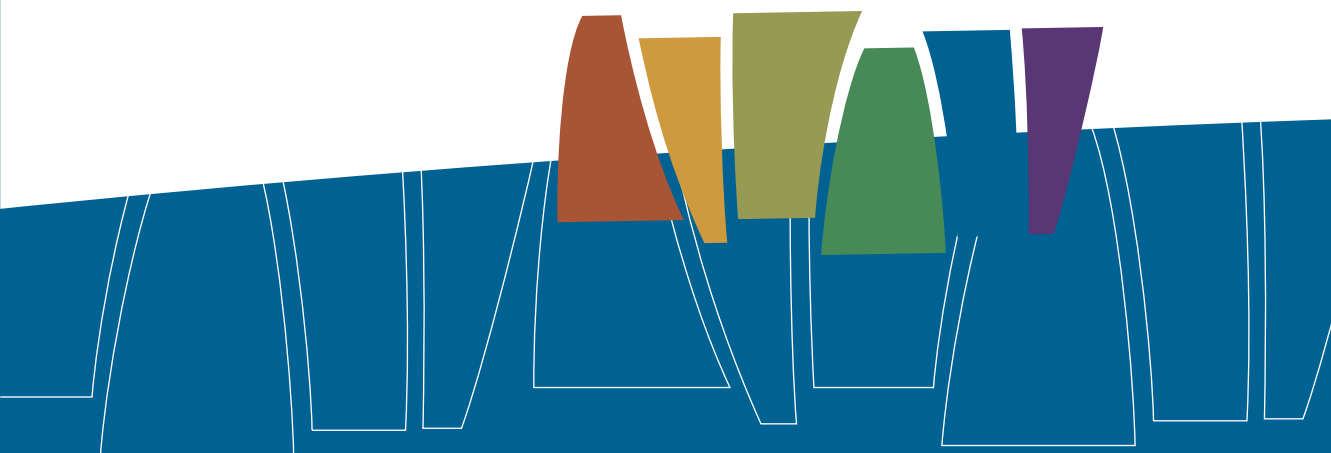




Australian Government

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



Annual Report 2012–13



Australian Government

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

Annual Report

2012–13

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

Or email planningandperformance@deewr.gov.au.

Acknowledgments

This report reflects the efforts of many people. Special thanks go to the departmental employees involved in contributing, coordinating and clearing material, as well as:

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Australian Government
Department of Education

Secretary
Lisa Paul AO PSM

Senator The Hon Eric Abetz
Minister for Employment
Parliament House
CANBERRA ACT 2600

The Hon Christopher Pyne MP
Minister for Education
Parliament House
CANBERRA ACT 2600

Dear Ministers

It is my pleasure to present you the former Department of Education, Employment and Workplace Relations' Annual Report for 2012–13. I present this report in accordance with my capacity as Secretary of that department at 30 June 2013.

This report was prepared in accordance with section 63 of the *Public Service Act 1999*, which requires me to provide a report for you to present to the Parliament. It reflects the *Requirements for Departmental Annual Reports* as approved by the Joint Committee of Public Accounts and Audit.

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

The report provides information on the administrative operations of the social security law for the working age payments responsibility of the former department. I am required to report on these under subsection 241(1) of the *Social Security (Administration) Act 1999*.

As required by the Commonwealth Fraud Control Guidelines, I certify that I am satisfied that the former department:

- prepared fraud risk assessments and fraud control plans
- had in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the department's specific needs
- took all reasonable measures to minimise the incidence of fraud against the department and to investigate and recover the proceeds of fraud against the department.

Yours sincerely

Lisa Paul

17 October 2013

Guide to the report

The Department of Education, Employment and Workplace Relations' Annual Report 2012–13 reports on the agency's performance against the outcomes and performance framework as outlined in the department's Portfolio Budget Statements 2012–13 and adjusted in the Portfolio Additional Estimates Statements 2012–13 and 2013–14 Portfolio Budget Statements. The report also provides information on the work of the department during the financial year.

The report is prepared according to the Requirements for annual reports, issued by the Department of Prime Minister and Cabinet on 24 June 2013.

Part 1: Overview

Features a review by the Secretary and a departmental overview. The overview details the role of the department, outcomes, portfolio agencies and the executive and departmental structure.

Part 2: Outcome performance

Provides information and analysis of the performance of the department.

Part 3: Our operations

Reports on departmental staff, workplace initiatives, and the economic, environmental and socially sustainable operations of the department.

Part 4: Our accountability

Provides information on the accountability processes of the department.

Part 5: Financial statements

Contains the Auditor General's report and audited financial statements for 2012–13.

Appendixes

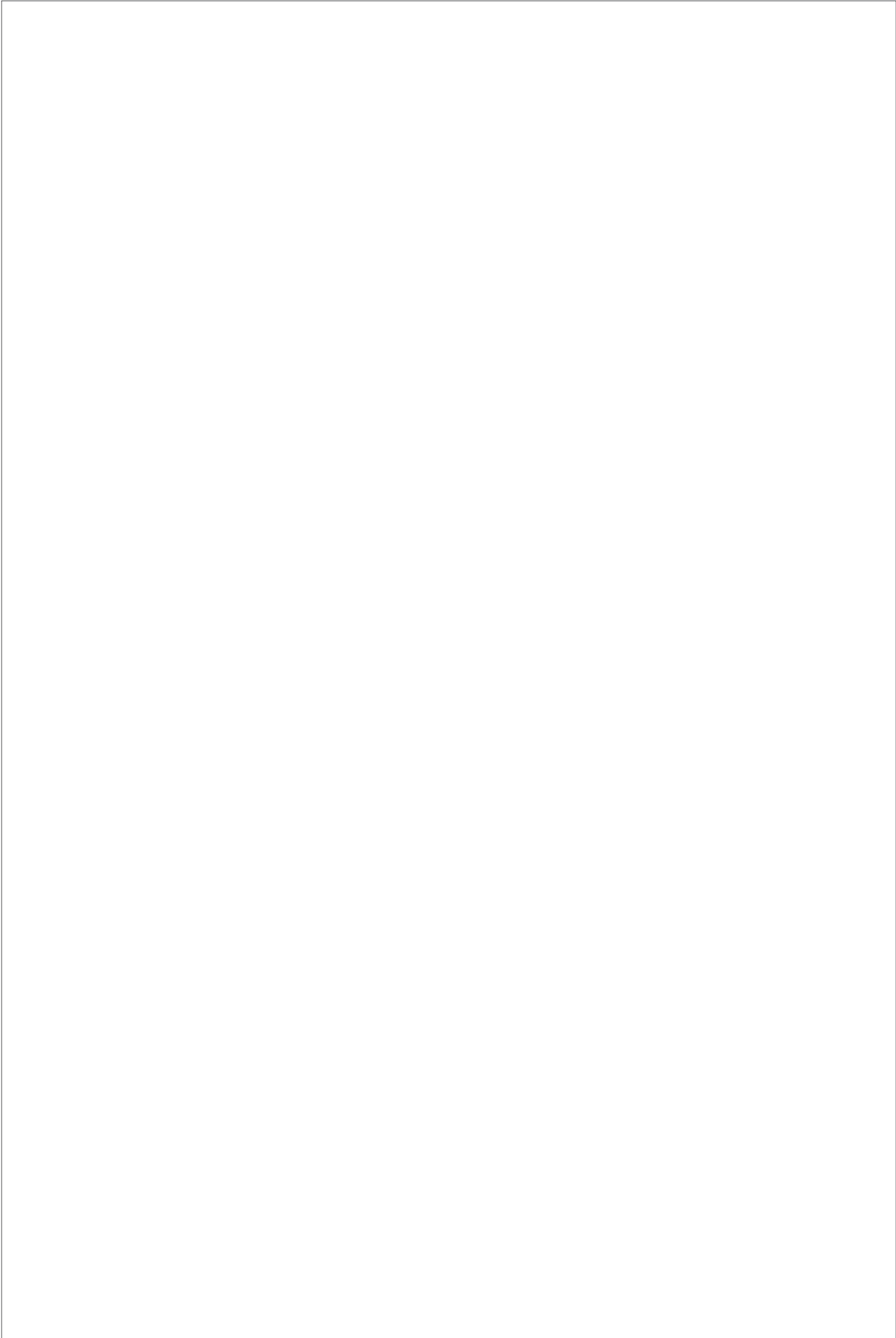
Provides additional information about the department's operations and mandatory reporting requirements.

Reference materials

Contains a list of acronyms, glossary of terms, list of requirements and an alphabetical index.

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PART 1

Overview





SECRETARY'S OVERVIEW

The 2012–13 year was one of significant achievement for DEEWR across the department's four areas of responsibility—early childhood, school education and youth, employment and workplace relations.

In early childhood, we continued to deliver reforms that provide quality early childhood education and care.

