports on the operations of the department by the Commonwealth Ombudsman

In March 2015, the Commonwealth Ombudsman published *Making things right: Department of Education and Training: Compensation for errors made by contracted service providers, as a result of the Ombudsman's investigations on the review of decisions made by the department to refuse incentives under the Australian Apprenticeships Incentives Programme (AAIP).*

In response to the Ombudsman's recommendations, the department committed to improve staff training and awareness about how staff exercise the discretion in the AAIP Guidelines to waive the eligibility requirements for incentives in exceptional circumstances and to review section I.B.2 of the AAIP Guidelines, along with any associated internal guidance, which outlines the circumstances in which the department reserves the right to withhold or refuse payment or require repayment of incentives.

Parliamentary committee inquiries

There were no Parliamentary committee reports on the operations of the department during 2014–15.

Reports by the Auditor-General

- Audit Report No. 16 2014–15 Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2014
- Audit Report No. 23 2014–15 Administration of the Early Years Quality Fund
- Audit Report No. 31 2014–15 Administration of the Australian Apprenticeships Incentives Program
- Audit Report No. 44 2014–15 Interim Phase of the Audits of the Financial Statements of Major General Government Sector Entities for the year ending 30 June 2015.

Details of these reports can be found on the Australian National Audit Office website www.anao.gov.au.

INFORMATION PUBLICATION SCHEME

Agencies subject to the *Freedom of Information Act 1982* are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements. The department's plan is available at **docs.education.gov.au**.

AUDIT PROCESSES

Audit Committee

The department's Audit Committee has been established in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* and the Public Governance, Performance and Accountability Rule 17 - Audit Committee for Commonwealth Entities.

The committee is responsible for providing independent assurance and assistance to the Secretary on the department's financial and performance reporting responsibilities, risk oversight and management and systems of internal control.

Members of the department's Audit Committee include three internal and four independent members, with the Chair being at the associate secretary level.

Internal Audit

Internal Audit is an important component of the department's control framework. It provides independent assurance to the department's Executive and Audit Committee that resources are being used efficiently, effectively, economically and ethically to:

- promote strong performance management and accountability in departmental programmes systems and practices
- promote better practice within the Department of Education and Training
- improve controls and governance within a risk management environment.

Internal Audit monitors the implementation of both internal and external audit recommendations and reports progress on these to the Audit Committee.



PART 4 How we operate

Dur people	82
Shared Services Centre	89
Environmental performance	90
nformation technology	93

OUR PEOPLE

At 30 June 2015, the department had 1671 employees. Appendix 8 contains summary tables of workforce statistics on that date.

Workforce numbers reflect the transfers into and out of the department as a result of the machinery of government changes announced in December 2014.

With the changes to the department came an opportunity to look toward the future and shape the strategic direction of people management policies, initiatives and planning. The department's People and Culture Committee is responsible for people and skills, culture, diversity and engagement. The committee meets regularly to consider and oversee the implementation, delivery and evaluation of the strategic people agenda for the department.

Strategic people management and people capability

The department is implementing a number of strategies to support our people management and people capability into the future. These align with and support delivery of the department's strategic plan, especially the elements related to workforce management, capability, leadership and performance management. These plans provide the guidance and define the department's people priorities and:

- ensure capability development and investment meets business needs
- guide workforce decisions that support business goals
- respond to and influence organisational culture
- focus on building employee engagement, a driver of individual and organisational performance.

The department has established a number of initiatives to support workforce management and employee engagement including establishing an internal mobility register that allows employees to register their interest in moving both within and external to the department. An attendance management toolkit has been launched to assist managers to maintain a positive attendance culture within the workplace.

Workforce planning activity has focused on ensuring the departmental management structures are designed to support business delivery and performance, through more effective reporting structures, improved job design and devolved decision making and accountability. Implementation of the plan will occur between 2015–2018 financial years.

The department's approach to the development of people capability is articulated through the Learning and Development Action Plan 2015. This plan captures the commitment of the department to the ongoing development of employees and their skills and ensures that, in the immediate and long term, capability is built which will allow the department to deliver its core business.

The implementation of these strategies are underpinned by a range of people-related evidence, metrics and data including the aggregated results of the department's People Capability Framework self-assessments and results from the Australian Public Service Commission (APSC) State of the Service Survey and APS Employee Census.

Recruitment: Entry Level programmes

The graduate programme, the APSC Indigenous Cadetship Programme, and the Indigenous Australian Government Development Programme (IAGDP) continue to provide opportunities for the department to build capability and ensure we have succession for the future.

Twenty-five participants completed entry level programmes in 2014: 19 graduates, five IAGDP participants and one information and communications technology cadet.

In February 2015, 18 participants commenced the graduate programme. These graduates will complete a 10-month programme consisting of two work placements, on-the-job training and structured learning and development. They also contribute enthusiastically to the culture of the department coordinating a departmental trivia night and other events to raise money for charity.

Two Indigenous cadets continued with the department in the second year of their programme. Both cadets are based in Canberra and are working part-time while they undertake tertiary studies.

The department is currently hosting eight participants in the 2014–15 IAGDP. Participants are undertaking a Diploma of Government while working full-time and are expected to complete the programme in December 2015. The department looks forward to commencing its next intake of 15 participants in September 2015.

Diversity

The department's Diversity Strategy provides the framework to enable us to build an environment that supports and embraces all elements of diversity, with a focus on people with disability, Aboriginal and Torres Strait Islander people and the mature aged. Diversity embraces various dimensions including race, gender identity, LGBTIQ, sexual orientation, intersex status, language, culture, age, religion and disability.

Workplace diversity underpins the capability of our workforce and is part of our daily decision making and the way we work. To ensure that the diversity of our workforce reflects that of the broader community, we maintain our focus on building an inclusive environment that values the contribution diversity makes to organisational outcomes.

The department's Diversity Champion raises awareness and promotes initiatives that support our people to develop and implement inclusive practices for people from diversity groups and ensure that we build a workforce that reflects the community. The department's diversity team works with managers, employees and service providers to advocate for employees who have a caring role, disability or cultural differences. Our human resource practitioners regularly have conversations with employees with caring responsibilities to help them access respite and counselling services.

The department has a number of employee networks for Aboriginal and Torres Strait Islanders, women, people with disability and the LGBTIQ community.

Changes to disability reporting in annual reports

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at **www.apsc.gov.au**. From 2010–11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in late 2014, and can be found at **www.dss.gov.au**.

Remuneration and conditions of employment

Remuneration and conditions for non-SES employees

Employees who transferred to the department under the machinery of government changes in September 2013 had their terms and conditions preserved under a determination made under section 24(3) of the *Public Service Act 1999*. The determination preserves the terms and conditions of the Department of Education, Employment and Workplace Relations (DEEWR) Enterprise Agreement 2012–14 for former DEEWR employees and the terms and conditions of the One Innovation Enterprise Agreement 2011 for former employees of the Department of Industry.

As a result of the Administrative Arrangements Orders (AAOs) in December 2014, the Department of Education became the Department of Education and Training. The AAOs provided for the transfer of Childcare programmes to the Department of Social Services (DSS) and the transfer of Skills and Training programmes to the department from the Department of Industry and Science.

Non-SES employees transferring to the department had their terms and conditions under the One Innovation Enterprise Agreement 2011 preserved by a determination made under section 24(1) of the *Public Service Act 1999*.

Both the 2013 section 24(3) and 2014 section 24(1) determinations preserved the terms and conditions of employment that employees of the department had immediately before the making of each of the AAOs.

The section 24(3) and section 24(1) determinations applying to non-SES employees will remain in place until a new enterprise agreement is developed for the department.

The preserved conditions of employment provide for flexible working hours and leave arrangements to assist employees to balance their personal and professional lives. These arrangements include:

- access to part-time arrangements, flextime, study assistance, purchasing of additional leave, working from home arrangements and broad personal and parental leave provisions
- access to a range of allowances for non-SES employees that help to promote good health, recognise
 employees' health and safety roles in the workplace and provide assistance with the cost of school holiday
 care for primary school children of employees who are at work.

At 30 June 2015, 1615 employees were covered by the non-SES section 24(3) and section 24(1) determinations.

Commemorating days of significance

The department commemorates Aboriginal and Torres Strait Islander days of significance each year to recognise and learn about our nation's history, cultures and reconciliation journey.

During National Reconciliation Week 2015, the department hosted a range of events across all its offices. In National Office, two specialist cultural learning workshops proved very popular with our people. The Women's Cultural Learning Experience provided an opportunity for 45 female staff to participate in cultural learnings on women's roles and responsibility in community, while also learning about the materials and skills required for basket weaving. The Men's Cultural Learning Experience provided an opportunity for 36 male staff to participate in cultural learnings on men's business, men's roles and responsibilities, respecting women, raising children, lore, being on country and hunting. The men also had lessons in playing the didgeridoo as well as painting didgeridoos, adding to the department's collection of artwork.

The Focus on Language panel discussion was also well received, with 85 employees present for the live panel discussion that was streamed to all our staff across Australia. Equally popular was the Language workshop held by the Australian Institute for Aboriginal and Torres Strait Islander Studies (AIATSIS). The workshop provided an opportunity for participants to meet AIATSIS researchers and staff who discussed the variety of Australian Aboriginal languages and their sound systems and orthographies.

The department has a number of individual arrangements that are used primarily to recognise hard-tosecure specialist skills sets that are critical to business needs. At 30 June 2015, 20 employees had individual arrangements in place.

The department commenced bargaining to develop an Enterprise Agreement with the issue of the Notice of Employee Representational Rights (NERRs) on 31 July 2014. The NERRs were reissued on 17 March 2015, in consultation with bargaining representatives, following the machinery of government changes announced on 23 December 2014. The department meets regularly with nominated bargaining representatives and has an active consultation approach, engaging directly with employees to seek input and feedback.

Remuneration and conditions for SES employees

Remuneration and conditions for SES employees are covered by either a section 24(1) determination made under the *Public Service Act 1999* by the Secretary or by common law agreements.

The section 24(1) determination and common law agreements provide for a total remuneration approach to SES remuneration and conditions and preserve non-salary benefits including a privately plated motor vehicle and car parking which employees may elect to cash out (either the value of the vehicle or that of the car park, or both).

The SES arrangements do not provide for performance pay.

The department is currently consulting on the development of a new, single set of SES arrangements.

Indigenous business is everyone's business

As a department, we play a significant role in closing the gap in disadvantage experienced by Aboriginal and Torres Strait Islander people, and continue efforts in supporting the Government's prioritisation of accelerated effort and increased action to improve education outcomes for Aboriginal and Torres Strait Islander people. We reflect on the broader Closing the Gap targets and the important connection between each of them. Improvements in early learning and schooling outcomes will provide a very strong foundation for improvements in health and life expectancy.

The department promotes a culture where *Indigenous business is everyone's business*—across its work practices, values and business. All employees are supported through the provision of a number of learning opportunities to build their cultural capability. Building a culturally capable and confident workforce will ensure we are equipped to develop policies and deliver programmes that will lead to rewarding and empowering outcomes for Aboriginal and Torres Strait Islander peoples and the Australian community more broadly.

To further embed *Indigenous business is everyone's business* into the organisational culture, the department is reviewing its recruitment policy to incorporate the expected cultural capabilities of its employees.

Reconciliation Action Plan

The department's 2014–17 Reconciliation Action Plan (RAP) was launched on 25 September 2014. Our RAP fits comfortably in the Stretch category of Reconciliation Australia's Reflect Innovate Stretch Elevate Framework. The department is committed to remaining an employer of choice for Aboriginal and Torres Strait Islander peoples, and through our RAP we aim to increase our representation of Aboriginal and Torres Strait Islander peoples to 4.5 per cent by December 2017. We recognise a diverse workforce is better attuned to the goals of reconciliation, helping to create a safe and inclusive environment for Aboriginal and Torres Strait Islander peoples to thrive.

In early 2015, we commenced work to refresh our RAP to take account of the department's changed functions following the machinery of government changes announced in December 2014. The refreshed RAP, once finalised, will comprise actions and targets for the department.

Aboriginal and Torres Strait Islander recruitment and retention

The department is committed to improving the recruitment, retention and career development of our Aboriginal and Torres Strait Islander employees.

The proportion of our workforce who identify as being of Aboriginal or Torres Strait Islander origin is 2.28 per cent. This has declined over this year due to the machinery of government changes and we are exploring strategies to continue to grow our Aboriginal and Torres Strait Islander workforce including increasing our recruitment targets through entry level programmes.

The department held a two-day workshop in June 2015 to bring all Aboriginal and Torres Strait Islander employees together to strengthen and consolidate their network. During the workshop, and as a direct result of the 2014 workshop, these employees were given the opportunity to consider their short and long term career aspirations as well as discussing emerging priorities for the group. Information gathered from the workshop will be used to inform work on the above mentioned priorities.

Aboriginal and Torres Strait Islander Employee Committee

The department's Aboriginal and Torres Strait Islander Employee Committee has two important roles: providing support to members of the network of Aboriginal and Torres Strait Islander employees, and offering strategic advice to the department on workplace and workforce matters affecting Aboriginal and Torres Strait Islander employees including recruitment, retention and career development strategies. The committee provides leadership and advice to the department on how best to target limited resources to areas that will help the department remain an employer of choice and continue a culture of *Indigenous business is everyone's business*.

Mobility programme

In the 2014 APS Employee Census, our employees indicated their preference for mobility options across the department. Implementing an employee-initiated mobility programme has given employees the opportunity to build new skills and capability as well as helping to re-align resources and capabilities to meet operational requirements. Employees have the option to move within the department or to another APS agency.

Following the success of the programme and a review in March, the programme has

continued. Employees have provided positive feedback, such as:

- Great idea and more people should be encouraged to go on the register if they are looking for a change. It is a great morale boost to have this opportunity
- The mobility programme is an efficient way to transfer at level. It gave me an opportunity to discuss exactly what the job involved and made the process of negotiating the

transfer easy and quick. Both areas were supportive of the process which was very helpful.

A further review of the programme will take place in the second half of 2015 to see how it may continue to support the department's future workforce requirements.

Aboriginal and Torres Strait Islander Employee Workshop

The department's Aboriginal and Torres Strait Islander Employee Workshop was held on 10 and 11 June 2015 in Canberra. Building on the 2014 workshop, Inspire, Aspire and Achieve the theme for the 2015 workshop was 'Our future depends on what we do today'.

The workshop provided an opportunity for all Aboriginal and Torres Strait Islander employees to develop recruitment, retention and career development strategies to help strengthen ties and increase representation of Aboriginal and Torres Strait Islander peoples in the department.

Participants gained valuable insights from a panel of esteemed speakers, including Richard Weston, CEO, The Healing Foundation, Jennifer Goolagong, Director of the Programme and Implementation Taskforce, Prime Minister and Cabinet, Stephanie Hardy, CEO, Indigenous Community Volunteers and Katrina Fanning, General Manager for Strategy, Innovation and People at Aboriginal Hostels.

Staff were captivated by keynote speaker, Generation One CEO Jeremy Donovan, who gave a touching account of his childhood and described his journey to becoming a multi-award winning didgeridoo player and Australian Ambassador. Jeremy concluded his address by playing his award winning piece, Kahlinda.

Our Aboriginal and Torres Strait Islander employees also took the opportunity to discuss many important goals around how *Indigenous business is everybody's business* can be further embedded into the department's culture. The workshop was preceded, on 9 June 2015, by an opportunity for all Aboriginal and Torres Strait Islander employees to shadow a member of the SES for a day.

Feedback from participants was very positive. Some of the highlights and take away messages from participants: 'the bonding experience. It's so nice to meet up with everyone and talk about something we all have in common', 'guest speakers were very inspirational' and 'Embrace change, look for the opportunities and recognise you can do whatever you want to'.



Members of the department's Aboriginal and Torres Strait Islander Employee Network, with the Diversity Champion and Group Manager, People, Communication and Legal Group, Michelle Cornish and the Director of the Workforce Planning team, Lyn Sharpe.

SHARED SERVICES CENTRE

The Shared Services Centre (SSC) was created in December 2013 to reduce the cost of corporate services by using a 'cost recovery' business model to deliver services to the department and its broader customer base.

Throughout 2014–15, the SSC successfully implemented a business model that aimed to preserve its customer base, broaden its service offerings to those customers and deliver services to new customers.

Delaine Wilson was appointed as Chief Executive Officer in October 2014. Since then the SSC has updated its vision statement to 'Leaders in exceptional and innovative shared services solutions' as well as releasing its suite of strategic documents: SSC Strategic Plan 2015–2017, Marketing and Growth Strategy and IT Strategy.

Governance

The SSC Governance Board provides oversight and guidance of the SSC in delivering shared and common support services to Australian Public Service clients.

The SSC forms part of the corporate functions of each Partner and as such all statutory reporting obligations are conducted through the Partner departments (Department of Education and Training and Department of Employment).

Name	Role
Renée Leon PSM	Chair and Secretary of the Department of Employment
Lisa Paul AO PSM	Secretary of the Department of Education and Training
Delaine Wilson	Chief Executive Officer of the SSC (ex-officio)
John Lloyd PSM	Australian Public Service Commission representative
Stein Helgeby ¹	Department of Finance representative
Natalie James	Client agency representative
Julian Barrington-Smith	Independent member

Table 14: The members of the SSC Governance Board

1 Interim arrangement

Priorities

During 2014–15 the SSC's shared corporate services model allowed both departments to share some of their corporate functions including such services as assurance, building access and telephony, design and website support, finance support, HR services, library and mailroom services, corporate IT services and property services. Some corporate functions remained within each Partner department.

ENVIRONMENTAL PERFORMANCE

Our environmental performance is managed on the department's behalf by the SSC. Due to the accommodation and operations of the department not being fully separated from those of the Department of Employment, for the operations of the SSC, aspects of this analysis is aggregated for both departments in 2014–15.

Environmental management is focused on reducing impacts from energy consumption, waste, water consumption, vehicle fleet, air travel, paper consumption and procurement policies and practices. The department's progress is summarised in Table 15.

Table 15: Summary of environmental performance	Table	15:	Summary	of	environmental	performance
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Indicator	2013–14	2014–15	Change (%)
Office/building energy use			
Total office tenant light and power electricity consumption (kWh)	6,863,055	6,652,138	-3.17%
Total office tenant light and power energy consumption (MJ)	24,706,998	23,947,696	-3.17%
Office tenant light and power energy use per full-time equivalent (MJ/FTE)	6,432.44	6,875.59	+6.89%
Office tenant light and power energy use per square metre (MJ/m2)	222.68	220.61	-0.93%
Greenhouse emissions attributed to office tenant light and power energy use (tonnes/CO2-e)	6,087.30	5,230.90	-14.07%
Green power purchased (kWh)	418,287	611,769	+46.26%
Vehicle fleet			
Total number of fleet vehicles	140	71	-49.29%
Average green vehicle rating of fleet	13.3	13.1	-1.50%
Total fuel purchased (kilolitres)	86.73	36.69	-57.70%
Total distance travelled (kilometres)	900,520	360,284	-59.99%
Average fuel consumption of vehicle fleet (litres/100 km)	9.63	10.18	+5.71%
Total direct greenhouse emissions of fleet (tonnes CO2-e)	201.62	70.18	-67.19%
Greenhouse emissions			
Total greenhouse emissions (tonnes CO2-e)	6,288.92	5,301.08	-15.71%
Total greenhouse emissions per FTE (tonnes CO2-e/FTE)	1.64	1.52	-7.32%
Air travel			
Total number of flights	12,746	13,785	+8.15%
Total distance of flights (km)	10,026,378	10,571,562	+5.44%

Indicator	2013–14	2014–15	Change (%)
Resource efficiency and waste ^a			
Office paper purchased by FTE (A4 reams/FTE)	7.9	6.2	-21.52%
Percentage of paper purchased with recycled content	97.90%	82.49%	-15.74%
Office paper recycled (tonnes)	122.12	185.20	+51.65%
Total waste produced (tonnes)	115.00	127.64	+10.99%
Total waste produced per FTE (kg/FTE)	61.43	57.95	-5.66%
Percentage of waste diverted from landfill	25.10	25.80	+2.71%
ICT sustainability			
Desktop devices per end user (including laptops)	1.84	1.95	+6.0
Desktop computers to printer ratio	13:1	12:1	-7.7
Desktop computers off (or sleeping) after hours	93%	86%	-7.5
Desktop energy per end user (kWh per annum, averaged across agency)	231	287	+24.2

CO2-e = carbon dioxide equivalent; kWh = kilowatt hour; MJ = megajoule; N/A = not available.

a Waste and recycling data is only available for tenancies across Canberra.

Effect of the department's activities on the environment

The department constantly monitors and works to improve its performance across all aspects of our environmental impact, with an emphasis on energy and resource efficiency.

Office and building

In 2014–15, the department again surpassed the Energy Efficiency in Government Operations Policy target of 7500 megajoules per person per year (MJ/FTE), at 6876 MJ/FTE. Compared with the previous financial year, energy intensity per person was a little higher but energy intensity per square meter of leased space and greenhouse gas emissions were slightly lower.

These variations reflect the significant recent changes to the department's property portfolio and functions – particularly in state and regional operations – following a series of machinery of government changes. Overall, the environmental performance standards for offices from 2013–14 has been maintained.

Information and communications technology

Since the 2010 release of the Australian Government ICT Sustainability Plan 2010–2015, the department has reduced the running costs, resource consumption and environmental impacts of ICT operations through initiatives including the use of energy efficient monitors, virtual servers and print on demand for multifunction devices that default to duplex and black and white printing.

In 2014–15 there has been a moderate increase of desktop energy per end user (up from 231 kWh in 2013–14 to 287 kWh in 2014–15), a slight increase in the number of desktop devices per end user (up from 1.84 in 2013–14 to 1.95 in 2014–15), and a slight decrease in the ratio of desktop computers to printers (from 13:1 in 2013–14 to 12:1 in 2014–15).

These results are mainly attributed to approved business demand for additional dual monitor configurations, additional desktop computers for users and the provision of additional SES printers. The exemption of more desktop computers from power management has reduced the number of these devices powered off after hours from 93 per cent to 86 per cent.

Vehicle fleet and air travel

The average Green Vehicle Guide rating of the departments' combined vehicle fleet has changed marginally from last financial year, but the size of the fleet has halved. This has led to a significant reduction in fuel consumption proportional to the reduction in the fleet size. Overall, previous standards of fleet efficiency have been maintained.

Total air kilometres travelled in 2014–15 were slightly higher than 2013–14, however the significant reduction from 2012–13 has been maintained.

Resource efficiency and waste

Paper use has fallen by 21.52 per cent in 2014–15 from 7.9 in 2013–14 to 6.2 reams per person, reflecting the department's ongoing efforts to standardise on electronic filing only. Usage is now significantly below the Australian Government ICT Sustainability Plan 2010–2015 target of 9 reams per person per annum by July 2015.

The department continues to purchase recycled stock for all standard A4 and A3 paper. In 2014–15 82.49 per cent of all paper purchased had some recycled content and 64.53 per cent was either carbon neutral or 100 per cent post-consumer recycled stock.

The waste management system in Canberra continued to achieve very good results, with 25.8 tonnes of organic material diverted from landfill to vermiculture—reducing emissions and producing beneficial worm castings and compost.

INFORMATION TECHNOLOGY

Delivery of the department's outcomes was supported by a range of information technology services, including application development and support, business analytics and geospatial reporting, application hosting, infrastructure provisioning and other support services. Responsibility for the department's information technology was shared between the department, which continued to sustain and develop its major business applications, and the SSC, which managed the rest of the information technology services for the department.

The department continues to be a leader in technology utilisation, including the adoption of cloud services, supporting the SSC as a joint initiative between the Department of Education and Training and the Department of Employment, and utilising technology to help deliver efficient business processes that meet the needs of users and delivery of, and support for, whole of government initiatives. This includes the Whole of Government Parliamentary Workflow Solution (PWS), which is delivered by the department.

Major Achievements

The department has focussed on the delivery of benefits through the implementation of IT changes that support operational improvements. Such changes have included:

- Improving data analytics capabilities by developing the first instalment of an enterprise DataMart for the Higher Education, Research and International cluster and expanding the SYDMS schools data warehouse to include Australian Curriculum Assessment Reporting Authority/My Schools data and payment data.
- Delivering the Online Estimator, an external facing what-if tool based on the Australian Education Act 2013 funding model for the external stakeholders such as schools and education authorities and states.
- Implementing major enhancements to critical business systems to support various new policy directions, legislative change and government's deregulation agenda.
- Developing extensive new system functionality to improve usability of departmental web sites and support self-serve account management and registration.
- Developing extensive new system functionality to support the government's New Colombo Plan initiative under a Memorandum-of-Understanding with the Department of Foreign Affairs and Trade.
- The SSC, on behalf of the department, commencing a data centre transition project which involves moving to the Canberra Data Centres in Fyshwick and Hume in the ACT. The project aligns with the whole-of-government data centre policy and will provide a high quality managed service with increased redundancy and reliability.
- As a leader in the adoption of private and public cloud computing within government, provisioning 240 servers in the public cloud used for the development and testing of applications. The department takes advantage of the flexibility and efficiency offered by cloud computing where privacy and performance constraints allow.
- Continuing to rollout the PWS across the APS with projected savings to the government of \$30 million
 over 10 years. The Department of Finance reviewed the progress of the PWS, finding that it was well
 received by users, and was achieving the key objective of supporting the transformation of the APS with
 its focus on standard business across the service. In 2014-15 the Department was presented with the ANZ
 Public Organisation of the Year (Business Process) award at the FutureGov Summit 2014 held in Kuala
 Lumpur Malaysia for its work on rolling out and supporting the PWS across government.

- Deploying a new set of tools to enhance employees' productivity when they are away from the office. These tools support mobile computing and allow laptop access to a desktop environment for mobile users, and allow smartphone and tablet access to key business applications anywhere there is a connection to the internet.
- Establishing a Portfolio Management Office (P30) that directs its efforts towards ensuring that IT systems
 deliver benefits reliably and efficiently. The P30 provides the department with a project and programme
 management centre of excellence and will lead to improvements in IT investment and management.
- The department successfully accommodated machinery of government changes during 2014 that involved the onboarding and offboarding of large numbers of staff and their associated information technology systems.

The Whole of Government Parliamentary Workflow Solution

The Parliamentary Workflow Solution (PWS) is a centrally hosted solution progressively being rolled out across government agencies. It is the first initiative of its kind to implement major business change across government through a shared solution that is hosted and supported by a single agency. It is the result of the Government's decision to implement a shared service and to standardise business processes when processing ministerial correspondence, briefs and submissions, and aims to save the Government \$30 million over 10 years.

Overall, the PWS is viewed as a successful shared services initiative that has promoted standard business practice across agencies while providing the flexibility to allow each agency to adapt the solution to meet their individual requirements. The PWS is highly regarded as the model for future Whole of Government projects and an example of successful collaboration and cooperation across agencies as evident through the Governance Committee and agency willingness to contribute to the measure and assist other agencies benefit from using the PWS

By June 2015 a total of 51 agencies were connected, 47 agencies had completed transitioning to the PWS and over 427,000 records had been processed. All remaining agencies are due to be transitioned by June 2016.

In 2014–15 the department was presented with the ANZ Public Organisation of the Year (Business Process) award at the FutureGov Summit 2014 held in Kuala Lumpur Malaysia for its work on rolling out and supporting the PWS across government.

The department was also selected as a finalist for the 2014 Service Innovation Awards in the Government Category for its work on the PWS.



PART 5 Financial statements

Department of Education and Training Financial Statements for 2014–15

96





INDEPENDENT AUDITOR'S REPORT

To the Minister for Education and Training

I have audited the accompanying annual financial statements of the Department of Education Training for the year ended 30 June 2015, which comprise:

- · Statement by the Chief Executive and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- · Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- · Administered Schedule of Comprehensive Income;
- · Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- · Administered Cash Flow Statement;
- · Schedule of Administered Commitments; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the Department of Education and Training is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Chief Executive is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

GPO Box 707 CANBERRA ACT 2601 19 National Circuit BARTON ACT Phone (02) 6203 7300 Fax (02) 6203 7777 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the Department of Education and Training, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Department of Education and Training:

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

Australian National Audit Office

John Jones

Executive Director Delegate of the Auditor-General

Canberra 18 September 2015

Department of Education and Training STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

Signed.

Lisa Paul AO PSM Chief Executive

September 2015

Signed

Susan Monkley Chief Finance Officer

September 2015

Department of Education and Training STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2015

		2015	2014
	Notes	\$'000	\$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits	4A	206,561	154,622
Supplier expenses	4B	101,179	68,908
Grants	4C	257	-
Depreciation and amortisation	4D	26,918	20,308
Finance costs	4E	51	-
Write-down and impairment of assets	4F	2,866	902
Losses from asset sales	4G	-	314
Total expenses	-	337,832	245,054
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	5A	30,385	18,067
Total own-source revenue	-	30,385	18,067
Gains			
Sale of assets	5B	87	-
Reversals of previous asset write-downs and impairment	5C	64	74
Other gains	5D	6,847	8,273
Total gains	-	6,998	8,347
Total own-source income	-	37,383	26,414
Net cost of (contribution by) services	-	300,449	218,640
Revenue from Government	5E	276,854	196,102
Surplus (Deficit) attributable to the Australian Government		(23,595)	(22,538)
	-		
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus:			
Adjustment to leasehold improvements		5	433
	-	5	433
Total other comprehensive income	-	5	433
Total comprehensive income (loss) attributable to the Australian	-	(00.000)	(22.105)
Government	_	(23,590)	(22,105)

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

Department of Education and Training STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

		2015	2014
	Notes	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	7A	9,817	8,429
Trade and other receivables	7B	51,829	34,769
Other financial assets	7C	3,276	10,113
Total financial assets	-	64,922	53,311
Non-financial assets			
Land and buildings	8A	42,118	50,867
Infrastructure, plant and equipment	8B	11,327	11,452
Intangibles	8D	70,403	63,552
Other non-financial assets	8F	10,728	8,599
Total non-financial assets	-	134,576	134,470
	_		
Total assets	=	199,498	187,781
LIABILITIES			
Payables			
Suppliers	9A	23,495	14,600
Other payables	9B	28,963	34,426
Total payables	-	52,458	49,026
	-		
Provisions			
Employee provisions	10A	54,778	61,052
Other provisions	10B	3,106	4,671
Total provisions	-	57,884	65,723
Total liabilities	-	110,342	114,749
	=	110,012	
Net assets	=	89,156	73,032
EQUITY			
Contributed equity		134,848	95,137
Reserves		438	433
Retained surplus (accumulated deficit)		(46,130)	(22,538)
Total equity	-	89,156	73,032
i otai cyaity	=	03,130	73,032

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

Department of Education and Training	STATEMENT OF CHANGES IN EQUITY	for the period ended 30 June 2015
Department of Educ	STATEMENT OF CHA	for the period ended

	Ketair	Retained earnings	Asselfevaluatio	UI LESELVES	Asset revaluation reserves Contributed equity/capital	літу/ сарітаі		Total equity
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	(22,538)		433	'	95,137	1	73,032	'
Adjustment for rounding	m		•	'		'	£	'
Adjustment for changes in accounting policies	•			'				
Adjusted opening balance	(22,535)		433		95,137		73,035	
Comprehensive income								
Other comprehensive income - changes in asset revaluation								
reserve	•		S	433			S	433
Adjustment to provision for restoration obligations	•	'		1				1
Surplus (Deficit) for the period	(23,595)	(22,538)	•	'			(23,595)	(22,538)
Total comprehensive income	(23,595)	(22,538)	5	433	•		(23,590)	(22,105)
Transactions with owners								
Distributions to owners								
Returns of capital:								
Restructuring (Note 11)				'	24,557	45,042	24,557	45,042
Return of special account balance (Note 30)		ı		'		'	•	
Contributions by owners								
Equity injection - Appropriation				'	3,489	15,111	3,489	15,111
Departmental capital budget		ı		'	18,686	20,163	18,686	20,163
Return of Unspent Appropriation				'			•	
Restructuring (Note 11)	•		•	'	(7,021)	14,821	(7,021)	14,821
Total transactions with owners	•	I	•		39,711	95,137	39,711	95,137

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

73,032

89,156

95,137

134,848

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(22,538)

(46,130) •

Transfers between equity components

Closing balance as at 30 June

Department of Education and Training CASH FLOW STATEMENT

for the period ended 30 June 2015

		2015	2014
	Notes	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		307,355	198,046
Sale of goods and rendering of services		40,737	12,145
Net GST received		5,712	4,149
Other Table and the second sec		9,922	1,110
Total cash received		363,726	215,450
Cash used			
Employee benefits		215,581	150,090
Supplier expenses		100,903	64,679
Grants		257	-
Section 74 receipts transferred to the OPA		47,837	-
Total cash used		364,578	214,769
Net cash from (used by) operating activities	12	(852)	681
INVESTING ACTIVITIES			
Cash received		705	
Proceeds from sales of infrastructure, plant and equipment Total cash received		735	4
			4
Cash used			
Purchase of infrastructure, plant and equipment		3,985	2,402
Purchase / development of intangibles		16,790	17,293
Purchase of land and buildings		2,041	266
Total cash used		22,816	19,961
Net cash from (used by) investing activities		(22,081)	(19,957)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - capital injections		3,836	8,861
Contributed equity - capital budget		18,299	16,226
Cash from restructuring		2,186	2,618
Total cash received		24,321	27,705
Net cash from (used by) financing activities		24,321	27,705
Net increase (decrease) in cash held		1,388	8,429
Cash and cash equivalents at the beginning of the reporting period		8,429	
Cash and cash equivalents at the beginning of the reporting period	7A	9,817	8,429
cash and cash equivalents at the end of the reporting period		5,017	0,725