In school education, the passage of the *Australian Education Act 2013* provided the framework for Commonwealth funding to schools from 2014. Progress was also made in the next phase of the national curriculum and initiatives to improve the quality of teaching.

The National Partnership on Youth Attainment and Transitions and the Youth Connections program contributed to improved achievement of Year 12 and vocational qualifications.

In employment, job seekers with disability have a greater chance of achieving sustained employment through access to better services and more options in additional locations. Supporting the participation of mature-age people in the workforce continued to be a major policy focus.

In workplace relations, jurisdiction was provided to the Fair Work Commission to stop workplace bullying and help to make sure all Australian workplaces are safe, healthy and productive.

Regional and remote communities continued to be supported by the provision of funding for early childhood services and assisting educators in these areas to have their skills recognised. Wage Connect assisted more than 15,500 job seekers into employment since it started in January 2012 and of these, nearly 6500 placements have been recorded in regional Australia. The Remote Jobs and Communities Program will be delivered in 60 regions across remote Australia to help people into employment and contribute to developing strong and sustainable communities.

We demonstrated our commitment to support better outcomes for Aboriginal and Torres Strait Islander peoples. We achieved 13 of the 19 actions in our Reconciliation Action Plan and continued our commitment to reconciliation and to empowering Aboriginal and Torres Strait Islander people as an integral part of our business and workforce.

We recorded an operating budget surplus of \$1.4 million for 2012–13. Administered expenses decreased by \$3.9 billion, primarily as result of the transfer of the tertiary education function to the former Department of Industry, Innovation, Science, Research and Tertiary Education during the 2011–12 financial year. We introduced a number of initiatives that resulted in tangible financial savings and increased the efficiency of our people, and we will continue to look for further savings where possible.

Our people have again proved to be resourceful, resilient and dedicated to achieving our goals. I thank them for their ongoing efforts.

A handwritten signature in black ink, appearing to read 'Lisa Paul', with a stylized, cursive script.

Lisa Paul
Secretary

Departmental overview

Role and functions

The Department of Education, Employment and Workplace Relations (DEEWR) supports the Australian Government's agenda on education, employment and workplace relations through the development and implementation of its policies and programs.

DEEWR works to improve the economic and social wellbeing of all Australians through the following goals:

Provide Australians with a positive start in life

Children have access to culturally appropriate support, care and education throughout early childhood that will equip them for life and learning.

Offer all Australian children a brighter future through education

All school students acquire the knowledge and skills to participate effectively in society and employment in a globalised economy and make successful transitions to further education, training and work.

Ensure safe, fair, productive and successful workplaces

Employers and employees are supported to adopt flexible and modern arrangements that lead to mutually beneficial outcomes in Australian workplaces and for the economy.

Promote a participative and inclusive society

People from all backgrounds have access to a range of services and financial support that help them overcome barriers, develop new skills and knowledge, gain employment and participate in society.

Everyone in DEEWR is working to support these policies and programs to achieve our vision of a productive and inclusive Australia.

DEEWR Executive

The department is structured to deliver its business through the Executive and its groups. The portfolio ministers and DEEWR's Executive and departmental structure are shown in Chart 1. The department's outcomes and programs structure and portfolio agencies are shown in Chart 2 and 3.

Lisa Paul

Secretary

Department of Education,
Employment and Workplace
Relations

Michael Manthorpe

Deputy Secretary

Corporate and Network

Tony Cook

Associate Secretary

Schools and Youth

Martin Hehir

Deputy Secretary

Schools and Youth

John Kovacic

Deputy Secretary

Workplace Relations and
Economic Strategy

Jennifer Taylor

Deputy Secretary

Early Childhood, Working Age
and Indigenous Participation

Sandra Parker

Deputy Secretary

Employment



Standing, left to right: Martin Hehir, Jennifer Taylor, John Kovacic, Sandra Parker.
Seated, left to right: Tony Cook, Michael Manthorpe, Lisa Paul.

Chart 1

Executive and departmental structure



THE HON PETER GARRETT AM MP
Minister for School Education,
Early Childhood and Youth

THE HON BILL SHORTEN MP
Minister for Employment and
Workplace Relations

LISA PAUL AO PSM
Secretary

INDIGENOUS LEADER
Kevin Brahim



JENNIFER TAYLOR
Deputy Secretary
Early Childhood, Working Age
and Indigenous Participation



TONY COOK
Associate Secretary
Schools and Youth



SANDRA PARKER
Deputy Secretary
Employment

Early Childhood Initiatives
Early Childhood Quality Reform
Indigenous Early Childhood Reform
Early Childhood Workforce

Early Childhood Care Support
Early Childhood Education Care Service Policy and Operations
Early Childhood Education Care Business Improvement Supports and HIPYP
Early Childhood Education Care Payments to Families and Services

Early Childhood Strategy
Strategic Policy Coordination
Early Childhood Data and Analysis
Child Care Reform

Indigenous Economic Strategy
Strategic Indigenous Policy
Strategic Partnerships
Indigenous Programs

Remote Jobs and Community Programs Implementation
Remote Service

Income Support
Payment Integrity and Performance Information
Policy and Payment Design



MARTIN HEHIR
Deputy Secretary
Schools and Youth

Principal Advisor

Evidence and Innovation
Aboriginal and Torres Strait Islander School Policy
Data Strategy Reporting and Analysis
Research and Evaluation Special Advisor
School Evidence and Reform
Digital Infrastructure and Resources

Curriculum, Assessment and Teaching
Australian Curriculum
School Performance and Improvement
Quality Teaching

Infrastructure and Delivery
Corporate Support
Grants and Assurance
Infrastructure Program Delivery
Chaplaincy and Student Welfare
Schools Assurance

Youth and Inclusive Education
Student and Parent Engagement
Students with Disability
Office for Youth
Youth Attainment and Transitions

Schools Funding Taskforce
Strategic Transitions Branch
Modelling and Estimates
Policy
Coordination and Governance

Employment Services Management and Procurement
Business Partnerships
Employment Services Provider Support
Risk and Program Assurance
Regional and Place-Based Strategies

Job Services Australia
Employment Services Reporting and Analysis
Stream Services
Work Experience and Programs
Job Seeker Participation

Specialist Employment Services
Disability Employment Services
Disability Employment Services Policy
Job Seeker Assessment Mature Age Program

Employment Systems
Application Development
Employment Business Intelligence and Technical Support
IT and Business Support
Job Seeker Development

Labour Market Strategy
Labour Market Research and Analysis
Labour Market Policy
Industry Strategies
Employment Monitoring and Evaluation

THE HON KATE ELLIS MP

Minister for Employment Participation, Early Childhood and Child Care



THE HON JULIE COLLINS MP

Minister for Indigenous Employment and Economic Development



SENATOR THE HON JACINTA COLLINS

Parliamentary Secretary for School Education and Workplace Relations

CHIEF INTERNAL AUDITOR

Robyn Kingston



JOHN KOVACIC PSM

Deputy Secretary
Workplace Relations and Economic Strategy



MICHAEL MANTHORPE PSM

Deputy Secretary
Corporate and Network

Strategic Priorities
Workplace Relations Implementation and Safety
Building Industry and Programs
Employee Entitlements
Safety and Compensation Policy
Workplace Relations Policy
Senior Labour Advisor, Geneva
Workplace Policy and Analysis
Balanced Work and International Labour
Industry Liaison
Workplace Relations Legal
Bargaining and Coverage
Safety Net Organisations and Protections
Institutions and Workplace Safety
Social Policy and Economic Strategy
Migration COAG and Evidence
Research
Economics and Lifecourse
Social Policy
Minister Counsellor (Education and Employment) to the OECD, EU, UNESCO and France
Office of Asbestos Safety

Finance and Business Services
Business Improvement
Budget and Corporate Reporting
Finance
Work Environment
Service Delivery
Communication and Parliamentary
Communication Strategy and Design
Parliamentary, Web and Contact Centre
Public Affairs
Legal and Investigations
Child Care, Schools and Legislation Legal
Employment and Social Security Legal
Freedom of Information, Privacy and People Legal
Investigations
Litigation, Corporate, Ombudsman and Workplace Relations Legal
Technology Solutions
Business Solutions
Technology
Enterprise Solutions
Business Enabling
Technology Services Support

People and Organisational Development
People Policy and Performance
People Services
People Capability
State and Regional Services Strategy
State Network and Regional
State Network Operations
New South Wales / Australian Capital Territory offices
Victorian offices
Queensland offices
South Australian offices
Western Australian offices
Northern Territory offices
Tasmanian office

Outcome structure for 2012–13

OUTCOME 1

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

1.1	Support for the child care system
1.2	Child care fee assistance
1.3	Early childhood education

OUTCOME 3

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

3.1	Employment services
3.2	Indigenous employment
3.3	Disability employment services
3.4	Remote jobs and communities program
3.5	Working age payments