The above statement should be read in conjunction with the accompanying notes.
Department of Education and Training SCHEDULE OF COMMITMENTS

as at 30 June 2015

BY TYPE \$000 \$000 Commitments receivable (11,110) (10,285) Net GST recoverable on commitments (30,967) (32,136) Total commitments receivable (42,077) (42,421) Commitments payable (42,077) (42,421) Commitments 339,127 350,287 Operating leases ¹ 323,127 350,287 IT commitments ² 10,884 1,300 Research and development 2,843 853 Other ² 19,209 6,399 Total other commitments by type 313,936 326,958 BY MATURITY 2 339,393 326,958 BY MATURITY (10,234) (8,479) Detween 1 to 5 years (17,226) (16,422) More than 5 years (17,226) (16,422) More than 5 years 128,731 129,278 Total commitments "eceivable (42,077) (42,421) Commitments payable 0 323,127 350,287 Operating lease commitments ¹ 128,731 129,27		2015	2014
Sublease rental income ¹ (11,10) (10,28) Net GST recoverable on commitments (30,967) (32,136) Otal commitments receivable (42,077) (42,421) Commitments payable (02,077) (42,421) Other commitments 30,967) (42,421) Commitments 323,127 350,287 Operating leases ¹ 2,243 853 Other ² 19,209 6,339 Total other commitments 356,013 369,379 Net commitments receivable (10,234) (8,479) Between 1 to 5 years (11,7,226) (16,422) More than 5 years (11,7,226) (16,422) Operating lease commitments ¹ (42,077) (42,421) Commitments receivable (42,077) (42,421) Otal commitments receivable (10,234) (8,479) Detween 1 to 5 years (14,617) (17,520) Total commitments (22,077) (42,421) Operating lease commitments ³ (14,617) (12,212) Other than 5 years 157,997 <td>BY TYPE</td> <td>\$'000</td> <td>\$'000</td>	BY TYPE	\$'000	\$'000
Net GST recoverable on commitments (30,967) (32,136) Total commitments receivable (42,077) (42,421) Commitments (42,077) (42,421) Commitments (10,034) (11,300) Research and development 2,843 853 Other and development 2,843 853 Other ³ 19,039 6,939 Net commitments 356,013 369,379 Net commitments by type 313,936 326,958 BY MATURITY Commitments receivable (10,234) (8,479) Commitments receivable (11,726) (16,422) (16,422) Within 1 year (10,234) (8,479) (16,422) (17,250) Total commitments receivable (12,727) (42,421) (17,250) (12,237) (12,237) (12,237) Operating lease commitments ¹ (14,2617) (17,250) (12,278) (12,277) (42,421) Commitments seceivable (12,237) (12,237) (13,202) (13,293) (13,293) (13,293) (13,293) (1	Commitments receivable		
Total commitments receivable (42,077) (42,421) Commitments payable 0 0 0 Operating leases ¹ 323,127 350,287 IT commitments ² 10,834 11,300 Research and development 2,843 853 Other ³ 19,209 6,939 Total other commitments 356,013 369,379 Net commitments payable 313,936 326,958 BY MATURITY 0 (10,234) (8,479) Between 1to 5 years (17,226) (16,422) More than 5 years (14,617) (17,520) Total commitments receivable (42,077) (42,421) Commitments payable 0 0 0 Operating lease commitments ¹ (42,077) (42,421) 0 Commitments payable 0 0 0 0 Operating lease commitments ¹ 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 </td <td>Sublease rental income¹</td> <td>(11,110)</td> <td>(10,285)</td>	Sublease rental income ¹	(11,110)	(10,285)
Commitments payable 11111 Other commitments 00 Operating leases ¹ 223,127 350,287 IT commitments ² 10,834 11,300 Research and development 2,843 853 Other ³ 19,209 6,539 Total other commitments 356,013 369,379 Net commitments by type 313,936 326,958 BY MATURITY Commitments receivable (10,234) (8,479) Within 1 year (10,210) (17,520) (16,422) More than 5 years (14,617) (17,520) (16,422) Operating lease commitments ¹ (42,077) (42,421) (42,421) Commitments payable Operating lease commitments ¹ 93,541 Detween 1 to 5 years 128,731 129,278 Total operating lease commitments 323,127 350,287 IT commitments ² - - - Within 1 year 6,414 7,401 3,899 4,420 3,899 Between 1 to 5 years - -	Net GST recoverable on commitments	(30,967)	(32,136)
Other commitments 323,127 350,287 IT commitments ² 10,834 11,300 Research and development 2,843 853 Other ³ 19,209 6,939 Total other commitments 355,013 369,379 Net commitments by type 313,936 326,958 BY MATURITY (10,234) (8,479) Between 1 to 5 years (14,617) (17,520) More than 5 years (14,617) (17,520) Total commitments receivable (42,077) (42,421) Commitments payable (42,077) (42,421) Commitments payable (22,78) 350,287 Operating lease commitments ³ (18,799) 129,78 Within 1 year 36,399 39,541 Between 1 to 5 years 127,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ²	Total commitments receivable	(42,077)	(42,421)
Operating leases ¹ 323,127 350,287 IT commitments ² 10,834 11,300 Research and development 2,843 853 Other ³ 19,209 6,939 Total other commitments 356,013 369,379 Net commitments by type 313,936 326,958 BY MATURITY (10,234) (8,479) Commitments receivable (14,627) (14,627) Within 1 year (14,627) (14,627) Total other sceivable (42,077) (42,421) Commitments payable Operating lease commitments ¹ Within 1 year Operating lease commitments ¹ 356,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 127,797 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² - - - Within 1 year 6,414 7,401 3,839 More than 5 years - - - Total IT commitments 10,834	Commitments payable		
IT commitments ² 10,834 11,300 Research and development 2,843 853 Other ³ 19,209 6,939 Total other commitments 356,013 369,379 Met commitments by type 313,936 326,958 BY MATURITY Commitments receivable (10,234) (8,479) Within 1 year (10,234) (8,479) (16,422) More than 5 years (14,617) (17,520) (16,422) More than 5 years (14,617) (17,520) (42,421) Commitments receivable (42,077) (42,421) (42,421) Commitments payable Operating lease commitments ³ 93,541 129,278 More than 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 -	Other commitments		
Research and development 2,843 853 Other ³ 19,209 6,939 Total other commitments 336,013 369,379 Net commitments by type 313,936 326,958 BY MATURITY Commitments receivable (10,234) (8,479) Within 1 year (10,234) (8,479) (16,422) More than 5 years (14,617) (17,226) (16,422) More than 5 years (14,617) (17,226) (16,422) Operating lease commitments (42,077) (42,421) (42,421) Commitments payable Operating lease commitments ³ 128,731 129,278 More than 5 years 128,731 129,278 104 operating lease commitments 322,127 350,287 IT commitments ³ 323,127 350,287 11 129,278 More than 5 years 4,420 3,899 38,91 13,300 IT commitments ³	Operating leases ¹	323,127	350,287
Other ³ 19,209 6,939 Total other commitments 356,013 369,379 Net commitments by type 313,936 326,958 BY MATURITY (10,234) (8,479) Commitments receivable (17,226) (16,422) Within 1 year (10,234) (8,479) Between 1 to 5 years (17,226) (16,422) More than 5 years (14,617) (17,520) Total commitments receivable (42,077) (42,421) Commitments payable (42,077) (42,421) Operating lease commitments ¹ Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ²	IT commitments ²	10,834	11,300
Total other commitments 356,013 369,379 Net commitments by type 313,936 326,958 BY MATURITY Commitments receivable (10,234) (8,479) Within 1 year (10,234) (8,479) Between 1 to 5 years (17,226) (16,422) More than 5 years (14,617) (17,520) Total commitments receivable (42,077) (42,421) Commitments payable (42,077) (42,421) Operating lease commitments ¹ (10,523) 128,731 129,278 More than 5 years 157,997 181,468 104,927 Total operating lease commitments 323,127 350,287 IT commitments ²	Research and development	2,843	853
Net commitments by type 313,936 326,958 BY MATURITY Commitments receivable (10,234) (8,479) Within 1 year (10,234) (8,479) Between 1 to 5 years (17,226) (16,422) More than 5 years (14,617) (17,520) Total commitments receivable (42,077) (42,421) Commitments payable Operating lease commitments ¹ Within 1 year Operating lease commitments ¹ Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² Vithin 1 year 6,414 7,401 Between 1 to 5 years 4,420 3,899 3,894 More than 5 years - - - Total I'C commitments 10,834 11,300 - Research and development commitments 2,843 853 - Other commitments ³ Uithin 1 year 15,035 4,951 </td <td>Other³</td> <td>19,209</td> <td>6,939</td>	Other ³	19,209	6,939
BY MATURITY Commitments receivable Within 1 year (10,234) (8,479) Between 1 to 5 years (17,226) (16,422) More than 5 years (14,617) (17,520) Total commitments receivable (42,077) (42,421) Commitments payable (42,077) (42,421) Operating lease commitments ³ Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² Within 1 year 6,414 7,401 Between 1 to 5 years 4,420 3,899 3,899 More than 5 years - - - Total IT commitments 10,834 11,300 10,834 11,300 Research and development commitments 2,340 - - - Within 1 year 503 853 853 853 853 853 Other commitments ³ Within 1 year <t< td=""><td>Total other commitments</td><td>356,013</td><td>369,379</td></t<>	Total other commitments	356,013	369,379
Commitments receivable Within 1 year (10,234) (8,479) Between 1 to 5 years (17,226) (16,422) More than 5 years (14,617) (17,520) Total commitments receivable (42,077) (42,421) Commitments payable (42,077) (42,421) Operating lease commitments ¹ (42,077) (42,421) Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² - Within 1 year 6,414 7,401 3,899 More than 5 years _ - - Total IT commitments ² _ - - Within 1 year 503 853 8543 11,300 Research and development commitments 2,843 853 653 653 653 653 853 8543 8553 6544 -	Net commitments by type	313,936	326,958
Commitments receivable Within 1 year (10,234) (8,479) Between 1 to 5 years (17,226) (16,422) More than 5 years (14,617) (17,520) Total commitments receivable (42,077) (42,421) Commitments payable (42,077) (42,421) Operating lease commitments ¹ (42,077) (42,421) Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² - Within 1 year 6,414 7,401 3,899 More than 5 years _ - - Total IT commitments ² _ - - Within 1 year 503 853 8543 11,300 Research and development commitments 2,843 853 653 653 653 653 853 8543 8553 6544 -	BY MATURITY		
Within 1 year (10,234) (8,479) Between 1 to 5 years (17,226) (16,422) More than 5 years (14,617) (17,520) Total commitments receivable (42,077) (42,421) Commitments payable (42,077) (42,421) Operating lease commitments ¹ (42,077) (42,421) Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² Within 1 year 6,414 7,401 Between 1 to 5 years - - - More than 5 years - - - Total IT commitments ² - - - Within 1 year 503 853 853 Between 1 to 5 years 2,340 - - Total IT commitments 2,843 853 853 Between 1 to 5 years 2,843 853 853 Between 1 to 5 years 2,843 853 853 <tr< td=""><td></td><td></td><td></td></tr<>			
Between 1 to 5 years (17,226) (16,422) More than 5 years (14,617) (17,226) Total commitments receivable (42,077) (42,421) Commitments payable (42,077) (42,421) Operating lease commitments ¹ (42,077) (42,421) More than 5 years 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² 10 94,420 3,899 Within 1 year 6,414 7,401 94,200 3,899 More than 5 years - - - - Total IT commitments 10,834 11,300 - - Research and development commitments 2,843 853 - - Within 1 year 503 853 853 - - - Total research and development commitments 2,843 853 - - - - - - - - - - -		(10.234)	(8.479)
More than 5 years (14,617) (17,520) Total commitments receivable (42,077) (42,421) Commitments payable (42,077) (42,421) Operating lease commitments ¹ (42,077) (42,421) Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 If commitments ² 10 11,468 Within 1 year 6,414 7,401 Between 1 to 5 years - - Total I Commitments - - Within 1 year 503 853 Between 1 to 5 years - - Total research and development commitments 2,843 853 Within 1 year 503 853 Between 1 to 5 years 2,340 - Total research and development commitments 2,843 853 Other commitments ³ - - Within 1 year 15,035 4,951 Between 1 to 5 years - 1,17			
Total commitments receivable (42,077) (42,421) Commitments payable Operating lease commitments ¹ (42,077) (42,421) Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 If commitments ² 11 Within 1 year 6,414 7,401 Between 1 to 5 years 6,414 7,401 3,899 More than 5 years - - - Total operating lease commitments 10,834 11,300 3,899 More than 5 years - - - - Total IT commitments 10,834 11,300 - - Research and development commitments 2,340 - - - Within 1 year 503 853 853 Other commitments ³ 2,843 853 Within 1 year 15,035 4,951 Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939			
Operating lease commitments ¹ Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² 323,127 350,287 Within 1 year 6,414 7,401 Between 1 to 5 years 4,420 3,899 More than 5 years - - Total IT commitments 10,834 11,300 Research and development commitments 2,340 - Within 1 year 503 853 Between 1 to 5 years 2,340 - Total research and development commitments 2,843 853 Other commitments ³ 2,843 853 Other commitments ³ 4,174 1,988 Total other commitments 4,174 1,988 Total other commitments 19,209 6,939			
Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² 4,420 3,899 Wore than 5 years - - Total IT commitments 10,834 11,300 Research and development commitments 10,834 11,300 Research and development commitments 2,843 853 Other commitments ³ 2,843 853 Other commitments ³ 15,035 4,951 Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939	Commitments payable		
Within 1 year 36,399 39,541 Between 1 to 5 years 128,731 129,278 More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² 4,420 3,899 Wore than 5 years - - Total IT commitments 10,834 11,300 Research and development commitments 10,834 11,300 Research and development commitments 2,843 853 Other commitments ³ 2,843 853 Other commitments ³ 15,035 4,951 Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939	· · ·		
More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² Within 1 year 6,414 7,401 Between 1 to 5 years 4,420 3,899 More than 5 years - - Total IT commitments 10,834 11,300 Research and development commitments 2,340 - Within 1 year 503 853 Between 1 to 5 years 2,340 - Total research and development commitments 2,843 853 Other commitments ³ - Within 1 year 15,035 4,951 Between 1 to 5 years 15,035 4,951 Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939		36,399	39,541
More than 5 years 157,997 181,468 Total operating lease commitments 323,127 350,287 IT commitments ² Within 1 year 6,414 7,401 Between 1 to 5 years 4,420 3,899 More than 5 years - - Total IT commitments 10,834 11,300 Research and development commitments 2,340 - Within 1 year 503 853 Between 1 to 5 years 2,340 - Total research and development commitments 2,843 853 Other commitments ³ - Within 1 year 15,035 4,951 Between 1 to 5 years 15,035 4,951 Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939	Between 1 to 5 years	128,731	129,278
IT commitments ² Within 1 year Between 1 to 5 years More than 5 years Total IT commitments 10,834 11,300 Research and development commitments Within 1 year S03 Between 1 to 5 years 7otal IT commitments Within 1 year S03 Between 1 to 5 years Cher commitments ³ Within 1 year Between 1 to 5 years 4,174 1,988 Total other commitments 10,939	More than 5 years		
Within 1 year 6,414 7,401 Between 1 to 5 years 4,420 3,899 More than 5 years - - Total IT commitments 10,834 11,300 Research and development commitments 503 853 Within 1 year 503 853 Between 1 to 5 years 2,340 - Total research and development commitments 2,843 853 Other commitments ³ - - Within 1 year 15,035 4,951 Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939	Total operating lease commitments	323,127	350,287
Between 1 to 5 years 4,420 3,899 More than 5 years - - Total IT commitments 10,834 11,300 Research and development commitments 503 853 Within 1 year 503 853 Between 1 to 5 years 2,340 - Total research and development commitments 2,843 853 Other commitments ³ - - Within 1 year 15,035 4,951 Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939	IT commitments ²		
More than 5 yearsTotal IT commitments10,83411,300Research and development commitments503853Within 1 year503853Between 1 to 5 years2,340-Total research and development commitments2,843853Other commitments³Within 1 year15,0354,951Between 1 to 5 years4,1741,988Total other commitments19,2096,939	Within 1 year	6,414	7,401
Total IT commitments10,83411,300Research and development commitments503853Within 1 year503853Between 1 to 5 years2,340-Total research and development commitments2,843853Other commitments³0-Within 1 year15,0354,951Between 1 to 5 years4,1741,988Total other commitments19,2096,939	Between 1 to 5 years	4,420	3,899
Research and development commitmentsWithin 1 year503853Between 1 to 5 years2,340-Total research and development commitments2,843853Other commitments³-Within 1 year15,0354,951Between 1 to 5 years4,1741,988Total other commitments19,2096,939	More than 5 years	-	-
Within 1 year 503 853 Between 1 to 5 years 2,340 - Total research and development commitments 2,843 853 Other commitments ³ - - Within 1 year 15,035 4,951 Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939	Total IT commitments	10,834	11,300
Between 1 to 5 years 2,340 - Total research and development commitments 2,843 853 Other commitments ³	Research and development commitments		
Total research and development commitments2,843853Other commitments³	Within 1 year	503	853
Other commitments ³ Within 1 year 15,035 4,951 Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939	Between 1 to 5 years	2,340	-
Within 1 year 15,035 4,951 Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939	Total research and development commitments	2,843	853
Between 1 to 5 years 4,174 1,988 Total other commitments 19,209 6,939	Other commitments ³		
Total other commitments 19,209 6,939	Within 1 year	15,035	4,951
	Between 1 to 5 years	4,174	1,988
Net commitments by maturity 313,936 326,958	Total other commitments	19,209	6,939
	Net commitments by maturity	313,936	326,958



Department of Education and Training SCHEDULE OF COMMITMENTS

as at 30 June 2015

NB: Commitments are GST inclusive where relevant.

¹Operating leases included are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Leases for office accommodation	Lease payments are subject to periodic market value or
	indexed increases.
Sub lease revenue for office accommodation	Vacant office space is sub leased where possible. The total
	of future minimum lease payments expected to be
	received over the next five years is \$11.110 million
	(2014: \$10.285 million) including GST.
Agreement for provision of motor vehicles to senior	No contingent rentals exist. There are no renewal or
executive officers	purchase options available to the department.

² IT commitments include contracts for data services, IT software licensing and hardware maintenance agreements.

³ Other commitments include a range of contracts such as fees for provision of services.

Department of Education and Training ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME

for the period ended 30 June 2015

		2015	2014
	Notes	\$'000	\$'000
NET COST OF SERVICES			
EXPENSES			
Supplier expenses	18A	338,577	168,607
Subsidies	18B	144,309	-
Personal benefits	18C	3,535,096	4,466,808
Grants	18D	24,410,096	16,564,229
Finance costs	18E	801,980	592,890
Write-down and impairment of assets	18F	26,237	60,940
Payment to Corporate Commonwealth Entities	18G	13,370	5,360
Fair value losses	18H	702,638	860,240
Other Expenses	181	57	-
Total expenses		29,972,360	22,719,074
INCOME			
Revenue			
Taxation revenue			
Other taxes	19A	8,576	6,538
Total taxation revenue		8,576	6,538
Non-taxation revenue			
Interest	19B	583,134	506,840
Other revenue	19C	291,185	283,072
Total non-taxation revenue		874,319	789,912
Total revenue		882,895	796,450
Gains			
Fair value gains	19D	-	96,221
Reversals of previous asset write-downs and impairment	19E	1,200,266	9,331
Total gains		1,200,266	105,552
Total income		2,083,161	902,002
Net cost of (contribution by) services		27,889,199	21,817,072
Surplus (Deficit)		(27,889,199)	(21,817,072)
		(17)000)1000	(21)017)0727
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		904	142,920
Total other comprehensive income (loss)		904	142,920
Total comprehensive income (loss)		(27,888,295)	(21,674,152)

Department of Education and Training ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES

as at 30 June 2015

		2015	2014
	Notes	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	21A	26,528	91,293
Receivables	21B	30,927,974	25,960,127
Other investments	21C	2,149,930	2,149,026
Total financial assets		33,104,432	28,200,446
Non-financial assets			
Other non-financial assets	22A	-	523
Total non-financial assets		-	523
Total assets administered on behalf of Government		33,104,432	28,200,969
LIABILITIES			
Payables			
Suppliers	23A	54,235	36,884
Personal benefits	23B	-	120,937
Grants	23C	36,246	24,434
Other payables	23D	17,701	8,692
Total payables		108,182	190,947
Provisions			
Provision of personal benefits	24A	-	801,010
Provision for grants	24B	6,068,013	6,867,769
Total provisions		6,068,013	7,668,779
Total liabilities administered on behalf of Government		6,176,195	7,859,726
Net assets (liabilities)		26,928,237	20,341,243

Department of Education and Training ADMINISTERED RECONCILIATION SCHEDULE

for the period ended 30 June 2015

	2015	2014
	\$'000	\$'000
Opening assets less liabilities as at 1 July	20,341,243	-
Adjustment for errors	-	-
Opening balance adjustment - retained earnings	-	(34,117)
Adjusted opening assets less liabilities	20,341,243	(34,117)
Net cost of (contribution by) services		
Income	2,083,161	902,002
Expenses		
Payments to Non-corporate Commonwealth Entities	(29,958,990)	(22,713,714)
Payments to Corporate Commonwealth Entities	(13,370)	(5,360)
Other comprehensive income		
Revaluations transferred to (from) reserves	904	142,920
Transfers (to) from the Australian Government:		
Appropriation transfers from Official Public Account		
Annual appropriations		
Payments to Non-corporate Commonwealth Entities	1,179,383	772,733
Payments to Corporate Commonwealth Entities	13,370	5,360
Special appropriations (limited)		
Payments to Non-corporate Commonwealth Entities	-	-
Special appropriations (unlimited)		
Payments to Non-corporate Commonwealth Entities	34,755,501	25,191,293
Special accounts	-	-
Appropriation transfers to Official Public Account		
Transfers to OPA	(1,989,547)	(1,219,627)
Transfers to OPA (withholdings)	(12,139)	(8,300)
Restructuring	528,753	17,308,053
Other movements	(32)	-
Closing assets less liabilities as at 30 June	26,928,237	20,341,243

Department of Education and Training ADMINISTERED CASH FLOW STATEMENT

for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES	Notes	\$ 000	\$ 000
Cash received			
Interest		337	1
Net GST received		1,048,886	22,923
Levies		8,576	6,538
Other		317,296	270,683
Total cash received		1,375,095	300,145
Cash used			
Suppliers		1,359,700	740,079
Subsidies		144,309	-
Personal benefits		3,601,627	4,327,568
Grants		24,254,785	16,358,593
Payments to Corporate Commonwealth Entities		13,370	5,360
Total cash used		29,373,791	21,431,600
Net cash from (used by) operating activities	25	(27,998,696)	(21,131,455)
INVESTING ACTIVITIES			
Cash received			
Repayments of advances and loans		1,924,200	1,213,350
Total cash received		1,924,200	1,213,350
Cash used			
Loans made		7,920,396	4,880,788
Total cash used		7,920,396	4,880,788
Net cash from (used by) investing activities		(5,996,196)	(3,667,438)
Net increase (decrease) in cash held		(33,994,892)	(24,798,893)
Cash and cash equivalents at the beginning of the reporting			
period		-	-
Cash from the Official Public Account			
Appropriations		35,948,329	25,966,863
GST appropriations		84,848	145,380
Special accounts		239,710	301,424
Total cash from the official public account		36,272,887	26,413,667
Cash to the Official Public Account			
Appropriations		(2,026,805)	(1,225,405)
Return of GST appropriations		(76,669)	(141,487)
Special accounts		(174,521)	(247,882)
Total cash to the official public account		(2,277,995)	(1,614,774)
Cash and cash equivalents at the end of the reporting period	21A	<u> </u>	-

Department of Education and Training SCHEDULE OF ADMINISTERED COMMITMENTS

as at 30 June 2015

BY TYPE \$'000 \$'000 Commitments receivable (4,487,261) (4,256,244) Net GST recoverable on commitments (4,487,261) (4,256,244) Total commitments receivable (4,487,261) (4,256,244) Other commitments (4,487,261) (4,256,244) Goods and services ¹ (1,311,909 213,49) Grants 8,915,182 8,993,100 Legislative obligations ² 81,488,225 76,569,990 Other - - Total other commitments 91,715,316 85,776,600 Net commitments by type 87,228,055 81,520,360 BY MATURITY Commitments receivable - Within 1 year (1,077,688) (996,372) Between 1 to 5 years (3,409,562) (3,259,799)
Net GST recoverable on commitments (4,487,261) (4,256,244) Total commitments receivable (4,487,261) (4,256,244) Commitments payable (4,487,261) (4,256,244) Other commitments (4,487,261) (4,256,244) Goods and services ¹ 1,311,909 213,499 Grants 8,915,182 8,993,100 Legislative obligations ² 81,488,225 76,569,999 Other - - - Total other commitments 91,715,316 85,776,600 Net commitments by type 87,228,055 81,520,360 BY MATURITY Commitments receivable (1,077,688) (996,372) Within 1 year (1,077,688) (996,372) (3,259,799)
Total commitments receivable (1,25,24) Commitments payable (4,487,261) (4,256,244) Other commitments (6,487,261) (1,256,244) Goods and services ¹ 1,311,909 213,491 Grants 8,915,182 8,993,100 Legislative obligations ² 81,488,225 76,569,999 Other - - Total other commitments 91,715,316 85,776,600 Net commitments by type 87,228,055 81,520,360 BY MATURITY Commitments receivable - Within 1 year (1,077,688) (996,372 Between 1 to 5 years (3,409,562) (3,259,799)
Commitments payable 1,311,909 213,499 Other commitments 8,915,182 8,993,100 Grants 8,915,182 8,993,100 Legislative obligations ² 81,488,225 76,569,999 Other - - Total other commitments 91,715,316 85,776,600 Net commitments by type 87,228,055 81,520,360 BY MATURITY Commitments receivable - Within 1 year (1,077,688) (996,372 Between 1 to 5 years (3,409,562) (3,259,799)
Other commitments 1,311,909 213,499 Goads and services ¹ 1,311,909 213,499 Grants 8,915,182 8,993,100 Legislative obligations ² 81,488,225 76,569,999 Other - - Total other commitments 91,715,316 85,776,600 Net commitments by type 87,228,055 81,520,360 BY MATURITY Commitments receivable - Within 1 year (1,077,688) (996,372 Between 1 to 5 years (3,409,562) (3,259,799)
Other commitments 1,311,909 213,499 Goads and services ¹ 1,311,909 213,499 Grants 8,915,182 8,993,100 Legislative obligations ² 81,488,225 76,569,999 Other - - Total other commitments 91,715,316 85,776,600 Net commitments by type 87,228,055 81,520,360 BY MATURITY Commitments receivable - Within 1 year (1,077,688) (996,372 Between 1 to 5 years (3,409,562) (3,259,799)
Goods and services ¹ 1,311,909 213,499 Grants 8,915,182 8,993,100 Legislative obligations ² 81,488,225 76,569,999 Other - - Total other commitments 91,715,316 85,776,60 Net commitments by type 87,228,055 81,520,36 BY MATURITY Commitments receivable - Within 1 year (1,077,688) (996,372 Between 1 to 5 years (3,409,562) (3,259,799
Grants 8,915,182 8,993,10 Legislative obligations ² 81,488,225 76,569,99 Other - - Total other commitments 91,715,316 85,776,60 Net commitments by type 87,228,055 81,520,36 BY MATURITY Commitments receivable - Within 1 year (1,077,688) (996,372 Between 1 to 5 years (3,409,562) (3,259,799
Legislative obligations ² 81,488,225 76,569,990 Other - - - Total other commitments 91,715,316 85,776,60 87,228,055 81,520,36 Net commitments by type 87,228,055 81,520,36 81,520,36 -
Other -
Total other commitments 91,715,316 85,776,60 Net commitments by type 87,228,055 81,520,36 BY MATURITY Commitments receivable 91,077,688 Within 1 year (1,077,688) (996,372 Between 1 to 5 years (3,409,562) (3,259,799)
BY MATURITY 37,228,055 81,520,360 Within 1 year (1,077,688) (996,372 Between 1 to 5 years (3,409,562) (3,259,799
BY MATURITY Commitments receivable Within 1 year (1,077,688) (996,372 Between 1 to 5 years (3,409,562) (3,259,799
Commitments receivable (1,077,688) (996,372 Within 1 year (1,077,688) (3,409,562) (3,259,799) Between 1 to 5 years (1,077,688) (3,259,799) (3,259,799)
Commitments receivable (1,077,688) (996,372 Within 1 year (1,077,688) (3,409,562) (3,259,799) Between 1 to 5 years (1,077,688) (3,259,799) (3,259,799)
Within 1 year (1,077,688) (996,372 Between 1 to 5 years (3,409,562) (3,259,799)
Between 1 to 5 years (3,409,562) (3,259,799
More than 5 years (11) (73
Total commitments receivable (4,256,244)
Commitments payable
Other Commitments
Within 1 year 27,457,191 25,232,81
Between 1 to 5 years 64,257,002 60,541,64
More than 5 years 2,15
Total other commitments 91,715,316 85,776,60
Net commitments by maturity 87,228,055 81,520,362

NB: All commitments are GST inclusive where relevant.

The value of commitments is determined based on expected value of services contracted, but yet to be performed under the agreement.

 ¹ Goods and services contracts include amounts relating to consultancies.
 ² Legislative obligations relate to amounts specified in the legislation where a funding determination has not yet been made. The legislation comprises the Australian Education Act 2013 and the Higher Education Support Act 2003.



Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Department of Education and Training

The Department of Education and Training (the department) is an Australian Government controlled not-for-profit entity.

The department provides advice to the Government and administers programmes to achieve the Government's objectives for education and training. The department works in partnership with the states and territories, non-government authorities, providers and industry.

For the financial year ended 30 June 2015, the department was structured to meet the following outcomes:

Outcome 1: Early Childhood and Care

Outcome 2: Schools education and youth

Outcome 3: Higher Education, Research, International, Skills and Training

The department's responsibilities changed as a result of the Administrative Arrangement Orders (AAO) that took effect on 23 December 2014. Responsibility for skills and training transferred from the former Department of Industry. Skills and training objectives and programmes are reported under Outcome 3. Responsibility for child care and early childhood development transferred to the Department of Social Services. The transfer of function encompassed programme 1.1 (except for the Australian Early Development Census), programme 1.2, programme 1.3 and programme 1.4 (except for preschool education elements).

The continued existence of the department in its present form and with its present programmes is dependent on Government policy and on continuing funding by Parliament for the department's administration and programmes.

The department's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the department in its own right. Administered activities involve the management or oversight by the department, on behalf of the Government, of items controlled or incurred by the Government.

1.2 Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with:

- PGPA Act (Financial Reporting Rule) 2015 (FRR) for reporting periods commencing 1 July 2014; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the department has not identified accounting assumptions or estimates that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

During the 2014–15 financial year the department made the following judgements that had a significant impact on the amounts recorded in the financial statements.

Higher Education Loan Program

The value of the Higher Education Loan Program (HELP) receivable is calculated each year by actuarial assessment. The two main measures impacting on the calculation of the HELP asset are the face value of the debt not expected to be repaid and the fair value of the remaining receivable, calculated as the present value of projected future cash flows.

Unfunded University Superannuation

The fair value of the provision for Higher Education Superannuation in 2014–15 \$6.068 billion (2014 \$6.868 billion) is calculated annually by actuarial assessment. The provision is valued in accordance with the requirements of *AASB119*, *Employee Benefits*. The discount rate used is based on the yields available on government bonds. The prevailing rate as at 30 June 2015 is 3.7% (2014 4.1%).

1.5 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

The following new standard was issued by the Australian Accounting Standards Board prior to the signing of the statement by the Chief Executive and Chief Finance Officer and had a material effect on the department's financial statements:

- AASB 1055 Budgetary Reporting March 2013 (Principal) requires reporting of budgetary information by notfor-profit entities within the General Government Sector (however comparative information is not required. In particular:
 - original budget presented to Parliament;
 - variance of actuals from budget; and
 - explanations of significant variances.

In addition to the above accounting standard applied for the first time, the department has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. AASB 2015-7 amends AASB 13 *Fair Value Measurement* to provide disclosure relief to not-for-profit public sector entities from certain disclosures about the fair value measurements of property, plant and equipment held for their current service potential rather than to generate net cash inflows. This includes relief from disclosures of quantitative information about the significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs.

All other new, revised or amending Standards or Interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the department's financial statements.

Future Australian Accounting Standard Requirements

The following new standards, revised standards, interpretations and amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date and apply to the future reporting period, they are expected to have a financial impact on the department for future reporting periods:

AASB 15	Revenue from Contracts with Customers – specifies the accounting treatment for all revenue
	arising from contracts with customers. The department is yet to undertake a detailed assessment
	of the impact of AASB15 however this is not expected to have a material impact.
AASB 9	Financial Instruments – Applies from 1 January 2017 to all entities. Potential impact on
	measurement of post initial recognition and recognition of gains and losses from financial
	instruments is yet to be assessed.
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 - operative from 1 January
	2018.

1.6 Revenue

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Revenue from Government

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

Appropriations receivable are recognised at their nominal amounts.

1.7 Gains

Resources received free of charge

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

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.8).

Sale of assets

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

1.8 Transactions with the Government as Owner

Equity injections

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

Restructuring of administrative arrangements

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

1.9 Employee Benefits

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

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

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

Leave

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

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

The liability for long service leave has been determined by reference to work conducted by an actuary as at 30 June 2015. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of the department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), the Australian Government Employees Superannuation Trust (AGEST) or other elected defined contribution schemes.

The CSS, PSS and AGEST are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance's administered schedules and notes.

The department makes employer contributions to the employee's superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The department accounts for the contributions as if they were contributions to defined contribution plans.

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

1.10 Leases

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

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

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Lease incentives

Lease incentives taking the form of 'free' leasehold improvements and rent free holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

1.11 Fair Value Measurement

The department deems transfers between levels of the fair value hierarchy to have occurred at reporting date.

1.12 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- cash on hand
- cash held by outsiders
- cash in special accounts.

1.13 Financial Assets

The department classifies its financial assets in the following categories:

- loans and receivables
- Accrued revenue.

Trade receivables are classified as 'loans and receivables' and recorded at face value less any impairment. Trade receivables are recognised where the department becomes party to a contract and has a legal right to receive cash. Trade receivables are derecognised on payment.

Impairment of financial assets

Financial assets are assessed for impairment at the end of the reporting period.

1.14 Financial Liabilities

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Supplier and other payables are derecognised on payment.

1.15 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement.

Indemnities

The maximum amounts payable under the indemnities given is disclosed in the notes. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.

1.16 Acquisition of Assets

The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are



initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.17 Infrastructure, Plant and Equipment including Land and Buildings

Asset recognition threshold

Purchases of non-financial assets are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,000, (or \$50,000 for leasehold improvements) which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

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

Revaluations

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

Asset Class	Fair value measurement
Land	Market selling price
Buildings excluding leasehold improvements	Market selling price
Buildings – Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

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

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

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

Depreciation

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

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

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

Asset Class	2015
Buildings on freehold land	37-51 years
Buildings – leasehold improvements	Lease term
Infrastructure, plant and equipment	3-25 years

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Derecognition

An item of infrastructure, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Assets not previously recognised

Assets were brought to account as part of infrastructure, plant & equipment and intangibles for the first time as at 30 June 2015.

1.18 Intangibles

The department's intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Purchases costing less than \$200,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the department's software are 2–15 years.

All software assets were assessed for indications of impairment as at 30 June 2015.

1.19 Taxation

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

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office
- for receivables and payables.

1.20 Shared Services arrangements

Following the Administrative Arrangement Order of 18 September 2013 which abolished the Department of Education, Employment and Workplace Relations, the Departments' of Education and Training (Education) and Employment (Employment) established a Shared Services Centre (SSC) to support corporate services across the two agencies, Education and Employment, and other customers. The SSC commenced operations on 1 July 2014. The SSC provides operational, transactional, advisory and support functions for information technology and a range of corporate services.

The SSC is classed as a joint operating arrangement under AASB 11 – Joint Arrangements, whereby Education and Employment have joint control of the arrangement with rights to the revenue, expenses, assets and obligations for the liabilities relating to the SSC. The rights and obligations, as well as the contributions by the partner agencies are underpinned by a Heads of Agreement between the two partner departments. The financial statements of both departments recognise their interest in the SSC on the face of the financial statements.

The partner's ownership is 50:50 with the exception of property related items which are allocated based on occupancy at an agreed date. The resultant ownership percentage for Education in 2014–15 is 48 per cent.



1.21 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered cash transfers to and from the Official Public Account

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

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the department on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of funds as directed.

Administered fee revenue is recognised when the service is provided. Collectability of the debt is reviewed at balance date. Impairment allowances are made when collectability of the debt is judged to be less, rather than more, likely.

Gains and losses

Administered gains or losses under the Higher Education Loan Program (HELP) and Unfunded University Superannuation are recognised at 30 June each year based on an actuarial assessment of the fair value.

Loans and receivables

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit or loss.

The HELP scheme is administered under the *Higher Education Support Act 2003*. HELP consists of HECS-HELP, FEE-HELP, OS-HELP and VET FEE-HELP, and any resulting debts are called a HELP debt.

The HELP debts are reflected as a receivable in the Schedule of Administered Items. The Australian Taxation Office (ATO) collects repayments of debts through the PAYG income tax system and voluntary repayments.

The department has recorded the total accumulated HECS and / or HELP debt in its financial statements at fair value in accordance with AASB 139 Financial Instruments: Recognition and Measurement. This varies from the debt level shown in the ATO certificate.

Administered receivables, including those relating to personal benefit overpayments, represent debts owed to the department by past and present customers. All debts known to be irrecoverable are excluded from the value of administered receivables.

Independent valuations are conducted with sufficient frequency to ensure that the carrying amounts of impairment allowances for doubtful debts does not differ materially from the fair value as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in the programs.

Administered investments

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments other than those held for sale are classified as available–for–sale and are measured at their fair value as at 30 June 2015. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at the end of the reporting period.

Grants and subsidies

The department administers a number of grant and subsidy schemes on behalf of the Government.

Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

Under the Federal Financial Framework agreed with Council of Australian Governments (COAG), which came into effect on 1 January 2009, the Department of the Treasury is accountable for the payment of grants under the National Partnership Agreements to the States and Territories. The department reports payments made to and through state and state and territory governments as grants to state and territory governments (Note 18D).

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth [2014] HCA 23*, as they contribute to the larger body of law relevant to the development of Commonwealth programmes. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

Unfunded Superannuation Provision for Australian Universities

Historically, funding responsibility for universities has varied from time to time between the Commonwealth and the States.

A number of universities have employees or former employees who are members of old State-based superannuation schemes which are unfunded or partly funded. Accordingly, there are cost sharing arrangements for these schemes in place between the Commonwealth and the States.

The Commonwealth recognises the amount payable to eligible universities in Victoria, South Australia, Western Australia, Tasmania, Northern Territory and the Australian Capital Territory for these entitlements in full. The Commonwealth is then reimbursed by the States for their share of the costs.

For universities in NSW, different cost share arrangements were introduced in 2014. The Commonwealth recognises a liability for 78 per cent of the amount payable to NSW universities and the NSW State government recognises a liability for 22 per cent of the amount payable to NSW universities. Consequently there is no reimbursement from NSW.

The Department recognises two items in its Financial Statements that relate to the Unfunded Superannuation for Australian Universities – a liability and a receivable.

The liability comprises a provision for:

- the total amount of funding expected to be paid by the Commonwealth to universities in Victoria, South Australia, Western Australia, Tasmania, Northern Territory and the Australian Capital Territory; and
- 78 per cent of the funding expected to be paid to universities in NSW.