OUTCOME 2

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

2.1	Government schools national support
2.2	Non-government schools national support
2.3	Schools support
2.4	Trade training
2.5	Digital Education Revolution
2.6	National Action Plan on Literacy and Numeracy
2.7	Education infrastructure
2.8	Smarter Schools—Low SES School Communities National Partnership
2.9	Smarter Schools—Improving Teacher Quality National Partnership
2.10	More Support for Students with Disabilities
2.11	Youth support
2.12	Student assistance
2.13	Empowering local schools
2.14	Rewards for school improvement
2.15	National rewards for great teachers

OUTCOME 4

Safer, fairer and more productive workplaces for employers and employees by promoting and supporting the adoption of fair and flexible workplace arrangements and safer working arrangements

4.1	Employee assistance
4.2	Workplace assistance
4.3	Workers compensation payments

Portfolio agencies

AUSTRALIAN CURRICULUM, ASSESSMENT AND REPORTING AUTHORITY

Chief Executive Officer: Robert Randall

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

FAIR WORK COMMISSION

General Manager: Bernadette O'Neill

Outcome—Simple, fair and flexible workplace relations for employees and employers through the exercise of powers to set and vary minimum wages and modern awards, facilitate collective bargaining, approve agreements and deal with disputes

AUSTRALIAN INSTITUTE FOR TEACHING AND SCHOOL LEADERSHIP

Chief Executive Officer: Margery Evans

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

FAIR WORK OMBUDSMAN

Fair Work Ombudsman: Michael Campbell (Acting)

Outcome—Compliance with workplace relations legislation by employees and employers through advice, education and, where necessary, enforcement

COMCARE

Chief Executive Officer: Paul O'Connor

Outcome 1—The protection of the health, safety and welfare at work of workers covered by the Comcare scheme through education, assurance and enforcement

Outcome 2—An early and safe return to work and access to compensation for injured workers covered by the Comcare scheme through working in partnership with employers to create best practice in rehabilitation and quick and accurate management of workers' compensation claims

Outcome 3—Access to compensation for people with asbestos-related diseases where the Commonwealth has a liability, through the management of claims

OFFICE OF THE FAIR WORK BUILDING INDUSTRY INSPECTORATE

Director: Brian Corney (Acting)

Outcome—Enforce workplace relations laws in the building and construction industry and ensure compliance with those laws by all participants in the building and construction industry through the provision of education, assistance and advice

SAFE WORK AUSTRALIA

Chief Executive Officer: Rex Hoy

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

PART 2

Outcome performance



Outcome 1

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

DEEWR is helping to provide families with access to a world-class system of early childhood education and affordable care, helping to secure our children's future.

An increasing number of families rely on early childhood education and care services to support their workforce participation and help them to balance their work and family responsibilities. Importantly, children who have a good start in life are more likely to develop the skills that will better equip them to contribute productively to Australian society.

There is significant investment in early childhood education and care which supports improvements in quality, affordability and accessibility of early childhood education and care.

Support for children's early literacy and numeracy development will be improved with the expansion of the Home Interaction Program for Parents and Youngsters to additional sites. The program is a two-year, home-based parenting and early childhood enrichment program targeted to disadvantaged communities.

DEEWR is also focusing on lifting the quality of centre-based Budget Based Funded early childhood services. These services provide child care and early learning opportunities where the market would otherwise fail to deliver child care. They operate mainly in rural, remote and Aboriginal and Torres Strait Islander communities.

The Australian Early Development Index (AEDI) informs early childhood policy and planning across the education, health and community service sectors. Data from the second national AEDI, released in April 2013, provides a snapshot of how Australian children are developing before they reach school. It builds on the information available from the 2009 data. Having two national AEDI datasets helps all tiers of government and community organisations monitor progress.

With changing work patterns, families need more choice when it comes to child care. The Child Care Flexibility Trials will test a range of innovative and flexible child care arrangements at more than 50 sites across Australia. The aim of the trials is to encourage the development of flexible care options that reflect the changing needs of Australian families.

The Child Care Accessibility Fund will assist the development of new child care services. The fund will provide grants to local government areas for projects that aim to reduce planning and development red tape, increase the supply of child care places, free up vacant land for child care centres, or incorporate child care into schools and TAFEs.

The department is continuing to make progress on the key Council of Australian Governments (COAG) commitments that underpin the National Early Childhood Development Strategy. These include the National Partnership Agreement on Early Childhood Education; the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care; and the National Partnership Agreement on Indigenous Early Childhood Development.

DEEWR is supporting the training and retention of experienced and qualified early childhood educators. A well-trained early childhood workforce is essential for delivering high-quality early childhood services and achieving the best outcomes for children. The department is continuing to manage a range of initiatives such as improving access to Recognition of Prior Learning, removing TAFE fees for approved early childhood qualifications, and reducing university HECS-HELP debts for early childhood teachers.

Outcome 1 priorities

Assist families to access flexible, affordable child care and support them in their roles as early childhood educators and carers.

Work in partnership with state and territory governments to implement agreed standards through the National Quality Framework for Early Childhood Education and Care, which aims to lift the quality of early childhood education and care across Australia.

Invest in programs and infrastructure to improve access to quality early childhood learning and child care services.

Continue to work closely with the states and territories on establishing 38 new Children and Family Centres.

Continue to implement the AEDI data collection nationally, to provide a comprehensive picture of how children are developing across key developmental areas.

Continue to deliver the Home Interaction Program for Parents and Youngsters in the existing 50 locations and expand the program to 25 new locations, with an emphasis on Aboriginal and Torres Strait Islander communities.

Develop an Early Years Workforce Strategy in partnership with states and territories to improve the supply and quality of the early childhood education and care workforce.

Review the Budget Based Funded program to ensure that funded services deliver quality early childhood education and care to the communities in which they operate.

Outcome 1 achievements

The department continued to deliver record levels of support to families and the child care sector. Over the four years to 2015–16, the government is providing \$25 billion to help more than 900,000 Australian families with the cost of child care, including \$11 billion in means-tested Child Care Benefit and \$11 billion in Child Care Rebate.

In the September quarter 2012, for the first time, more than one million children attended approved child care services, and a record number of approved services were operating.

Since May 2013, families have been able to access quality ratings of early childhood education and care services on the MyChild and Australian Children's Education and Care Quality Authority websites. The ratings enable parents to make informed choices about early childhood education and care services.

Between 2008 and 2013, \$970 million was invested to provide universal access to quality early learning programs for all Australian children in the year before they enter full-time school. In April 2013, the Commonwealth and all states and territories agreed to a new National Partnership Agreement on Universal Access to Early Childhood Education. The Commonwealth has committed \$660.1 million until the end of 2014 to ensure universal access is maintained.

The Closing the Gap target for all Indigenous four year olds living in remote communities to have access to early childhood education within five years—by 2013—will be achieved this year.

In June 2013 the Australian Government proposed that COAG agree to a new Closing the Gap target in relation to early childhood education, aiming to lift attendance rates among all Indigenous children to 90 per cent for enrolled children.

Construction of new Early Learning and Care Centres is continuing; 32 centres are currently operational and providing child care for Australian families.

Under the National Partnership on Indigenous Early Childhood Development, 19 Children and Family Centres have been established in areas of high need. In most of the remaining 19 communities interim services are being provided.

The second AEDI national data collection took place between May and August 2012 and results were released in April 2013.

The Early Years Workforce Strategy was agreed to by the Standing Council on School Education and Early Childhood and released in September 2012.

The Home Interaction Program for Parents and Youngsters was delivered in 50 locations and from 2014 will be progressively expanded to an additional 50 locations, with an emphasis on Aboriginal and Torres Strait Islander communities.

Early childhood professionals are being assisted to gain the qualifications they need to meet the requirements of the National Quality Framework for Early Childhood Education and Care.

The department facilitated more than 40 Early Childhood Education and Care Regional Roundtables across Australia. These forums brought together early childhood service providers, educators and other community and training stakeholders to develop local solutions for workforce challenges in their region.

The department funded the Community Services and Health Industry Skills Council to review the eight existing children's services qualifications. The qualifications were endorsed by the National Skills Standards Council and will be introduced from July 2013.

The Early Childhood Education and Care Industry Roundtables is an initiative designed to strengthen local strategies to attract, retain and upskill the early childhood education workforce. The roundtables are facilitated by regional education, skills and jobs coordinators and discuss effective ways of meeting the requirements of the National Quality Framework. More than 40 regional roundtables have been held since 2012.

“Coralie is a very strong lady who, when she puts her mind to a task, just never gives up.”

Alice Trinder

At the Alice Springs roundtable, early childhood service providers, educators, Job Services Australia providers and other community and training stakeholders discussed local workforce issues. The roundtable provided an opportunity for participants to address and develop local solutions to workforce challenges, particularly the attraction and recruitment of local people to the early childhood education and care sector. It was decided that greater collaboration was needed between employers, Job Services Australia providers and training providers in the region to ensure a sustainable workforce.

In support of the roundtable discussions, a local Job Services Australia provider, JobFind, designed and delivered a pre-employment program targeted at securing work placements for job seekers in the sector. Local resident Coralie was one of those encouraged to participate.

Coralie grew up in Hermannsburg, 125 kilometres west of Alice Springs. With limited career options available, she relocated her family to Alice Springs and enrolled with JobFind.

‘Coralie is a very strong lady who, when she puts her mind to a task, just never gives up,’ JobFind educator Alice Trinder said.

Coralie completed Certificates I and II in Community Services (Early Childhood) and work experience at the Central Australian Aboriginal Congress as part of JobFind’s pre-employment program.

‘Sometimes there were up to 22 babies under three years of age that we were looking after,’ a very proud Coralie explained. ‘It was a challenge and fun. A lot of the training that we had done was really good.’

Coralie’s pathway through early childhood education and care is continuing. It is a great example of how the roundtable initiative, local solutions and regional collaboration are supporting the workforce.

Program 1.1 Support for the child care system

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

- promoting and supporting quality child care
- assisting service providers to improve access and inclusion for children and families with special or additional needs

- providing professional support to build the capacity of the child care sector
- supporting the sustainability of child care for all Australian children and families including in areas and under circumstances where services would not otherwise be available
- developing, maintaining and disseminating information to assist families to make informed decisions about child care and the related support programs and services provided or funded by the government
- improving the flexibility and accessibility of child care services so they are more responsive to the needs of families.

The program also provides funding to complete 38 priority Early Learning and Care Centres. The centres provide integrated early learning and care in a long day care setting that takes into account the specific requirements of the local community. A number of centres will be incorporated into the development of other facilities like redevelopment of schools, preschools, children and family centres and health facilities. All Early Learning and Care Centre service providers are required to respond to local needs; to be inclusive of all children, including those with additional needs; and to provide integrated learning and care programs.

The National Quality Framework for Early Childhood Education and Care is a COAG initiative under a national partnership agreement. The Australian Children's Education and Care Quality Authority oversees the framework and is responsible for reporting against the indicators set out in the agreement.

Child care services support

The Child Care Services Support Program provides a range of payments directly to child care service providers to improve access to child care. The main elements of the program include:

- community support—delivers improved access to child care by supporting the establishment of new services and maintenance of services, especially in areas where the market would otherwise fail to provide child care services
- child care quality support—aims to ensure that children in care have stimulating, positive experiences and interactions that will foster all aspects of their development, and to promote quality care for all children in approved child care services
- inclusion and professional support—promotes and maintains high-quality care and inclusion for all children in eligible child care services, by providing professional development and inclusion support to carers and educators
- program support—supports the development, maintenance and dissemination of information to assist families to make informed decisions about child care and the related support programs and services provided or funded by the government
- Budget Based Funding—helps non-mainstream services with the costs of operating child care services.

Funding, which began in 2010–11, is being provided to centre-based Budget Based Funded early childhood services to help them meet the new National Quality Standards. The funding supports these services to improve their facilities, their workforce, and their governance and administrative capacity. In 2012–13, around \$62 million was provided to some 342 services across Australia, including approximately \$46 million for Indigenous-focused services.

Jobs, Education and Training Child Care Fee Assistance

Jobs, Education and Training Child Care Fee Assistance (JETCCFA) helps eligible income support parents with the cost of approved child care while they are working, studying or training. The program assists parents to enter or return to the workforce, without the cost of child care being a barrier. JETCCFA is an element of the government's workforce participation and productivity agenda as well as helping to improve employment outcomes for parents.

Funding to be delivered over the next four years will assist around 140,000 parents to enter the workforce and provide for their families. During 2012–13, study assistance was better targeted to courses that strengthen job outcomes and focus on skills needs. In particular there was more of a focus on qualifications at the Certificate II level and above, providing a stronger link to employment outcomes.

The number of parents and children in receipt of JETCCFA during 2012–13 continued to increase throughout the year beyond estimated usage. This resulted in increases in JETCCFA funding as more income support families are accessing JETCCFA, particularly while children are below school age.

Performance information

Table 1 Program 1.1 deliverables and performance indicators

Deliverables	Estimate	Actual
Child Care Services Support		
Number of child care services receiving sustainability assistance	2,300	2,604
Number of child care services receiving establishment assistance	250	204
Number of Budget Based Funded Services	342	342
Jobs, Education and Training Child Care Fee Assistance^a		
Number of children in child care	48,500	56,200
Number of parents assisted	30,400	36,200
Performance indicators		
Growth in the number of children with additional needs using government approved child care services—by target group: ^b		
• Children with disability	3%	3%
• Aboriginal, Torres Strait and Australian South Sea Islander children	2%	2%
• Children from non-English backgrounds	13%	13%

a JETCCFA estimates are from the 2012–13 Portfolio Budget Statements. As further data was not available at the time of preparing the annual report, actuals for 2012–13 are derived from data from the first two quarters of 2012–13. The data is sourced from DEEWR and Centrelink administrative data collections.

b Data for these indicators is collected every three years, and has not changed since 2010–11.

The performance indicators focus on the number of children with additional needs using government-approved child care services. This is seen as a good measure of the overall effectiveness of access to services, as families with children from the target groups often find it more difficult to access appropriate child care.

Program 1.2 Child care fee assistance

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

Child Care Benefit

The Child Care Benefit assists parents with the cost of approved and registered child care. The amount of the payment varies depending on family income, the number of children in care, the hours of care, and the type of child care used. Low-income families receive the highest rate of Child Care Benefit.

Child Care Rebate

The Child Care Rebate covers families for 50 per cent of their out-of-pocket approved child care expenses, up to an annual maximum of \$7500 per child. Out-of-pocket child care costs are calculated after deducting any Child Care Benefit payments that are received.

Expenditure for the Child Care Benefit and Child Care Rebate in 2012–13 was \$4.77 billion.

The department regularly updates its modelling of Child Care Benefit and Child Care Rebate which is used to make projections on the number of families receiving child care payments in future years and the proportion of those families who qualify for either Child Care Benefit or Child Care Rebate only.

Performance information

Table 2 Program 1.2 deliverables and performance indicators

Deliverables ^a	Estimate	Actual
Number of children using approved child care places	1,321,000	1,347,000
Number of families using approved child care services	941,000	938,000
Number of families using approved child care services and receiving a child care payment (percentage of families who use care and receive a payment)	918,000 (98%)	919,000 (98%)
Number of families receiving both Child Care Benefit and Child Care Rebate	659,000	649,000
Number of families receiving only Child Care Benefit	121,000	92,000
Number of families receiving only Child Care Rebate	138,000	178,000
Number of eligible approved services	16,200	16,200
Performance indicator		
Percentage of child care out-of-pocket expenses as a proportion of weekly disposable income after child care subsidies	8 to 12%	8 to 9%

a Estimates are as published in the Portfolio Budget Statements 2012–13. As further data was not available at the time of preparing the annual report, actuals for 2012–13 are derived from data from the first two quarters of 2012–13. The data is sourced from DEEWR and Centrelink administrative data collections.

The performance indicator outlines the child care out-of-pocket expenses as a proportion of weekly disposable income after child care subsidies. This indicates an overall affordability of access to quality services that support early childhood learning and care.

Program 1.3 Early childhood education

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

These goals are being achieved through the following national partnership agreements:

- National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care—established the National Quality Framework for Early Childhood Education and Care, which began on 1 January 2012. A key element of the framework is the national quality assessment and rating process, which provides families with information to help them make informed choices about services.
- National Partnership Agreement on Universal Access to Early Childhood Education—will ensure early childhood education programs are delivered from 1 July 2013, consistent with all governments' ongoing commitment to Universal Access, including for vulnerable, disadvantaged and Indigenous children.
- National Partnership Agreement on Indigenous Early Childhood Development—will establish 38 Children and Family Centres across Australia by June 2014. The centres will deliver integrated services that offer early learning, child care and family support programs. They are targeted at addressing the needs of Aboriginal and Torres Strait Islander families and their young children and will also provide services to all families in the community.
- National Partnership Agreement on TAFE Fee Waivers for Child Care Qualifications—supports individuals, including existing child care workers, to gain a vocational education and training qualification in early childhood care. This funding removes the regulated course fees for diplomas and advanced diplomas in children's services, delivered by a TAFE institute or other government training provider.

Universal access to early childhood education

The delivery of universal access to early childhood education is a state and territory responsibility and depends on Commonwealth and state and territory funding. The government is working in partnership with the states and territories under COAG and through the Intergovernmental Agreement on Federal Financial Relations to ensure the program is implemented effectively and outcomes are achieved.