The provision is an estimate of the outstanding employer contribution obligations to the various old State based superannuation schemes to which some of their former employees belong.

The provision is recognised in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, which requires the recognition of a provision where it is probable that a future sacrifice of economic benefit will be required and where the provision can be measured reliably, as a best estimate of the expenditure required to settle the present obligation at reporting date.

The receivable comprises the contributions due and payable by the States Governments of Victoria, South Australia, Western Australia and Tasmania to the Commonwealth under the cost sharing arrangement – representing each State's share of the outstanding superannuation entitlement as at reporting date.

The Australian Government Actuary (AGA) provides an estimate of both the liability and receivable, based on data and calculations provided by each university's respective actuary. Both the AGA and the Department apply the provisions of AASB 119 Employee Benefits in measuring the liability at reporting date. In accordance with the generally accepted accounting principles, the Financial Statements have recognised a liability for the total unfunded university superannuation of \$6.068 billion. A gross receivable,

representing the estimated reimbursement from the Victoria, South Australia, Western Australia and Tasmania States of \$382 million.

Personal Benefits

The department administers a number of personal benefit programmes on behalf of the government that provide entitlements to individuals. Payments are determined in accordance with provisions under social security law and other legislation.

The department made payments in accordance with family assistance law (comprising the *A New Tax System (Family Assistance) Act* 1999 and *A New Tax System (Family Assistance) (Administration) Act* 1999 as well as associated legislation and other legislative Disallowable Instruments for the period 1 July 2014 to 23 December 2014. Responsibility for these payments then transferred to the Department of Social Services following the change to the Administrative Arrangement Orders. These payments are assessed and determined by officers of the Department of Human Services (DHS) under delegation from the department.

The A New Tax System (Family Assistance) (Administration) Act 1999 imposes an obligation on recipients and customers to disclose to DHS information about financial and personal circumstances that affect entitlement to payment. This is a necessary part of DHS's administration, which acknowledges that, at the time certain information is required, only the recipient or customer is in a position to provide that information.

Unreported changes in circumstances can lead to incorrect payment, even if no deliberate fraud is intended. However, risks associated with relying on voluntary disclosure by recipients and customers are mitigated by a comprehensive portfolio risk management plan, underpinned by compliance strategies, which have been built up over many years. The compliance framework has been designed to meet the requirements of social security legislation.

The compliance framework does not rely solely on information provided by recipients and customers to determine their entitlement. A comprehensive risk management strategy minimises the potential for incorrect payment by subjecting recipients and customers to a variety of review processes. If debts are identified, DHS seeks recovery in a lump sum or by instalments. While the risk management strategy is principally directed at minimising debts, the detection of underpayments will also result in an adjustment to their level of entitlement.

The department implemented a more sophisticated results-oriented approach to compliance in 2013–14. Compliance operations were strengthened, including data interrogation and analysis capacity, to assist in targeting, leveraging resources available in our state network to create a virtual task force and prioritising the department's compliance effort to high value compliance work based on risk categories. This had led to increasing imposition of penalties and sanctions, where justified.

Payments to Corporate Commonwealth Entities

Payments to the Australian Institute of Aboriginal and Torres Strait Islander Studies from amounts appropriated for that purpose are classified as administered expenses of the relevant portfolio department. The appropriation to the department is disclosed in Table A and Table D of the appropriation note (Note 29).

Note 2: Events After the Reporting Period

There have been no events after balance date that have the potential to significantly affect the ongoing structure and financial activities of the department.

Note 3: Net Cash Appropriation Arrangements

	2015	2014
	\$'000	\$'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously		
funded through revenue appropriations ¹	3,328	(1,797)
Plus: depreciation/amortisation expenses previously funded through revenue		
appropriation	(26,918)	(20,308)
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	(23,590)	(22,105)

¹ From 2010–11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

Note 4: Expenses

Stoop Stoop Note 4A: Employee benefits 136,438 100,302 Superannuation: 10,538 6,935 Defined contribution plans 10,538 6,935 Separations and redundancies 11,518 9,502 Other employee expenses 1,936 1942 Total employee temefits 206,561 154,622 Note 48: Supplier expenses 3,011 2,315 Consultants 9,829 5,375 Contractors 9,660 3,955 Travel 3,011 2,351 IT services 15,378 17,115 Property 6,782 5,339 Resources received free of charge 5,464 10,412 Other 15,361 6,959 Total goods and services are made up of: 72 - Provision of goods - related parties 1,657 3,280 </th <th></th> <th>2015</th> <th>2014</th>		2015	2014
Wages and salaries 136,438 100,302 Superannuation: 10,538 6,935 Defined contribution plans 10,538 6,935 Defined benefit plans 136,438 16,772 Leave and other entitlements 27,545 19,169 Separations and redundancies 1,518 9,502 Other employee expenses 1,336 1,942 Total employee benefits 206,561 154,622 Note 48: Supplier expenses 3,011 2,351 Consultants 9,829 5,375 Contractors 9,960 3,955 Travel 3,011 2,351 If services 15,378 17,115 Property 6,782 5,339 Resources received free of charge 5,464 10,412 Other 15,361 6,959 Total goods and services are made up of: 72 - Provision of goods – eaternal parties 1,657 3,280 Rendering of services - related parties 13,143 11,502 Rendering of services -		\$'000	\$'000
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Defined contribution plans 10,538 6,935 Defined benefit plans 18,586 16,772 Leave and other entitlements 27,545 19,169 Separations and redundancies 11,518 9,502 Other employee expenses 1,936 1,942 Total employee benefits 206,561 154,622 Note 48: Supplier expenses 206,561 154,622 Note 48: Supplier expenses 9,829 5,375 Consultants 9,829 5,375 Contractors 9,660 3,955 Travel 3,011 2,351 If services 15,378 17,115 Property 6,782 5,393 Resources received free of charge 5,464 10,412 Other 15,361 6,959 Total goods and services are made up of: 72 - Provision of goods - related parties 1,657 3,280 Rendering of services - related parties 16,577 3,280 Rendering of services - related parties 16,613 36,778	Wages and salaries	136,438	100,302
Defined benefit plans 18,586 16,772 Leave and other entitlements 27,545 19,169 Separations and redundancies 11,518 9,502 Other employee expenses 1,936 1,942 Total employee benefits 206,561 154,622 Note 48: Supplier expenses 206,561 154,622 Note 48: Supplier expenses 9,829 5,375 Consultants 9,829 5,375 Contractors 9,660 3,955 Travel 3,011 2,351 If services 15,378 17,115 Property 6,782 5,333 Resources received free of charge 5,464 10,412 Other 15,361 6,959 Total goods and services are made up of: Provision of goods – external parties 72 Provision of goods – setternal parties 1,657 3,280 Rendering of services – external parties 13,143 11,502 Operating lease rentals – external parties 13,643 15,665 Operating lease rentals – external parties: <t< td=""><td>Superannuation:</td><td></td><td></td></t<>	Superannuation:		
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Separations and redundancies 11,518 9,502 Other employee expenses 1,936 1,942 Total employee benefits 206,561 154,622 Note 48: Supplier expenses 206,561 154,622 Mote 48: Supplier expenses 9,829 5,375 Consultants 9,829 5,378 Consultants 9,660 3,955 Travel 3,011 2,351 IT services 15,378 17,115 Property 6,782 5,393 Resources received free of charge 5,464 10,412 Other 15,361 6,959 Total goods and services supplied or rendered 65,485 51,560 Goods and services are made up of: Provision of goods – related parties 13,143 11,502 Rendering of services - external parties 13,143 11,502 36,778 Total goods and services supplied or rendered 65,485 51,560 51,560 Other supplier expenses 13,143 11,502 36,778 Total goods and services - setternal parties: 50	Defined benefit plans	18,586	16,772
Other employee expenses 1,936 1,942 Total employee benefits 206,561 154,622 Note 48: Supplier expenses 9,829 5,375 Goods and services supplied or rendered 9,829 5,375 Consultants 9,829 5,375 Contractors 9,660 3,955 Travel 3,011 2,351 IT services 15,378 17,115 Property 6,782 5,393 Resources received free of charge 5,464 10,412 Other 15,361 6,959 Total goods and services are made up of: 72 - Provision of goods - related parties 1,657 3,280 Rendering of services - related parties 1,657 3,280 Rendering of services - external parties 50,613 36,778 Total goods and services supplied or rendered 65,485 51,560 Other supplier expenses 2,301 1,437 Total goods and services - external parties 32,950 15,685 Contingent rentals 443 226	Leave and other entitlements	27,545	19,169
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Resources received free of charge5,46410,412Other15,3616,959Total goods and services supplied or rendered65,48551,560Goods and services are made up of:72-Provision of goods – related parties72-Provision of goods – external parties1,6573,280Rendering of services – related parties13,14311,502Rendering of services - related parties50,61336,778Total goods and services supplied or rendered65,48551,560Other supplier expenses50,61336,778Operating lease rentals – external parties:32,95015,685Contingent rentals443226Workers compensation expenses2,3011,437Total other supplier expenses35,69417,348Total supplier expenses101,17968,908Note 4C: Grants257-	IT services		17,115
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Other supplier expensesOperating lease rentals – external parties:Minimum lease repayments32,95015,685Contingent rentals443226Workers compensation expenses2,3011,437Total other supplier expenses35,694101,17968,908Note 4C: GrantsOther257	Rendering of services - external parties	50,613	36,778
Operating lease rentals – external parties:Minimum lease repayments32,950Contingent rentals443Contingent rentals443Workers compensation expenses2,301Total other supplier expenses35,694Total supplier expenses101,17968,908Note 4C: GrantsOther257	Total goods and services supplied or rendered	65,485	51,560
Minimum lease repayments 32,950 15,685 Contingent rentals 443 226 Workers compensation expenses 2,301 1,437 Total other supplier expenses 35,694 17,348 Total supplier expenses 101,179 68,908 Note 4C: Grants 257	Other supplier expenses		
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Workers compensation expenses 2,301 1,437 Total other supplier expenses 35,694 17,348 Total supplier expenses 101,179 68,908 Note 4C: Grants 257	Minimum lease repayments	32,950	15,685
Total other supplier expenses 35,694 17,348 Total supplier expenses 101,179 68,908 Note 4C: Grants 257	Contingent rentals	443	226
Total supplier expenses 101,179 68,908 Note 4C: Grants 0ther 257 -	Workers compensation expenses	2,301	1,437
Note 4C: Grants 257 -	Total other supplier expenses	35,694	17,348
Other	Total supplier expenses	101,179	68,908
	Note 4C: Grants		
Total grants 257 -	Other	257	-
	Total grants	257	-

	2015	2014
	\$'000	\$'000
Note 4D: Depreciation and amortisation		
Depreciation		
Infrastructure, plant and equipment	3,928	3,006
Buildings	23	62
Leasehold improvements	6,984	5,448
Total depreciation	10,935	8,516
Amortisation		
Intangibles:		
Computer software	15,983	11,792
Total amortisation	15,983	11,792
Total depreciation and amortisation	26,918	20,308
Note 4E: Finance costs		
Unwinding of discount on provision for restoration obligations	10	-
Discount on surplus lease space	41	-
Total finance costs	51	-
Total finance costs Note 4F: Write-down and impairment of assets	51	
	51	- 97
Note 4F: Write-down and impairment of assets		- 97 9
Note 4F: Write-down and impairment of assets Write-off of receivables - goods and services		
Note 4F: Write-down and impairment of assets Write-off of receivables - goods and services Impairment of receivables - goods and services	47	9
Note 4F: Write-down and impairment of assets Write-off of receivables - goods and services Impairment of receivables - goods and services Impairment of intangibles	47 - 2,532	9 33
Note 4F: Write-down and impairment of assets Write-off of receivables - goods and services Impairment of receivables - goods and services Impairment of intangibles Impairment of leasehold improvements	47 - 2,532 264	9 33 479 57
Note 4F: Write-down and impairment of assets Write-off of receivables - goods and services Impairment of receivables - goods and services Impairment of intangibles Impairment of leasehold improvements Write-off of non-financial assets – infrastructure, plant and equipment	47 - 2,532 264 22	9 33 479 57 227
Note 4F: Write-down and impairment of assets Write-off of receivables - goods and services Impairment of receivables - goods and services Impairment of intangibles Impairment of leasehold improvements Write-off of non-financial assets – infrastructure, plant and equipment Write-off of non-financial assets – land and buildings Total write-down and impairment of assets	47 - 2,532 264 22 1	9 33 479 57 227
Note 4F: Write-down and impairment of assets Write-off of receivables - goods and services Impairment of receivables - goods and services Impairment of intangibles Impairment of leasehold improvements Write-off of non-financial assets – infrastructure, plant and equipment Write-off of non-financial assets – land and buildings	47 - 2,532 264 22 1	9 33 479 57
Note 4F: Write-down and impairment of assets Write-off of receivables - goods and services Impairment of receivables - goods and services Impairment of intangibles Impairment of leasehold improvements Write-off of non-financial assets – infrastructure, plant and equipment Write-off of non-financial assets – land and buildings Total write-down and impairment of assets Note 4G: Losses from asset sales	47 - 2,532 264 22 1	9 33 479 57 227
Note 4F: Write-down and impairment of assets Write-off of receivables - goods and services Impairment of receivables - goods and services Impairment of intangibles Impairment of leasehold improvements Write-off of non-financial assets – infrastructure, plant and equipment Write-off of non-financial assets – land and buildings Total write-down and impairment of assets Note 4G: Losses from asset sales Infrastructure, plant and equipment	47 	9 33 479 57 227 902 (4)
Note 4F: Write-down and impairment of assets Write-off of receivables - goods and services Impairment of receivables - goods and services Impairment of intangibles Impairment of leasehold improvements Write-off of non-financial assets – infrastructure, plant and equipment Write-off of non-financial assets – land and buildings Total write-down and impairment of assets Note 4G: Losses from asset sales Infrastructure, plant and equipment Proceeds from sale	47 - 2,532 264 22 1 - 2,866	9 33 479 57 227 902

Note 5: Income		
	2015	2014
OWN-SOURCE REVENUE	\$'000	\$'000
Note 5A: Sale of goods and rendering of services		
Provision of goods - external parties	444	193
Rendering of services - related entities	26,260	16,014
Rendering of services - external parties	3,681	1,860
Total sale of goods and rendering of services	30,385	18,067
GAINS		
Note 5B: Sale of Assets		
Land and buildings		
Proceeds from sale	712	-
Carrying value of assets sold	(625)	
Net gain from sale of land and buildings	87	
Net gain from sale of assets	87	-
Note 5C: Reversals of previous asset write-downs and impairment Reversal of impairment losses	64	
Total reversals of previous asset write-downs and impairments		74
	64	74 74
Note 5D: Other gains	64	
Note 5D: Other gains Resources received free of charge	<u> </u>	
		74
Resources received free of charge	5,464	74
Resources received free of charge Gain on write back of restoration provision	5,464 229	5,665
Resources received free of charge Gain on write back of restoration provision First time recognition of assets – property, plant and equipment	5,464 229 881	74 5,665 - 1,498
Resources received free of charge Gain on write back of restoration provision First time recognition of assets – property, plant and equipment Other	5,464 229 881 273	74 5,665 - 1,498 1,110
Resources received free of charge Gain on write back of restoration provision First time recognition of assets – property, plant and equipment Other Total other gains	5,464 229 881 273	74 5,665 - 1,498 1,110
Resources received free of charge Gain on write back of restoration provision First time recognition of assets – property, plant and equipment Other Total other gains REVENUE FROM GOVERNMENT	5,464 229 881 273	74 5,665 - 1,498 1,110
Resources received free of charge Gain on write back of restoration provision First time recognition of assets – property, plant and equipment Other Total other gains REVENUE FROM GOVERNMENT Note 5E: Revenue from Government	5,464 229 881 273	74 5,665 - 1,498 1,110

Department of Education and Training	NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
tment	S TO A
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Note 6: Fair Value Measurement

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the department can access at measurement date. Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below. -evel 3: Unobservable inputs for the asset or liability.

Note 64: Fair value measurements, valuation techniques and inputs used

Fair value measurements at 30 June 2015 by hierarchy for assets and liabilities	nierarchy for asse	ts and liabilities		
F	air value measure	Fair value measurements at the end of the reporting		
		period using		
	2015	2014	Valuation Technique ²	Inputs Used
	\$'000	\$'000 Category (Level 1, 2 or 3)	000,\$	\$'000
Non-financial assets				
Land	200	200 2	Market Approach	Adjusted market transactions
Dudlance	242	250 2	Market Approach	Adjusted market transactions
Duildings	•	640 3	Market Approach	Adjusted market transactions
	40,537	49,473 3	Depreciated Replacement Cost Replacement Cost New (price per sqm) Useful Life (consumed)	ew (price per sqm) Useful Life (consumed)
Leasehold Improvements			Current restoration	Current restoration costs (price per square metre) Discount
	173	304 3	Present Value ³	rate Indexation rates
	4,499	3,999 2	Market Approach	Adjusted market transactions
Other property, plant and equipment	6,751	6,961 3	Depreciated Replacement Cost Replacement Cost New (price per sqm) Useful Life (consumed)	ew (price per sqm) Useful Life (consumed)
	42	492 3	Market Approach	Adjusted market transactions
Total non-financial assets	52,444	62,319		
Total fair value measurements (assets) in				
statement of financial position 1	53,445	62,319		

1. The Department has a number of assets and liabilities not measured at fair value in the statement of comprehensive income. The carrying amounts of these assets and liabilities are considered to be a reasonable approximation of their fair value.

2. There have been no changes to valuation techniques.

3. In 2013–14, leasehold improvements representing make good were stated to be measured using a category 2 valuation technique. A revised assessment has established that these assets are better represented as a category 3 asset disclosed at present value.

department's policy for determining when transfer between levels are deemed to have occurred can be found in Note 1. The methods and valuation techniques used for the purpose of measuring fair The department's assets are held for operational purposes and not held for the purpose of deriving a profit. The current use of all controlled assets is considered the highest and best use. The value of assets and liabilities in 2015 are unchanged from the previous reporting period.

Note 6B: Reconciliation for recurring Level 3 fair value measurements

There have been no transfers between levels.

Recurring Level 3 fair value measurements - reconciliation for assets

	Non-financial assets							
			Property, pl	ant and	Leas	ehold		
	Land and b	uildings	equipm	ent	Improv	ements	То	tal
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Restructuring opening								
balance	640	640	7,455	7,573	49,473	55,913	57,568	64,126
Total gains/(losses)								
recognised in net cost of								
services ¹	(15)	-	(2,244)	(1,765)	(6,804)	(5,312)	(9,063)	(7 <i>,</i> 078)
Transfers to other								
entities	-	-	-	-	(3,181)	(1,352)	(3,181)	(1,352)
Purchases	-	-	1,568	1,705	715	224	2,283	1,929
Disposals	(625)	-	-	-	-		(625)	-
Write-offs	-	-	-	(57)	-		-	(57)
Transfers into Level 3	-	-	14	-	243		257	-
Closing balance	-	640	6,793	7,455	40,446	49,473	47,239	57,568

¹ These gains/(losses) are presented in the Statement of Comprehensive Income under 'Depreciation and amortisation' and 'Write-down and Impairment of assets'.

Note 7: Financial Assets

	2015	2014
	\$'000	\$'000
Note 7A: Cash and cash equivalents		
Cash on hand or on deposit	7,531	8,429
Special Account	2,286	-
Total cash and cash equivalents	9,817	8,429
Note 7B: Trade and other receivables		
Good and Services receivables in connection with		
Related parties	2,947	13,729
External parties	1,164	1,409
Total goods and services receivables	4,111	15,138
Appropriations receivable		
Existing programmes	45,176	18,106
Total appropriations receivable	45,176	18,106
Other receivables		
GST receivable from the Australian Taxation Office	2,542	1,589
Total other receivables	2,542	1,589
Total trade and other receivables (gross)	51,829	34,833
Less impairment allowance		
Goods and services	<u> </u>	(64)
Total impairment allowance		(64)
Total trade and other receivables (net)	51,829	34,769
Trade and other receivables (net) expected to be recovered		
No more than 12 months	51,829	34,603
More than 12 months		166
Total trade and other receivables (net)	51,829	34,769
Trade and other receivables (gross) aged as follows		
Not overdue	50,467	27,086
Overdue by		
0 to 30 days	598	5,888
31 to 60 days	193	282
61 to 90 days	89	809
More than 90 days	482	768
Total trade and other receivables (gross)	51,829	34,833
The impairment allowance aged as follows		
Not overdue	-	-
Overdue by		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days		(64)
Total impairment allowance	<u> </u>	(64)
Credit terms for goods and services receivable are net 30 days (2014: 30 days).		

Credit terms for goods and services receivable are net 30 days (2014: 30 days).

Reconciliation of the Impairment Allowance

Movements in relation to 2015

	Goods and	
	services	Total
	\$'000	\$'000
Opening balance as at 1 July 2014	(64)	(64)
Amounts recovered and reversed	64	64
Closing balance as at 30 June 2015	-	-

Movements in relation to 2014

	Goods and	
	services	Total
	\$'000	\$'000
Opening balance as at 1 July 2013	-	-
Amounts written off	(97)	(97)
Amounts recovered and reversed	97	97
Increase/(decrease) recognised in net surplus	(64)	(64)
Closing balance as at 30 June 2014	(64)	(64)

Note 7C: Other financial assets

Accrued revenue Total other financial assets	<u>3,276</u> 3,276	10,113
Other financial assets expected to be recovered		
No more than 12 months	3,276	10,113
Total other financial assets	3,276	10,113

Note 8: Non-Financial Assets

Land	
Freehold land at fair value 20	200
Total land20	200
Buildings on freehold land:	
Fair value 25	890
Accumulated depreciation [8) -
Total buildings on freehold land24	2 890
Leasehold improvements:	
Work in progress 1,20	5 304
Fair value 46,88	3 50,178
Accumulated depreciation (6,148) (19)
Accumulated impairment losses (264) (686)
Total leasehold improvements 41,67	49,777
Total land and buildings 42,11	3 50,867

There is one (2014: three) residential property to be sold within the next 12 months. It has a net book value of \$442,424 (2014: \$1.090 million) as at 30 June 2015.

There are four (2014: six) leased properties that the department manages which are due to be vacated within the next 12 months that have leasehold improvement assets. The total net book value of the leasehold improvements including restoration for these properties is \$582,849 (2014: \$1.011 million) as at 30 June 2015.

An impairment loss of \$264,000 (2014: \$686,000) was recognised for three properties associated with surplus lease space.

Note 8B: Infrastructure, plant and equipment

Fair value	18,216	14,591
Accumulated depreciation	(6,889)	(3,139)
Total infrastructure, plant and equipment	11,327	11,452

No material amounts of infrastructure, plant and equipment are expected to be sold or disposed of within the next 12 months.

No indicators of impairment were found for infrastructure, plant and equipment assets.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

A revaluation decrement of nil (2014: \$40,000) for land and nil (2014: \$187,503) for buildings on freehold land were expensed. A revaluation increment of \$5,148 (2014: \$432,853) for leasehold improvement was credited to the asset revaluation surplus by asset class and included in the equity section of the statement of financial position. A revaluation was not performed on infrastructure, plant and equipment.

Department of Education and Training	NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
Department	NOTES TO A

Note 8C: Reconciliation of the opening and closing balances of property. plant and equipment (2014–15)

					Other property,	
			Leasehold	Total land and	plant &	
	Land	Buildings	improvements	buildings	equipment	Total
	\$,000	\$`000	\$,000	000,\$	\$,000	\$,000
As at 1 July 2014						
Gross book value	200	890	49,796	50,886	14,591	65,477
Accumulated depreciation and impairment	•	'	(19)	(19)	(3,139)	(3,158)
Total as at 1 July 2014	200	890	49,777	50,867	11,452	62,319
Additions						
By purchase		'	1,884	1,884	3,824	5,708
By restructuring		•	•	•	1	1
First time recognition		'	•	•	111	111
Impairments recognised in net cost of services	•	•	(264)	(264)	•	(264)
Depreciation	•	(23)	(6,984)	(7,007)	(3,928)	(10,935)
Other movements		'	(153)	(153)	(63)	(216)
Disposals						
From disposal of entities or operations (including restructuring)	•	'	(2,583)	(2,583)	(25)	(2,608)
Other		(625)		(625)	(23)	(648)
Write-offs	•	'	(F)	(1)	(22)	(23)
Total as at 30 June 2015	200	242	41,676	42,118	11,327	53,445
:						
Total as at 30 June 2015 represented by						
Gross book value	200	250	47,824	48,274	18,216	66,490
Accumulated depreciation and impairment	•	(8)	(6,148)	(6,156)	(6,889)	(13,045)
Total as at 30 June 2015	200	242	41,676	42,118	11,327	53,445

Note 8C: Reconciliation of the opening and closing balances of property. plant and equipment (2013-14)

					Uther property,	
			Leasehold	Total land and	plant &	
	Land	Buildings	improvements	buildings	equipment	Total
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
As at 19 September 2013						
Gross book value						
Accumulated depreciation and impairment		'	'			
Total as at 19 September 2013			•	•		
Additions:						
By purchase			421	421	3,102	3,523
By restructuring	1,910	1,924	53,503	57,337	11,579	68,916
By revaluations and impairments		'	433	433		433
First time recognition		'	1,353	1,353	145	1,498
Reclassification		'		'	26	26
Revaluations and impairments recognised in other comprehensive income	(40)	(187)		(227)		(227)
Impairments recognised in the operating result			(405)	(405)		(405)
Depreciation expense	,	(62)	(5,448)	(5,510)	(3,006)	(8,516)
Disposals:						
From disposal of entities or operations (including restructuring)	(1,670)	(785)	(80)	(2,535)	(19)	(2,554)
Other					(318)	(318)
Write-offs				'	(57)	(57)
Net book value 30 June 2014	200	890	49,777	50,867	11,452	62,319
Net book value as of 30 June 2014 represented by:						
Gross book value	200	890	49,796	50,886	14,591	65,477
Accumulated depreciation and impairment			(19)	(19)	(3,139)	(3,158)
Net book value 30 June 2014	200	890	49,777	50,867	11,452	62,319

	2015 \$'000	2014 \$'000
Note 8D: Intangibles		
Computer software		
Internally developed – in progress	8,982	3,024
Internally developed – in use	84,802	71,595
Purchased	570	570
Total computer software (gross)	94,354	75,189
Accumulated amortisation - internally developed	(21,170)	(11,580)
Accumulated amortisation - purchased	(249)	(57)
Accumulated impairment - internally developed	(2,532)	
Total computer software (net)	70,403	63,552
Total intangibles	70,403	63,552

No material amounts of intangibles are expected to be sold or disposed of within the next 12 months.

An impairment loss of \$2.532 million was recognised for internally developed intangibles in the 2014–15 year (2013–14: Nil).

Note 8E: Reconciliation of the opening and closing balances of intangibles (2014–15)

	Computer	Computer	
	software internally	software	
	developed	purchased	Total
	\$,000	\$,000	000,\$
As at 1 July 2014			
Gross book value	74,619	570	75,189
Accumulated amortisation and impairment	(11,580)	(57)	(11,637)
Total as at 1 July 2014	63,039	513	63,552
Additions			
By purchase	18,548		18,548
By restructure	14,712	•	14,712
First time recognition	770	•	770
Impairments recognised in the net cost of services	(2,532)	•	(2,532)
Amortisation	(15,791)	(192)	(15,983)
Other movements	(107)		(107)
Restructuring	(8,557)	•	(8,557)
Total as at 30 June 2015	70,082	321	70,403
Total as at 30 June 2015 represented by			
Gross book value	93,784	570	94,354
Accumulated amortisation and impairment	(23,702)	(249)	(23,951)
Total as at 30 June 2015	70,082	321	70,403

Department of Education and Training	NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 8E: Reconciliation of the opening and closing balances of intangibles (2013-14)

	Computer software	Computer	
	internally	software	
	developed	purchased	Total
	\$,000	\$,000	\$,000
As at 19 September 2013			
Gross book value			
Accumulated amortisation and impairment			'
Total as at 19 September 2013			'
Additions:			
Purchased		513	513
Internally developed	17,169		17,169
By restructure	57,794	123	57,917
Reclassification		(26)	(26)
Amortisation	(11,728)	(64)	(11,792)
Disposals:			
From disposal of entities or operations (including restructuring)	(196)		(196)
Write-offs		(33)	(33)
Total as at 30 June 2014	63,039	513	63,552
Total as at 30 June 2014 represented by	1		
Gross book value	74,619	570	75,189
Accumulated amortisation and impairment	(11,580)	(57)	(11,637)
Total as at 30 June 2014	63,039	513	63,552

In the 2013–14 financial year write-offs of \$33,000 were carried out for purchased software.

	2015 \$'000	2014 \$'000
Note 8F: Other non-financial assets	\$ 000	\$ 000
Prepayments	10,728	8,599
Total other non-financial assets	10,728	8,599
Total other non-financial assets expected to be recovered		
No more than 12 months	9,104	6,901
More than 12 months	1,624	1,698
Total other non-financial assets	10,728	8,599

No indicators of impairment were found for other non-financial assets.

2015 2014 \$000 \$000 Note 9A: Suppliers \$000 Trade creditors and accruals 18,042 7,451 Operating lease rentals 5,453 7,149 Total suppliers 23,495 14,600 Suppliers expected to be settled 8,171 No more than 12 months 57 6,429 Total suppliers 23,495 14,600 Suppliers in connection with 8 8,171 Related parties 1,625 1,284 External parties 21,870 13,316 Total suppliers 23,495 14,600 Suppliers in connection with 8 8 Related parties 1,625 1,284 External parties 2,1,870 13,316 Total suppliers 23,495 14,600 Supparannuation 922 1,024 Separations and redundancies 2,246 8,477 Other employee benefits 111 946 Lease incentives 13,994 16,249	Note 9: Payables		
Note 9A: Suppliers Trade creditors and accruals 18,042 7,451 Operating lease rentals 5,453 7,149 Total suppliers 23,495 14,600 Suppliers expected to be settled 23,495 14,600 No more than 12 months 57 6,429 Total suppliers 23,495 14,600 Suppliers in connection with 57 6,429 Related parties 1,625 1,284 External parties 21,870 13,316 Total suppliers 23,495 14,600 Suppliers in connection with 23,495 14,600 Related parties 1,625 1,284 External parties 21,870 13,316 Total suppliers 23,495 14,600 Settlement was usually made within 30 days. 23,495 14,600 Note 98: Other payables 21,924 22,246 8,477 Wages and salaries 5,833 5,908 5,994 10,249 Lease incentives 111 946 128,994 16,2		2015	2014
Trade creditors and accruals 18,042 7,451 Operating lease rentals 5,453 7,149 Total suppliers 23,495 14,600 Suppliers expected to be settled 23,495 14,600 No more than 12 months 23,438 8,171 More than 12 months 23,438 8,171 More than 12 months 57 6,429 Total suppliers 23,495 14,600 Suppliers in connection with 8 8 Related parties 1,625 1,284 External parties 23,495 14,600 Suppliers in connection with 8 14,600 Related parties 1,625 1,284 External parties 21,870 13,316 Total suppliers 23,495 14,600 Settlement was usually made within 30 days. 8 14,600 Note 98: Other payables 21,024 8,477 Wages and salaries 5,833 5,008 Superannuation 922 1,024 Separations and redundancies 2,246 8,477 Other employee benefits 111 <td></td> <td>\$'000</td> <td>\$'000</td>		\$'000	\$'000
Operating lease rentals 5,453 7,149 Total suppliers 23,495 14,600 Suppliers expected to be settled 23,438 8,171 More than 12 months 57 6,429 Total suppliers 23,495 14,600 Suppliers in connection with 57 6,429 Related parties 1,625 1,284 External parties 21,870 13,316 Total suppliers 23,495 14,600 Suppliers in connection with 23,495 14,600 Related parties 1,625 1,284 External parties 21,870 13,316 Total suppliers 23,495 14,600 Settlement was usually made within 30 days. 23,495 14,600 Note 9B: Other payables 22 1,024 Vages and salaries 5,833 5,908 Superannuation 922 1,024 Separations and redundancies 2,246 8,477 Other employee benefits 111 946 Lease incentives 13,994 <th>Note 9A: Suppliers</th> <th></th> <th>·</th>	Note 9A: Suppliers		·
Total suppliers 23,495 14,600 Suppliers expected to be settled 8,171 8,171 No more than 12 months 23,438 8,171 More than 12 months 57 6,429 Total suppliers 23,495 14,600 Suppliers in connection with 57 6,429 Related parties 1,625 1,284 External parties 21,870 13,316 Total suppliers 23,495 14,600 Settlement was usually made within 30 days. 23,495 14,600 Note 9B: Other payables 922 1,024 Vages and salaries 5,833 5,908 Superannuation 922 1,024 Separations and redundancies 2,246 8,477 Other employee benefits 111 946 Lease incentives 13,994 16,249 Unearned income 5,189 1,821 Payable to the Official Public Account 668 1 Total other payables 28,963 34,426 Other payables expected to be settle	Trade creditors and accruals	18,042	7,451
Suppliers expected to be settledNo more than 12 months23,438More than 12 months57G,42923,495Total suppliers23,495Suppliers in connection withRelated parties1,625External parties21,87013,316Total suppliers23,49521,87013,316Total suppliers23,49514,600Settlement was usually made within 30 days.Note 9B: Other payablesWages and salaries5,833Superannuation9221,024Separations and redundancies2,24611946Lease incentives13,994Unearned income5,189Payable to the Official Public Account668Cother payables28,963Other payables expected to be settledNo more than 12 months17,434No more than 12 months17,43420,042More than 12 months11,52914,384	Operating lease rentals	5,453	7,149
No more than 12 months 23,438 8,171 More than 12 months 57 6,429 Total suppliers 23,495 14,600 Suppliers in connection with 1,625 1,284 Related parties 1,625 1,284 External parties 21,870 13,316 Total suppliers 23,495 14,600 Settlement was usually made within 30 days. 23,495 14,600 Note 9B: Other payables 23,495 14,600 Wages and salaries 5,833 5,908 Superannuation 922 1,024 Separations and redundancies 2,246 8,477 Other employee benefits 111 946 Lease incentives 13,994 16,249 Unearned income 5,189 1,821 Payable to the Official Public Account 668 1 Total other payables 28,963 34,426 Other payables expected to be settled 17,434 20,042 More than 12 months 17,434 20,042	Total suppliers	23,495	14,600
More than 12 months 57 6,429 Total suppliers 23,495 14,600 Suppliers in connection with Related parties 1,625 1,284 External parties 21,870 13,316 Total suppliers 23,495 14,600 Settlement was usually made within 30 days. 23,495 14,600 Settlement was usually made within 30 days. 23,495 14,600 Settlement was usually made within 30 days. 23,495 14,600 Wages and salaries 5,833 5,908 Superannuation 922 1,024 Separations and redundancies 2,246 8,477 Other employee benefits 111 946 Lease incentives 13,994 16,249 Unearned income 5,189 1,821 Payable to the Official Public Account 668 1 Total other payables 28,963 34,426 Other payables expected to be settled 17,434 20,042 No more than 12 months 17,434 20,042 More than 12 months 11,529	Suppliers expected to be settled		
Total suppliers23,49514,600Suppliers in connection with Related parties1,6251,284External parties1,6251,3316Total suppliers23,49514,600Settlement was usually made within 30 days.23,49514,600Note 9B: Other payables5,8335,908Superannuation9221,024Separations and redundancies2,2468,477Other employee benefits111946Lease incentives13,99416,249Unearned income5,1891,821Payable to the Official Public Account6681Total other payables28,96334,426Other payables expected to be settled More than 12 months17,43420,042More than 12 months11,52914,384		23,438	8,171
Suppliers in connection with Related parties1,6251,284External parties21,87013,316Total suppliers23,49514,600Settlement was usually made within 30 days.3Note 9B: Other payables5,8335,908Superannuation9221,024Separations and redundancies2,2468,477Other employee benefits111946Lease incentives13,99416,249Unearned income5,1891,821Payable to the Official Public Account6681Total other payables28,96334,426Other payables expected to be settled17,43420,042More than 12 months17,43420,042More than 12 months11,52914,384	More than 12 months	57	6,429
Related parties1,6251,284External parties21,87013,316Total suppliers23,49514,600Settlement was usually made within 30 days.Note 9B: Other payablesWages and salaries5,8335,908Superannuation9221,024Separations and redundancies2,2468,477Other employee benefits111946Lease incentives13,99416,249Unearned income5,1891,821Payable to the Official Public Account6681Total other payables28,96334,426Other payables expected to be settled17,43420,042More than 12 months17,43420,042More than 12 months11,52914,384	Total suppliers	23,495	14,600
External parties21,87013,316Total suppliers23,49514,600Settlement was usually made within 30 days.Note 9B: Other payablesWages and salaries5,8335,908Superannuation9221,024Separations and redundancies2,2468,477Other employee benefits111946Lease incentives13,99416,249Unearned income5,1891,821Payable to the Official Public Account6681Total other payables28,96334,426Other payables expected to be settled17,43420,042More than 12 months17,43420,042More than 12 months11,52914,384	Suppliers in connection with		
Total suppliers23,49514,600Settlement was usually made within 30 days.Note 9B: Other payablesWages and salaries5,8335,908Superannuation9221,024Separations and redundancies2,2468,477Other employee benefits111946Lease incentives13,99416,249Unearned income5,1891,821Payable to the Official Public Account6681Total other payables28,96334,426Other payables expected to be settled17,43420,042More than 12 months11,52914,384		1,625	1,284
Settlement was usually made within 30 days.Note 9B: Other payablesWages and salaries5,8335,908Superannuation9221,024Separations and redundancies2,2468,477Other employee benefits111946Lease incentives13,99416,249Unearned income5,1891,821Payable to the Official Public Account6681Total other payables28,96334,426Other payables expected to be settled17,43420,042More than 12 months11,52914,384	External parties	21,870	13,316
Note 9B: Other payablesWages and salaries5,8335,908Superannuation9221,024Separations and redundancies2,2468,477Other employee benefits111946Lease incentives13,99416,249Unearned income5,1891,821Payable to the Official Public Account6681Total other payables28,96334,426Other payables expected to be settled17,43420,042More than 12 months11,52914,384	Total suppliers	23,495	14,600
Wages and salaries 5,833 5,908 Superannuation 922 1,024 Separations and redundancies 2,246 8,477 Other employee benefits 111 946 Lease incentives 13,994 16,249 Unearned income 5,189 1,821 Payable to the Official Public Account 668 1 Total other payables 28,963 34,426 Other payables expected to be settled 17,434 20,042 More than 12 months 11,529 14,384	Settlement was usually made within 30 days.		
Superannuation 922 1,024 Separations and redundancies 2,246 8,477 Other employee benefits 111 946 Lease incentives 13,994 16,249 Unearned income 5,189 1,821 Payable to the Official Public Account 668 1 Total other payables 28,963 34,426 Other payables expected to be settled 17,434 20,042 More than 12 months 17,434 20,042 More than 12 months 11,529 14,384	Note 9B: Other payables		
Separations and redundancies 2,246 8,477 Other employee benefits 111 946 Lease incentives 13,994 16,249 Unearned income 5,189 1,821 Payable to the Official Public Account 668 1 Total other payables 28,963 34,426 Other payables expected to be settled 17,434 20,042 More than 12 months 11,529 14,384	Wages and salaries	5,833	5,908
Other employee benefits111946Lease incentives13,99416,249Unearned income5,1891,821Payable to the Official Public Account6681Total other payables28,96334,426Other payables expected to be settled7,43420,042More than 12 months11,52914,384	Superannuation	922	1,024
Lease incentives 13,994 16,249 Unearned income 5,189 1,821 Payable to the Official Public Account 668 1 Total other payables 28,963 34,426 Other payables expected to be settled 17,434 20,042 No more than 12 months 11,529 14,384	Separations and redundancies	2,246	8,477
Unearned income5,1891,821Payable to the Official Public Account6681Total other payables28,96334,426Other payables expected to be settledNo more than 12 months17,43420,042More than 12 months11,52914,384	Other employee benefits	111	946
Payable to the Official Public Account6681Total other payables28,96334,426Other payables expected to be settled17,43420,042No more than 12 months17,43420,042More than 12 months11,52914,384	Lease incentives	13,994	16,249
Total other payables28,96334,426Other payables expected to be settledNo more than 12 monthsMore than 12 months11,52914,384	Unearned income	5,189	1,821
Other payables expected to be settledNo more than 12 months17,434More than 12 months11,52914,384	Payable to the Official Public Account	668	1
No more than 12 months 17,434 20,042 More than 12 months 11,529 14,384	Total other payables	28,963	34,426
More than 12 months 11,529 14,384	Other payables expected to be settled		
	No more than 12 months	17,434	20,042
Total other payables 28,963 34,426	More than 12 months	11,529	14,384
	Total other payables	28,963	34,426