Total Commonwealth funding for universal access to early childhood education (\$970 million over five years to 30 June 2013) has been allocated in accordance with the National Partnership Agreement on Early Childhood Education. Of this funding, \$15 million is for research, evaluation and data development relating to universal access to early childhood education. The new National Partnership on Universal Access to Early Childhood Education will contribute \$660.1 million for the 18 months to 31 December 2014.

In March 2013, the Australian Bureau of Statistics (ABS) published *Preschool education, Australia, 2012* (ABS cat. no. 4240.0), the third release from the National Early Childhood Education and Care Collection (see ABS cat. no. 4240.0.55.001). The reference period for the latest collection is 30 July to 3 August 2012. Substantial improvements have been made to the way data is compiled and analysed, and the collection is no longer considered experimental.

The 2012 collection indicates that progress has been made against key indicators. The percentage of children enrolled in a preschool program in the year before full-time schooling rose from 81 per cent in 2011 to 89 per cent in 2012. Preschool enrolment for Aboriginal and Torres Strait Islander children rose from 75 per cent to 82 per cent. In 2012, 88 per cent of Aboriginal and Torres Strait Islander children living in remote communities were enrolled in a preschool program.

While 56 per cent of children in the year before full-time school were enrolled in an early childhood education program for 15 or more hours in 2012, state and territory plans indicate a substantial increase in the provision of early childhood education programs for 15 hours a week in 2013.

Performance information

Table 3 Program 1.3 performance indicators

Performance indicators	Estimate	Actual
<i>Universal Access to Early Childhood Education (National Partnership)</i>		
Percentage of all children enrolled in preschool ^a	95%	89%
Percentage of Indigenous children enrolled in preschool ^b	95%	82%
Percentage of Indigenous children enrolled in preschool in remote areas ^c	95%	88%
Percentage of children enrolled in an early childhood education program that is available for at least 15 hours a week ^d	95%	56%

a Data may include double counting for some children enrolled in more than one service and may include some children aged five years who were repeating.

b The national collection includes Indigenous children enrolled in preschool programs regardless of setting, including stand-alone preschools, schools and long day care settings.

c The Indigenous population is subject to a number of issues that limit its accuracy, including variable levels of Indigenous identification and inaccuracies at fine levels of disaggregation.

d This is a new performance indicator for 2012–13, introduced in response to the Australian National Audit Office report *Administration of the National Partnership on Early Childhood Education*, November 2011.

Note that the estimated percentages are performance benchmarks to be achieved by 30 June 2013. Data for 2013 will be available in March 2014. Actual figures are based on data from the 2012 National Early Childhood Education and Care Collection.

Departmental outputs for Outcome 1

Table 4 Performance information for Outcome 1 departmental outputs

Performance indicator	Estimate	Actual
Services provided by Australian Government agencies (e.g. Centrelink) satisfy performance requirements	DEEWR requirements met	Satisfied

Outcome 2

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

DEEWR is committed to ensuring every young Australian has access to a great education and is able to reach their potential. Under Outcome 2, DEEWR's work supports students to gain the skills they need to become successful learners, confident and creative individuals, and informed citizens.

In partnership with state and territory governments and the non-government schooling sector, we work to improve the quality of education for all students. A national reform agenda has been progressively developed through frameworks and agreements including the 2008 Melbourne Declaration on Educational Goals for Young Australians, the 2009 National Education Agreement and the new National Education Reform Agreement that will begin in 2014. The new agreement outlines five key reform directions: quality teaching; quality learning; empowering school leadership; meeting student need; and greater transparency and accountability.

The reforms build on the substantial work undertaken collaboratively by all governments over recent years through the Standing Council on School Education and Early Childhood, such as the development and implementation of the National Assessment Program for Literacy and Numeracy, the introduction of professional standards for teachers and standards for initial teacher education, and the implementation of the Aboriginal and Torres Strait Islander Education Action Plan 2010–2014.

Outcome 2 priorities

Work collaboratively with states and territories and the Catholic and independent school authorities to negotiate their participation in new school funding arrangements in line with the *Australian Education Act 2013*.

Support the Australian Curriculum, Assessment and Reporting Authority (ACARA) in developing an Australian curriculum from Foundation to Year 12.

Deliver programs to support quality teaching in Australian schools, including supporting the Australian Institute for Teaching and School Leadership.

Continue to implement initiatives under the Improving Teacher Quality National Partnership and the Rewards for Great Teachers, Digital Education Revolution, and Smarter Schools Literacy and Numeracy national partnerships.

Implement the new Improving Literacy and Numeracy National Partnership to enable continued investment in improving literacy and numeracy.

Maintain the one-to-one ratio of computers to students in all schools with students in Years 9 to 12 through the National Secondary School Computer Fund.

Work towards online delivery of the National Assessment Program.

Support implementation and monitoring of the Aboriginal and Torres Strait Islander Education Action Plan to close the gap in educational attendance and attainment, and provide additional support measures in the Northern Territory, such as the School Enrolment and Attendance Measure, for Aboriginal and Torres Strait Islander students.

Support the establishment of trade training centres in priority areas, complete infrastructure against agreed construction schedules and develop tools to monitor and evaluate the outcomes of centres to ensure they address program objectives.

Build the capacity of schools and teachers to provide additional support to students with disability through the More Support for Students with Disabilities initiative.

Increase educational attainment and successful transitions of young Australians and ensure they have the resources and skills they need to meet their full potential.

Outcome 2 achievements

The government announced the National Plan for School Improvement, which sets out a new, needs-based school funding approach to ensure all Australian classrooms, teachers and schools are properly resourced. The plan is supported by the *Australian Education Act 2013*, which passed parliament in June 2013.

In 2013, ACARA worked with state and territory curriculum, assessment and certification authorities to determine what will be integrated into local courses for the senior secondary Australian curriculum.

The Australian curriculum continued to be implemented by states and territories. ACARA completed substantial development work on the remaining learning areas, including finalising the Foundation to Year 10 curriculum in geography and the senior secondary curriculum in English, mathematics, science and history, which have been endorsed by education ministers.

More than 148 Centres of Excellence were established across Australia under the Improving Teacher Quality National Partnership to facilitate collaborative professional development and improve student learning outcomes.

In May 2013, the Australian Institute for Teaching and School Leadership released the first compilation of national data on initial teacher education.

In March 2013, the department hosted the National Conversation with Principals, a forum for school principals, unions and parent associations to discuss topics at the forefront of the schools reform agenda, such as funding, quality teaching and digital education, with the government.

The *My School* website was updated in March 2013 to include the 2012 results for the National Assessment Program—Literacy and Numeracy (NAPLAN); 2011 school finance data; new depictions of capital expenditure and VET in Schools data; and improved accessibility for people with disability. With this release, five years of NAPLAN data and three years of finance data are now available on the *My School* website.

In December 2012, education ministers endorsed the National School Improvement Tool, developed in partnership with key education stakeholders throughout 2012.

Funding agreements were executed to establish 75 new trade training centres across Queensland, New South Wales, South Australia, Tasmania, Victoria, Western Australia and the Australian Capital Territory. Sixty-two centres started training delivery during 2012–13, bringing the total number of operational centres under the program to 262. At 30 June 2013 a total of 815 schools had access to a completed trade training centre, through 297 projects.

The department completed the first five-year review of the Disability Standards for Education 2005. The report on the review and the government's response to the recommendations were released on 1 August 2012.

In May 2013, education ministers endorsed the model for nationally consistent collection of data on school students with disability. The model will be implemented using a phased approach between 2013 and 2015.

Phase 1 of the School Enrolment and Attendance Measure was introduced from Term 1, 2013 in 10 communities as part of the Stronger Futures in the Northern Territory initiative, aiming to address school enrolment and attendance problems.

The Youth Connections program supported more than 19,600 young people in 2012 to re-engage with education, training or employment.

The National Career Development Strategy was launched in May 2013, outlining a collaborative vision for career development in Australia that gives all Australians the skills, knowledge and capabilities they need to manage their careers throughout their lives.

In July 2012, at the inaugural Yamaiyamarna Paitya: Teachers are Deadly! Conference, 200 delegates from all states and territories discussed strategies for increasing the number of Aboriginal and Torres Strait Islander teachers in Australian schools.

The department worked to close the gap in educational outcomes of Aboriginal and Torres Strait Islander Australians including:

- supporting 526 participants in the Indigenous Youth Mobility Program. Young people from remote communities were supported with post-school pathways including accessing vocational education and training or university
 - initiating 70 new projects in 2012 through the Parental and Community Engagement Program to support Aboriginal and Torres Strait Islander parents to be involved in their children's education and schooling.
-

Program 2.1 Government schools national support

The objective of this program is to contribute to boosting participation and Australia's productivity by providing supplementary funding to states and territories to support government schools to achieve the following five outcomes:

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

Until new funding arrangements begin on 1 January 2014, government funding for schooling continues to be delivered through the framework set out in the *Federal Financial Relations Act 2009*. Under this framework, state and territory governments receive funding through Schools Specific Purpose Payments. Funding for areas of national priority is provided through national partnership agreements.

The final report of the National Education Agreement working group was agreed to by COAG on 25 July 2012. The report recommended that a revised performance reporting framework be implemented progressively from the 2013 reporting period. The revised framework forms a performance reporting system that provides transparent public accountability on national progress toward the COAG targets to:

- lift the Year 12 or equivalent or Certificate II attainment rate to 90 per cent by 2015
- lift the Year 12 or equivalent or Certificate III attainment rate to 90 per cent by 2020
- halve the gap for Indigenous students in reading, writing and numeracy by 2018
- at least halve the gap for Indigenous students in Year 12 or equivalent attainment rates by 2020.

The department also provides reports for the following publications on all Australian schools regardless of sector (government or non-government):

- *National report on schooling in Australia* (published by ACARA)
- *Education 2010: Comparing performance across Australia* (published by the COAG Reform Council)
- *Annual report on government services* (published by the Productivity Commission).

Performance information

Table 5 Program 2.1 performance indicators

Performance indicators	Estimate	Actual
Government Schools Specific Purpose Payment		
Number of full-time equivalent students funded (enrolment projections)	2,316,717	2,316,717 ^a

a This figure is based on annual state and territory data submissions.

Program 2.2 Non-government schools national support

The objective of this program is to contribute to boosting participation and Australia's productivity by providing supplementary funding to support non-government schools to achieve the same outcomes as Program 2.1.

The review of funding for schooling, which finished in 2012, and the government's response to its recommendations released in 2013, will have a significant impact on this program. Until new funding arrangements begin on 1 January 2014, government funding for non-government schools will continue to be delivered through the *Schools Assistance Act 2008*.

Schools Assistance Act

The government is providing an estimated \$37.0 billion for non-government schooling for 2009–2014 under the Schools Assistance Act. Funding appropriated under the Act supports the capital and operating costs of non-government primary and secondary schools. Government funding to non-government schools supplements funding raised by the schools from other sources.

Australian Education Act

The *Australian Education Act 2013* provides the framework for Australian Government funding for all schools from 2014.

The Act sets out how the Australian Government will work with states and territories, and Catholic and Independent school authorities, to further develop and deliver school funding reform and sets out the arrangements for recurrent funding, capital funding for non-government schools, and special circumstances funding.

Indigenous Education (Targeted Assistance) Act

The government is providing an estimated \$810 million under the *Indigenous Education (Targeted Assistance) Act 2000* from 2009 to 2013 to organisations to improve educational outcomes for Aboriginal and Torres Strait Islander young people from early childhood through to tertiary education.

Programs funded under the Act have assisted schools, principals, teachers and families to implement successful approaches to lifting the educational outcomes of Aboriginal and Torres Strait Islander students. Other measures have enhanced access to school and promoted better engagement in, and regular attendance at, school.

Funding under the Act also supported implementation of the Aboriginal and Torres Strait Islander Education Action Plan. The plan was developed by education ministers in 2010 and endorsed by COAG in May 2011. In December 2012, the second annual report on the plan was published, providing information on national, systemic and local initiatives.

Indigenous Youth Mobility Program

The Indigenous Youth Mobility Program supports young Aboriginal and Torres Strait Islander people aged 16 to 24 from regional and remote communities who need to move away from home to gain vocational education and training qualifications or a university degree so they can find sustainable employment in their home community or elsewhere. In 2013, the program is being delivered in 16 locations by five providers.

During 2012–13, 526 participants were supported and 104 completions from 320 exits were achieved.

Indigenous Youth Leadership Program

The Indigenous Youth Leadership Program is helping to close the gap in Indigenous educational disadvantage by supporting Aboriginal and Torres Strait Islander students to attend high-performing secondary schools (government and non-government, day and boarding) or universities to complete Year 12 or an undergraduate degree.

In 2013, the program is expected to support 781 secondary students, an increase of 90 on 2012. This includes all 2012 secondary scholars who have continued their education and remain eligible for a scholarship and new secondary scholars. Up to 137 Year 12 completions are expected in 2013 from the 75 participating schools.

Sporting Chance Program

The Sporting Chance Program uses sport and recreation to increase the level of engagement of Aboriginal and Torres Strait Islander students in their schooling. The program's two elements provide for school-based sports academies for secondary students and education engagement strategies for primary and secondary school students.

At the end of 2012, 5901 students attended Sporting Chance Program academies. The new girls academies announced in the 2012–13 Budget began operations in early 2013.

Engaging girls through sport

The Sporting Chance Program has provided funding to Role Models and Leaders Australia to establish girls sporting academies in Western Australia, the Northern Territory and New South Wales as a key strategy to bring about significant change for at-risk Aboriginal and Torres Strait Islander girls enrolled in school.

In 2012, Naomi (not her real name), a Year 10 Indigenous student, had an attendance rate of just 9 per cent. In 2013, after long discussions about what she wanted to get out of school and how the Role Models and Leaders Australia Girls Academy could help her achieve this, she decided to become more involved with the academy and committed herself to the Senior School Engagement Program.

Naomi has had a difficult family life, which affected her school life. Academy staff engaged with her and encouraged her to feel comfortable about discussing some of these issues. The staff believe that giving her the mentoring, support and advice she needed has helped her to change her behaviour and increase her attendance, which is now 89 per cent.

Naomi's commitment to her school work, and her improved attendance and attitude towards her peers and staff members, was acknowledged in 2013 when she won the Student of the Month award out of more than 100 other students in her year level. Although she is a quiet person, her presence at the academy is reassuring for the younger girls and everyone says she is a pleasure to have around.

Parental and Community Engagement Program

The Parental and Community Engagement Program enhances parental engagement and supports families and communities to be involved in their children's education by:

- helping them connect with schools and other education settings to get the best results for their children
- helping them build relationships with principals and teachers
- supporting them to help children and young people to learn at home.

In 2012, 70 new projects were initiated. At 23 May 2013, 168 projects were operating, of which 97 are continuing from 2012 and 71 are new.

Recurrent grants—non-government

The government provides grants to assist non-government schools with the recurrent costs of school education so they can offer students educational programs directed towards achieving the government's priorities for schooling.

During 2012, \$7.25 billion in recurrent assistance grants was paid, on a per student basis, to non-government schools.

To support the delivery of educational services to Aboriginal and Torres Strait Islander students in 2012, \$78.2 million was provided for the Indigenous Supplementary Assistance program, \$0.2 million for the Indigenous Funding Guarantee, and \$1.95 million for increased Indigenous Supplementary Assistance to non-remote, non-government boarding schools.

A remoteness loading was provided to eligible non-government schools to cover the higher cost of delivering services in regional and remote areas. In 2012, this amounted to \$35.3 million. Non-government schools received \$5.5 million for the provision of distance education.

Capital grants—non-government

The government provides grants funding for new and upgraded capital infrastructure to non-government schools that would not otherwise have access to sufficient capital resources.

The program for non-government schools is subject to projects being varied, withdrawn or merged in response to changing circumstances of schools. The number of schools assisted through the program therefore varies over time. Program funds returned as a result of withdrawn or varied projects are allocated to existing, and new, eligible projects.

In 2012, non-government schools received \$133.8 million under the program.

Short Term Emergency Assistance—non-government

The government provides targeted funding under the Short Term Emergency Assistance Program to assist non-government schools in the event of an unexpected circumstance causing severe, temporary financial difficulty.

In 2012, \$97,975 was provided under the program.

English as a Second Language—New Arrivals—non-government

The government provides targeted funding under the English as a Second Language—New Arrivals Program to state and territory non-government education authorities. This demand-driven funding assists with the cost of delivering intensive English language tuition to eligible newly arrived migrant primary and secondary school students. The department receives claims for eligible students from non-government education authorities.

During 2012, grants totalling \$7.45 million were paid to non-government schools under the program. It is estimated that 1000 new arrivals will be supported in non-government schools during 2013.

School Languages Program

The School Languages Program provided \$14.62 million in targeted assistance to non-government schools and after-hours community languages schools in 2012. The funding supported the teaching and learning of Asian, European, Aboriginal and Torres Strait Islander and Auslan languages from Kindergarten to Year 12.

Literacy, Numeracy and Special Learning Needs Program

The government provides targeted funding under the Literacy, Numeracy and Special Learning Needs Program to assist non-government education authorities to improve the learning outcomes of educationally disadvantaged students. The program has a particular focus on literacy and numeracy and includes students with disability.

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

The program has two components: the school grants (recurrent) component and the students with disability (per capita) component. Funding for the recurrent component is calculated based on each state's and territory's percentage share of students' socioeconomic status, language background other than English and enrolment. The students with disability component provides funds at a rate per eligible student; during 2012 the rate per student was \$1023.