Note 10: Provisions

	2015	2014
	\$'000	\$'000
Note 10A: Employee provisions		
Leave	54,778	61,052
Total employee provisions	54,778	61,052
Employee provisions expected to be settled		
No more than 12 months	18,989	21,286
More than 12 months	35,789	39,766
Total employee provisions	54,778	61,052
Note 10B: Other provisions		
Provision for legal obligations	620	700
Provision for restoration obligations	320	645
Provision for surplus lease space	2,166	3,326
Total other provisions	3,106	4,671
Other provisions expected to be settled		
No more than 12 months	2,591	1,836
More than 12 months	515	2,835
Total other provisions	3,106	4,671

		Provision		
	Provision	for	Provision	
	for legal	restoration	for surplus	
	obligations	obligations	lease space	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014	700	645	3,326	4,671
Opening balance from restructuring	-	-	-	-
Additional provisions made	-	-	2,169	2,169
Amounts reversed	(80)	(229)	-	(309)
Amounts used	-	(87)	(3,370)	(3,457)
Unwinding of discount or change in discount rate	-	10	41	51
Net adjustment due to allocation change in Departments	-	(14)	-	(14)
Adjustments to asset revaluation reserve	-	(5)	-	(5)
Total as at 30 June 2015	620	320	2,166	3,106

The department currently has two (2014: four) agreements for the leasing of premises which have provisions requiring the department to restore the premises to their original condition at the conclusion of the lease. The department has made a provision to reflect the present value of this obligation.

Note 11: Restructuring

Note 11A: Departmental restructuring		
		2015
Function	Early Childhood Education and	Skills and Training
	Care	
Entity	Department of Social Services ¹	Department of Industry and Science ²
	\$'000	\$'000
FUNCTION ASSUMED		
Assets recognised		
Trade and other receivables	-	24,100
Property, plant and equipment	-	1
Intangibles	-	14,712
Total assets recognised	-	38,813
Liabilities recognised		
Employee provisions	-	14,256
Total liabilities recognised	-	14,256
Net assets recognised	-	24,557
Income assumed		
Recognised by the receiving entity	-	4,105
Recognised by the losing entity	-	2,863
Total income assumed	-	6,968
Expenses assumed		
Recognised by the receiving entity	-	18,960
Recognised by the losing entity	-	38,212
Total expenses assumed	-	57,172

Function	Early Childhood Education and	Skills and Training
Entity	Care Department of Social Services ¹	Department of Industry and Science ²
	\$'000	\$'000
FUNCTIONS RELINQUISHED		
Assets relinquished		
Trade and other receivables	13,085	-
Land and buildings	2,583	-
Property, plant and equipment	25	-
Intangibles	8,557	-
Other non financial assets	260	-
Total assets relinquished	24,510	-
Liabilities relinquished		
Suppliers	4,073	-
Employee provisions	13,416	-
Total liabilities relinquished	17,489	-
Net assets relinguished	7,021	-

Notes:

¹ The Early Childhood Education and Care functions transferred to Department of Social Services following the Administrative Arrangement Orders of 23 December 2014.

² The Skills and Training functions were acquired from the Department of Industry and Science following the Administrative Arrangement Orders of 23 December 2014.

The net assets assumed from all entities total \$24.557 million.

The net assets relinquished to all entities total \$7.021 million.

The net book value of the assets and liabilities were transferred to the department for no consideration.
Function		3	2014		
	Education including: Early Childhood Education and Care and Schools and Youth	Education including: State Network Education including: Higher and Corporate Functions Education, Research and International	ork Education including: Higher Education, Research and International	Education including: Indigenous education	Corporate functions supporting Working Age Payments and Disability Employment Services
Entity	Department of Education, I Employment and Workplace Relations ³ com	Department of Employment ⁴	Department of Industry ⁵ 1 1 2000	Department of the Prime Minister and Cabinet ⁶ thom	Department of Social Services ⁷
FUNCTION ASSUMED	2				
Assets recognised					
Cash and cash equivalents	2,618	8			1
Trade and other receivables	19,789	6	- 2,066	90	
Other financial assets	2,395	5			
Land and buildings	57,229	6	- 487	17	1
Property, plant and equipment	11,310	0	- 218	8	
Intangibles	43,407	7	- 14,510	0	
Other non-financial assets	8,145	5	- 554	14	-
Total assets recognised	144,893	œ	- 17,835	5	
Liabilities recognised					
Suppliers	8,203	3			
Other payables	27,309	6	- 660	0	
Employee provisions	59,126		6,504 14,023	3	
Other provisions	1,864	4	ı		
Total liabilities recognised	96,502		6,504 14,683	33	
Net assets recognised	48,391		(6,504) 3,152	12	

Function	Education including: Early	Education including: State Network Education including: Higher Education including	c Education including: Higher	Education including	Corporate functions supporting	1
	Childhood Education and Care and Schools and Youth	and Corporate Functions	Education, Research and International	Indigenous education	Working Age Payments and Disability Employment Services	īty
Entity	Department of Education, Employment and Workplace	Department of Employment ⁴	Department of Industry ⁵	Department of the Prime Minister and	Department of Social Services ⁷	
	\$,000	000,\$ 0	000,\$	Cabinet \$'000	000,\$ 0	8
FUNCTIONS RELINQUISHED						
Assets relinquished						
Land and buildings		1		- (2,535)	(÷
Property, plant and equipment				- (18)	()	,
Intangibles		-		- (197)	()	
Total assets relinquished				. (2,750)	('
Liabilities relinquished						
Employee provisions		- (14,277)	(- (2,941)	.) (417)	(2)
Total liabilities relinquished		- (14,277)	(- (2,941)	(417)	(2)
Net assets relinquished		- 14,277	4	. 191	1 417	17
Income assumed						
Recognised by the receiving entity	13,941	T	- 12,473		-	
Recognised by the losing entity	6,141	T	- 667		1	
Total income assumed	20,082	2	- 13,140		1	'
Expenses assumed						
Recognised by the receiving entity	164,361	1	- 80,694	-	-	,
Recognised by the losing entity	55,998	8	- 30,497		-	
Total expenses assumed	220,359	6	- 111,191		1	- 1

Notes:

The Early Childhood Education and Care and Schools and Youth Education functions were acquired from the former Department of Education, Employment and Workplace Relations following the Administrative Arrangement Orders changes on 18 September 2013. Responsibility for Corporate and State Network functions in relation to the former DEEWR were acquired/relinquished from/to the Department of Employment on 28 February 2014. The transfer of staff followed the transfer of function resulting from the Administrative Arrangement Orders changes on 18 September 2013.

⁷ the Tertiary Education functions including higher education, research and international education were acquired from the Department of Industry during 2013–14 due to the Administrative Arrangement Order changes on 18 September 2013 and 12 December 2014.

² indigenous education functions were transferred to the Department of the Prime Minister and Cabinet during 2013–14 following the Administrative Arrangement Orders of 18 September 2013. Responsibility for certain Corporate functions relating to Working Age Payments and Disability Employment Services were transferred to the Department of Social Services on 13 February 2014 In respect of the functions assumed and relinguished the net book value of assets were transferred to the entity for no consideration.

The net assets/liabilities assumed from all entities total \$45.039 million.

The net assets/liabilities relinguished to all entities total \$14.885 million.

	2015	
Function	Early Education: Early Childhood and Child	Skills and Training
	Care	
Entity	Department of Social Services ¹	Department of Industry and Science
	\$'000	\$'000
FUNCTIONS ASSUMED		
Assets recognised		
Cash and cash equivalents	-	737
Trade and other receivables	-	1,449
Advances and loans	-	23,850
Total assets recognised	-	26,036
Liabilities recognised		
Suppliers	-	34,605
Total liabilities recognised	-	34,605
Net assets recognised	-	(8,569)
Income assumed		
Recognised by the receiving		
entity	-	3,610
Recognised by the losing entity	-	8,912
Total income assumed	-	12,522
Expenses assumed		
Recognised by the receiving		
entity	-	414,257
Recognised by losing entity		853,436
Total expenses assumed	-	1,267,693
FUNCTIONS RELINQUISHED		
Assets relinquished		
Cash and cash equivalents	25,109	-
Trade and other receivables	(917)	-
Personal benefits receivable	355,471	-
Advances and loans	609	-
Total assets relinquished	380,272	
Liabilities relinquished		
Suppliers	3,797	-
Personal benefits payable	193,101	
Grants payable	22,429	
Provision for personal benefits	703,289	
Total liabilities relinquished	922,616	
Net assets relinquished	(542,344)	

Notes:

¹ The Early Childhood Education and Care functions transferred to the Department of Social Services following the

Administrative Arrangement Orders of 23 December 2014.

² The Skills and Training functions were acquired from the Department of Industry and Science following the Administrative Arrangement Orders of 23 December 2014.

The net assets assumed from all entities total (\$8.569) million.

The net assets relinquished to all entities total (\$542.344) million.

The net book value of the assets and liabilities were transferred to the department for no consideration.

		1001	
Function	Education: Early Childhood Education and Care, Schools	2014 Tertiary Education: including Higher Education, Tertiary Education: including Research	Tertiary Education: including Research
Entity	and Youth Research and International Education Department of Education, Employment and Workplace Department of Industry, Innovation, Science, Research Relations ³ conor	Research and International Education artment of Industry, Innovation, Science, Research and Tertiary Education ⁶ *non	Department of the Prime Minister and Cabinet ^s conor
FUNCTIONS ASSUMED			
Assets assumed			
Cash and cash equivalents	139,331		
Trade and other receivables	9,478	431,524	
Personal benefits receivable	295,752		
Advances and loans	11,885	22,432,432	1
Other non-financial assets	3,864		1
Investments	6,987	1,960,654	38,465
Total assets assumed	467,297	24,824,610	38,465
Liabilities assumed			
Suppliers	33,327	551,779	
Personal benefits payable	118,561		1
Grants payable	13,663		
Other payable	2,794		
Provision for personal benefits	624,484		
Provision for grants		6,676,618	1
Total liabilities assumed	792,829	7,228,397	
Net assets assumed	(325,532)	17,596,213	38,465
Income assumed			
Recognised by the receiving entity	20,856	881,148	
Recognised by the losing entity	144,614	8,405	
Total income assumed	165,470	889,553	
Expenses assumed			
Recognised by the receiving entity	14,251,244	8,462,473	5,360
Recognised by losing entity	3,531,369	2,230,376	2,279
Total expenses assumed	17,782,613	10,692,849	7,639

Function	Education: Early Childhood Education and Care, Schools and Youth	Tertiary Education: including Higher Education, Tertiary Education: including Research Research and International Education	Tertiary Education: including Research
Entity	Department of Education, Employment and Workplace Department of Industry, Innovation, Science, Research Department of the Prime Minister and Relations ³ and Tertiary Education ⁴ Cabinet ⁵	Department of Industry, Innovation, Science, Research and Tertiary Education ⁴	Department of the Prime Minister and Cabinet ⁵
	\$,000	\$,000	\$'000
FUNCTIONS RELINQUISHED			
Assets relinquished			
Trade and other receivables			(1,847)
Total assets relinquished			(1,847)
Liabilities relinquished			
Suppliers			996
Total liabilities relinquished			996
Net assets relinquished			(881)
Notes:			
³ The Early Childhood Education and Care ar	Care and Schools and Youth Education functions were accuured from the former Department of Education. Employment and Workplace Belations following the	the former Department of Education. Employment and V	Workplace Relations following the

וסאוווא נווה Administrative Arrangement Orders changes on 18 September 2013. ne Early Chi

¹ the Tertiary Education functions including higher education, research and international education were acquired from the Department of Industry during 2013–14 due to the Administrative Arrangement Order changes on 18 September 2013 and 12 December 2014.

¹ indigenous education functions were transferred to the Department of the Prime Minister and Cabinet during 2013–14 following the Administrative Arrangement Orders of 18 September 2013. The net assets/liabilities assumed from all entities total \$17.309 billion.

The net assets/liabilities relinquished to all entities total \$0.881 million.

Note 12: Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per statement of financial position		
to cash flow statement		
Cash and cash equivalents as per		
Cash flow statement	9,817	8,429
Statement of financial position	9,817	8,429
Discrepancy	· ·	
Reconciliation of net cost of services to net cash from (used by) operating activitie	25	
Net (cost of) contribution by services	(300,449)	(218,640)
Revenue from Government	276,854	196,102
Adjustments for non-cash items		
First time recognition of non-financial assets	(881)	(1,498)
Reversal of previous asset impairment	-	(74)
Other gains	(502)	-
Write-down and impairment of goods and services	(17)	106
Depreciation / amortisation	26,918	20,308
Net write-down and impairment of assets	2,819	796
Net losses from sale of assets	(87)	314
Movements in assets and liabilities		
Assets		
Decrease / (increase) in net receivables	(9,416)	(11,477)
Decrease / (increase) in accrued income	6,837	472
Decrease / (increase) in prepayments	(2,126)	100
Liabilities		
Increase / (decrease) in employee provisions	(7,113)	(693)
Increase / (decrease) in supplier payables	12,175	10,391
Increase / (decrease) in other provisions	(404)	(518)
Increase / (decrease) in other payables	(5,460)	4,992
Net cash from (used by) operating activities	(852)	681



Note 13: Contingent Assets and Liabilities

Quantifiable Contingencies

The department does not hold quantifiable contingent assets or liabilities as at 30 June 2015 (2014: nil).

Unquantifiable Contingencies

As at 30 June 2015, the department had contingent assets and liabilities likely to be paid in respect of damages and claims that are not quantifiable. There were three open matters (2014: two) in the hands of the department's legal representatives. These open matters relate to a wide range of legal issues (departmental and administered) with varying probabilities of success. It is not possible to estimate the amounts of any eventual receipts or payments that may be received or made in relation to these claims.

Significant Remote Contingencies

The department has one contingent asset (2014: one) where the likelihood of receipt is remote. The value of contingent liabilities where the likelihood of payment is remote is nil.

The department has provided an indemnity to the Reserve Bank of Australia against loss or damage arising from the bank acting in good faith on the instructions given to it under the provision of the contract for the department's transactional banking services, any error, mistake, fraud or negligence and any failure of the department to observe its obligations. The likelihood of any payment being required under the indemnity is remote and unquantifiable.

Note 14: Senior Management Personnel Remuneration

	2015	2014
	\$'000	\$'000
Short-term employee benefits		
Salary	12,551	10,403
Other	2,638	1,886
Total short-term employee benefits	15,189	12,289
Post-employment benefits		
Superannuation	2,354	2,158
Total post-employment benefits	2,354	2,158
Other long-term employee benefits		
Annual leave accrued	943	1,010
Long-service leave	253	182
Total other long-term benefits	1,196	1,192
Termination benefits	1,632	815
Total senior executive remuneration expenses	20,371	16,454

The total number of senior management personnel that are included in the above table are 93 individuals (2013–14: 93 individuals).

Note 15: Remuneration of Auditors

Financial statement audit services were provided free of charge to the department by the Australian National Audit Office.

The fair value of the services received for financial statement audit services	1,350	1,460
Total fair value of services received	1,350	1,460

No other services were provided by the auditors of the financial statements.

Note 16: Financial Instruments

	2015 \$'000	2014 \$'000
Note 16A: Categories of financial instruments		
Financial Assets		
Loans and receivables		
Cash and cash equivalents	9,817	8,429
Goods and services	4,111	15,138
Accrued revenue	3,276	10,113
Total financial assets	17,204	33,680
Financial Liabilities		
Measured at amortised cost		
Trade creditors and accruals	18,042	7,451
Total financial liabilities	18,042	7,451
Note 16B: Net gains or losses on financial assets		
Loans and receivables		
Write off impairment - goods and services	47	97
Impairment of receivables - goods and services	-	9
Net gains (losses) on loans and receivables	47	106
Net gains (losses) on financial assets	47	106

The net income/expenses from financial assets not at fair value through profit or loss is \$47,000 (2014:\$106,000).

Note 16C: Fair value of financial instruments

Carrying	Fair	Carrying	Fair
amount	value	amount	value
2015	2015	2014	2014
\$'000	\$'000	\$'000	\$'000
9,817	9,817	8,429	8,429
4,111	4,111	15,138	15,074
3,276	3,276	10,113	10,113
17,204	17,204	33,680	33,616
18,042	18,042	7,451	7,451
18,042	18,042	7,451	7,451
	amount 2015 \$'000 9,817 4,111 3,276 17,204 18,042	amount value 2015 2015 \$'000 \$'000 9,817 9,817 4,111 4,111 3,276 3,276 17,204 17,204 18,042 18,042	amount value amount 2015 2015 2014 \$'000 \$'000 \$'000 9,817 9,817 8,429 4,111 4,111 15,138 3,276 3,276 10,113 17,204 17,204 33,680

Note 16D: Credit risk

The department is exposed to minimal credit risk as loans and receivables are cash, cash on deposit and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables in 2015: \$4.111 million (2014: \$15.138 million). The department has assessed the risk of the default on payment and has not allocated an impairment allowance for doubtful debts (2014: \$64,000).

The department has no liabilities carried at amounts not best representing maximum exposure to credit risk. The department has no significant exposures to any concentrations of credit risk. All figures for credit risk referred to do not take into account the value of any collateral of other security.

In relation to the department's gross credit risk and the financial effect in respect of the amount that best represents the maximum exposure to credit risk there is no collateral held.

Credit quality of financial assets not past due or individually determined as impaired

	Not past due	Past due or	Not past due	Past due or
	nor impaired	impaired	nor impaired	impaired
	2015	2015	2014	2014
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	9,817	-	8,429	-
Goods and services receivable	3,347	764	7,391	7,747
Accrued revenue	3,276	-	10,113	-
Total	16,440	764	25,933	7,747

Ageing of financial assets that were past due but not impaired for 2015

	0 to 30	31 to 60	61 to 90	90+	
	days	days	days	days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Goods and services receivable	598	193	89	482	1,362
Total	598	193	89	482	1,362

Ageing of financial assets that were past due but not impaired for 2014

	0 to 30	31 to 60	61 to 90	90+	
	days	days	days	days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Goods and services	5,888	282	809	768	7,747
Total	5,888	282	809	768	7,747

The following asset has been individually assessed as impaired

Trade receivables have been individually assessed for impairment including an assessment made on an historical basis.

Note 16E: Liquidity risk

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

Note 16F: Market risk

The department holds basic financial instruments that do not expose the department to market risks.

Note 17: Financial Assets Reconciliation

		2015	2014
		\$'000	\$'000
	Notes		
Total financial assets as per statement of financial position		64,922	53,311
Less: non-financial instrument components			
Appropriation receivable		45,176	18,106
GST receivable from the ATO		2,542	1,589
Impairment allowance account			(64)
Total non-financial instrument components		47,718	19,631
Total financial assets as per financial instruments note	16A	17,204	33,680

Note 18: Administered Expenses		
Note 18A: Suppliers	2015	2014
	\$'000	\$'000
Goods and services supplied or rendered		
Assistance to families with children ¹	32,685	40,957
General Research	4,452	1,254
Higher Education	21,481	3,048
School education - specific funding	83,227	123,348
Vocational and industry training ²	196,732	
Total goods and services supplied or rendered	338,577	168,607
Goods and services are made up of		
Rendering of services – related parties	936	
Rendering of services - external parties	337,641	168,607
Total goods and services supplied or rendered	338,577	168,607
Total supplier expenses	338,577	168,607
Note 18B: Subsidies		
Subsidies in connection with external parties		
Vocational and industry training ²	144,308	
Higher Education	144,508	
Total subsidies	144,309	i
Note 18C: Personal benefits		
Direct		
Student assistance	72,298	51,653
School Education - Specific Funding	1,000	1,040
Assistance to families with children ¹	836,916	1,276,116
Vocational and industry training ²	18,881	
Indirect		
Assistance to families with children	2,606,001	3,138,001
Total personal benefits	3,535,096	4,466,808
Note 18D: Grants		
Public sector		
Australian Government entities (related parties)	21,863	35,657
State and Territory Governments	14,764,549	9,179,813
Private sector		
Non-profit organisations	167,674	246,514
Multi-jurisdictional sector	9,082,051	6,688,342
Other	373,959	413,903
Total grants	24,410,096	16,564,229

¹ Responsibility for the administration of assistance to families with children transferred to the Department of Social Services on 23 December 2014.

² Responsibility for the administration of vocational and industry training transferred from the Department of Industry and Science on 23 December 2014.

Note 18E: Finance costs		
Concessional loan discount	801,980	592,890
Total finance costs	801,980	592,890
Note 18F: Write-down and impairment of assets		
Impairment of personal benefits receivable	19,206	-
Impairment of Higher Education Superannuation Programme	-	57,750
Write-down of other receivables	477	462
Impairment of goods and services and other receivables	6,554	2,728
Total write-down and impairment of assets	26,237	60,940
	2015	2014
	\$'000	\$'000
Note 18G: Payments to corporate Commonwealth entities		
Australian Institute of Aboriginal and Torres Strait Islander Studies	13,370	5,360
Total payments to corporate Commonwealth entities	13,370	5,360
	2015	2014
	\$'000	\$'000
Note 18H: Fair value losses		
Losses from remeasuring financial instruments held at fair value through profit or		
loss	702,638	860,240
Total fair value losses	702,638	860,240
Nata 101, Other Furgeries		
Note 18I: Other Expenses		
Act of Grace payments	57	-
Total other expenses	57	

Note 19: Administered Income		
Note 19. Automistered income		
	2015	2014
	\$'000	\$'000
Taxation revenue		
Note 404, Other Laws		
Note 19A: Other taxes		
Levies (other than agricultural)	8,576	6,538
Total other taxes	8,576	6,538
Non-taxation revenue	2015	2014
Note 19B: Interest	\$'000	\$'000
		,
Other sources	337	1
Loans	582,797	506,839
Total interest	583,134	506,840
Note 19C: Other revenue		
Education investment fund special account	217,413	234,207
Other	73,772	48,865
Total other revenue	291,185	283,072
.		
Gains		
Note 19D: Fair value gains		
Unfunded University Superannuation		96,221
Total fair value gains		96,221
Note 19E: Reversals of previous asset write-downs and impairment		
Reversal of impairment losses for the Higher Education Superannuation Programme	1,200,266	-
Reversal of impairment losses for personal benefits receivables		9,331
Total reversals of previous asset write-downs and impairments	1,200,266	9,331

Note 20: Administered Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the department can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 20A: Fair value measurements, valuation techniques and inputs used

Fair value measurements at 30 June 2015 by hierarchy for assets and liabilities

	Fair value me	asurements at	the end of				
	the rep	the reporting period using			For Levels 2 and 3 fair value measuremen		
			Category	Valuation	Inputs	Inputs	Weighted
	2015	2014	(Level 1,	technique	Used	Range	Average
	\$'000	\$'000	2 or 3)	\$'000	\$'000	\$'000	\$'000
Financial assets							
				Loan		Principal	
Concessional loans	30,497,818	25,147,866	3	Conditions		due	
						Net assets	
Administered				Net assets of		of the	
investments	2,149,930	2,149,026	3	the entity		entity	
Total financial assets	32,647,748	27,296,892					
Total fair value							
measurements	32.647.748	27.296.892					

There are a number of Administered assets and liabilities not measured at fair value in the statement of administered assets and liabilities. The carrying amounts of these assets and liabilities are considered to be a reasonable approximation of their fair value.

The methods and valuation techniques used for the purpose of measuring fair value of assets and liabilities in 2015 are unchanged from the previous reporting period.

Changing inputs to the level 3 hierarchy valuations to reasonably possible alternate assumptions would not significantly change amounts recognised in net cost of services or other comprehensive income.

Note 20B: Reconciliation for recurring Level 3 fair value measurements

There has been no transfer between levels during the period

Recurring Level 3 fair value measurements - reconciliation for assets

	Financial assets					
	Administered					
	Concessional loans investments			Total		
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	25,147,866	22,444,317	2,149,026	2,006,106	27,296,892	24,450,423
Total gains/(losses) recognised						
in net cost of services ¹	(669,486)	(963,888)	-	-	(669,486)	(963,888)
Total gains/(losses) recognised						
in Administered Equity	-	-	904	142,920	904	142,920
Issues	7,944,246	4,880,788	-	-	7,944,246	4,880,788
Settlements	(1,924,808)	(1,213,351)	-	-	(1,924,808)	(1,213,351)
Closing balance	30,497,818	25,147,866	2,149,930	2,149,026	32,647,748	27,296,892

¹ The gains or losses are presented in the Administered Schedule of Comprehensive Income under Notes 18C Personal benefits, 18E Finance costs, 18H Fair value losses, 19B Interest.

Note 21: Administered Financial Assets		
	2015	2014
	\$'000	\$'000
Note 21A: Cash and cash equivalents	<i>,</i>	Ç ÜÜÜ
Cash on hand or on deposit	-	
Special accounts	26,528	91,29
Total cash and cash equivalents	26,528	91,293
Note 21B: Receivables		
Good and services		
Goods and services - related parties	-	
Goods and services - external parties	39,143	33,92
Total receivables for goods and services	39,143	33,92
Advances and loans		
HECS\HELP	30,444,858	25,147,139
Trade Support Loans	52,960	
Other loans	<u> </u>	72
Total advances and loans	30,497,818	25,147,866
Other receivables		
GST receivable from Australian Taxation Office	16,536	13,364
Higher Education Superannuation Programme	382,000	1,622,250
Personal benefits receivable	<u> </u>	368,692
Total other receivables	398,536	2,004,300
Total receivables (gross)	30,935,497	27,186,093
Less impairment allowance		
Goods and services	(7,523)	(9,757
Higher Education Superannuation Programme	-	(1,200,250
Personal benefits	-	(15,959
Total impairment allowance	(7,523)	(1,225,966
Total receivables (net)	30,927,974	25,960,12
Receivables (net) expected to be recovered		
No more than 12 months	48,156	39,88
More than 12 months	30,879,818	25,920,240
Total receivables (net)	30,927,974	25,960,127

	2015	201
	\$'000	\$'00
Receivables (gross) aged as follows		
Not overdue	30,926,104	27,145,09
Overdue by		
0 to 30 days	549	1,42
31 to 60 days	910	44
61 to 90 days	33	30
More than 90 days	7,901	38,82
Total receivables (gross)	30,935,497	27,186,09
The impairment allowance aged as follows		
Not overdue	-	(1,200,38
Overdue by		.,,,
0 to 30 days	(77)	(4
31 to 60 days		(2
61 to 90 days		(2
More than 90 days	(7,446)	(25,47
Total impairment allowance	(7,523)	(1,225,96
within 30 days (2014: 30 days).	n Government. Credit terms are	payment
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account:	n Government. Credit terms are	e payment
Goods and services receivables are with entities external to the Australia within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015	n Government. Credit terms are	
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account:		Tot
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015	Receivables	Tot \$'00
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015	Receivables \$'000	Tot \$'0((1,225,96
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Opening balance at 1 July 2014	Receivables \$'000 (1,225,966)	Tot \$'0((1,225,96 (14
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Opening balance at 1 July 2014 Amounts written off	Receivables \$'000 (1,225,966) (142)	Tot \$'0((1,225,96 (14 14
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Dpening balance at 1 July 2014 Amounts written off Amounts recovered and reversed	Receivables \$'000 (1,225,966) (142) 142	Tot \$'0((1,225,96 (14 1,200,20)
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Dpening balance at 1 July 2014 Amounts written off Amounts recovered and reversed Reversal of previous impairment	Receivables \$'000 (1,225,966) (142) 142 1,200,266	Tot \$'0((1,225,96 (14 1,200,2(36,5!
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Opening balance at 1 July 2014 Amounts written off Amounts recovered and reversed Reversal of previous impairment Amounts transferred through restructuring Increase (decrease) recognised in net cost of services	Receivables \$'000 (1,225,966) (142) 142 1,200,266 36,559	Tot \$'00 (1,225,96 (14 1,200,26 36,55 (18,38
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Dening balance at 1 July 2014 Amounts written off Amounts recovered and reversed Reversal of previous impairment Amounts transferred through restructuring Increase (decrease) recognised in net cost of services Closing balance at 30 June 2015	Receivables \$'000 (1,225,966) (142) 142 1,200,266 36,559 (18,382)	Tot \$'0((1,225,96 (14 1,200,20 36,5! (18,38
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Dening balance at 1 July 2014 Amounts written off Amounts recovered and reversed Reversal of previous impairment Amounts transferred through restructuring Increase (decrease) recognised in net cost of services Closing balance at 30 June 2015	Receivables \$'000 (1,225,966) (142) 142 1,200,266 36,559 (18,382)	Tot \$'00 (1,225,96 (14 1,200,26 36,55 (18,38 (7,52
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Dening balance at 1 July 2014 Amounts written off Amounts recovered and reversed Reversal of previous impairment Amounts transferred through restructuring Increase (decrease) recognised in net cost of services Closing balance at 30 June 2015	Receivables \$'000 (1,225,966) (142) 142 1,200,266 36,559 (18,382) (7,523)	Tot \$'0((1,225,96 (14 1,200,20 36,59 (18,38 (7,52 Tot
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Opening balance at 1 July 2014 Amounts written off Amounts recovered and reversed Reversal of previous impairment Amounts transferred through restructuring Increase (decrease) recognised in net cost of services Closing balance at 30 June 2015 Movements in relation to 2014	Receivables \$'000 (1,225,966) (142) 142 1,200,266 36,559 (18,382) (7,523) Receivables	Tot \$'0((1,225,96 (14 1,200,24 36,59 (18,38 (7,52 Tot \$'00
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Dening balance at 1 July 2014 Amounts written off Amounts recovered and reversed Reversal of previous impairment Amounts transferred through restructuring Increase (decrease) recognised in net cost of services Closing balance at 30 June 2015 Movements in relation to 2014	Receivables \$'000 (1,225,966) (142) 142 1,200,266 36,559 (18,382) (7,523) Receivables \$'000	Tot \$'00 (1,225,96 (14 1,200,20 36,59 (18,38 (7,52 Tot \$'00 (1,188,06
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Opening balance at 1 July 2014 Amounts written off Amounts veritten off Amounts recovered and reversed Reversal of previous impairment Amounts transferred through restructuring Increase (decrease) recognised in net cost of services Closing balance at 30 June 2015 Movements in relation to 2014 Opening balance at 19 September 2013	Receivables \$'000 (1,225,966) (142) 142 1,200,266 36,559 (18,382) (7,523) Receivables \$'000 (1,188,060)	Tot \$'00 (1,225,96 (14 1,200,20 36,55 (18,38 (7,52 Tot \$'00 (1,188,06 (46
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Opening balance at 1 July 2014 Amounts written off Amounts recovered and reversed Reversal of previous impairment Amounts transferred through restructuring Increase (decrease) recognised in net cost of services Closing balance at 30 June 2015 Movements in relation to 2014 Opening balance at 19 September 2013 Amounts written off	Receivables \$'000 (1,225,966) (142) 142 1,200,266 36,559 (18,382) (7,523) Receivables \$'000 (1,188,060) (462)	r payment Tot \$'00 (1,225,96 (14 1,200,26 (14,38 (14,38 (14,38 (14,38),66 (14,38),66 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),86 (14,38),96 (14,38
within 30 days (2014: 30 days). Reconciliation of the Impairment Allowance Account: Movements in relation to 2015 Opening balance at 1 July 2014 Amounts written off Amounts recovered and reversed Reversal of previous impairment Amounts transferred through restructuring Increase (decrease) recognised in net cost of services Closing balance at 30 June 2015 Movements in relation to 2014 Opening balance at 19 September 2013 Amounts written off Amounts recovered and reversed	Receivables \$'000 (1,225,966) (142) 142 1,200,266 36,559 (18,382) (7,523) Receivables \$'000 (1,188,060) (462) 12,873	Tot \$'0((1,225,96 (14 1,200,24 36,59 (18,38 (7,52 Tot \$'0((1,188,06 (46 12,8)

	2015	2014
	\$'000	\$'000
Note 21C: Other investments		
Other Investments:		
Australian Institute for Teaching and School Leadership ¹	4,687	5,676
Australian Curriculum, Assessment and Reporting Authority ²	2,108	2,448
Australian National University ³	2,104,675	2,102,437
Australian Institute of Aboriginal and Torres Strait Islander Studies ⁴	38,460	38,465
Total other investments	2,149,930	2,149,026
Other investments expected to be recovered		
No more than 12 months	-	-
More than 12 months	2,149,930	2,149,026
Total other investments	2,149,930	2,149,026

The department retains 100 per cent ownership of each of the listed investments. The principle activity of the department's administered investments is as follows:

¹ Australian Institute for Teaching and School Leadership Ltd – supports and enhances the teaching profession for the benefit of all Australians.
 ² Australian Curriculum, Assessment and Reporting Authority – executes the policy directions that are determined by the

² Australian Curriculum, Assessment and Reporting Authority – executes the policy directions that are determined by the Ministerial Council for Education, Early Childhood Development and Youth Affairs regarding curriculum, assessment, data collection and reporting at a national level.

³ Australian National University – provision of research and teaching services.

⁴ Australian Institute of Aboriginal and Torres Strait Islander Studies – building pathways for the knowledge of Aboriginal and Torres Strait Islander peoples to grow and share.



Note 22: Administered Non-Financial Assets		
	2015	2014
	\$'000	\$'000
Note: Other non-financial assets		
Prepayments		523
Total other non-financial assets		523
Other non-financial assets expected to be recovered		
No more than 12 months	-	523
More than 12 months		
Total other non-financial assets		523
No indicators of impairment were found for other non-financial assets.		

Note 23: Administered Payables		
	2015	2014
	\$'000	\$'000
Note 23A: Suppliers		
Trade creditors and accruals	54,235	36,884
Total suppliers	54,235	36,884
Suppliers in connection with		
Related parties	728	
Related parties External parties	728 53,507	36,884
		<u> </u>
External parties Total suppliers	53,507 54,235	36,884
External parties	53,507 54,235	36,884
External parties Total suppliers Settlement was usually made within 30 days. All suppliers w	53,507 54,235	36,884
External parties Total suppliers Settlement was usually made within 30 days. All suppliers w <u>Note 23B: Personal benefits</u>	53,507 54,235	<u>36,884</u> onths.
External parties Total suppliers Settlement was usually made within 30 days. All suppliers w <u>Note 23B: Personal benefits</u> Direct	53,507 54,235	36,884 onths. 10,952
External parties Total suppliers Settlement was usually made within 30 days. All suppliers w Note 23B: Personal benefits Direct Indirect	53,507 54,235	<u>36,884</u> onths. 10,952 <u>109,985</u>
External parties Total suppliers Settlement was usually made within 30 days. All suppliers w Note 23B: Personal benefits Direct Indirect Total personal benefits	53,507 54,235	<u>36,884</u> onths. 10,952 <u>109,985</u>
External parties Total suppliers Settlement was usually made within 30 days. All suppliers w Note 23B: Personal benefits Direct Indirect Total personal benefits Personal benefits expected to be settled	53,507 54,235	<u>36,884</u> onths. 10,952 <u>109,985</u> 120,937

	2015	2014
	\$'000	\$'000
Note 23C: Grants		
Public sector		
State and Territory Governments	4,435	-
Private sector		
Non-profit organisations	196	2,748
Other	31,615	21,686
Total grants	36,246	24,434
Grants expected to be settled		
No more than 12 months	36,246	24,434
More than 12 months		
Total grants	36,246	24,434
Settlement is usually made according to the terms and conditions of each grant. This	is usually within 30 o	days of
performance or eligibility.		
Note 23D: Other payables		
Statutory payable	17,701	8,692
Total other payables	17,701	8,692
Other payables expected to be settled		
No more than 12 months	17,701	8,692
More than 12 months	-	-
Total other payables	17,701	8,692

Note 24: Administered Provisions 2015 2014 \$000 \$000 Note 24: Provisions for personal benefits - Provisions for personal benefits - Provisions for personal benefits - Provisions for personal benefits expected to be settled - No more than 12 months - Total provisions - No more than 12 months - Total other provision for Grants - Higher Education Superannuation Programme 6,068,013 6,867,769 Total provision for grants 6,068,013 6,867,769 Provisions for grants expected to be settled - - No more than 12 months - - Reconciliation of movements in provisions - - For grants 6,068,013 6,867,769 - Additional provisions made - - - Reversed during reporting period <th></th> <th></th> <th></th> <th></th>				
\$'000 \$'000 Note 24A: Provisions for personal benefits - 801,010 Provisions for personal benefits - 801,010 Total provisions for personal benefits - 801,010 Provisions for personal benefits expected to be settled - 801,010 More than 12 months - - 801,010 More than 12 months - - - - - Note 24B: Provision for Grants -	Note 24: Administered Provisions			
\$'000 \$'000 Note 24A: Provisions for personal benefits - 801,010 Provisions for personal benefits - 801,010 Total provisions for personal benefits - 801,010 Provisions for personal benefits expected to be settled - 801,010 More than 12 months - - - Total other provisions - 801,010 Nore than 12 months - - - Total other provisions for Grants - - - Higher Education Superannuation Programme 6,068,013 6,867,769 - - Provision for grants expected to be settled - - - - - No more than 12 months - </td <td></td> <td></td> <td></td> <td></td>				
Note 24A: Provisions for personal benefits				
Provisions for personal benefits - 801,010 Total provisions for personal benefits - 801,010 Provisions for personal benefits expected to be settled - 801,010 More than 12 months - - Total other provisions - 801,010 Note 248: Provision for Grants - 801,010 Note 248: Provision for Grants - 801,010 Note 248: Provision for grants 6,068,013 6,867,769 Total provision for grants 6,068,013 6,867,769 Provision for grants expected to be settled - - No more than 12 months - - More than 12 months 6,068,013 6,867,769 Total provisions for grants 6,068,013 6,867,769 Reconciliation of movements in provisions - - Reconciliation of movements in provisions Provisions for grants - S000 \$'000 \$'000 \$'000 Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Increase (decrease) in net cost of services			\$'000	\$'000
Total provisions for personal benefits - 801,010 Provisions for personal benefits expected to be settled - 801,010 More than 12 months - 801,010 More than 12 months - 801,010 Note than 12 months - 801,010 Note than 12 months - 801,010 Note 24B: Provision for Grants - 801,010 Higher Education Superannuation Programme 6,068,013 6,867,769 Total provision for grants 6,068,013 6,867,769 Provision for grants expected to be settled - - No more than 12 months - - - Total provisions for grants 6,068,013 6,867,769 - Reconciliation of movements in provisions - - - S'000 S'000 S'000 S'000 S'000 S'000 Opening balance 6,867,769 801,010 7,668,779 - <				
Provisions for personal benefits expected to be settled 801,010 More than 12 months 801,010 More than 12 months 801,010 Total other provisions 801,010 Note 24B: Provision for Grants 801,010 Higher Education Superannuation Programme 6,068,013 6,867,769 Total provision for grants 6,068,013 6,867,769 Provision for grants expected to be settled 6,068,013 6,867,769 No more than 12 months 6,068,013 6,867,769 More than 12 months 6,068,013 6,867,769 Total provisions for grants 6,068,013 6,867,769 Reconciliation of movements in provisions Provisions for personal for grants benefits S'000 S'000 S'000 S'000 Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) (1,140,000) Armounts used 161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 121,355 121,355 </td <td></td> <td></td> <td></td> <td></td>				
No more than 12 months - 801,010 More than 12 months - - Total other provisions - 801,010 Note 24B: Provision for Grants - 801,010 Higher Education Superannuation Programme 6,068,013 6,867,769 Total provision for grants 6,068,013 6,867,769 Provision for grants expected to be settled - - No more than 12 months 6,068,013 6,867,769 Total provisions for grants 6,068,013 6,867,769 Total provisions for grants 6,068,013 6,867,769 Reconciliation of movements in provisions Provisions for personal for grants benefits Stooo \$'0000 \$'0000 \$'0000 Qpening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) 121,355 Increase (decrease) in net cost of services 121,355 121,355 121,355 Restructuring	Total provisions for personal benefits			801,010
More than 12 months - - Total other provisions - 801,010 Note 248: Provision for Grants - 801,010 Higher Education Superannuation Programme 6,068,013 6,867,769 Total provision for grants 6,068,013 6,867,769 Provision for grants expected to be settled - - No more than 12 months - - More than 12 months 6,068,013 6,867,769 Total provisions for grants 6,068,013 6,867,769 Reconciliation of movements in provisions - - Reconciliation of movements in provisions Provisions for grants - S'000 S'0000 S'0000 S'000 Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Additional provisions made - - - Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) - Amounts used (161,342) (97,721) (259,063) Increa	Provisions for personal benefits expected to be settled			
Total other provisions - 801,010 Note 248: Provision for Grants - 801,010 Higher Education Superannuation Programme 6,068,013 6,867,769 Total provision for grants 6,068,013 6,867,769 Provision for grants expected to be settled - - No more than 12 months - - More than 12 months 6,068,013 6,867,769 Total provisions for grants 6,068,013 6,867,769 Reconciliation of movements in provisions - - Reconciliation of movements in provisions - - Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) 1003,281 380,231 -	No more than 12 months		-	801,010
Note 24B: Provision for Grants Higher Education Superannuation Programme 6,068,013 6,867,769 Total provision for grants 6,068,013 6,867,769 Provision for grants expected to be settled No more than 12 months 6,068,013 6,867,769 Total provisions for grants 6,068,013 6,867,769 Total provisions for grants 6,068,013 6,867,769 Total provisions for grants 6,068,013 6,867,769 Reconciliation of movements in provisions Provisions for grants sensorial Strong personal for grants benefits Total sensorial Strong Strong \$1,010 7,668,779 Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231	More than 12 months		-	-
Higher Education Superannuation Programme6,068,0136,867,769Total provision for grants6,068,0136,867,769Provision for grants expected to be settledNo more than 12 monthsMore than 12 months6,068,0136,867,769Total provisions for grants6,068,0136,867,769Reconciliation of movements in provisions6,068,0136,867,769Reconciliation of movements in provisionspersonal for grantsbenefitsYoung balance6,867,769801,0107,668,779Additional provisions madeReversed during reporting period(1,140,000)(1,140,000)Amounts used(161,342)(97,721)(259,063)Increase (decrease) in net cost of services121,355-121,355Restructuring-(703,289)(703,289)Unwinding of discount or change in discount rate380,231-380,231	Total other provisions		-	801,010
Higher Education Superannuation Programme6,068,0136,867,769Total provision for grants6,068,0136,867,769Provision for grants expected to be settledNo more than 12 monthsMore than 12 months6,068,0136,867,769Total provisions for grants6,068,0136,867,769Reconciliation of movements in provisions6,068,0136,867,769Reconciliation of movements in provisionspersonal for grantsbenefitsYoung balance6,867,769801,0107,668,779Additional provisions madeReversed during reporting period(1,140,000)(1,140,000)Amounts used(161,342)(97,721)(259,063)Increase (decrease) in net cost of services121,355-121,355Restructuring-(703,289)(703,289)Unwinding of discount or change in discount rate380,231-380,231				
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Provision for grants expected to be settled No more than 12 months More than 12 months Total provisions for grants 6,068,013 6,068,013 6,068,013 6,068,013 6,068,013 6,867,769 Reconciliation of movements in provisions Provisions for grants benefits Total s'000 Additional provisions made Reversed during reporting period (161,342) (97,721) Increase (decrease) in net cost of services 121,355 Res				
No more than 12 monthsMore than 12 months6,068,0136,867,769Total provisions for grants6,068,0136,867,769Reconciliation of movements in provisionsProvisions for grantspersonal for grants-Source1000\$'000\$'000Opening balance6,867,769801,0107,668,779Additional provisions madeReversed during reporting period(1,140,000)(1,140,000)Amounts used(161,342)(97,721)(259,063)Increase (decrease) in net cost of services121,355-121,355Restructuring-(703,289)(703,289)Unwinding of discount or change in discount rate380,231-380,231				
More than 12 months 6,068,013 6,867,769 Total provisions for grants 6,068,013 6,867,769 Reconciliation of movements in provisions Provisions for grants Provisions for personal for grants Denefits Total \$'000	Provision for grants expected to be settled			
Total provisions for grants 0,000,100 Reconciliation of movements in provisions 6,068,013 6,867,769 Reconciliation of movements in provisions Provisions for grants personal for grants benefits Total \$'000 \$'000 \$'000 Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Reversed during reporting period (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231	No more than 12 months		-	-
Provisions for Provisions for Provisions personal for grants benefits Total \$'000 \$'000 \$'000 Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231	More than 12 months		6,068,013	6,867,769
Provisions for Provisions personal for grants benefits Total \$'000 \$'000 \$'000 Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231	Total provisions for grants		6,068,013	6,867,769
Provisions for Provisions personal for grants benefits Total \$'000 \$'000 \$'000 Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231				
Provisions for Provisions personal for grants benefits Total \$'000 \$'000 \$'000 Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231	Reconciliation of movements in provisions			
for grantsbenefitsTotal\$'000\$'000\$'000Opening balance6,867,769801,0107,668,779Additional provisions madeReversed during reporting period(1,140,000)(1,140,000)Amounts used(161,342)(97,721)(259,063)Increase (decrease) in net cost of services121,355-121,355Restructuring-(703,289)(703,289)Unwinding of discount or change in discount rate380,231-380,231			Provisions for	
\$'000 \$'000 \$'000 Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231		Provisions	personal	
Opening balance 6,867,769 801,010 7,668,779 Additional provisions made - - - Reversed during reporting period (1,140,000) (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring (703,289) (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231		for grants	benefits	Total
Additional provisions made - - Reversed during reporting period (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231		\$'000	\$'000	\$'000
Reversed during reporting period (1,140,000) (1,140,000) Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231	Opening balance	6,867,769	801,010	7,668,779
Amounts used (161,342) (97,721) (259,063) Increase (decrease) in net cost of services 121,355 121,355 Restructuring - (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231	Additional provisions made	-	-	-
Increase (decrease) in net cost of services 121,355 - 121,355 Restructuring - (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 - 380,231	Reversed during reporting period	(1,140,000)		(1,140,000)
Restructuring (703,289) (703,289) Unwinding of discount or change in discount rate 380,231 380,231	Amounts used	(161,342)	(97,721)	(259,063)
Unwinding of discount or change in discount rate 380,231 - 380,231	Increase (decrease) in net cost of services	121,355	-	121,355
	Restructuring	-	(703,289)	(703,289)
Total as at 30 June 2015 6,068,013 - 6,068,013	Unwinding of discount or change in discount rate	380,231	-	380,231
	Total as at 30 June 2015	6,068,013	_	6,068,013

Note 25: Administered Cash Flow Reconciliation	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per administered schedule of		
assets and liabilities to administered cash flow statement		
Cash and cash equivalents as per		
Schedule of administered cash flows	-	-
Schedule of administered assets and liabilities		
Discrepancy	-	-
Reconciliation of net cost of services to net cash from (used by) operating activiti	ies	
Net (cost of) contribution by services	(27,889,199)	(21,817,072)
		. , , ,
Adjustments for non-cash items		
Net write down of non-financial assets	26,237	60,940
Concessional loan discount	801,980	592,890
Fair value losses	702,638	860,240
Interest on loans	(567,434)	(408,815)
Other revenues not providing cash	326,859	(43,448)
Fair value gains	-	(96,221)
Unwinding of the discount	(15,363)	(98,024)
, i i i i i i i i i i i i i i i i i i i		. , ,
Movements in assets and liabilities		
Assets		
(Increase) / decrease in net receivables	(34,943)	(254,092)
(Increase) / decrease in other non-financial assets	523	3,341
Liabilities		
Increase / (decrease) in supplier payables	39,401	(334,601)
Increase / (decrease) in grants payable	(1,306,416)	10,771
Increase / (decrease) in personal benefits payable	14,742	23,837
Increase / (decrease) in other payables	-	(3,864)
Increase / (decrease) in provisions	(97,721)	372,663
Net cash from (used by) operating activities	(27,998,696)	(21,131,455)
	,,	, , . ,,

Note 26: Administered Contingent Assets and Liabilities

Quantifiable Contingencies

The department does not hold quantifiable contingent assets and liabilities (2014: nil).

Unquantifiable Contingencies

At 30 June 2015, the department had no legal claims against it (2014: nil).

There are currently a number of cases before the Administrative Appeals Tribunal (AAT) for which the outcomes are not yet known or able to be quantified.

Significant Remote Contingencies

The department had no significant remote contingencies (2014: nil).

Note 27: Administered Financial Instruments	2015	2014
	\$'000	\$'000
Note 27A: Categories of financial instruments	÷ 000	Ç ÜÜ
-inancial assets		
Available for sale financial assets		
Investments	2,149,930	2,149,026
Total available-for sale financial assets	2,149,930	2,149,020
Loans and receivables		
Cash and cash equivalents	-	
Goods and services receivable	31,620	24,16
Fotal loans and receivables	31,620	24,16
Financial assets at fair value through profit or loss (designated)		
HECS\HELP Loans	30,444,858	25,147,13
Trade support loans	52,960	
Other loans	<u> </u>	72
Total assets at fair value through profit or loss (designated)	30,497,818	25,147,86
Total financial assets categorised as financial instruments	32,679,368	27,321,05
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	54,235	36,88
Grants payable	36,246	24,43
Total financial liabilities measured at amortised cost	90,481	61,31
Total financial liabilities	90,481	61,318
Note 27B: Net gains or losses on financial assets		
Available for sale financial assets		
Gain (loss) recognised in equity	904	142,920
Net gains (losses) from available-for-sale financial assets	904	142,92
Loans and receivables		
Interest revenue	337	38
Write-down and impairment	(7,031)	(3,190
Net gains (losses) from loans and receivables	(6,694)	(2,809
Financial assets at fair value through profit or loss (designated)		
Interest revenue	582,797	506,45
Unwinding of discount	(801,980)	(592,890
Fair value gain/(losses)	(702,638)	(860,240
Net gains (losses) at fair value through profit or loss (designated)	(921,821)	(946,671
Net gains (losses) on financial assets	(927,611)	(806,560

Note 27C: Fair value of financial instruments

The fair value of financial instruments is the same as their carrying amounts for 2015.

Note 27D: Credit risk

The administered loans and receivables of the department are not exposed to a high level of credit risk as the majority of financial assets are cash or cash equivalents, trade receivables or advances and loans to state, territory and local governments. The department manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition the department has policies and procedures that guide employees' debt recovery techniques that are to be applied.

The recoverability and credit quality of the fair value through profit and loss (designated) amounts are factored into the actuarial assessment each year. No separate account is maintained of the write offs in the department's accounts rather just the movement in the assessment as a gain or loss in the Schedule of Administered Items. This accounting treatment is consistent with the basis for accounting for these instruments.

The department has assessed the risk of the default on payment and has allocated the following to an impairment allowance for doubtful debts:

Goods and services receivables 2015:\$7.523 million (2014: \$9.757 million).

In relation to the department's gross credit risk and the financial effect in respect of the amount that best represents the maximum exposure to credit risk there is no collateral held.

		Not past	Past due		
		due nor	or	Not past due	Past due or
		impaired	impaired	nor impaired	impaired
		2015	2015	2014	2014
		\$'000	\$'000	\$'000	\$'000
A	vailable for sale				
	Investments	2,149,930	-	2,149,026	-
L	oans and receivables				
	Goods and services receivables	29,749	9,394	20,038	13,883
E	air value through profit or loss (designated)				
	HECS\HELP loans	30,444,858	-	25,147,139	-
	Trade support loans	52,960	-	-	-
	Other loans		-	727	-
т	otal	32,677,497	9,394	27,316,930	13,883

Ageing of financial assets that were past due b	ut not impaire	d for 2015			
	0 to 30	31 to 60	61 to 90	90+	
	days	days	days	days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Goods and services and other receivables	472	910	33	456	1,871
Total	472	910	33	456	1,871
Ageing of financial assets that were past due bu	it not impaired	for 2014			
	0 to 30	31 to 60	61 to 90	90+	
	days	days	days	days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Goods and services and other receivables	1,250	345	169	2,362	4,126
Total	1,250	345	169	2,362	4,126

Credit quality of financial assets not past due or individually determined as impaired

Note 27E: Liquidity risk

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

Note 27F: Market risk

The department holds basic financial instruments that do not expose it to certain market risks including to 'currency risk' and 'other price risks'.

Note 28: Administered Financial Assets Reconciliation			
		2015	2014
		\$'000	\$'000
	Notes		
Total financial assets as per administered schedule of assets			
and liabilities		33,104,432	28,200,446
Less: non-financial instrument components			
Statutory receivable from Australian Taxation Office		16,536	13,364
Personal benefits receivable (net)		-	352,733
Higher Education Superannuation Programme (net)		382,000	422,000
Special accounts		26,528	91,293
Total non-financial instrument components		425,064	879,390
Total financial assets as per administered financial instruments			
note	27A	32,679,368	27,321,056

Note 29: Appropriations

Note 29A: Annual Appropriations ('Recoverable GST exclusive')

		2015 AI	2015 Appropriations					
	Appropriation Act	ct	PGPA Act	Act		Appropriation		
						applied in 2015		
	Annual			Section	Total	(current and		Section 51
	Appropriation ¹	AFM	Section 74	75	appropriation	prior years)	Variance ²	determinations ³
	\$,000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL								
Ordinary annual services	295,586		47,837	9,695	353,118	326,500	26,618	5,546
Other services								
Equity	3,489				3,489	3,836	(347)	•
Total departmental	299,075	-	47,837	9,695	356,607	330,336	26,271	5,546
ADMINISTERED								
Ordinary annual services								
Administered items	996,201		•	316,252	1,312,453	1,082,706	229,747	6,117
Payments to Corporate Commonwealth								
Entities	13,295	'	•	'	13,295	13,295		'
Other services								
States, ACT, NT and local government	100,431	•	•	'	100,431	96,677	3,754	810
Payments to Corporate Commonwealth								
Entities	75			•	75	75	•	•
Total administered	1,110,002	'	•	316,252	1,426,254	1,192,753	233,501	6,927
Notes:								

1. In 2014–15, there were \$12.473 million reductions to appropriation made under a section 51 determination and a further \$3.690 million quarantined. In 2014–15, there was \$3.690 million that met 2. Administered and departmental variances are primarily due to the movements in liability balances between 2013–14 and 2014–15, and amounts subject to guarantine and available to be reduced. the recognition criteria of a formal addition or reduction in revenue (in accordance with FRR Part 6 Div 3) but at law the appropriation has not been amended before the end of the reporting period. Further explanations on variances can be found in Note 34: Budgetary Reports and Explanations of Major Variances.

3. The department recognised \$12.473 million as reductions to appropriation under section 51 of the PGPA Act. These amounts were reduced as a result of the finalisation of the 2013–14 machinery of government changes and changes due to government measures.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS **Department of Education and Training**

			20	2014 Appropriations	ons				
	App	Appropriation Act			FMA Act			Appropriation	
	Annual	Annual Appropriation		Section			Total	applied in 2014 (current and	
	Appropriation	reduced ¹	AFM ²	30	Section 31	Section 32	appropriation	prior years)	Variance
	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL									
Ordinary annual services			'		13,108	227,527	240,635	220,402	20,233
Other services									
Equity	13,636					1,475	15,111	8,861	6,250
Total departmental	13,636				13,108	229,002	255,746	229,263	26,483
ADMINISTERED									
Ordinary annual services									
Administered items	180,183	(76,493)	1	3,250	,	697,145	804,085	734,179	69,906
Payments to CAC Act bodies ³	5,360	,	1	,	,	'	5,360	5,360	'
Other services									
States, ACT, NT and Local government			1			41,092	41,092	38,554	2,538
Administered assets and liabilities	2,897	(2,897)				1		1	1
Total administered	188,440	(26,390)	'	3,250		738,237	850,537	778,093	72,444
Notes:									

¹ Appropriation reduced under Appropriation Acts (No. 1,3 & 5) 2013–14: sections 10, 11 and 12 and under Appropriation Acts (No. 2,4 & 6) 2013–14: sections 12,13 and 14. Departmental appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction is effected by the Finance Minister's determination and is disallowable by Parliament.

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of the Appropriation Acts (Nos 1,3 & 5) 2013–14 and section 12 of Appropriation acts (No. 2,4 & 6) 2013–14, the Finance Minister's determination which is disallowable by Parliament. In 2013–14 there was no reduction in administered appropriations.

Advance to the Finance Minister (AFM) – Appropriation Acts (No. 1,3 & 5) 2013–14: section 13 and Appropriation Acts (No. 2, 4 & 6) 2013–14: section 15.

The Department of the Prime Minister and Cabinet made payments to the Australian Institute of Aboriginal and Torres Strait Islander Studies on behalf of the Department of Education. The administered variances reflect the creditor balances at 30 June 2014. ~

Note 29B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')

	2015 Cap	2015 Capital Budget Appropriations	ons	Capital Budge	Capital Budget Appropriations applied in 2015	d in 2015	
	Appropriation Act	PGPA Act	Total Capital				
	Annual Capital		Budget	Payments for non- Payments for other	Payments for other		
	Budget	Section 75	Section 75 Appropriations	financial assets ²	purposes	purposes Total payments	Variance ³
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL							
Ordinary annual services							
Capital Budget ¹	22,536	505	23,041	18,299		18,299	4,742
Notes:							

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1, 3 & 5). They form part of ordinary annual services and are not separately

identified in the Appropriation Acts. For more information on ordinary annual services appropriation, please see Table A: Annual appropriations. 2. Payments made on non-financial assets include purchase of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

3. In 2014–15 there was a \$3.850 million reduction to appropriation made under a section 51 determination.

	2014 Capi	2014 Capital Budget Appropriations	ons	Capital Budge	Capital Budget Appropriations applied in 2014	d in 2014	
	Appropriation Act	FMA Act	Total Capital				
	Annual Capital		Budget	Payments for non-	Payments for non- Payments for other		
	Budget	Section 32	Appropriations	financial assets ²	purposes	Total payments	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL							
Ordinary annual services							
Capital Budget ¹		20,164	20,164	16,226		16,226	3,938
Notes:							

Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1, 3 & 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriation, please see 29A: Annual appropriations.

Payments made on non-financial assets include purchase of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

	2015	2014
	\$'000	\$'000
Departmental		
Appropriation Act (No.1) 2014–15	42,874	-
Appropriation Act (No.1) 2013–14	1,468	27,935
Appropriation Act (No.2) 2013–14	3,860	-
Appropriation Act (No.4) 2013–14	14,255	-
Appropriation Act (No.4) 2012–13	2,508	-
Total departmental	64,965	27,935
Administered		
Appropriation Act (No.1) 2014–15	227,511	-
Appropriation Act (No.3) 2014–15	14,836	-
Appropriation Act (No.2) 2014–15	6,292	-
Appropriation Act (No.1) 2013–14	110	28,216
Appropriation Act (No.3) 2013–14	8,144	125,302
Appropriation Act (No. 2) 2013–14	-	2,538
Appropriation Act (No. 4) 2013–14	-	2,897
Total administered	256,893	158,953

Note 29C: Unspent Annual Appropriations ('Recoverable GST exclusive')

Note 29D: Special Appropriations ('Recoverable GST exclusive')

			Appropriation applied	on applied
			2015	2014
Authority	Type	Purpose	\$'000	\$'000
A New Tax System (Family Assistance) (Administration) Act 1999	Unlimited Amount	An Act to enable the payment of family assistance to support		
(Administered)		families.	3,448,822	4,248,003
Australian Education Act 2013 - (Administered)	Unlimited Amount	An Act to grant financial assistance to the states for primary		
		and secondary education and for related purposes	14,632,883	6,724,976
Schools Assistance Act 2008 - Section 167 (Administered)	Unlimited Amount	An Act to grant financial assistance to the states for 2009 to		
		2013 programme years for primary and secondary		
		education, and for related purposes.		2,401,002
Higher Education Support Act 2003 - Section 238-12	Unlimited Amount	An Act to grant financial assistance to support the higher		
(Administered)		education system for individuals and universities.	16,616,684	11,817,312
Trade Support Loans Act 2014 - Section 104	Unlimited Amount	An Act to provide for trade support loans for certain		
		apprentices, and for related purposes	57,113	
Total special appropriations applied			34,755,502	25,191,293
Note 29E: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	Department of Prime	Department of	
	Minister and	Foreign Affairs and	Department of Social
	Cabinet ¹	Trade ²	Services
2015	\$'000	\$'000	\$'000
Total receipts	250	9,978	605,050
Total payments	250	9,978	605,050

	Department of Prime Minister and Cabinet ¹	Department of Foreign Affairs and Trade ²	Department of Social Services ³
2014	\$'000	\$'000	\$'000
Total receipts	92,471	3,688	300
Total payments	92,471	3,688	300

^{1.} The department made a payment for the Office of Women programme for the Department of Prime Minister and Cabinet. In 2013–14 the department had drawing rights for annual and special appropriations to support Indigenous education functions that were relinquished to the Department of Prime Minister and Cabinet during 2013–14 due to the Administrative Arrangement Orders of 18 September 2013.

^{2.} The department has drawing rights for the Department of Foreign Affairs and Trade annual appropriation for the New Colombo Plan programme.

^{3.} The department has drawing rights for the Department of Social Services special appropriation for the payment of Child Care Benefit, Child Care Rebate and the Early Years Quality Fund Special Account. The functions in relation to these payments were transferred to the Department of Social Services following the Administrative Arrangement Order of 23 December 2014.

Note 30: Special Accounts

Note 30A: Special Accounts ('Recoverable GST exclusive')

	Education Investment Fund - Research Portfolio Special Account ¹	stment Fund - Special Account ¹	Education Investment Fund - Education Portfolio Special Account ²	Education Investment Fund - Ication Portfolio Special Account ²	National Youth Affairs Research Scheme ³	ıffairs Research me ³
	2015	2014	2015	2014	2015	2014
	000,\$	000,\$	000,\$	000,\$	000,\$	\$'000
Balance brought forward from previous period	•	-	-	-	251	
Increases						
Appropriation credited to special account	70,950	92,985	146,463	141,222	•	-
Transfer through restructuring	•	-	•	-	•	251
Total increases	70,950	92,985	146,463	141,222		251
Available for payments	70,950	92,985	146,463	141,222	251	251
Decreases						
Administered						
Payments made	(70,950)	(92,985)	(146,463)	(141,222)	(80)	-
Transfer through restructuring	-	-	-	-	•	-
Total Administered	(70,950)	(92,985)	(146,463)	(141,222)	(80)	1
Total decreases	(70,950)	(92,985)	(146,463)	(141,222)	(80)	
Total balance carried to the next period	1	1	•	•	171	251

Note 30A: Special Accounts ('Recoverable GST exclusive')

	Early Years Quality Fund ⁴	uality Fund ⁴	Overseas Student Tuition Fund ⁵	ent Tuition	Unique Student Identifier 6	nt Identifier ⁶	Services for Other Entities and Trust Monev ⁷	her Entities Monev ⁷
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	72,297	-	12,157	-		-	6,588	-
Increases								
Appropriations credited to special account	•	-	•		3,508		•	
Receipts	•	-	8,591	6,518			886	6,852
Transfer through restructuring	-	135,000	•	5,847	2,186	-	424	4,042
Total increases	'	135,000	8,591	12,365	5,694	1	1,310	10,894
Available for payments	72,297	135,000	20,748	12,365	5,694	-	7,898	10,894
Decreases								
Departmental								
Other Payments	-	-	•	-	(3,408)	-	-	-
Total Departmental	•	-	•	-	(3,408)	•	•	-
Administered								
Payments made	(47,588)	(62,703)	(879)	(208)			(1,422)	(4,001)
Transfer through restructuring	(24,709)	1					'	(302)
Total Administered	(72,297)	(62,703)	(879)	(208)	•		(1,422)	(4,306)
Total decreases	(72,297)	(62,703)	(879)	(208)	(3,408)	1	(1,422)	(4,306)
Total balance carried to the next period	'	72,297	19,869	12,157	2,286		6,476	6,588



¹ Education Investment Fund - Research Portfolio Special Account Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80 Establishing Instrument: *Nation-building Funds Act 2008 No. 154 of 2008* Purpose: To make grants of financial assistance in relation to the creation and development of research infrastructure.

² Education Investment Fund - Education Portfolio Special Account Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80 Establishing Instrument: *Nation-building Funds Act 2008 No. 154 of* 2008 Purpose: To make grants of financial assistance to eligible higher education institutions in relation to capital expenditure and research facilities.

³ National Youth Affairs Scheme Special Account

Appropriation: *Public Governance, Performance and Accountability Act 2013; section 78* Establishing Instrument: *Financial Management and Accountability Determination 2006/45* on 17 August 2006. Purpose: For the receipt of monies from State Governments to meet expenditure in respect of the National Youth Affairs Research Scheme.

⁴ Early Years Quality Fund Special Account

Appropriation: : Public Governance, Performance and Accountability Act 2013; section 80

Establishing Instrument: Early Years Quality Fund Special Account Act 2013

Purpose: For the administration of the Early Years Quality Fund (EYQF). The EYQF will provide \$300 million over two years to assist long day care services to offset the costs of employing higher qualified staff who are required as part of the National Quality Framework for Early Childhood Education and Care from 1 January 2014.

⁵ Overseas Student Tuition Fund Special Account

Appropriation: Public Governance, Performance and Accountability Act 2013; section 80 Establishing Instrument: Education Services for Overseas Students Act 2000 Act No. 164 of 2000, taking into account amendments up Education Services for Overseas Students Legislation Amendment (Tuition Protection Services and Other Measures) Act 2012, section 52A

Purpose: For expenditure in connection with assisting international students whose education providers are unable to deliver their course of study in full.

⁶ Unique Student Identifiers Special Account

Appropriation: Public Governance, Performance and Accountability Act 2013; section 80

Establishing Instrument: Student Identifiers Act 2014; section 48

Purpose: For paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Registrar's functions, paying any remuneration and allowances payable to any person under the Act and meeting the expenses of administering the Account.

⁷ Services for Other Entities and Trust Moneys Special Account

Appropriation: Public Governance, Performance and Accountability Act 2013; section 78

Establishing Instrument: *Financial Management and Accountability Determination 2008/14* on 3 June 2008. Purpose: To disburse amounts: held on trust or otherwise for the benefit of a person other than the Commonwealth; in connection with services performed on behalf of other governments and bodies that are not non-corporate Commonwealth entities; and to repay amounts where an Act or other law requires or permits the repayment of an amount received.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS Department of Education and Training

Note 31: Reporting of Outcomes

The department has three outcomes and details of each outcome are provided in the front of the 2014-15 Annual Report. The department uses a cost allocation model to determine the attribution of its shared items.

Note 31A: Net cost of outcome delivery

	Outcome 1	me 1	Outcome 2	me 2	Outcome 3	me 3	Payment to Corporate Common wealth Entities	nt to rate wealth es	Not attributed ¹	uted ¹	Total	폐
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	000,\$	000,\$	000,\$	000,\$	000,\$	000,\$	000,\$	\$,000	000,\$	\$,000	\$,000	\$,000
Departmental												
Expenses	64,889	62,212	102,284	102,149	170,659	80,693	•	•	•	•	337,832	245,054
Own-source income	221'1	5,316	7,514	8,626	22,147	12,472	•	1	•	T	37,383	26,414
Administered												
Expenses	3,815,222	3,815,222 4,790,056 14,920,893 9,461,185 11,222,875	14,920,893	9,461,185	11,222,875	8,462,473	13,370	5,360	•	•	29,972,360	22,719,074
Own-source income	3,686	11,325	39,343	9,531	2,039,578	881,146	'	1	554	T	2,083,161	902,002
Net cost/(contribution) of												
outcome delivery	3,868,703	4,835,627	14,976,320	9,545,177	9,331,809	3,868,703 4,835,627 14,976,320 9,545,177 9,331,809 7,649,548 13,370	13,370	5,360	(554)	T	28,189,648	28,189,648 22,035,712
Outcomes 1 to 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Appendix 2 of this annual	ed in Note 1.1.	Net costs shov	wn include int	ra-governmen	t costs that ar	e eliminated ir	n calculating	the actual B	udget Outcom	e. Refer to A	ppendix 2 of t	his annual

report for Agency resource statements and resources.