In 2012, grants totalling \$40.94 million for students with disability and \$175.88 million for educationally disadvantaged students were paid to non-government schools.

Country Areas Program

The government provides targeted funding under the Country Areas Program to improve access to quality education for non-government school students in rural and geographically isolated areas. The overall goal is for students to achieve outcomes and participation rates that match those of students in urban centres and less isolated areas. The funds can be used for projects that support quality learning outcomes, such as curriculum enhancement, staff development, and school trips or excursions.

Funding is paid directly to non-government education authorities in the states and the Northern Territory. These authorities have the flexibility to allocate funds under program guidelines according to identified priorities based on assessment of local need.

In 2012, over \$6.3 million was provided to eligible non-government schools under the program.

Performance information

Table 6 Program 2.2 deliverables and performance indicators

Deliverables	Estimate	Actual
Recurrent grants—non-government		
Number of full-time equivalent students funded (enrolment projections)	1,232,497	1,232,497
Capital grants—non-government^a		
Number of schools assisted with capital support	229	253
English as a Second Language—New Arrivals—non-government		
Number of new arrivals assisted	1,000	836
Indigenous Youth Mobility Program		
Number of participants in the Indigenous Youth Mobility Program	290	525
Indigenous Youth Leadership Program		
Number of participants in the Indigenous Youth Leadership Program (secondary and tertiary)	871	1,112
Sporting Chance Academies		
Number of students attending Sporting Chance Academies	5,901	5,901
Performance indicators		
Enrolment trends—non-government		
Full-time student enrolments in Australian schools:		
• Primary	646,000	646,709
• Secondary	599,000	599,139
Number of Indigenous students at school	26,000	26,630
Enrolment trends^b		
Student enrolments in Australian schools:		
• Primary	2,067,000	2,076,978
• Secondary	1,486,000	1,490,087
Apparent retention rate of full-time students from Year 7/8 to Year 12	80%	79.9%
Trend in the number of Indigenous students at schools	173,000	174,521
Indigenous trends		
Percentage of young people who commence on the Indigenous Youth Mobility Program who exit the program after achieving a vocational education and training or higher education qualification or to take up full-time employment	38%	33%
Percentage of eligible Indigenous students in receipt of Indigenous Youth Leadership Program scholarships who complete Year 12	90%	98%

a Capital grants figures are based on the 2012 calendar year. Figures as at 24 April 2013.

b As published in Australian Bureau of Statistics, *Schools Australia, 2012*, cat. no. 4221.0.

Program 2.3 Schools support

In its national leadership role, the government funds initiatives that aim to improve outcomes for all Australian students, including programs to encourage quality teaching and learning environments.

Helping Children with Autism package

Positive Partnerships (part of the Helping Children with Autism package) supports professional development for teachers, school leaders and other school staff to build their understanding, skills and expertise in working with children with autism spectrum disorder. It also provides workshops and information sessions for parents and carers of school-age students with autism to assist them to work with their child's teachers, school leaders and other staff.

During 2012–13, Positive Partnerships worked to develop information sessions focusing on community development as well as tailored webinar sessions on specific autism support topics for families in rural and remote locations. Positive Partnerships is also developing tailored cultural-specific workshops and information sessions for culturally and linguistically diverse families and Aboriginal and Torres Strait Islander families. These workshops support the building of strong connections and partnerships between educators, community sectors and families, leading to improved educational outcomes for students with autism.

Revised contractual arrangements for the national provision of the program delayed the holding of workshops in 2012. The minimum targets are set by calendar year. Workshops that would have been scheduled for the second half of 2011–12 were therefore conducted during 2012–13.

Parliament and Civics Education Rebate

The Parliament and Civics Education Rebate program is designed to support students in Years 4 to 12 to get access to on-site civics and citizenship education in Canberra at Parliament House, the Museum of Australian Democracy and the National Electoral Education Centre at Old Parliament House, the Australian War Memorial and, where possible, other national civic institutions.

The program supports students in schools more than 150 kilometres from Canberra. The rebates are paid on a per student basis, starting at \$20 per student for school groups travelling 150–499 kilometres and increasing to \$260 per student for school groups travelling more than 4000 kilometres to Canberra.

In 2012–13, \$4.98 million was paid or committed to 1989 schools for 103,873 students.

National Trade Cadetships

The National Trade Cadetships will be a school-based program that provides opportunities for students to undertake vocational learning and develop work-readiness skills in preparation for a skilled occupation after leaving school. There will be two elements: the Years 9 to 10 curriculum, which will focus on work-readiness skills and laying the foundation for further training, and the Years 11 to 12 cadetship, which will focus on a specific industry area. A work experience component will form an integral part of both elements.

In August 2012, education ministers tasked ACARA with developing the Years 11 to 12 curriculum, in addition to the Years 9 to 10 curriculum already referred to ACARA. The department worked with ACARA to establish and support curriculum development processes. Following a series of consultations, ACARA published *Shape of the Australian curriculum: work studies Years 9 to 10*, which sets the broad direction for writing the curriculum. The agrifood, community services and health and manufacturing industries were identified as target industries for the initial phase of Years 11 to 12 curriculum development, and the relevant industry skills councils have agreed to participate in this work.

The government's advisory panel, chaired by Emeritus Professor Denise Bradley AC, continues to provide advice on and guide development of the National Trade Cadetships and Indigenous Ranger Cadetships initiatives. It is anticipated that the Years 9 to 10 curriculum will be ready for endorsement by state and territory education ministers in December 2013, Years 11 to 12 in December 2014.

Indigenous Ranger Cadetships

The Indigenous Ranger Cadetships pilot was announced as part of the 2011–12 Budget to develop cadetships in rural and remote communities. The pilot aims to assist Aboriginal and Torres Strait Islander young people to complete school and build their capacity for further study, training, jobs and careers in land, sea and natural resource management.

Twelve schools have been selected to participate in the pilot in two cohorts: the first cohort of 10 schools was selected in 2012 to begin in July 2012; the second cohort was selected in December 2012 and started in Term 2, 2013. Each school has been allocated \$500,000 over a two-year period to implement the program. Approximately 259 students are expected to participate in Indigenous Ranger Cadetships activities across the 12 schools.

Teach Next

Teach Next provides an alternative pathway into teaching for professionals with specialist qualifications in areas of demand, such as maths and science, and places them in hard-to-staff schools, often in regional areas. The program enables participants to complete their formal teaching qualifications, over a two-year period, while teaching in a school and earning a salary.

Teach Next is a demand-driven program, which means that the number of placements in each intake varies in response to the number of available vacancies identified by employers, and the ability to make an appropriate match between applicants' teaching areas and those positions. The second intake of Teach Next participants successfully matched eight applicants to vacancies in Victorian and Australian Capital Territory schools.

National School Chaplaincy and Student Welfare Program

The National School Chaplaincy and Student Welfare Program assists school communities to support the spiritual, social and emotional wellbeing of their students. Under the program, 3543 schools are eligible to receive funding each year of up to \$20,000 (\$24,000 for schools in remote locations) to engage the services of a school chaplain to provide pastoral care services or select the services of a non-faith-based student welfare worker.

The program builds on the success of its predecessor, the National School Chaplaincy Program, and was developed following a wide-ranging national consultation process.

The government has allocated a total of \$222 million to the current program for three years until December 2014. All new workers employed need to have completed a Certificate IV in Youth Work, Pastoral Care or equivalent. Existing chaplains and student welfare workers who do not already hold equivalent qualifications are required to complete two Certificate IV units of Mental Health and Making Referrals. All workers are required to have completed a working with children check.

During May 2013, the government provided additional grants of \$10,000 for up to 134 schools in Queensland, New South Wales, Victoria and Tasmania which had been affected by natural disasters.

Stronger Futures in the Northern Territory National Partnership

The Stronger Futures in the Northern Territory National Partnership is a 10-year, \$3.4 billion commitment by the Commonwealth, state and territory governments to address the significant challenges to closing the gap on Aboriginal and Torres Strait Islander disadvantage. The education portfolio investment of \$583 million continues the initiatives and reform activities delivered through the Closing the Gap in the Northern Territory National Partnership.

Education initiatives under the partnership include Building a Quality School Workforce (comprising the Quality Teaching Initiative, Additional Teachers and Teacher Housing), the School Enrolment and Attendance Measure (SEAM) and the School Nutrition Program. In 2012–13, a total of \$42.27 million was invested through the Northern Territory government and non-government systems. The non-government sector received \$4.5 million in 2012–13 to maintain 30 additional teachers.

The Northern Territory Department of Education and Children's Services received \$37.77 million in 2012–13 under the Stronger Futures in the Northern Territory National Partnership Schooling Implementation Plan.

Achievements in 2012–13 under the Building a Quality School Workforce initiative included recruiting and supporting 170 additional full-time equivalent teachers or engagement officers for 2012; developing a construction schedule for teacher houses; and providing agreed baseline data and forward year targets and weightings, which were independently assessed as reasonable by the Australian Council for Educational Research.