² some administered own-source income is not related to programs and outcomes. They are included here so the total agrees to the administered schedule of comprehensive income.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS Department of Education and Training

2015 2015 penefits \$'000 \$'000 \$'000 \$'001 \$'000 \$'001 \$'000 \$'001 \$'000 \$'001 \$'000 \$'001 \$'000 \$'001 \$'000 \$'001 \$'000 \$'001 \$'000 \$'000 </th <th>2015 \$'000 64,448 29,504 8,103 25 25 204 102,284 102,284 102,284 8,3,572 813 813 91,086</th> <th>2014 \$'000 62,777 30,634 8,2634 8,263 1,0234 93 102,149 102,149 102,149 1,438 84,103 84,103 84,103 92,729</th> <th>2015 \$'000 \$'000 52,958 13,087 13,087 232 232 232 13,059 170,659 134,203 5,663 134,203</th> <th></th> <th>2015 \$'000</th> <th>2014 \$'000</th> <th>2015 \$'000 206 561</th> <th>2014 \$'000</th>	2015 \$'000 64,448 29,504 8,103 25 25 204 102,284 102,284 102,284 8,3,572 813 813 91,086	2014 \$'000 62,777 30,634 8,2634 8,263 1,0234 93 102,149 102,149 102,149 1,438 84,103 84,103 84,103 92,729	2015 \$'000 \$'000 52,958 13,087 13,087 232 232 232 13,059 170,659 134,203 5,663 134,203		2015 \$'000	2014 \$'000	2015 \$'000 206 561	2014 \$'000
\$'000 40,384 5,728 5,728 5,728 64,889 64,889 64,889 64,889 66,801 - - - - -	\$'000 64,448 29,504 8,103 8,103 8,103 8,103 8,103 6,701 8,3572 8,3,572 8,3,572 91,086	\$'000 62,777 62,777 30,634 8,249 - - 493 102,149 1,438 84,103 84,103 1,438 92,729	\$'000 101,729 52,958 13,087 2,958 2,958 2,553 13,087 2,553 170,659 16,539 16,539 16,539 54,203	\$100 \$23,617 \$23,617 \$23,617 \$23,617 \$23,617 \$23,617 \$242 \$2,042	- 000,\$	- '	\$'000 206 561	\$'000
40,384 3 13,717 1 5,728 60 60 64,889 6 64,889 6 64,889 6 5,71 3 66,801 5 - 1 - 1	64,448 29,504 8,103 8,103 205 204 102,284 6,701 813 813 91,086	62,777 30,634 8,245 - 493 102,149 102,149 7,188 84,103 1,438 1,438 1,438	101,729 52,958 13,087 13,087 2,653 2,653 170,659 170,659 170,559 16,539 16,539 16,539	53,617 19,612 7,042 - 422 80,693			206 561	
40,384 3 18,717 1 5,728 5 60 60 61,889 6 64,889 6 7,145 4 5379 4 5771 5 66,801 5 66,801 - - - - - - - - - - - - - - - - - - -	64,448 29,504 8,103 8,103 25 25 203 204 102,284 6,701 813 813 813 91,086	62,777 30,634 8,245 8,245 - - 493 102,149 1,288 84,103 1,438 1,438 1,438	101,729 52,958 13,087 232 232 2,653 170,659 170,659 16,539 16,539 54,203 54,203	53,617 19,612 7,042 - 422 80,693	•	1	206 561	
18,717 1 5,728 5 60 60 6 64,889 6 7,145 4 59,714 4 577 4 577 5 577	29,504 8,103 8,103 25 204 102,284 6,701 83,572 813 813 91,086	30,634 8,245 - 493 102,149 7,188 84,103 1,438 1,438 92,729	52,958 13,087 2,832 2,659 170,659 170,659 16,539 134,203 54,003	19,612 7,042 422 80,693			100001	154,622
5,728 60 60 60 60 64,889 6 6 7,145 5 9 50,079 4 5 577 5 6 66,801 5 5 66,801 5 1 66,801 5 1	8,103 25 204 102,284 6,701 83,572 813 91,086	8,245 493 102,149 7,188 84,103 1,438 92,729	13,087 232 232 2,653 170,659 170,659 16,539 16,539 16,539 54,203 54,203	7,042 422 80,693	•	•	101,179	68,908
60 64,889 64,889 7,145 5,079 64,801 66,801 66,801 5 7 66,801 5 7 7 5 7 7 5 7 7 5 7 7 5 7 7 5 7 7 5 7 7 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 1 5 7 7 7 7	25 204 102,284 6,701 83,572 813 91,086	- 493 102,149 7,188 84,103 1,438 1,438 92,729	232 2,653 170,659 170,659 16,539 134,203 54,08	- 422 80,693	•	1	26,918	20,308
64) 60 64,889 66,889 66,899 66,899 66,899 66,891 69,999 44 69,901 66,801 577 51 51 51 51 51 51 51 51 51 51 51 51 51	204 102,284 6,701 83,572 813 91,086	493 102,149 7,188 84,103 1,438 1,438 92,729	2,653 170,659 16,539 16,539 134,203 5 608	80,693	•	'	257	T
64,889 6 7,145 59,079 4 577 4 577 4 66,801 5 66,801 5 - 1	102,284 6,701 83,572 83,572 91,086	102,149 7,188 84,103 1,438 92,729	170,659 16,539 16,539 134,203 5 608	80,693	•	'	2,917	1,216
7,145 59,079 4 577 4 577 5 66,801 5 - 1	6,701 83,572 83,572 91,086	7,188 84,103 1,438 92,729	16,539 14,203 5608		•	1	337,832	245,054
7,145 59,079 577 577 577 577 577 577 577 577 577 5	6,701 83,572 813 91,086	7,188 84,103 1,438 92,729	16,539 134,203 5,608					
7,145 59,079 577 577 66,801 - -	6,701 83,572 813 91,086	7,188 84,103 1,438 92,729	16,539 134,203 5,608					
from government 7,145 7,145 6,079 4 7,145 7,155	6,701 83,572 813 91,086	7,188 84,103 1,438 92,729	16,539 134,203 5,608					
e from government 59,079 577 577 577 577 577 577 577 577 577 5	83,572 813 91,086	84,103 1,438 92,729	134,203	6,603	'	'	30,385	18,067
S17 577 own-source income 66,801 nd cash equivalents 56,801 and other receivables - financial assets - nd buildings - ructure, plant and	813 91,086	1,438 92,729	5,608	62,255	'	'	276,854	196,102
Ome 66,801 5 ents - - vables - - uables - - nd - - nd - -	91,086	92,729	~~~~	5,869	'	'	6,998	8,347
ents			156,350	74,727	-	-	314,237	222,516
ents								
ents								
vables - 1 - 1 nd	-	-	2,286		7,531	8,429	9,817	8,429
	16,031	14,116	35,798	12,057	'	'	51,829	34,769
	1,013	4,106	2,263	3,507		'	3,276	10,113
	13,027	22,185	29,091	15,541	•	'	42,118	50,867
eduibueur - z'aao	3,504	5,007	7,823	3,481	'	'	11,327	11,454
Intangibles - 16,466	28,157	27,797	42,246	19,287	•	'	70,403	63,550
Other non-financial assets - 2,126	3,318	3,491	7,410	2,982	•	'	10,728	8,599
Total assets - 45,795	65,050	76,702	126,917	56,855	7,531	8,429	199,498	187,781
Liabilities								
Suppliers - 3,740	7,267	6,272	16,228	4,588	•	-	23,495	14,600
Other payables - 9,806	8,958	16,575	20,005	11,371	'	1	28,963	37,752
Employee provisions - 15,819	16,943	26,704	37,835	18,529	'	1	54,778	61,052
Other provisions - 349	961	588	2,145	408	'	ı	3,106	1,345
Total liabilities - 29,714	34,129	50,139	76,213	34,896	'	1	110,342	114,749

It a ballant and a second 4 3 Note 318. Maior classe report for Agency resource statements and resources. ¹ Assets and liabilities that could not be reliably attributed to outcomes.

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Department of Education and Training	NOTES TO AND FORMING PART OF THE FINANCIAL STATEMEN
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							Payment to Cornorate	Cornorate				
	Outcome 1	me 1	Outcome 2	me 2	Outco	Outcome 3	Commonwe Entities	Commonwealth Entities	Not attr	Not attributed ¹	Total	-
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$,000	\$'000	000,\$	\$,000	\$'000	\$,000	\$'000	\$'000	\$'000	\$,000	\$,000	\$'000
Expenses												
Personal benefits	3,442,917	4,414,117	1,000	1,040	91,179	51,651	•	-	•	-	3,535,096	4,466,808
Subsidies	•	1	1	I	144,309	1	•	1	•	1	144,309	T
Grants	320,408	332,604	14,830,536	9,335,885	9,259,152	6,895,740	•	1	•	1	24,410,096	16,564,229
Suppliers	32,685	40,957	83,227	123,352	222,665	4,298			'	1	338,577	168,607
Other	19,212	2,378	6,130	908	1,505,570	1,510,784	13,370	5,360	•	1	1,544,282	1,519,430
Total expenses	3,815,222	4,790,056	14,920,893	9,461,185	11,222,875	8,462,473	13,370	5,360	•	-	29,972,360	22,719,074
Income												
Interest	m	380	333	I	582,798	506,460	'	I	'	1	583,134	506,840
Levies	-	'	-	I	8,576	6,538					8,576	6,538
Non taxation revenue - Other	3,683	2,239	38,994	8,905	247,954	271,928	•	-	554	-	291,185	283,072
Gains	-	8,706	16	626	1,200,250	96,220	•	-	•	-	1,200,266	105,552
Total income	3,686	11,325	39,343	9,531	2,039,578	881,146	•	1	554	1	2,083,161	902,002
Assets												
Cash and cash equivalents	81	63,205	5,065	4,766	21,382	23,322	•	-	-	•	26,528	91,293
Receivables	1,645	356,288	2,694	7,960	30,923,635	25,595,879	'	1	•	-	30,927,974	25,960,127
Investments	-	1	9,795	8,124	2,143,135	2,140,902	•	-	•	-	2,149,930	2,149,026
Other non-financial assets	•	1	•	523	1	1	•	•	•		'	523
Total assets	1,726	419,493	14,554	21,373	33,088,152	27,760,103	•	1	•	1	33,104,432	28,200,969
Liapiirties				010		0.007						
Suppliers	137	2,689	3,149	15,252	50,253	18,943	'	1	96	1	54,235	36,884
Personal benefits	•	120,937		•	1	1	'	1		1	•	120,937
Grants	1	9,480	15,743	12,795	20,503	2,159	-	1	-	1	36,246	24,434
Other payables	539	2,592	1,579	4,499	15,571	1,601	'	I	12	1	17,701	8,692
Provision for personal benefits	-	801,010	-	I	'	1	'	1	•	-		801,010
Provision for grants	-	1	•	1	6,068,013	6,867,769	•	-	•	-	6,068,013	6,867,769
Total liabilities	1,276	936,708	20,471	32,546	6,154,340	6,890,472	-	1	108	1	6,176,195	7,859,726
Outcomes 1 to 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Appendix 2 of this annual	Note 1.1. Net	costs shown i	include intra-g	overnment co	sts that are e	liminated in c	alculating th	e actual Bud _{	get Outcom	e. Refer to A	ppendix 2 of ti	is annual
report for Agency resource statements and resources.	nents and reso	ources.										
² Assets and liabilities that could not be reliably attributed to outcomes.	not be reliably	attributed to	outcomes.									

Note 32: Cost Recovery N	Vote
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\$'000\$'000Amounts applied Departmental Annual appropriations4,8301,191Total amounts applied4,8301,191Expenses Departmental Total expenses4,8301,191Revenue Administered Total revenue7,1196,224Cotal revenue7,1196,224			
Amounts applied Departmental Annual appropriations <u>4,830</u> <u>1,191</u> Total amounts applied <u>4,830</u> <u>1,191</u> Expenses Departmental <u>4,830</u> <u>1,191</u> Total expenses <u>4,830</u> <u>1,191</u> Revenue Administered <u>7,119</u> <u>6,224</u> Total revenue <u>7,119</u> <u>6,224</u>		2015	2014
Departmental Annual appropriations 4,830 1,191 Total amounts applied 4,830 1,191 Expenses 4,830 1,191 Total expenses 4,830 1,191 Revenue 4,830 1,191 Administered 7,119 6,224 Total revenue 7,119 6,224		\$'000	\$'000
Annual appropriations4,8301,191Total amounts applied4,8301,191Expenses Departmental4,8301,191Total expenses4,8301,191Revenue Administered7,1196,224Total revenue7,1196,224	Amounts applied		
Total amounts applied4,8301,191Expenses Departmental4,8301,191Total expenses4,8301,191Revenue Administered7,1196,224Total revenue7,1196,224	Departmental		
Expenses Departmental Total expenses Administered 7,119 6,224 Total revenue 7,119 6,224	Annual appropriations	4,830	1,191
Departmental 4,830 1,191 Total expenses 4,830 1,191 Revenue 7,119 6,224 Total revenue 7,119 6,224	Total amounts applied	4,830	1,191
Departmental 4,830 1,191 Total expenses 4,830 1,191 Revenue 7,119 6,224 Total revenue 7,119 6,224			
Total expenses 4,830 1,191 Revenue Administered 7,119 6,224 Total revenue 7,119 6,224	Expenses		
Revenue 7,119 6,224 Administered 7,119 6,224 Total revenue 7,119 6,224	Departmental	4,830	1,191
Administered 7,119 6,224 Total revenue 7,119 6,224	Total expenses	4,830	1,191
Administered 7,119 6,224 Total revenue 7,119 6,224			
Total revenue 7,119 6,224	Revenue		
	Administered	7,119	6,224
Receivables	Total revenue	7,119	6,224
Receivables			
	Receivables		
Not overdue 16 15	Not overdue	16	15
Overdue by	Overdue by		
0 to 30 days 6 8	0 to 30 days	6	8
31 to 60 days	31 to 60 days		-
61 to 90 days	61 to 90 days		-
More than 90 days 58	More than 90 days	75	58
Total receivables 97 80	Total receivables	97	80

Cost recovered activities:

The Commonwealth recovers the costs of administering its functions under the *Education Services for Overseas Students Act 2000* (the ESOS Act) and the National Code of Practice for Providers of Education and Training to Overseas Students (National Code) through compulsory registration fees charged to all providers wishing to be registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS), which allows them to offer courses to overseas students.

The following entities are involved in the delivery of these activities: Department of Education and Training, Australian Skills Quality Authority and the Tertiary Education Quality and Standards Agency. The Commonwealth also recovers the cost of administering the functions of the Overseas Students Ombudsman under the *Ombudsman Act 1976*. This function transferred from the Department of Industry as part of the Administrative Arrangement Orders of the 18 September 2013.

Documentation (Cost Recovery Impact Statement) for the above activity is available at www.education.gov.au.

Note 33: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance (Finance) provided guidance to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments and special appropriations, including special accounts. During 2012–13 additional legal advice was received from Finance that indicated there could be breaches of section 83 under certain circumstances with overpayments for long service leave, goods and services tax (GST) and payments under determinations of the Remuneration Tribunal.

The department monitors its level of compliance with section 83 of the Constitution across all legislation for which it is administratively responsible. The department used the assessment process identified in Finance's guidance paper to determine the risk of potential section 83 breaches.

The department identified thirteen appropriations involving statutory conditions for payment, comprising:

- six special appropriations; and
- seven special accounts.

The work conducted during the 2014–15 financial year identified no payments (2013–14: one payment for \$125,200 considered a potential breach of the *Schools Assistance Act* 2008) that would be considered potential breaches.

The department will continue to monitor its level of compliance with section 83 of the Constitution across all legislation for which it is administratively responsible, and where possible legislative amendments and system changes will continue to be progressed.

Note 34: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison between the 2014–15 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2014–15 financial statements. The Budget is not audited and does not reflect additional estimates provided in the 2014–15 Portfolio Additional Estimates Statements (PAES) and the 2014–15 Portfolio Supplementary Additional Estimates Statements. Variance explanations are provided for departmental variances greater than five percent and \$5 million and administered variances greater than 5 per cent and \$50 million.

Statement of Comprehensive Income

Statement of Comprehensive Income

for the period ended 30 June 2015

	Actual	Budget Est	imate
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits ³	206,561	196,099	10,462
Supplier expenses	101,179	96,358	4,821
Grants	257	-	257
Depreciation and amortisation	26,918	28,880	(1,962)
Finance costs	51	-	51
Write-down and impairment of assets	2,866	-	2,866
Total expenses	337,832	321,337	16,495
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services ⁴	30,385	22,417	7,968
Total own-source revenue	30,385	22,417	7,968
		,	.,
Gains			
Sale of assets	87	-	87
Reversals of previous asset write-downs and impairment	64		64
Other gains⁵	6,847	680	6,167
Total gains	6,998	680	6,318
Total own-source income	37,383	23,097	14,286
Net cost of (contribution by) services	300,449	298,240	2,209
			=
Revenue from Government	276,854	269,360	7,494
Surplus (Deficit) attributable to the Australian Government	(23,595)	(28,880)	5,285
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of			
services			
Changes in asset revaluation surplus:			
Adjustment to leasehold improvements	5	-	5
Total other comprehensive income	5	-	5
Total comprehensive income (loss) attributable to the Australian			
Government	(23,590)	(28,880)	5,290

Statement of Financial Position

for the period ended 30 June 2015

Jor the period ended 30 June 2015	Actual	Budget Est	imate
	Actual	Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
ASSETS			,
Financial Assets			
Cash and cash equivalents ⁶	9,817	1,845	7,972
Trade and other receivables ⁷	51,829	59,731	(7,902)
Other financial assets	3,276	2,695	581
Total financial assets	64,922	64,271	651
Non-Financial Assets			
Land and buildings ⁸	42,118	26,451	15,667
Infrastructure, plant and equipment ⁸	11,327	26,793	(15,466)
Intangibles ⁸	70,403	53,207	17,196
Other non-financial assets	10,728	11,201	(473)
Total non-financial assets	134,576	117,652	16,924
Total assets	199,498	181,923	17,575
LIABILITIES			
Payables			
Suppliers ⁹	23,495	5,346	18,149
Other payables ⁹	28,963	18,593	10,370
Total payables	52,458	23,939	28,519
Provisions			
Employee provisions ³	54,778	61,201	(6,423)
Other provisions	3,106	823	2,283
Total provisions	57,884	62,024	(4,140)
Total liabilities	110,342	85,963	24,379
Net assets	89,156	95,960	(6,804)
EQUITY			
Contributed equity ¹⁰	134,848	145,878	(11,030)
Reserves	438	-	438
Retained surplus (accumulated deficit)	(46,130)	(49,918)	3,788
Total equity	89,156	95,960	(6,804)

Statement of changes in equity												
for the period ended 30 June 2015												
		Retainec	Retained earnings	Asse	Asset revaluation reserves	n reserves	Con	Contributed equity/capital	ity/capital	To	Total equity	
	Actual	Budget Estimate	mate	Actual	Budget Estimate	imate	Actual	Budget Estimate	imate	Actual	Budget Estimate	mate
		Original ¹	Variance ²		Original ¹	Variance ²		Original ¹	Variance ²		Original ¹	Variance ²
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance												
Balance carried forward from previous period	(22,538)	(21,038)	(1,500)	433	•	433	95,137	120,153	(25,016)	73,032	99,115	(26,083)
Adjustment for rounding	æ		£	•	•	'	•	•	'	æ	•	£
Adjusted opening balance	(22,535)	(21,038)	(1,497)	433		433	95,137	120,153	(25,016)	73,035	99,115	(26,080)
Comprehensive income												
Other comprehensive income - changes in												
asset revaluation reserve	'	•	•	S	•	5	•	•	•	'n	•	S
Surplus (Deficit) for the period	(23,595)	(28,880)	5,285	•	•	•	•	•		(23,595)	(28,880)	5,285
Total comprehensive income	(23,595)	(28,880)	5,285	S		5				(23,590)	(28,880)	5,290
Transactions with owners												
Distributions to owners												
Returns of capital:												
Restructuring (Note 10) ¹⁰	•	•	'	•	•		24,557	•	24,557	24,557	•	24,557
Contributions by owners												
Equity injection - Appropriation	•	•		•	•	•	3,489	3,189	300	3,489	3,189	300
Departmental capital budget ¹⁰	•	•			•	'	18,686	22,536	(3,850)	18,686	22,536	(3,850)
Restructuring (Note 10) ¹⁰	•	•			•		(7,021)	•	(7,021)	(7,021)	•	(7,021)
Total transactions with owners	•	•			•		39,711	25,725	13,986	39,711	25,725	13,986
Transfers between equity components	•	•		•	•		•			•	•	
Closing balance as at 30 June	(46,130)	(49,918)	3,788	438	•	438	134,848	145,878	(11,030)	89,156	95,960	(6,804)

for the period ended 30 June 2015	Actual	Budget Es	timate
	Actual	Original ¹	Variance
-	2015	2015	201
	\$'000	\$'000	\$'00
OPERATING ACTIVITIES	<i>\$</i> 000	÷ 000	<i>\$</i> 000
Cash received			
Appropriations ¹¹	307,355	269,802	37,55
Sale of goods and rendering of services ⁴	40,737	22,417	18,32
Net GST received	5,712		5,71
Other	9,922	-	9,92
Total cash received	363,726	292,219	71,50
Cash used			
Employee benefits ³	215,581	196,091	19,49
Supplier expenses	100,903	95,678	5,22
Grants	257	-	25
Section 74 receipts transferred to the OPA ¹¹	47,837	-	47,83
Total cash used	364,578	291,769	72,80
Net cash from (used by) operating activities	(852)	450	(1,302
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of infrastructure, plant and equipment	735	-	73
Total cash received			
	735	-	73
-	735	-	73
Cash used	3,985	- 26,175	
Cash used Purchase of infrastructure, plant and equipment ⁸	3,985	- 26,175 -	(22,190
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase / development of intangibles ⁸	3,985 16,790	- 26,175 -	(22,190 16,79
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase / development of intangibles ⁸ Purchase of land and buildings ⁸	3,985	- 26,175 - - 26,175	(22,19) 16,79 2,04
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase / development of intangibles ⁸ Purchase of land and buildings ⁸ Total cash used	3,985 16,790 2,041	-	(22,19(16,79 2,04 (3,359
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase / development of intangibles ⁸ Purchase of land and buildings ⁸ Total cash used Net cash from (used by) investing activities	3,985 16,790 2,041 22,816	26,175	(22,190 16,79 2,04 (3,359
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase / development of intangibles ⁸ Purchase of land and buildings ⁸ Total cash used Net cash from (used by) investing activities FINANCING ACTIVITIES	3,985 16,790 2,041 22,816	26,175	(22,190 16,79 2,04 (3,359
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase / development of intangibles ⁸ Purchase of land and buildings ⁸ Total cash used Net cash from (used by) investing activities FINANCING ACTIVITIES Cash received	3,985 16,790 2,041 22,816 (22,081)	26,175	(22,190 16,79 2,04 (3,359 4,09
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase / development of intangibles ⁸ Purchase of land and buildings ⁸ Total cash used Net cash from (used by) investing activities FINANCING ACTIVITIES Cash received Contributed equity - capital injections	3,985 16,790 2,041 22,816	26,175	(22,190 16,79 2,04 (3,355 4,09 3,83
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase of land and buildings ⁸ Total cash used Net cash from (used by) investing activities FINANCING ACTIVITIES Cash received Contributed equity - capital injections Contributed equity - capital budget	3,985 16,790 2,041 22,816 (22,081) 3,836	26,175	(22,19(16,79 2,04 (3,355 4,09 3,83 (7,426
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase of land and buildings ⁸ Total cash used Net cash from (used by) investing activities FINANCING ACTIVITIES Cash received Contributed equity - capital injections Contributed equity - capital budget Cash from restructuring	3,985 16,790 2,041 22,816 (22,081) 3,836 18,299	26,175	(22,19(16,79 2,04 (3,355 4,09 3,83 (7,426 2,18
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase of land and buildings ⁸ Total cash used Net cash from (used by) investing activities FINANCING ACTIVITIES Cash received Contributed equity - capital injections Contributed equity - capital budget Cash from restructuring Total cash received	3,985 16,790 2,041 22,816 (22,081) 3,836 18,299 2,186	26,175 (26,175) (26,175)	(22,19(16,79 2,04 (3,355 4,09 3,83 (7,42(2,18 (1,404
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase of land and buildings ⁸ Total cash used Net cash from (used by) investing activities FINANCING ACTIVITIES Cash received Contributed equity - capital injections Contributed equity - capital budget Cash from restructuring Total cash received Net cash from (used by) financing activities	3,985 16,790 2,041 22,816 (22,081) 3,836 18,299 2,186 24,321	26,175 (26,175) (26,175) 25,725	(22,190 16,79 2,04 (3,355 4,09 3,83 (7,426 2,18 (1,404 (1,404
Cash used Purchase of infrastructure, plant and equipment ⁸ Purchase / development of intangibles ⁸ Purchase of land and buildings ⁸ Total cash used Net cash from (used by) investing activities FINANCING ACTIVITIES Cash received Contributed equity - capital injections Contributed equity - capital budget Cash from restructuring Total cash from (used by) financing activities Net cash from (used by) financing activities Net cash from (used by) financing activities Cash and cash equivalents at the beginning of the reporting period	3,985 16,790 2,041 22,816 (22,081) (22,081) 3,836 18,299 2,186 24,321 24,321	26,175 (26,175) 25,725 25,725 25,725	73 (22,190 16,79 2,04 (3,359 4,09 4,09 3,83 (7,426 2,18 (1,404 (1,404 1,38 6,58

Note 34B: Departmental Major Budget Variances for 2015

Explanation of major variances

 The 2014–15 Education Portfolio Budget Statements (PBS) as presented to Parliament contained the original budgeted financial statements for 2015. The PBS was completed prior to the finalisation of the 2013–14 Administrative Arrangement Orders (AAOs) processes which abolished the Department of Employment, Education and Workplace Relations with functions transferring to the newly created Department of Education. During the 2014–15 financial year as a result of the AAOs of 23 December 2014 the department, became the Department of Education and Training. Functions relating to Early Childhood Education and Care transferred to the Department of Social Services and functions relating to Skills and Training transferred from the Department of Industry and Science.

2. The variances reported in the statements primarily relate to the settlement of balances following the 2013–14 and 2014–15 machinery of government changes. The department also received additional funding through the 2014–15 Portfolio Additional Estimates (PAES) and Portfolio Supplementary Additional Estimates Statements (PSAES) for measures and staffing reduction expenses.

3. Employee Benefits are higher than anticipated at Budget by \$10.462 million primarily due to increased costs associated with reducing staffing during the year of \$10.8 million, not included in the 2014–15 Budget. This also resulted in a greater than anticipated reduction to employee provisions of \$6.423 million and increased cash payments of \$19.490 million as a result of service costs and pay out of leave entitlements.

4. Sales of goods and rendering of services revenue is \$7.968 million higher than anticipated at the 2014–15 Budget. This is a result of increased corporate services delivery through Memorandum of Understandings to other departments and an additional \$3.500 million in revenue received for the Unique Student Identifier Special Account as a result the machinery of government changes.

5. Other gains were \$6.167 million higher than anticipated at 2014–15 Budget as a result of the Department recognising Resources Received Free of Charge (RRFOC) for the collection of HELP receipts of \$4.114 million by the Australian Taxation Office, and an additional \$682,000 in RRFOC for services provided by the Australian National Audit Office for the 2013–14 financial statements audit.

6. Cash and Cash equivalents are \$7.972 million higher than at 2014–15 Budget Estimate as a result of the transfer to the USI Special Account from the Department of Industry and Science following the machinery of government changes (\$2.2 million), as well as higher than anticipated receipts for payments of trade and other receivables managed by the department.

7. Trade and Other receivables were \$7.902 million lower than anticipated at budget as a result of higher than anticipated receipts during the year. Appropriation receivables were also reduced by \$3.890 million following finalisation of the machinery of government change with the Department of Employment.

8. The higher than expected level of non-financial assets of \$17.397 million was primarily the result of the finalisation of the 2013–14 machinery of government changes which abolished the Department of Education, Employment and Workplace Relations and included the transfer of non-financial assets from the Department of Industry and Science for functions relating to Higher Education, Research and International. In addition, the department received an additional \$6.1 million in intangibles as a result of the 2014–15 machinery of government transfer.

9. Payables are \$30.685 million higher than the 2014–15 Budget estimate as the payables profile for the department had not been established prior to the publication of the 2014–15 PBS.

10. The movement in contributed equity of \$11.030 million primarily reflects a difference of \$25.016 million in opening contributions, the budget not completed prior to the finalisation of the 2013–14 machinery of government changes. Additional movements of (\$13.986 million) in 2014–15 reflect the net impact of restructuring following the 23 December 2014 machinery of government changes and a reduction to contributed equity of \$3.850 million as part of the finalisation of the 2013–14 machinery of government change with the Department of Employment.

11. The Appropriations received and Cash used other include Section 74 receipts to/from the Official Public Account (OPA) which are presented on a net basis in the 2014–15 Budget estimate.

Note 34C: Administered Budgetary Reports

Administered Schedule of Comprehensive Income

for the period ended 30 June 2015 Actual **Budget Estimate** Original¹ Variance² 2015 2015 2015 \$'000 \$'000 \$'000 NET COST OF SERVICES EXPENSES Supplier expenses³ 338,577 70,705 267,872 Subsidies³ 144,309 5,727 138,582 Personal benefits³ 3,535,096 (2,918,893) 6,453,989 Grants³ 24,410,096 24,519,219 (109,123) Finance costs⁴ 801,980 34,214 767,766 Write-down and impairment of assets 26,237 51,240 (25,003) 13,370 Payment to Corporate Commonwealth Entities 13,370 Fair value losses⁴ 702,638 1,315,793 (613,155) Other Expenses 57 57 32,464,257 Total expenses 29,972,360 (2,491,897) INCOME Revenue Taxation revenue 6,300 Other taxes 8,576 2,276 **Total taxation revenue** 8,576 6,300 2,276 Non-taxation revenue Interest⁴ 725,676 583,134 (142,542) Other revenue⁴ 770,035 (478,850) 291,185 Total non-taxation revenue 874,319 1,495,711 (621,392) Total revenue 882,895 1,502,011 (619,116) Gains Reversals of previous asset write-downs and impairment⁵ 1,200,266 1,200,266 Total gains 1,200,266 1,200,266 Total income 2,083,161 1,502,011 581,150 Net cost of (contribution by) services 27,889,199 30,962,246 (3,073,047) Surplus (Deficit) (27,889,199) (30,962,246) 3,073,047 OTHER COMPREHENSIVE INCOME Items not subject to subsequent reclassification to net cost of services Changes in asset revaluation surplus 904 904 Total other comprehensive income (loss) 904 904 3,073,951 Total comprehensive income (loss) (27,888,295) (30,962,246)

Administered Schedule of Assets and Liabilities				
for the period ended 30 June 2015				
	Actual	Budget Es	stimate	
		Original	Variance	
	2015	2015	2015	
	\$'000	\$'000	\$'000	
ASSETS				
Financial assets				
Cash and cash equivalents	26,528	15,999	10,529	
Trade and other receivables ^{4,5}	30,927,974	30,834,159	93,815	
Other investments ⁶	2,149,930	2,037,519	112,411	
Total financial assets	33,104,432	32,887,677	216,755	
Non-financial assets				
Other non-financial assets		-	-	
Total non-financial assets	-	-	-	
Total assets administered on behalf of Government	33,104,432	32,887,677	216,755	
LIABILITIES				
Payables				
Suppliers	54,235	34,201	20,034	
Personal benefits ³	-	1,081,816	(1,081,816)	
Grants	36,246	61,749	(25,503)	
Other payables	17,701	29,677	(11,976)	
Total payables	108,182	1,207,443	(1,099,261)	
Provisions				
Provision for grants ⁵	6,068,013	7,078,686	(1,010,673)	
Total provisions	6,068,013	7,078,686	(1,010,673)	
Total liabilities administered on behalf of Government	6,176,195	8,286,129	(2,109,934)	
Net assets (liabilities)	26,928,237	24,601,548	2,326,689	

Note 34D: Administered Major Budget Variances for 2015

Explanation of Major Variances

1. The 2014–15 Education Portfolio Budget Statements (PBS) contain the original financial statements budget estimates presented to Parliament in respect of the 2015 financial year. During the 2014–15 financial year following the Administrative Arrangement Orders (AAOs) of 23 December 2014, the department became the Department of Education and Training. As a result of the AAOs functions relating to Early Childhood Education and Care transferred to the Department of Social Services and functions relating to Skills and Training transferred from the Department of Industry and Science.

2. The variances primarily relate to the settlement of balances following 2014–15 machinery of government changes. In addition the department received funding through the 2014–15 Portfolio Additional Estimates (PAES) and Portfolio Supplementary Additional Estimates Statements (PSAES).

3. Variances primarily relate to the transfer of the Skills and Training functions from the Department of Industry and Science and the transfer of Early Childhood Education and Care to the Department of Social Services.

4. The variance primarily relates to the Higher Education Loan Programme (HELP). The variance in HELP expenses is due to the Government's decision not to proceed with applying indexation of outstanding debt at the 10 year Government bond rate and the downwards movement in the government bond yield curve which is used to calculate concessional loan expenses for existing debt.

5. The variance relates primarily to changes to the Higher Education Superannuation programme following agreement with the New South Wales (NSW) Government that NSW will resume making payments to eligible NSW universities to meet its share of superannuation expenses. This agreement has resulted in a partial write back of the liability that has been wholly recognised by the Department, prior to this agreement.

6. Due to the nature of the administered investments the external budget estimate does not incorporate predicted changes to the net asset position of entities. Changes to budget estimates are incorporated following the finalisation of agency financial statements.



PART 6 Appendicies

Appendix 1: Advertising and market research	194
Appendix 2: Agency resource statement and resources for outcomes	195
Appendix 3: Carer Recognition Act	205
Appendix 4: Tuition Protection Service (TPS) Annual Report 2014–15	206
Appendix 5: Trade Support Loans Annual Report 2014–15	213
Appendix 6: Student Identifiers Office Annual Report	217
Appendix 7: Work Health and Safety	224
Appendix 8: Workforce statistics	226

APPENDIX 1: ADVERTISING AND MARKET RESEARCH

Details of payments made to advertising, market research, polling, media advertising and direct mail organisations by the department in 2014–15 are listed in the following tables. Where the total paid is less than the reporting threshold—\$12,565 (inclusive of GST)—details have not been included. This is consistent with section 311A of the *Commonwealth Electoral Act 1918*.

During 2014–15, the Department of Education and Training conducted one advertising campaign: Higher Education Communication Campaign. Further information is available at **www.education.gov.au** and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance website.

Table 16: Market research and polling organisations

Organisation	Service provided	2014–15 Total \$ paid
Taylor Nelson Sofres Australia PTY LTD	Quality Indicators For Learning And Teaching	88,000.00
Orima Research PTY LTD	Developmental And Concept Testing Research	277,760.00

Table 17: Media advertising organisations

Organisation	Service provided	2014–15 Total \$ paid
Mitchell & Partners Australia PTY LTD	Industry Skills Fund Digital And Social Media Advertising Campaign	71,500.00
Mitchell & Partners Australia PTY LTD	Media Placement	6,474,562.61
BCM Partnership	Advertising Higher Education Support Services	2,294,083.39
National Promotions Australia PTY LTD	Unique Student Identifier Service Promotional Materials	35,546.50
Mitchell & Partners Australia PTY LTD	Advertising For National Youth Awards	90,002.38

APPENDIX 2: AGENCY RESOURCE STATEMENT AND RESOURCES FOR OUTCOMES

Table 18: Agency Resource Statement

	Actual Available Appropriations for 2014–15	Payments Made 2014–15	Balanc Remainin
	\$000	\$000	\$00
Ordinary Annual Services			
Departmental appropriation			
Prior year departmental appropriation	15,255	15,255	
Departmental appropriation	299,735	263,408	36,32
S.74 Retained Revenue receipts	47,837	47,837	
Total	362,827	326,500	36,32
Administered expenses			
Outcome 1	359,743	357,070	
Outcome 2	244,157	160,819	
Outcome 3	772,310	564,817	
Payments to corporate Commonwealth entities	13,295	13,295	
Total	1,389,505	1,096,001	
Total ordinary annual services	1,752,332	1,422,501	
Other services			
Administered expenses			
Specific payments to States, ACT, NT			
and local government			
Outcome 1	102,159	96,677	
Payments to corporate Commonwealth entities	75	75	
Total	102,234	96,752	
Departmental non-operating			
Prior year departmental appropriation	20,970	347	20,62
Equity injections	3,489	3,489	
Previous years' outputs			
Total	24,459	3,836	20,62
Total other services	126,693	100,588	

Part 6

	Actual Available Appropriations for 2014–15	Payments Made 2014–15	Balance Remaining
	\$000	\$000	\$00
Total available annual appropriations	1,879,025	1,523,089	
Special appropriations			
Special appropriations limited by criteria/ entitlement			
A New Tax System (Family Assistance) (Administration) Act 1999		3,448,822	
Australian Education Act 2013		14,632,883	
Higher Education Support Act 2003		16,616,684	
Trade Support Loan Act 2014		57,113	
Total special appropriations	-	34,755,501	
Special Accounts	_		
Opening Balance	84,705		
Appropriation receipts	-		
Non-appropriation receipts to Special Accounts	231,542		
Payments made (through restructuring)		24,709	
Payments made		269,212	
Closing Balance			22,32
Total resourcing and payments	2,195,272	36,572,511	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	13,370	13,370	
Total net resourcing and payments for Education	2,181,902	36,559,141	

Table 19: Resources for Outcome 1

	Budget	Actual expenses	Variation
	(2014–15)	(2014–15)	(2014–15)
	\$'000	\$'000	\$'000
	A	В	A-B
Administered expenses			
Programme 1.1: Government Schools National Support			
Special Appropriations			
Australian Education Act 2013	5,247,309	5,233,769	13,540
Total for Programme 1.1	5,247,309	5,233,769	13,540
Programme 1.2: Non-government Schools National Support			
Ordinary Annual Services (Appropriation Bill No 2)			
Short Term Emergency Assistance	1,438	-	1,438
Non-Government Representative Bodies	41,167	41,167	
Special Appropriations			
Schools Assistance Act 2008	-	6,164	-6,164
Australian Education Act 2013	9,374,064	9,432,468	-58,404
Total for Programme 1.2	9,416,669	9,479,799	-63,130
Programme 1.3: Early Learning and Schools Support			
Ordinary Annual Services (Appropriation Bill No 1)			
Grants and Awards	3,899	3,899	-
Quality Outcomes	50,356	47,676	2,680
Helping Children with Autism	5,637	5,582	55
Broadband Enabled Education	3,205	3,165	40
Maths and Science Participation	5,700	5,700	
Teach for Australia	7,300	6,920	380
Flexible Literacy Learning for Remote Primary Schools	6,000	6,000	
National Assessment Reform	1,017	1,017	
Science, Technology, Engineering and Mathematics (STEM)	1,000	1,000	-
Improving the Teaching of Foreign Languages	1,200	1,200	-
Total for Programme 1.3	85,314	82,159	3,155

Part 6

	Budget (2014–15)	Actual expenses (2014–15)	Variation (2014–15)
	\$'000	\$'000	\$'000
	А	В	A-B
Programme 1.4: Trade Training Centres in Schools			
Other Services (Appropriation Bill No 2)			
Trade Skills Centres (Non-government)	45,647	45,638	9
Total for Programme 1.4	45,647	45,638	9
Programme 1.5: More Support for Students With Disabilities			
Ordinary Annual Services (Appropriation Bill No 1)			
Students with Disabilities (COPE)	2,882	2,829	53
Other Services (Appropriation Bill No 2)			
Students with Disabilities (Non-Government)	11,369	11,369	
Total for Programme 1.5	14,251	14,198	53
Programme 1.6: Youth Support			
Ordinary Annual Services (Appropriation Bill No 1)			
Youth Attainment and Transitions	64,428	62,062	2,366
Youth Engagement	3,077	3,188	-111
Special Account Expenses			
National Youth Affairs Research Scheme	240	80	160
Total for Programme 1.6	67,745	65,330	2,415
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	155,701	150,238	5,463
Other services (Appropriation Bill No 2)	99,621	98,174	1,447
Special Appropriations	14,621,373	14,672,401	-51,028
Special Accounts	240	80	160
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	85,817	93,368	-7,551
Expenses not requiring appropriation in the Budget year	9,567	8,916	651
Total for Outcome 1	14,972,319	15,023,177	-50,858
Average staffing level (number)	501	496	5

Table 20: Resources for Outcome 2

	Budget	Actual expenses	Variation (2014–15) \$'000 A-B
	(2014–15) \$'000 A	(2014–15) \$'000 B	
Administered expenses			
Programme 2.1: Commonwealth Grants Scheme			
Special Appropriations			
Higher Education Support Act 2003			
Cluster Fund and Place Loadings	6,386,206	6,320,769	65,43
Regional Loading	67,381	66,698	68
Total for Programme 2.1	6,453,587	6,387,467	66,12
Programme 2.2: Higher Education Superannuation Programme			
Special Appropriations			
Higher Education Support Act 2003			
Higher Education Superannuation Programme ¹	(938,334)	575,726	-1,514,06
Total for Programme 2.2	(938,334)	575,726	-1,514,06
Programme 2.3: Higher Education Support			
Ordinary Annual Services (Appropriation Bill No 1)			
ATSIHEAC	327	192	13
National Disability Coordination Officer	4,309	4,284	2
VET FEE HELP Redesign	156	-	15
Quality Indicators for Teaching and Learning	4,779	4,615	16
Higher Education Special Projects	9,600	8,895	70
Special Appropriations			
Higher Education Support Act 2003			
Disability Support Programme	7,120	7,032	8
Diversity and Structural Reform	622	622	
Higher Education Participation Programme	163,653	159,723	3,93
National Institutes	207,333	207,296	3
Promotion of Excellence in Learning and Teaching in Higher Education	18,886	14,899	3,98
Quality Initiatives	15,114	13,940	1,17

Part 6

	Budget (2014–15) \$'000 A	Actual expenses (2014–15) \$'000 B	Variation (2014–15) \$'000 A-B
Special Account Expenses			
SOETM - Promotion of Excellence in Learning and Teaching in Higher Education	78	64	14
SOETM - Australian Quality Framework Council	-	412	-412
Education Investment Fund - Higher Education	146,462	146,463	-1
Total for Programme 2.3	578,439	568,437	10,002
Programme 2.4: Higher Education Loan Programme			
Special Appropriations			
Higher Education Support Act 2003			
Higher Education Loan Programme ²	2,403,707	1,268,781	1,134,926
Total for Programme 2.4	2,403,707	1,268,781	1,134,926
Special Appropriations			
Higher Education Support Act 2003	00.001	00.001	
International Post Graduate Research	22,201	22,201	
International Post Graduate Research Joint Research Engagement Programme	356,083	356,083	
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants	356,083 239,384	356,083 239,383]
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants Research Training	356,083 239,384 676,705	356,083 239,383 676,705	
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants Research Training Sustainable Research Excellence	356,083 239,384 676,705 185,417	356,083 239,383 676,705 185,416	1
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants Research Training Sustainable Research Excellence Australian Post Graduate Awards	356,083 239,384 676,705 185,417 276,138	356,083 239,383 676,705 185,416 276,137	1
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants Research Training Sustainable Research Excellence	356,083 239,384 676,705 185,417	356,083 239,383 676,705 185,416	- - - 1 - 1 - 3
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants Research Training Sustainable Research Excellence Australian Post Graduate Awards Total for Programme 2.5	356,083 239,384 676,705 185,417 276,138	356,083 239,383 676,705 185,416 276,137	1
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants Research Training Sustainable Research Excellence Australian Post Graduate Awards Total for Programme 2.5 Programme 2.6 Research Capacity	356,083 239,384 676,705 185,417 276,138	356,083 239,383 676,705 185,416 276,137	1
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants Research Training Sustainable Research Excellence Australian Post Graduate Awards Total for Programme 2.5 Programme 2.6 Research Capacity	356,083 239,384 676,705 185,417 276,138	356,083 239,383 676,705 185,416 276,137	1
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants Research Training Sustainable Research Excellence Australian Post Graduate Awards Total for Programme 2.5 Programme 2.6 Research Capacity Ordinary Annual Services (Appropriation Bill No 1)	356,083 239,384 676,705 185,417 276,138 1,755,928	356,083 239,383 676,705 185,416 276,137 1,755,925	1
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants Research Training Sustainable Research Excellence Australian Post Graduate Awards Total for Programme 2.5 Programme 2.6 Research Capacity Ordinary Annual Services (Appropriation Bill No 1) Collaborative Research Network Programme	356,083 239,384 676,705 185,417 276,138 1,755,928 10,300	356,083 239,383 676,705 185,416 276,137 1,755,925 10,300	1
International Post Graduate Research Joint Research Engagement Programme Research Infrastructure Block Grants Research Training Sustainable Research Excellence Australian Post Graduate Awards Total for Programme 2.5 Programme 2.6 Research Capacity Ordinary Annual Services (Appropriation Bill No 1) Collaborative Research Network Programme Commonwealth - ANU Strategic Relationships National Collaborative Research	356,083 239,384 676,705 185,417 276,138 1,755,928 10,300 500	356,083 239,383 676,705 185,416 276,137 1,755,925 10,300 500]] 3

	Budget (2014–15) \$'000 A	Actual expenses (2014–15) \$'000 B	Variation (2014–15) \$'000 A-B
Special Appropriations			
Higher Education Support Act 2003			
Higher Education Research Promotion	4,654	4,728	-74
Special Account Expenses			
Education Investment Fund - Research	66,950	70,950	-4,000
Payments to corporate Commonwealth entities			
Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)	13,295	13,370	-75
Total for Programme 2.6	197,799	200,949	-3,150
Programme 2.7 International Education Support			
Ordinary Annual Services (Appropriation Bill No 1)			
International Education Support	64,547	63,551	996
Assessment Subsidy for Overseas		03,331	550
Trained Professionals	1,206	1,183	23
Special Account Expenses			
Overseas Student Tuition Fund	1,742	799	943
SOETM - Cheung Kong	-	732	-732
Total for Programme 2.7	67,495	66,265	1,230
Programme 2.8 Building Skills and Capability ³			
Ordinary Annual Services (Appropriation Bill No 1)			
Sub-Programme 2.8.1: Industry Competitiveness			
Industry Skills Fund	27,701	1,031	26,670
National Workforce Development Fund	24,272	1,723	22,549
Sub-Programme 2.8.2: Skills Development			
Australian Apprenticeships Support Network	110,624	56,295	54,329
Australian Apprenticeships Incentives Programme	158,688	157,651	1,037
Job Ready Programme - Trades Recognition Australia	3,947	307	3,640
Accelerated Australian Apprenticeships	1,533	1,533	-
Apprentice to Business Owner - Business Skills and Mentoring	3,093	1,594	1,499
Australian Apprenticeships Mentoring Programme	3,264	3,206	58

Part 6

	Budget (2014–15) \$'000 A	Actual expenses (2014–15) \$'000 B	Variation (2014–15) \$'000 A-B
Special Appropriations	<u>_</u>		
Trade Support Loan Act 2014			
Trade Support Loans	29,473	28.091	1.382
Sub-Programme 2.8.3: Access to Training	,	,	_,
Adult Migrant English Programme	94,563	84,171	10,392
National Foundation Skills Strategy	1,042	183	859
Skills for Education and Employment Programme	59,522	47,459	12,063
Australian Apprenticeships Access	1,627	222	1,405
Workplace English Language and Literacy	4,641	2,249	2,392
Sub-Programme 2.8.4: Support for the National Training System			
Industry Workforce Training	18,335	18,582	-247
My Skills Website	1,045	931	114
National Skills Standards Council	308	-	308
National Training System COPE	7,382	7,457	-75
Australian Industry and Skills Committee	600	8	592
Total for Programme 2.8	551,660	412,693	138,967
Outcome 2 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	720,011	579,224	140,787
Special Appropriations	10,121,743	10,424,230	-302,487
Special Accounts	215,232	219,420	-4,188
Payments to corporate Commonwealth entities	13,295	13,370	-75
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	157,531	148,027	9,504
Special Accounts	3,625	3,937	-312
Expenses not requiring appropriation in the Budget year	22,130	18,695	3,435
Total for Outcome 2	11,253,567	11,406,903	- 153,336
Average staffing level (number)	813	797	16

1 The variance is predominantly due to a difference in accounting treatment for the Higher Education Superannuation Programme.

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

3 The Building Skills and Capability Programme transferred to the Department of Education and Training following the 23 December 2014 Administrative Arrangement Orders.

Table 21: Resources for Former Outcome 1

	Budget	Actual expenses	Variation
	(2014–15) \$'000 A	(2014–15) \$'000 B	(2014–15) \$'000 A-B
Administered expenses			
Former Programme 1.1: Support for the Child Care System ^{1,2}			
Ordinary Annual Services (Appropriation Bill No 1)			
Child Care Services Support	284,688	283,620	1,068
Jobs, Education and Training Child Care Fee Assistance (JETCCFA)	50,415	50,415	-
Special Account Expenses			
Early Years Quality Fund Special Account Act 2013	61,525	61,525	-
Total for Programme 1.1	396,628	395,560	1,068
Former Programme 1.2: Child Care Benefit ¹			
Special Appropriations			
A New Tax System (Family Assistance) (Administration) Act 1999			
Child Care Benefit	1,829,392	1,829,100	292
Total for Programme 1.2	1,829,392	1,829,100	292
Former Programme 1.3: Child Care Rebate ¹			
Special Appropriations			
A New Tax System (Family Assistance) (Administration) Act 1999			
Child Care Rebate	1,582,617	1,582,615	2
Total for Programme 1.3	1,582,617	1,582,615	2
Former Programme 1.4: Early Childhood Education ³			
Ordinary Annual Services (Appropriation Bill No 1)			
Early Childhood Education- Universal Access	1,500	1,490	10
Early Learning Languages Australia	6,543	6,457	86
Total for Programme 1.4	8,043	7,947	96

	Budget (2014–15) \$'000 A	Actual expenses (2014–15) \$'000 B	Variation (2014–15) \$'000 A-B
Former Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	343,146	341,982	1,164
Special Appropriations	3,412,009	3,411,715	294
Special Accounts	61,525	61,525	-
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	57,896	58,584	- 688
Expenses not requiring appropriation in the Budget year	6,224	6,305	- 81
Total for Former Outcome 1	3,880,800	3,880,111	689
Average staffing level (number)	337	351	- 14

1 These Programmes transferred to the Department of Social Services following the 23 December 2014 Administrative Arrangement Orders.

2 This includes the Australian Early Development Census (AEDC) retained by the Department of Education and Training. The 2015–16 and forward estimates for AEDC will be reported under the new Outcome 1 (Programme 1.3 Early Learning and Schools Support).

3 Programme 1.4 retained by the Department of Education and Training. The 2015–16 and forward estimates for Programme 1.4 will be reported under Outcome 1 (Programme 1.3 Early Learning and Schools Support).

APPENDIX 3: CARER RECOGNITION ACT

The department actively supports employees with caring responsibilities through the provision of information, resources and an employee assistance programme. The department acknowledges its obligations under the *Carer Recognition Act 2010* and is committed to ensuring that staff are aware and understand the *Statement for Australia's Carers*, and that it is considered when developing human resource policies.

Employees in the department are covered by the provisions of two enterprise agreements preserved under Section 24(3) and Section 24(1) determinations made under the *Public Service Act 1999*: the *DEEWR Enterprise Agreement 2012–2014* and the *One Innovation Enterprise Agreement 2011–2014*. Both of these agreements incorporate special carers' leave provisions, with information for employees about conditions available to carers under the Enterprise Agreements and supporting leave guide available on the department's intranet. In addition the department provides Carers Rooms to provide facilities for unforeseen caring responsibilities.

The Diversity Unit in People Branch works with managers, employees and service providers to support employees with a caring role, disability or cultural difference in the department. Departmental human resource practitioners regularly have conversations with employees with caring responsibilities to assist them to access respite and counselling services through the Employee Assistance Fund.

The department's Women's Network was created to support and assist women to reach their potential by making the most of the opportunities available. A priority for the department is to support a work/life balance for working mothers.

APPENDIX 4: TUITION PROTECTION SERVICE (TPS) ANNUAL REPORT 2014–15

Introduction

The Australian Government's Tuition Protection Service (TPS) is a placement and refund service for international students on student visas affected by an education provider closure. The TPS may also assist where students have withdrawn from or not started their course of study and are eligible for a refund of tuition fees that have not been paid by the provider.

The operations of the TPS are funded through an annual TPS levy, which is paid by all Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) registered providers. The revenue collected through the TPS levy is paid into the Overseas Students Tuition Fund (OSTF).

Based on the requirements set out in the *Education Services for Overseas Students Act 2000* (ESOS Act), this report provides a summary of the activities of the TPS from 1 July 2014 to 30 June 2015. It also includes an assessment of issues affecting the operation of the TPS, the outlook for the year ahead and any potential risks to the OSTF.

Governance

The TPS governance framework consists of the statutorily appointed TPS Director and a TPS Advisory Board (the Board). The primary function of the Board is to provide advice and recommendations to the TPS Director in setting the annual TPS levy, payable by all institutions delivering education services to international students.

The ESOS Act sets out requirements for the operation of the Board and states that membership must be comprised of representatives from five specified government agencies and up to seven non-government members.

In 2014–15 nine board members' terms of membership expired. These members were replaced by three general members (Dr Kevin Donnelly, Ms Helen Ujvary and Mr Michael Manetta) and two new government agency members (Ms Anne Baly and Mr Michael Horton). One current government agency member, Ms Susan Antcliff was reappointed to the Board. The Board continued to be chaired by Mr Peter Grant PSM.

Operation of the Tuition Protection Service

During the year the TPS built on the foundations laid in its formative years embedding a customer focused, professional, responsive culture and transparent operations.

Over the 12 months to 30 June 2015, there were two provider closures which displaced 548 students. One closure affected 248 students of which most either received a refund or were placed with another provider. The other closure displaced 300 students; however this required little active ongoing management by the TPS other than monitoring as the provider readily met its obligations to students in a timely manner.

During this period, 21 calls were made on the OSTF and 23 assessments of calls were completed, at a cost of \$121,288 (a number of these assessments relate to calls made in previous years). There were four claims managed under Element 1 (cases that preceded the establishment of the TPS) in 2014–15.

Regulatory action by the Australian Skills Quality Authority (ASQA) and the Tertiary Education Quality and Standards Agency (TEQSA) led to a number of course closures (where one or more courses are cancelled but the provider continues to operate). The TPS supported providers to meet their obligations to affected students to ensure all students were either placed in an alternative course or paid a refund of their unspent tuition fees.

The TPS Director is assisted in his role of placing and providing refunds to students by the TPS Administrator. PricewaterhouseCoopers is currently engaged to provide the TPS Administrator services; it is contracted to case manage provider defaults and student claims. The final option to extend the contract was exercised in 2015 and will run for a further year to July 2016.

TPS approach proactive and collaborative approach

The work of the TPS is most effective when it is not merely reacting to a provider closure after it occurs. The Memorandum of Understanding arrangements that exist between the national regulators and the TPS are designed to ensure that the TPS becomes aware of any regulatory action taken by regulators at the earliest possible time, thus ensuring that the TPS is engaged with the provider under regulatory action in a proactive and strategic manner.

The TPS was advised of a regulatory action by TEQSA against a higher education provider in late 2013. A long drawn out period ensued including a provider appeal, initial conditional stay order, final hearing by the Administrative Appeals Tribunal (AAT) and an agreement for a very short teach-out period. The TPS stayed engaged with the provider during this period of some ten months, but more actively, at key decision points, ensuring the provider was aware of its obligations to students and prepared to meet its obligations.

Towards the latter and crucial period, the TPS maintained frequent contact with the provider, and worked closely with potential alternative providers and a number of other stakeholders, including TEQSA and the Council of Private Higher Education, the peak body representing private higher education providers.

After close consultation with all parties, a suitable provider with capacity to offer placements to most students was found. Those students who did not accept a placement were refunded their unspent tuition fees by their provider. The TPS actively engaged in negotiations that led to student placements with alternative providers and closely monitored the entire process until all students had either been placed or received refunds.

The work of the TPS in conjunction with TEQSA and the provider ensured that the provider met its obligations. All affected students were assisted with either a placement or a refund. As a result no calls were made on the TPS and there were no direct costs to the OSTF from this provider closure.

2015 Tuition Protection Service Levy: settings and collection

After receiving advice from the Board and with the approval of the Treasurer, the TPS Director makes a determination each year specifying the settings for the TPS levy to be collected from CRICOS registered providers in the following year.

The Board met four times during 2014–15. During its meetings, the Board invites key stakeholders to share knowledge about current and future risks, considers actuarial advice, assesses the impact of government policy and shapes the advice to be given to the TPS Director regarding the TPS levy settings.

The Board provided its advice on 10 October 2014. Based on the advice and recommendations from the TPS Advisory Board, as well as the outcome of consultations with peak sector representatives, the TPS Director made the 2015 legislative instrument on 8 December 2014. The text of the determination can be found at **www.comlaw.gov.au**.

Apart from small increases due to indexation, the levy settings in 2015 remained the same as they had been in 2014. In 2014, \$6.52 million was collected; in 2015 the amount collected was \$8.55 million. The higher collection in 2015 reflects robust growth in enrolments and provider income in 2014.

The collection of the levy progressed smoothly, with no significant issues raised by CRICOS providers or sector peak bodies. By 30 June 2015, all providers had paid the levy.

Overall, the levy collection process over the first two years has gone well with very few issues identified. Nonetheless, the TPS undertook an informal post implementation review of the levy collection process with particular emphasis on an analysis of the income declarations made by providers. The review identified that the vast majority of providers declared their income and paid the correct levy amounts by the relevant due dates. There were, however, a small number of providers who were required to correct their income declarations.

At present there is approximately \$19.8 million held in the OSTF. The TPS is thus well placed to achieve its short-term strategic target of a reserve of \$20 million by the end of 2016, set by the board in 2013. Even with reserves at this level, however, the OSTF remains vulnerable to a large and unexpected increase in claims, and strategies are needed to manage this risk.

Accordingly, the Board agreed to the renewal of the OSTF re-insurance arrangement for 2015-16. It is anticipated that commercial re-insurance will be required only over the short term, until adequate reserves are built in the OSTF.

Working with stakeholders

The TPS is part of the international education sector's broad regulatory and consumer protection framework. The TPS Director engages and works co-operatively with a range of stakeholders to help maintain and improve Australia's world-class international education sector.

Each closure, depending on its circumstances, usually requires the input and collaboration of a number of agencies including state and territory governments, the Department of Immigration and Border Protection, ASQA and TEQSA. The TPS continues to maintain close working relationships with these agencies to ensure the TPS is able to respond to regulatory action in a proactive and constructive manner to achieve good outcomes for students. The case study in the earlier section of the report aptly demonstrates the TPS approach.

The TPS continues to work closely with the Overseas Students Ombudsman (OSO) to address complaints received from international students about a range of issues concerning their CRICOS provider. During the year, 33 complaints were referred by the OSO to the TPS for investigation, of which 30 have been finalised and 3 are the subject of ongoing investigation as at 30 June 2015.

The TPS Service Charter, designed for students and other stakeholders in the international education sector sets out service standards, communication protocols and decision review options. The charter can be found on the TPS website: **tps.gov.au/StaticContent/Get/ServiceCharter**.

Deregulation

Following extensive consultations with stakeholders, the TPS recommended a number of changes which would significantly reduce regulatory burden on the providers. While the TPS deregulatory strategy is largely agreed, its implementation is awaiting changes to the ESOS Act managed by the department.

TPS Reviews

TPS Post Implementation Review (PIR)

On 19 November 2013 the Office of Best Practice Regulation (OBPR) advised the department that a post-implementation review of the *Education Services for Overseas Students Legislation Amendment* (*Tuition Protection Service and Other Measures*) Act 2012 was required within 1-2 years of its implementation. The review was completed and submitted to the OBPR in December 2014 and subsequently published on the OBPR wesite at **ris.dpmc.gov.au**. The review is complimentary of the TPS operations.

Review of TPS Governance and Administrative Arrangements

In June 2015, the Minister for Education and Training, the Hon Christopher Pyne MP, appointed Professor James Barber to conduct a review of the TPS governance and administration arrangements to ensure it continues to be delivered as effectively and efficiently as possible. Professor Barber is due to report in July 2015.

Outlook for the year ahead

2014–15 saw a number of positive developments in the international education sector in Australia. International student data indicates growth in total enrolments and commencements of 11.2% and 9.1% respectively when comparing year to date April 2014 to year to date 2015. There have also been a number of welcome developments in international education public policy.

On 1 April 2015 the Government released the Draft National Strategy for International Education. The national strategy will help build a whole of sector approach and coordinate policy with the objective of the sustainable development of international education in Australia.

The Government's trade, investment and education promotion agency, Austrade, is seeking to work collaboratively with Australia's international education sector, including non-traditional players, to develop Australian International Education (AIE) 2025, a long-term market development strategy for the next decade. The AIE 2025 is deliberately ambitious and is looking at among other things, doubling the number of students studying for Australian qualifications.

On 16 June 2015 the Government released the Future directions for streamlined visa processing report and announced the introduction of a simplified international student visa framework to support Australia's education services sector. These changes will simplify the student visa framework, significantly reduce red tape, create a level playing field for all education providers and deliver a more targeted approach to immigration integrity.

2014–15 also saw a review of the ESOS Act, noted above. The proposed changes will make ESOS more contemporary, flexible and effective and address a key Government objective – to reduce red tape.

The TPS continues to enjoy a productive and effective relationship with the national regulators ASQA and TESQA. Both continue to keep the TPS informed about developments in their risk assessment frameworks and proposed regulatory actions that may affect students.

Balanced with these positive developments there still needs to be vigilance. Recently there have been a number of reports looking at different aspects of international education in this country. These reports raise issues that need to be considered when assessing the strategic risk environment for international education.

On 16 April 2015 the NSW Independent Commission against Corruption (ICAC) released a report Learning the hard way: managing corruption risks associated with international students at universities in NSW. The report identifies several corruption risks created by universities' international student businesses. The report suggests a number of key initiatives including separating the academic compliance and incentive functions of international student offices to reduce the risk of corruption.

The Productivity Commission released a report *International Education Services* on 30 April 2015. Amongst a number of key points the report states that the sustainability of international education exports is more closely linked to regulatory settings than in many other sectors. Regulatory settings around student visas and education quality are crucial; the potential broadening of access to streamlined visa processing by a wider spectrum of education providers carries risks to the reputation of Australia's education system.

A recent report on the ABC's Four Corners program drew attention to shortcomings in the systems through which overseas students gain access to Australian institutions and the pressures on universities to lower assessment standards in order to maintain student numbers (and revenue).

The VET sector is also undergoing a series of reviews/investigations associated with access to the VET FEE-HELP loan arrangements. At least some of the VET providers involved are registered for CRICOS purposes and there is the possibility of spill-over effects into the international education market.

The above issues highlight some of the potential challenges in the international education sector in the years ahead.

In summary, the positive policy developments in international education should support strong sector growth and new opportunities for students and providers. However, the new policy developments will also bring uncertainties and the TPS will need to remain alert to any emerging issues.

As the TPS Director I would like to take the opportunity to thank the following board members whose membership expired during the year; David Menarry; Jim Dale; Mel Koumides; Michael Ryan; Audrey Jackson; Richard Arkell; Stephen Conway.
The departing Board members were an integral part of setting the direction and culture of the TPS. Their constructive and non-partisan advice and guidance to the TPS was highly valued.

Tuition Protection Service placement and payment activity 2014–15

Table 22: Tuition Protection Service calls 2014–15

Calls on the OSTF	Quantity
Total calls made on the OSTF during 2014–15	21

Table 23: Tuition Protection Service placement activity 2014–15

Number of students placed by the TPS				
Within 30 days Over 30 days Total				
0	0	0 a		

a While the TPS has been active in assisting providers to meet their obligations and helping to find placements for students outside of the TPS system (see for example the case study above), the TPS was not officially called upon to find placements for students. All the students who received a refund from the TPS (see page 207) either chose to find their own placement or had their visa refused (5) had left Australia before making a claim (1) or were related to a closure that occurred before the TPS was established (4).

Table 24: Time taken to make payments from the Overseas Students Tuition Fund 2014–15

	Refunds to	Refunds to students		Payment to providers	
	Within 30 days	31 days and over	Within 30 days	31 days and over	Total paid
Payments made to students during 2014–15 who were affected by closures which occurred between 1 July 2012 and 30 June 2015	3	16	0	0	\$104,353
Payments made to students during 2014–15 affected by closures which occurred before 1 July 2012	0	4	0	0	\$16,935
Total	3	20	0	0	\$121,288

Table 25: Financial status of the Overseas Students Tuition Fund

Status of the Overseas Student Tuition Fund ^a	\$'000
Opening balance at 1 July 2014	12,157
TPS annual levy collected	8,550
Other revenue collected	41
Total receipts	8,591
Student and provider payments	121
TPS administrator services	93
Other operational/administrative expenses	665
Total payments	879
Balance as at 30 June 2015	19,869

a. From 2014–15 the OSTF is reporting on a cash basis. Previous years reported receipts on a cash basis and expenditure on an accrual basis.

APPENDIX 5: TRADE SUPPORT LOANS ANNUAL REPORT 2014–15

Introduction

Based on the requirements set out in the *Trade Support Loans Act 2014*, this report provides a summary of the administrative operation of the Trade Support Loans Programme (TSL) from 1 July 2014 to 30 June 2015.

Overview

The Australian Government's Better Support of Australian Apprentices policy included the introduction of TSL which provides Australian Apprentices with up to \$20,000 over the course of their apprenticeship as an income contingent loan.

The Trade Support Loans Programme aims to meet the Government's commitment to deliver improved productivity and competitiveness to the Australian economy by providing highly skilled individuals in priority trades where there are growing skills shortages.

Programme Implementation

The Trade Support Loans Bill 2014 received Royal Assent on 17 July 2014 and the programme commenced on 21 July 2014. The Programme is legislated under the *Trade Support Loans Act 2014* (the Act). The programme is delivered jointly through Australian Apprenticeships Centres (Apprenticeship Network providers from 1 July 2015), the Department of Education and Training and the Australian Taxation Office (ATO).

Apprentices commence repaying their loan through the tax system when they start earning a sustainable income of \$53,345 in 2014–15 and \$54,126 in 2015–16. Apprentices may also choose to make voluntary payments on the loan prior to reaching the repayment threshold. The loan amounts are highest in the early years of training to support apprentices while their wages are lower.

Trade Support Loans of up to \$20,000

Annual limits of payments to Australian Apprentices:

• \$8,000 in year one

• \$4,000 in year three

• \$6,000 in year two

• \$2,000 in year four and beyond

Current apprentices are able to opt-in for a Trade Support Loan in line with the year of their apprenticeship. The loans provide flexibility to meet the needs of each individual and an apprentice may borrow up to \$20,000 over four years. Apprentices who successfully complete their apprenticeship will have the amount of their loan reduced by 20 per cent. In the 2014–15 financial year 751 apprentices successfully completed and received a completion discount. Apprentices repay the loan when they meet the relevant income threshold. The Trade Support Loan debts are indexed annually with the Consumer Price Index to maintain their real value.

Eligibility

The programme provides financial support to eligible Australian Apprentices to assist them with expenses associated with living, learning and completing an apprenticeship and helps them focus on completing a trade qualification. To be eligible for Trade Support Loan payments, Australian Apprentices must:

- reside in Australia and be an Australian citizen, or the holder of a permanent residency visa
- be undertaking one of the following:
 - Certificate III or IV level qualification that leads to an occupation on the Trade Support Loans Priority List
 - Certificate II, III or IV agricultural qualification specified on the Trade Support Loans Priority List
 - Certificate II, III or IV horticulture qualification specified on the Trade Support Loans Priority List, while working in rural or regional Australia
- meet the eligibility criteria outlined in the Trade Support Loans Programme Guidelines.

Performance Information

At 30 June 2015, 26,608 Trade Support Loan applications have been received and processed, with 145,461 payments made to apprentices.

Table 26: Trade Support Loans performance information

Deliverables	2014-15 Actual	2014-15 Budget
Total number of Australian Apprentices assisted through Trade Support Loan payments	26,608	59,500

Chart 1: TSL Applications received - 2014-15





Chart 2: Number of TSL payments made - 2014-15

Chart 3: Number of TSL Applications received by Apprentice stage - 2014-15





Chart 4: Number of TSL Applications received by state/territory - 2014-15

APPENDIX 6: STUDENT IDENTIFIERS OFFICE ANNUAL REPORT

Introduction

This report reflects the Student Identifiers Registrar's legislative reporting requirements as set out in the *Student Identifiers Act 2014* for the Minister for Education and Training to present to the Parliament. This report provides a summary of the Unique Student Identifier Registrar's activities from 1 July 2014 to 30 June 2015.

Background

In April 2012, the Council of Australian Governments (COAG) agreed to the implementation of a specially designed tool called the Unique Student Identifier (USI) to provide individuals with the ability to obtain a complete record of their vocational education and training (VET) enrolments and achievements from a single online source. The USI is a component of the COAG transparency agenda and will, in conjunction with the Total VET Activity reporting, help to illuminate the process, quality and costs associated with VET training in Australia.

On 25 June 2014 the *Student Identifiers Act 2014* and supporting regulations were passed establishing the USI scheme. Every year, an estimated three million Australians establish and enhance their work related skills by undertaking nationally recognised training. From 1 January 2015, all individuals doing nationally recognised training needed to have a USI. This includes students doing VET in schools.

A USI is a reference number made up of numbers and letters which is free and easy to create. This will link the individual with their secure online record of all nationally recognised training and qualifications gained anywhere in Australia from 1 January 2015 onwards.

For the first time individuals will have access to a complete and accurate record of their VET achievements from a single and secure online source. This is especially relevant as individuals undertake training at various stages in their life and various locations across Australia.

This will simplify training enrolment processes for many individuals and training providers by making it easier for individuals to assemble evidence to demonstrate that they meet pre-requisites for future courses, or to obtain credit transfer and recognition of prior learning from other training providers. Availability of authoritative information will enable training providers to simplify and streamline information exchanges and support processes for VET programme eligibility, student entitlement, credit transfer and recognition of prior learning.

Easy centralised access to training records for individuals will reduce administration costs and make job application processes easier for individuals and their prospective employers.

USI will also facilitate a longitudinal study of the VET sector. This data will provide valuable insights into student mobility between jurisdictions, training pathways, outcomes, completion rates and success of VET programmes. This will inform future VET policy which can focus on creating engaged learners who can participate in and contribute to the rapidly changing global economy.



Regulators will also benefit from the transparency and accountability that the USI scheme will provide for training organisations and they will have access to reliable data to address poor quality training.

The value of these benefits will grow over time with the availability of credible data which will support quality training and employment outcomes through efficient government funding and evidence based VET policy design to meet the skills needs of Australia. This will have a direct impact on Australia's economic growth and prosperity.

Structure

The Student Identifiers Registrar (the Registrar) is statutorily appointed by the Minister after consultation with the Ministerial Council. The primary functions of the Registrar are:

- to assign USIs to individuals
- prepare and provided access to authenticated VET transcripts of individuals or extracts from such transcripts
- resolve problems in relation to the assignment of a USI (e.g. duplicate records)
- establish and maintain the access controls which allow an individual to determine who can have access to their account.

Mr Jason Coutts was appointed as the acting Student Identifiers Registrar in September 2014 to assist with the phased introduction of the scheme from mid-September 2014 onwards.

The Registrar is supported by staff from the Department of Education and Training and advised by the USI Combined Working Group.

The USI Combined Working Group includes representatives from every state and territory Training Authority of that state or territory department as well as representatives from the National Centre for Vocational Education Research (NCVER).

The USI scheme is delivered through the USI Registry System which is a web based service that enables individuals to create a USI and manage their accounts. It also enables training providers, with the individual's permission, to create and verify USI numbers. Transcript services will be available in 2016. The transcript services will provide a consolidated record of all nationally recognised VET undertaken by an individual from 1 January 2015 onwards.

Personal information about an individual such as names, date of birth and contact details are stored in the USI Registry system. The NCVER holds the training records of an individual, which are associated with their USI number. When an individual logs into their USI account, they will be able to request a transcript of their VET training activity undertaken after 1 January 2015.

There is also functionality for training providers using a Student Management System (SMS) to connect to the USI Registry System by web services (system to system), streamlining data entry and increasing its accuracy, by reducing errors from manual entry across systems. Although most training providers connect to the USI Registry System using a SMS, smaller training providers can also access the service through the Organisation Portal on the USI website.

Working with Stakeholders

The design of the USI scheme reflects an extensive consultation processes with VET students, VET providers (large and small, public/private and enterprise), peak bodies, industry skills councils and government policy-makers at the Commonwealth, state and territory levels.

In addition to consultation, there were three Working Groups established that were comprised of Commonwealth, state and territory government representatives as well as representatives from NCVER. These working groups were established to draft the Student Identifiers Legislation and Governance, IT and Data Management requirements for the USI Registry system, and the communication strategy and activities.

Working group	Aim	Meeting
Legislation and Governance	Draft and progress the Student Identifiers Legislation and Regulations, and related Legislative Instruments such as exemptions to the USI.	2013—eleven meetings (held monthly) 2014—three meetings prior to passage <i>Student Identifiers Act 2014</i>
IT Development and Data Management	Agreement on functional specifications of the USI Registry system, data security and quality control, access to the USI Registry system permissions, and USI Transcript design and content.	2013—eleven meetings (held fortnightly) 2014—four meetings in February and March prior to passage <i>Student Identifiers</i> <i>Act 2014</i>
Communications	Development and implementation of the USI stakeholder engagement and communications strategy. Key stakeholders prepared and ready for USI introduction, including students completing nationally recognised VET courses from 1 January 2015.	2013—Three meeting from January to April 2014—One meeting prior to passage Student Identifiers Act 2014

Following implementation of the USI scheme these working groups have met as a single Combined Working Group. The USI Combined Working Group is a forum that will:

- develop and progress implementation of the USI transcript service in 2016
- allow Commonwealth, state and territory members to share feedback on the USI scheme and USI Registry System, and
- allow the Registrar to inform stakeholders of future developments and current statistics for the USI scheme.

USI Combined Working Group Meetings 2014–15

Meeting Date	Topics
August 2014 Meeting	Final passage of the <i>Student Identifiers Act 2014</i> and the Student Identifiers Regulation 2014 and implementation of the USI scheme on 1 January 2015.
March 2015 Meeting	Post implementation of the USI scheme and the stakeholder engagement and communications strategy.
May 2015 Meeting	Informal review of first quarter of the implementation of the USI scheme and AVETMISS reporting.
May 2015 Workshop	Specific workshop for Corrective Services representatives—discussion of specific issues for VET students who are incarcerated.
June 2015 Meeting	USI Registry system transcript update pertaining to the introduction of the USI Transcript Service in 2016.
June 2015 Workshop	Specific workshop on the USI Transcripts—to discuss and agree processes.

The acting Student Identifiers Registrar engaged directly with stakeholders through a series of conferences, talks and a roadshow to help highlight the role and benefits that USIs will have in the future of VET training.

In direct response to feedback from stakeholders, transitional arrangements designed to assist training providers have been implemented. In particular individuals undertaking single day or less training courses are required to have a USI only if they already have one or if the RTO wants the student to have a USI. This arrangement is valid until 1 January 2016, after which all students will require a USI. Several short course providers have taken advantage of this transitional arrangement to progressively update their enrolment systems.

Support for Individuals

The key principle underpinning the USI scheme is that individuals will have control over their USI and can determine who can have access to the personal and educational records associated with it. The USI Registry System is specifically designed and built to incorporate these important safeguards.

The **www.usi.gov.au** website includes step-by-step guides on how to create, activate, update and access an individual's USI account. The USI Office also has five different methods of contact for individuals to resolve any issues, questions or complaints that they may have, including a phone based help line, website query, webchat sessions, email and by post.

The USI Office accommodates people with hearing or speech impairments, catering for TTY (teletypewriter phone) users, Speak and Listen (speech-to-speech relay) users and internet relay users.

The USI website has been designed to allow individuals to resolve the most commonly encountered problems themselves, through informative pages and instructions as well as a set of answers to frequently asked questions.

The USI Office engages with individuals, schools and training organisations

In just six months over 2.5 million USIs were created. This reflects the successful implementation of this important VET Sector initiative, and the value of the consultation process during the design and development of the scheme.

Over the course of the year, the USI Office participated and attended targeted conferences and Careers Expos Australia wide. This provided the perfect platform to engage with individuals and Training Organisations at the coal face.

Schools were given guidance information to distribute and students were provided the opportunity to create their own USI at these events, with USI Office staff walking them through the simple steps. They had firsthand experience with the USI Registry System and were able to explore the USI website for themselves. It was good to see that the majority of the students found the USI creation process quick and simple!

Training Organisations were also engaged in the process, and seized the opportunity to learn more about the USI from staff members. They explored the system via the Training Organisation portal and observed the different system functionalities of the USI Registry System. Training Organisations were also provided with a USB key preloaded with a suite of support materials, including fact sheets, posters, student and training organisation

USI information videos and URLs to the USI website. This selection of products were designed to assist them with integrating the USI into their business processes.

US

Over 81 per cent of all USIs have been created by individuals, demonstrating the user friendly quality of the USI Registry System and the success of our stakeholder engagement activities.

Image above:

A USI Office representative engaging with students at a Careers Expo.

Performance

Accessible, user friendly and accurate USI Registry system

There were over 2.5 million USIs created since the progressive launch, in September 2014, of the USI scheme. The capacity for individual students to create their own USI online was an important design feature of the system intended to reduce administrative burden on training providers. Over 81 per cent of USIs were created by individuals themselves or with advice from their training provider.

Of the remaining 19 per cent, training organisations created 18 per cent of USIs on behalf of their students, and the USI Office was only required to create 1 per cent of USIs in exceptional circumstances. The USI Office carefully monitored feedback from stakeholders on implementation issues and has undertaken to continually improve the accessibility of the USI Registry System and processes. These improvements are designed to make it easier for individuals and training organisations to obtain the correct information to create and modify USI records.

Table 27: Accessible, user friendly and accurate USI Registry system

Performance indicator	2014–15 performance
Total number of USIs created	2,561,784
Percentage of USIs created by individuals	81%
Percentage of USIs created by training organisations	18%
Percentage of USIs created by the USI Office	1%

Table 28: Protecting the interests of individuals engaging with the USI Registry system

Performance indicator	2014–15 performance
Number of privacy complaints received by the Office of the Australian Information Commissioner (OAIC)	0 cases reported

Deregulation Agenda (Skills Reform)

The introduction of a USI streamlines the exchange of information in the national training sector with benefits to individuals, training providers and other stakeholders. The USI scheme was designed with an explicit goal of imposing the minimum necessary burden on training organisations. Benefits to small business will include:

- · less time waiting for confirmation of a job applicants' nationally recognised training qualifications
- increased sharing of training information between training providers and Australian businesses
- smarter, evidence-based regulation that addresses poor quality training by increasing transparency in the VET sector
- simplified and efficient interactions with governments and regulators for VET program eligibility and entitlement processing, and
- streamlined assessment of course prerequisites, credit transfers and the assessment of eligibility for funding assistance.

Outlook for the year ahead

A key benefit of the USI scheme for individuals and other stakeholders, with the individual's consent, will be the ability to generate a consolidated record of all nationally recognised VET undertaken by an individual from 1 January 2015 onwards.

The VET transcripts issued by the Registrar will contain the following information, as prescribed by the Student Identifiers Regulation 2014:

- full name of the individual to whom the transcript relates
- date the transcript was prepared
- information about each unit of competency or module of a VET course delivered wholly or partly after 1 January 2015, including:
 - outcome (whether or not the competency was achieved)
 - source of the funding (Commonwealth, state or private sources)
 - the registered training organisation that delivered the unit or module.
- the name and identifier of each VET qualification completed by the individual on or after 1 January 2015.

The required USI Registry System elements are expected to be completed and fully tested in time for the transcript service to be activated in 2016. The USI Office will provide further information about the transcript service through the website and targeted communications. For more information on the transcript service please visit http://usi.gov.au/Students/Pages/training-records-and-results.aspx.

APPENDIX 7: WORK HEALTH AND SAFETY

Work health and safety policy

The Department of Education and Training is committed to providing a safe and healthy work environment and subsequently established a Work Health and Safety (WHS) Policy to support this commitment. The department promotes a proactive approach to health and safety management based on effective communication, consultation and systematic identification, assessment and control of risks.

During 2014–15 the department established a new Work Health Safety and Environment Committee in accordance with the *Work Health and Safety Act 2011*. The committee was formed to align with the changed governance arrangements and to ensure the department's obligations are met. With national and state office representatives, the new committee provides a forum for consultation and allows consideration of strategic work health and safety issues within the department.

The department's Due Diligence Framework assists officers to meet their responsibilities under the Act.

The department is committed to the creation of a strong safety culture driven by an understanding and acceptance that the responsibility for health, safety and wellbeing rests with every one of us. Activities during the year included promotion of National Health and Wellbeing Week, Oz Help Health checks for employees, Pink Ribbon day, influenza vaccination scheme, and the development of a health and wellbeing hub available to all employees.

Work health and safety reporting

The table below shows the breakdown of the incidents for 2014–15, with falls, slips and trips making up the highest proportion and body stressing (including muscle strains, back conditions and tendonitis/ tenosynovitis) making up the next highest proportion.

In 2014–15, the Department of Education and Training had no notifiable incidents pursuant to section 38 of the *Work Health and Safety Act 2011*. This compares with two incidents reported to Comcare by the Department of Education in 2013–14.

Table 29: Reported	work health and	safety incidents	hv tvne	2014-15
Table 29. Reported	work nearth and	salety incluents	by type,	2014-13

Mechanism of incident	Incidents (%)
Falls on the same level (including trips and slips)	38.1%
None	26.2%
Repetitive movement with low muscle loading	7.1%
Hitting objects with a part of the body	4.8%
Unspecified mechanisms of injury	7.1%
Other and multiple mechanisms of injury	4.8%
Other muscular stress	7.1%
Being hit by moving objects	2.4%
Exposure to mental stress factors	2.4%
Total	100.0%

APPENDIX 8: WORKFORCE STATISTICS

The tables below relate to the information on our employees in Part 4 of this report.

Table 30: Employment agreement statistics at 30 June 2015

Classification	Section 24(1) determinations	Section 24(3) determinations	Common law agreements
SES	33	12	10
Non-SES	5 ª	1,615 ^b	0
Total	38	1,627	10

a At 30 June 2015, five non-SES employees covered by the 24(3) arrangement had supplementary arrangements in place under an individual 24(1) determination

b At 30 June 2015, 15 non-SES employees had an individual flexibility agreement preserved under the 24(3) arrangement

Table 31: Salary ranges at 30 June 2015 - DEEWR Enterprise Agreement 2012 - 2014

Classification	Salary range (\$)
APS Level 1	27,172 - 49,516
APS Level 2	53,190 - 56,680
APS Level 3	59,400 - 61,870
APS Level 4	64,615 - 69,103
APS Level 5	71,342 - 76,271
APS Level 6	80,204 - 88,197
Executive Level 1	98,624 - 119,901
Executive Level 2	116,056 - 139,311
Government Lawyer	61,870 - 88,197
Senior Government Lawyer	98,624 - 120,814
Principal Government Lawyer	132,400 - 142,794

Classification	Salary range (\$)
APS Level 1	25,097 - 46,425
APS Level 2	47,336 - 52,709
APS Level 3	53,913 - 61,472
APS Level 4	60,428 - 66,688
APS Level 5	67,312 – 72,344
APS Level 6	74,196 - 86,018
Executive Level 1	93,975 – 113,908
Executive Level 2	111,677 – 129,937
Legal Counsel	55,550 - 81,233
Senior Legal Counsel	93,975 - 113,908
Principal Legal Counsel	122,440 - 130,999

Table 32: Salary ranges at 30 June 2015 - One Innovation Enterprise Agreement 2011 (Schedule 1)

Table 33: Salary ranges at 30 June 2015 – Senior Executive Employees (SES)

Classification	Salary range (\$)
SES Band 1	150,000 - 235,405
SES Band 2	216,150 - 266,710
SES Band 3	N/A ª

a SES Band 3 figures not provided as figures would identify individual's salaries

Table 34: Ongoing and non-ongoing full-time and part-time employees self-identifying in Education's Human Resources Information System as Indigenous and non-Indigenous at 30 June 2015

Identification	Ongoing full-time	Ongoing part-time	Non-ongoing full-time	Non-ongoing part-time	Total
Indigenous	33 (50)	4 (4)	1 (0)	0 (0)	38 (54)
Non-Indigenous	1,365 (1,526)	233 (269)	33 (18)	2 (1)	1,633 (1,814)
Total	1,398 (1,576)	237 (273)	34 (18)	2 (1)	1,671 (1,868)

Note: The 2013–14 figures in brackets are shown for comparison.

Table 35: Employees by classification at 30 June 2015

Classification	Female	Male	Total
Cadets/Trainees	2 (2)	0(1)	2 (3)
Indigenous Australian Government Development Program Trainees	4 (4)	2 (2)	6 (6)
Graduates	11 (11)	7 (8)	18 (19)
APS Level 1	0 (0)	1 (1)	1 (1)
APS Level 2	2 (4)	0(1)	2 (5)
APS Level 3	12 (16)	10 (8)	22 (24)
APS Level 4	90 (113)	55 (53)	145 (166)
APS Level 5	159 (166)	71 (67)	230 (233)
APS Level 6	276 (343)	152 (159)	428 (502)
Executive Level 1	314 (339)	248 (263)	562 (602)
Executive Level 2	104 (120)	72 (87)	176 (207)
Government Lawyer/Legal Counsel	5 (2)	3 (3)	8 (5)
Senior Government Lawyer/ Senior Legal Counsel	8 (9)	2 (3)	10 (12)
Principal Government Lawyer/ Principal Legal Counsel	3 (4)	2 (5)	5 (9)
SES Band 1	21 (29)	19 (25)	40 (54)
SES Band 2	8 (11)	3 (4)	11 (15)
SES Band 3	1 (1)	3 (3)	4 (4)
Secretary	1 (1)	0 (0)	1 (1)
Total	1,021 (1,175)	670 (693)	1,671 (1,868)

Note: The 2013–14 figures in brackets are shown for comparison.

Table 36: Employees by employment status at 30 June 2015

Classification	Female	Male	Total
Ongoing			
Full-time	790 (917)	608 (659)	1,398 (1,576)
Part-time	212 (246)	25 (27)	237 (273)
Subtotal	1,002 (1,163)	633 (686)	1,635 (1,849)
Non-ongoing			
Full-time	18 (11)	16 (7)	34 (18)
Part-time	1 (1)	1 (0)	2 (1)
Subtotal	19 (12)	17 (7)	36 (19)
Total	1,021 (1,175)	650 (693)	1,671 (1,868)

Note: The 2013–14 figures in brackets are shown for comparison.

Table 37: Employees by location at 30 June 2015

Location	Female	Male	Total
New South Wales	11 (18)	5 (16)	16 (34)
Victoria	12 (28)	5 (6)	17 (34)
Queensland	10 (22)	5 (4)	15 (26)
Western Australia	4 (18)	2 (5)	6 (23)
South Australia	11 (35)	3 (6)	14 (41)
Tasmania	2 (5)	1 (3)	3 (8)
Australian Capital Territory	962 (1,028)	623 (648)	1,585 (1,676)
Northern Territory	4 (17)	1 (0)	5 (17)
Overseas	5 (4)	5 (5)	10 (9)
Total	1,021 (1,175)	650 (693)	1,671 (1,868)

Note: The 2013–14 figures in brackets are shown for comparison.

Table 38: Employee separations, 2014–15

Classification	Total
Cadets/Trainees	0
Indigenous Australian Government Development Program Trainees	3
Graduates	2
APS Level 1	0
APS Level 2	5
APS Level 3	15
APS Level 4	80
APS Level 5	118
APS Level 6	217
Executive Level 1	196
Executive Level 2	87
Government Lawyer/Legal Counsel	0
Senior Government Lawyer/ Senior Legal Counsel	5
Principal Government Lawyer/ Principal Legal Counsel	5
SES Band 1	23
SES Band 2	7
SES Band 3	2
Total	765



PART 7 Reference Materials

232
238
239
242
244

LIST OF REQUIREMENTS

Access information

Description	Requirement	Page
Letter of transmittal	Mandatory	iii
Table of contents	Mandatory	iv
Index	Mandatory	244
Glossary	Mandatory	238
Contact officer(s)	Mandatory	250
Internet home page address and Internet address for report	Mandatory	250

Review by Secretary

Description	Requirement	Page
Review by departmental secretary	Mandatory	2
Summary of significant issues and developments	Suggested	2
Overview of department's performance and financial results	Suggested	2, 76
Outlook for following year	Suggested	2
Significant issues and developments – portfolio	Portfolio departments – suggested	2

Departmental Overview

Description	Requirement	Page
Role and functions	Mandatory	7
Organisational structure	Mandatory	12
Outcome and programme structure	Mandatory	14
Where outcome and programme structures differ from PBS/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	N/A
Portfolio structure	Portfolio departments - mandatory	5

Report on Performance

Description	Requirement	Page
Review of performance during the year in relation to programmes and contribution to outcomes	Mandatory	16-72
Actual performance in relation to deliverables and KPIs set out in PBS/PAES or other portfolio statements	Mandatory	16-72
Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory	16-72
Narrative discussion and analysis of performance	Mandatory	16-72
Trend information	Mandatory	16-72
Significant changes in nature of principal functions/services	Suggested	N/A
Performance of purchaser/provider arrangements	If applicable, suggested	76-77
Factors, events or trends influencing departmental performance	Suggested	16-72
Contribution of risk management in achieving objectives	Suggested	75
Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	N/A
Discussion and analysis of the department's financial performance	Mandatory	76, 96-191
Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations.	Mandatory	N/A
Agency resource statement and summary resource tables by outcomes	Mandatory	195-204

Management and Accountability

Corporate Governance

Description	Requirement	Page
Agency heads are required to certify their agency's actions in dealing with fraud	Mandatory	iii
Statement of the main corporate governance practices in place	Mandatory	74
Names of the senior executive and their responsibilities	Suggested	8
Senior management committees and their roles	Suggested	74
Corporate and operational plans and associated performance reporting and review	Suggested	74
Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested	79
Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	79
How nature and amount of remuneration for SES officers is determined	Suggested	85

External Scrutiny

Description	Requirement	Page
Significant developments in external scrutiny	Mandatory	78
Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory	78
Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	Mandatory	78

Management of Human Resources

Description	Requirement	Page
Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	82
Workforce planning, staff retention and turnover	Suggested	82, 226
Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs)	Suggested	84
Training and development undertaken and its impact	Suggested	82
Work health and safety performance	Suggested	224
Productivity gains	Suggested	N/A
Statistics on staffing	Mandatory	226
Statistics on employees who identify as Indigenous	Mandatory	227
Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs $% \left({{\left {{{\rm{AS}}} \right } \right _{\rm{AS}}} \right)$	Mandatory	84
Performance pay	Mandatory	84

Assets management

Description	Requirement	Page
Assessment of effectiveness of assets management	If applicable, mandatory	N/A

Purchasing

Description	Requirement	Page
Assessment of purchasing against core policies and principles	Mandatory	76

Consultants

Description	Requirement	N/Page
The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	77

Australian National Audit Office Access Clauses

Description	Requirement	Page
Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	NIL to report

Exempt contracts

Description	Requirement	Page
Contracts exempted from publication in AusTender	Mandatory	76

Small business

Description	Requirement	Page
Procurement initiatives to support small business	Mandatory	77

Financial Statements

Description	Requirement	Page
Financial Statements	Mandatory	96-191

Other Mandatory Information

Description	Requirement	Page
Work health and safety (Schedule 2, Part 4 of the Work Health and Safety Act 2011)	Mandatory	224
Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	194
Ecologically sustainable development and environmental performance (Section 516A of the Environment Protection and Biodiversity Conservation Act 1999)	Mandatory	90
Compliance with the agency's obligations under the <i>Carer Recognition</i> Act 2010	If applicable, mandatory	205
Grant programmes	Mandatory	77
Disability reporting – explicit and transparent reference to agency level information available through other reporting mechanisms	Mandatory	84
Information Publication Scheme statement	Mandatory	79
Correction of material errors in previous annual report	If applicable, mandatory	N/A
Agency Resource Statements and Resources for Outcomes	Mandatory	195-204
List of Requirements	Mandatory	232

GLOSSARY

Administered item	Revenues, expenses, assets and liabilities that the Government controls, but that an agency or authority manages on the Commonwealth's behalf.
Appropriation	An amount of public money parliament authorises for spending for a particular purpose.
AusTender	The Australian Government's web-based procurement system, which provides centralised access to all publicly available approaches to market, multi-use lists, annual procurement plans and reported contracts.
Deliverables	The goods and services produced by the programme in meeting its objective. Collectively, the deliverables represent the intervention Government has chosen to take to meet a particular policy need.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Government. Actual outcomes are assessments of the end results or impacts actually achieved.
Performance indicator	Financial and non-financial measures used to help define and evaluate an organisation's success. An indicator is usually selected on the basis of relevance as a measure of some aspect of a specific project or operation.
Portfolio Budget Statements	Budget-related paper detailing Budget initiatives and explanations of appropriations specified by outcome and programme by each agency within a portfolio.
Programmes	Government programmes that deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements.
Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

ACRONYMS AND ABBREVIATIONS

AAIP	Australian Apprenticeships Incentives Programme
AAO	Administrative Arrangement Orders
AASB	Australian Accounting Standards Board
AAT	Administrative Appeals Tribunal
ABC	Australian Broadcasting Corporation
ABS	Australian Bureau of Statistics
ABSTUDY	Student Financial Supplement Scheme
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACT	Australian Capital Territory
AEDC	Australian Early Development Census
AFM	Advance to the Finance Minister
AGA	Australian Government Actuary
AGEST	Australian Government Employees Superannuation Trust
AITSL	Australian Institute for Teaching and School Leadership
AMEP	Adult Migrant English Programme
ANU	Australian National University
AO	Officer of the Order of Australia
APEC	Asia-Pacific Economic Cooperation
APS	Australian Public Service
APSC	Australian Public Service Commission
ASQA	Australian Skills Quality Authority
CAC Act	Commonwealth Authorities and Companies Act 1997
CCR	Child Care Rebate
CEO	Chief Executive Officer
CGS	Commonwealth Grant Scheme
COAG	Council of Australian Governments
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
CRN	Collaborative Research Networks
CSS	Commonwealth Superannuation Scheme

DCBs	Departmental Capital Budgets
DEEWR	Department of Education, Employment and Workplace Relations
DHS	Department of Human Services
DSP	Disability Support Programme
DSS	Department of Social Services
EIF	Education Investment Fund
ELICOS	English language intensive courses for overseas students
ELLA	Early Learning Languages Australia
ESOS Act	Education Services for Overseas Students Act 2000
FBT	Fringe Benefits Tax
FMA Act	Financial Management and Accountability Act 1997
FTE	Full-time equivalent
G20	Group of 20
GST	goods and services tax
HCA	High Court of Australia
HELP	Higher Education Loan Programme
HEPP	Higher Education Participation Programme
HESA Act	Higher Education Support Act 2003
HESP	Higher Education Superannuation Programme
IAGDP	Indigenous Australian Government Development Programme
ICT	information and communications technology
IFA	individual flexibility arrangement
IT	information technology
JETCCFA	Jobs, Education and Training Child Care Fee Assistance
JRP	Job Ready Programme
LGBTIQ	Lesbian, Gay, Bisexual, Transgender, Intersex and Queer
Low SES	low socio-economic status
MJ	megajoule
MP	member of parliament
MSSD	More Support for Students with Disability
NAPLAN	National Assessment Programme— Literacy and Numeracy

NCRISNational Collaborative Research Infrastructure StrategyNDCONational Disability Coordination OfficerOLTOffice for Learning and TeachingOPAOfficial Public AccountOSTFOverseas Students Tuition FundPACERParliament and Civics Education RebatePAESPortfolio Additional Estimates StatementsPBSPortfolio Budget StatementsPSMPublic Service MedalPSSPublic Sector Superannuation Scheme
OLTOffice for Learning and TeachingOPAOfficial Public AccountOSTFOverseas Students Tuition FundPACERParliament and Civics Education RebatePAESPortfolio Additional Estimates StatementsPBSPortfolio Budget StatementsPSMPublic Service Medal
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PACERParliament and Civics Education RebatePAESPortfolio Additional Estimates StatementsPBSPortfolio Budget StatementsPSMPublic Service Medal
PAESPortfolio Additional Estimates StatementsPBSPortfolio Budget StatementsPSMPublic Service Medal
PBS Portfolio Budget Statements PSM Public Service Medal
PSM Public Service Medal
PSS Public Sector Superannuation Scheme
PSSap Public Sector Superannuation accumulation plan
PWS Parliamentary Workflow Solution
RAP Reconciliation Action Plan
RMS rehabilitation management system
SAF Structural Adjustment Fund
SEE Skills for Education and Employment
SES Senior Executive Service
SRC Act Safety, Rehabilitation and Compensation Act 1988
SSC Shared Services Centre
STEM science, technology, engineering and mathematics
TAFE Technical and Further Education
TEQSA Tertiary Education Quality and Standards Agency
TPS Tuition Protection Service
TSL Trade Support Loans
TTY teletypewriter phone
UNESCO United Nations Educational, Scientific and Cultural Organization
USI Unique Student Identifier
VET vocational education and training
WHS Work Health and Safety
Y20 Youth 20

LIST OF CHARTS AND TABLES

List of charts

Chart 1	TSL Applications received – 2014–15	214
Chart 2	Number of TSL payments made – 2014–15	215
Chart 3	Number of TSL Applications received by Apprentice stage – 2014–15	215
Chart 4	Number of TSL Applications received by state/territory – 2014–15	216

List of tables

Table 1	Programme 1.1 Government Schools National Support performance information	21
Table 2	Programme 1.2 Non-government Schools National Support performance information	23
Table 3	Programme 1.3 Early Learning and Schools Support performance information	31
Table 4	Programme 1.4 Trade Training Centres in Schools performance information	33
Table 5	Programme 1.6 Youth Support performance information	36
Table 6	Programme 2.1 Commonwealth Grant Scheme performance information	44
Table 7	Programme 2.2 Higher Education Superannuation Programme performance information	46
Table 8	Programme 2.3 Higher Education Support performance information	52
Table 9	Programme 2.4 Higher Education Loan Programme performance information	54
Table 10	Programme 2.5 Investment in Higher Education Research performance information	56
Table 11	Programme 2.6 Research Capacity performance information	60
Table 12	Programme 2.7 International Education Support performance information	64
Table 13	Programme 2.8 Building Skills and Capability performance information	71
Table 14	The members of the SSC Governance Board	89
Table 15	Summary of environmental performance	90
Table 16	Market research and polling organisations	194
Table 17	Media advertising organisations	194
Table 18	Agency Resource Statement	195

Table 19	Resources for Outcome 1	197
Table 20	Resources for Outcome 2	199
Table 21	Resources for Former Outcome 1	203
Table 22	Tuition Protection Service calls 2014–15	211
Table 23	Tuition Protection Service placement activity 2014–15	211
Table 24	Time taken to make payments from the Overseas Students Tuition Fund 2014–15	211
Table 25	Financial status of the Overseas Students Tuition Fund	212
Table 26	Trade Support Loans performance information	214
Table 27	Accessible, user friendly and accurate USI Registry system	222
Table 28	Protecting the interests of individuals engaging with the USI Registry system	222
Table 29	Reported work health and safety incidents by type, 2014–15	225
Table 30	Employment agreement statistics at 30 June 2015	226
Table 31	Salary ranges at 30 June 2015 - DEEWR Enterprise Agreement 2012 - 2014	226
Table 32	Salary ranges at 30 June 2015 - One Innovation Enterprise Agreement 2011 (Schedule 1)	227
Table 33	Salary ranges at 30 June 2015 – Senior Executive Employees (SES)	227
Table 34	Ongoing and non-ongoing full-time and part-time employees self-identifying in Education's Human Resources Information System as Indigenous and non-Indigenous at 30 June 2015	227
Table 35	Employees by classification at 30 June 2015	228
Table 36	Employees by employment status at 30 June 2015	229
Table 37	Employees by location at 30 June 2015	229
Table 38	Employee separations, 2014–15	230

INDEX

A

abbreviations and acronyms, 239-241 Aboriginal and Torres Strait Islander Employee Committee, 87 Aboriginal and Torres Strait Islander peoples, 4, 32, 63, 74, 86, 88 accountability and management, 74-94 advertising and market research, 194 advisory groups Aboriginal and Torres Strait Islander Higher Education Advisory Council (ATSIHEAC), 51 Teacher Education Ministerial Advisory Group, 2, 17, 24 **TEQSA Advisory Council**, 51 Tuition Protection Service Advisory Board, 206.208 VET Advisory Board, 43 agency resource statement. 195-204 air travel, 90, 92 annual report guide, iv-v Assessment Subsidy for Overseas Trained Professionals, 64 audit external, 78 internal, 79 Audit Committee, 74, 79 Auditor-General reports, 78 AusTender, 76–77 Australian Clearinghouse for Youth Studies, 36 Australian Council of State School Organisations, 26 Australian Curriculum, Assessment and Reporting Authority, 5–6, 16, 26 Australian Early Development Census, 18, 24 Australian Education Act 2013 funding arrangements under, 16, 17, 20, 22 Special Circumstances Funding provisions, 23 Australian Institute for Teaching and School Leadership, 5-6, 16, 24, 25 Australian Institute of Aboriginal and Torres Strait Islander Studies, 5-6, 63

Australian Maths and Science Partnerships Programme, 42, 49, 52 Australian National University, 58, 63 Australian Postgraduate Awards, 38, 42, 55, 56 Australian Research Council, 5–6 autism, children with, 30

В

Building Skills and Capability programme (2.8), 65–72
2.8.1 Industry Competitiveness, 65
2.8.2 Skills Development, 65–67
2.8.3 Access to Training, 67–69
2.8.4 Support for the National Training System, 70
performance indicators, 71–2
business planning, 75

С

Capital Grants Programme, 22 carer recognition, 205 civics education. 29 classifications of employees, 226 cloud computing, 93 Council of Australian Governments, 7, 16, 19, 33, 35.217 Collaborative Research Network, 58 Colombo Plan see New Colombo Plan Comcare, 224 Commonwealth Grant Scheme (programme 2.1), 44-5 deliverables, 44 performance indicators, 45 Commonwealth Ombudsman, 78 communication activities. 194 computer and computer equipment sustainability, 90 consultants, 77 corporate governance, 74

D

Department of Employment shared services with, 89 Department of Foreign Affairs and Trade, 61, 93 Departmental Network Meeting, 74 departmental structure, 12 deregulation, 209, 223 Deregulation Committee, 74 disability reporting, 84 disability, students with, 34, 47, 51

E

Early Learning and Schools Support programme (1.3), 24 deliverables, 31 performance indicators, 32 ecologically sustainable development, 90 Education Council, 16, 19, 26, 31 electricity use, 90 employees, 226 classifications, 226 diversity, 83 flexible work arrangements, 84 full-time and part-time, 227 gender, 229 Aboriginal and Torres Strait Islander, 83, 85, 86, 87, 88, 227 locations, 229 non-salary benefits, 85 number, 82, 227 profile, 226-230 recruitment, 83 remuneration, 84, 226-230 study assistance, 84 turnover, 226 Endeavour Scholarships and Fellowships, 62 Energy Efficiency in Government Operations Policy, 91 energy use, 90 enterprise agreement, 84 environmental performance, 90 Executive Board, 74 external scrutiny, 78

F

fact sheets, 222 FEE-HELP, 43, 53, 211 female employees, 226 financial management, 76 financial statements, 96–193 foreign language education, 26 fraud control, 76 freedom of information, 80 full-time employees, 226 funding, school, Independent Public Schools initiative, 20 non-government schools, 22

G

gender of employees, 226 glossary, 238 governance see corporate governance Government Schools National Support programme (1.1), 20–21 deliverables and key performance indicators, 21 graduate programme, 84 Grants and Awards programme, 26 grants programmes, 78 greenhouse emissions, 91

Η

HECS-HELP. 53 Helping Children with Autism package, 30-31 Heywire radio programme, 35 high school students see secondary students Higher Education and Research Promotion, 58 Higher Education Loan Programme (2.4), 53–4 deliverables and performance indicators, 54 Higher Education Participation and Partnerships Programme, 48 higher education reform agenda, 3, 48 Higher Education Superannuation Programme (2.2), 46 Higher Education Support programme (2.3), 47–52 deliverables and performance indicators, 52 Higher Education, Research and International, and Skills and Training outcome, 38 achievements, 42-43 priorities, 41 human resources see employees humanitarian entrants, 69

income, 41, 53, 62, 67, 209, 214 Independent Public Schools initiative, 18, 20 Indigenous Australian Government Development Programme, 84

Indigenous see Aboriginal and Torres Strait Islander peoples influenza vaccinations, staff, 225 information and communications technology, 92, Information Publication Scheme, 79 Information Technology Committee, 75 infrastructure projects, 22 International Education Support programme (2.7), 61-64 deliverables and performance indicators. 64 international engagement and initiatives, 61 International Postgraduate Research Scholarships, 31.55-56 international student mobility grants, 42 international students, 55 data and research, 63 export value, 62 Tuition Protection Service, 62, 207 Investment in Higher Education Research programme (2.5), 55-6 deliverables and performance indicators, 56

J

Joint Research Engagement Scheme, 55 judicial scrutiny and decisions, 79

L

languages see foreign language education list of charts and tables, 243 list of requirements, 232 literacy and numeracy development, 24, 31, 67 local government, partnerships with, 24, 35 locations of employees, 226

Μ

machinery of government changes, 3, 75, 83, 85, 86, 87, 92, 95 male employees, 226 management and accountability, 75–80 management committees, 75 market research, 194 mathematics see literacy and numeracy development Minister for Education and Training, 2, 5 More Support for Students with Disabilities programme (1.5), 34

Ν

NAP—Civics and Citizenship, 31 National Assessment Programme—Literacy and Numeracy 2014 (NAPLAN), 31 National Awards for Local Government, 35 National Collaborative Research Infrastructure Strategy, 57, 59, 60 National Disability Strategy 2010–2020, 85 National Health and Wellbeing Week, 225 National Reconciliation Week, 86 National Youth Awards. 35 National Youth Week, 35 Nationally Consistent Collection of Data on School Students with Disability, 17 new arrivals see migrant students New Colombo Plan, 61, 94 non-government schools, 16 funding arrangements, 16 infrastructure funding, 22 short term emergency assistance, 23 Non-government Schools National Support programme (1.2), 22-3 deliverables and performance indicators, 23 non-salary benefits, 86 notifiable incidents, 225 number of employees, 83, 226 numeracy see literacy and numeracy development

0

occupational health and safety see work health and safety Office for Learning and Teaching, 47 Office of the Australian Information Commissioner, 79 Ombudsman, Commonwealth, 79 organisational structure, 12–13 OS-HELP, 53 outcomes, 14 Schools and Youth, 16 Higher Education, Research and International, and Skills and Training, 38 Overseas Student Tuition Fund, 213 overseas study see tertiary students overview, 2–14

Ρ

Parliament and Civics Education Rebate, 29 parliamentary committee inquiries, 79 parliamentary secretary, 2 Parliamentary Workflow Solution, 94 part-time employees, 226 Paul, Lisa (Secretary), 2, 9 People and Culture Committee, 75 performance pay, 87 portfolio agencies, 6 portfolio changes, 2 portfolio shared services, 89 portfolio structure, 5 programmes, 14 purchasing, 76 Pyne, the Hon Christopher MP, 2, 5

Q

qualifications see professional development

R

Reconciliation Action Plan, 4, 87 recruitment, employees, 84 Aboriginal and Torres Strait Islander peoples, 87 recycling and waste, 92 red tape reduction, 39, 41, 211 remuneration, 226 senior executive, 86, 226-230 employee, 85, 226-230 Research Capacity programme (2.6), 57-60 performance indicators, 60 Research Infrastructure Block Grants, 55 Research Training Scheme, 55 resources for outcomes, 195-204 Review of the Australian Curriculum, 26 Review of Higher Education Regulation, 51 risk management, 76 role and functions. 7 Ryan, Senator the Hon Scott, 5, 29

S

SA-HELP, 53 School Business Community Partnership Brokers, 35 - 36school to work transition, 43, 49, 65 Schools and Youth outcome, 16 achievements, 18-9 priorities, 17 science see Maths and Science Participation programme Secretary, 9 overview. 2-3 senior executive remuneration, 86 senior executive staff, 9-11 service providers, child care see child care Shared Services Centre, 89 Short Term Emergency Assistance programme, 23 staff see employee Strategic Plan 2014-2017, 75 Strategy and Impact Committee, 75 students see secondary students; tertiary students Students First plan, 2, 16, 23 study assistance, employee, 85 surveys Comcover, 77 international students, 63 Sustainable Research Excellence, 55

Т

Teach Next programme, 26 Teacher Education Ministerial Advisory Group, 2, 24, 25 teaching policies and programmes Students First plan, 2 Tertiary Education Quality and Standards Agency, 5, 6, 51, 208 Trade Training Centres, 33 Trade Training Centres in Schools programme (1.4), 33 Trades Skills Centres, 33 Tuition Protection Service, 62, 206 calls and placement activity data, 212 governance, 207 outlook, 210 role and functions, 207 turnover of employees, 226

U

universities see higher education institutions university students see tertiary students

V

vehicle fleet, 91, 93 VET FEE-HELP, 53 vision and goals, 76 vocational Education and training, 2–4, 38 Access to Training, 67 Industry Competitiveness, 65 schools, in, 19, 33 Skills Development, 65 Support for the National Training System, 70 VET FEE-HELP, 53

W

waste see recycling and waste work health and safety, 225 incidents data, 226 workforce statistics, 227–230 workshops see forums and workshops

Y

Year 12 students, 35, 36 Young Australian of the Year Award, 35 Youth 20 (Y20) Summit, 36 Youth Connections programme, 35, 36 Youth Support programme (1.6), 35–6 deliverables, 6

Contact us

If you have any questions about this report, please contact:

Planning and Performance Governance and Audit Branch Department of Education and Training GPO Box 9880 CANBERRA ACT 2601

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