SEAM helps identify enrolment and attendance problems and puts in place assistance, such as the offer of social work support, to help parents remedy these problems. Community information sessions are held in each location before SEAM is implemented.

Achievements in 2012–13 included securing the agreement of communities participating in phase 1, beginning in Term 1 2013, and phase 2 in Term 3 2013; contributing to information sessions for Katherine and Katherine Town Camps; completing consultation with Groote Eylandt communities; and deploying attendance and truancy officers.

A new model for SEAM was introduced in the Northern Territory from Term 1, 2013. The new model is being introduced in four phases over two years and will operate until June 2022. Over this period, it will be rolled out to 23 communities.

The School Nutrition Program, administered by DEEWR's Northern Territory office and previously a sub-measure of the Northern Territory Emergency Response, became part of the Stronger Futures measure in July 2012. There are currently 67 participating schools—62 government and five Catholic—and current providers are funded until 31 December 2013 to provide meals across these schools. Providers include school councils, shire councils, health services, community stores, women's centres and non-government organisations.

Performance information

Table 7 Program 2.3 deliverables

Deliverables	Estimate	Actual
Helping Children with Autism Package		
Number of teachers and other school staff attending professional development courses ^a	597	1,146
Number of parents and carers attending workshops and information sessions	2,511	2,322
Parliament and Civics Education Rebate		
Number of schools visiting Canberra under PACER	1,992	1,988
Indigenous Ranger Cadetships		
Number of participant schools in the Indigenous Ranger Cadetship program	Two more schools will be selected for IRC pilots	Two schools added; total of 12 schools participating
Teach Next		
Number of Teach Next participants commencing	8	8
National School Chaplaincy and Student Welfare Program		
Number of schools receiving support for chaplaincy or student welfare services	3,500	3,543

a Due to administrative delays, workshops scheduled for the second half of 2011–12 were conducted during 2012–13.

Program 2.4 Trade training

The Trade Training Centres in Schools Program is providing \$2.5 billion over 2008–2018 to enable eligible secondary schools across Australia to seek funding for trade training centres. The program aims to:

- address skills shortages in traditional trades and other eligible occupations by
 - improving student access to trade training facilities that meet industry standards
 - improving the quality of schooling offered to secondary students undertaking trade-related pathways
 - assisting young people to make a successful transition from school to work or further education and training
- contribute to achieving two major COAG targets
 - lifting the Year 12 or equivalent attainment rate of 20–24-year-olds to 90 per cent by 2015
 - halving the gap between Aboriginal and Torres Strait Islander and other students in Year 12 or equivalent attainment rates by 2020.

Trade training centres give students 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.

Schools are selected and prioritised based on the level of socioeconomic disadvantage. Education authorities work with schools to develop projects that meet the needs of local communities and employers.

At 30 June 2013, more than 815 schools were benefiting from 297 completed trade training centres. During 2012–13, 75 funding agreements totalling more than \$170 million were executed to establish new trade training centre facilities benefiting over 165 schools. A further 81 projects were completed benefiting more than 220 schools and construction began on 76 new projects that will benefit around 130 schools.

Round 5 (phase 1) of the program opened in November 2012, with proposals for funding closing on 28 March 2013. Over 135 proposals were evaluated and funding announcements are expected to be made in the second half of 2013.

Progress against the COAG targets is reported through the National Education Agreement and National Indigenous Reform Agreement. Student data, including student enrolments, qualifications undertaken and student outcomes, from the preceding calendar year are published in annual progress reports, which are available at www.deewr.gov.au.

Trade training centre gives students more options in Esperance

A total of \$4.7 million in funding was provided to establish the Esperance Regional Trade Training Centre. It services Esperance Senior High School, Esperance Senior High School Education Support Centre, Jerramungup District High School, Norseman District High School and Ravensthorpe District High School. The centre is delivering qualifications in automotive and construction to address local skill shortages. In 2012, approximately 50 students were using the centre.

Kelby Myers teaches building and construction—he went to Esperance Senior High School himself—and says the students now have many more choices than he did. 'It gives them an inroad into the trades and gets them out into workplaces and the community,' Kelby said. 'While they're still learning, they're getting experience and contacts, and it can lead into jobs a lot earlier for some of our students. We sometimes see Year 11 students picking up apprenticeships when they show some talent in their field.'

The program also gives teachers the opportunity to upskill at the local TAFE along the way. 'We've got a good partnership with the TAFE—especially now we're right next door. We can continue to train with them or we can even just go and pick their brains about what we're working on. Our teachers are really dedicated. We work for as long as it takes to make sure we're ready for the next day—but it's not just us—local businesses are supportive too. Around 47 students go to work placements each week and although we're a small community, there's no problem with the locals giving the students a chance to experience work,' Kelby said.

'The centre is a great asset for the school and the community. We know that many of our students might have to leave the area to get the opportunities they want and need, but this way there are at least half who have the option of staying and working locally.'

Performance information

Table 8 Program 2.4 deliverables

Deliverables	Estimate	Actual
Total announced projects (cumulative)	376	375 ^a
New projects announced	0	0
New projects announced—number of schools benefiting	0	0

a A successful round 4 project was withdrawn by the relevant education authority before the execution of a funding agreement.

Program 2.5 Digital Education Revolution

The government's investment in the Digital Education Revolution has significantly increased ICT infrastructure in Australian schools. The Digital Education Revolution complemented broader education policy initiatives to improve workforce capability and develop coherent national curriculum and assessment frameworks.

For more than a decade, governments and school communities around Australia have been working to harness the power of ICT to improve educational opportunities, boost outcomes and further enhance the learning experience. The Digital Education Revolution has accelerated this by establishing a strong technology base in schools. It has been a source of positive change by creating momentum for integrating ICT in teaching and learning and promoting innovative classroom practice. The program review concluded that the Digital Education Revolution 'is broadly regarded as a major success' and 'credited with generating a catalytic positive impact across Australian schools'. The review's report is available at www.deewr.gov.au.

Through the Digital Education Revolution, the National Secondary School Computer Fund provided more than \$2 billion for Australian secondary schools with students in Years 9 to 12 to reach a one-to-one computer-to-student ratio. This goal has been achieved, with more than 967,000 computers installed, exceeding the national target of 786,000 computers. The initiative concluded on 30 June 2013.

Program 2.6 National Action Plan on Literacy and Numeracy

This program focuses on teaching, leadership and the effective use of student performance information to deliver sustained improvement in literacy and numeracy outcomes for all students, especially those who are falling behind. It contributes to the COAG target to halve the gap for Aboriginal and Torres Strait Islander students in reading, writing and numeracy by 2018. The elements of this program are the Smarter Schools—Literacy and Numeracy National Partnership, which concluded in December 2012, and the Improving Literacy and Numeracy National Partnership.

Smarter Schools—Literacy and Numeracy National Partnership

The Smarter Schools—Literacy and Numeracy National Partnership was the centrepiece of the National Action Plan for Literacy and Numeracy. The four-year national partnership began in 2009 and comprised:

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

Reforms in each state and territory were implemented from 2009 in more than 1000 schools, both government and non-government. This included approximately 420,000 (12 per cent) of Australia's student population and approximately 28,500 (18 per cent) of Australia's Aboriginal and Torres Strait Islander student population.

The national partnership was implemented in different ways in each state and territory, and performance measures and targets were negotiated bilaterally with each jurisdiction. The COAG Reform Council was responsible for assessing the extent to which targets were met.

National partnership funding assists north Queensland school

Garbutt State School, in northern Queensland, was officially opened in 1932. The school currently caters for around 120 students, mostly of Aboriginal and Torres Strait Islander heritage. The school has a strong commitment to reconciliation and the promotion of culture and inclusion within the school community.

Funding from the Australian Government's national partnerships program has enabled the school to invest in extra staff and more training for teachers to help them better meet the needs of their students.

Extra staff came on board to help teachers develop new skills through observation and analysis of what excellent teachers do in the classroom. Other initiatives, such as hiring a

teacher's aide to manage students' educational information, and storing all information centrally, are allowing teachers to track the progress of students and to adapt lessons to meet changing needs.

'We now have people dedicated to helping other staff design even better lessons that will keep students interested and help them learn the skills required under the Australian curriculum.

We use the national partnership money to help take teachers off class so they can work with our coaches; and also to buy resources necessary for the children to be able to work effectively,' said school principal Wendy Geddis.

Improving Literacy and Numeracy National Partnership

The Improving Literacy and Numeracy National Partnership is providing an additional \$243.9 million to sustain the momentum of the Literacy and Numeracy National Partnership over the 2013 school year and to bridge the gap to 2014 when funding reforms will begin. Successful teaching approaches will be published in an online evidence base—Teach, Learn, Share—to promote the strategies that are making a difference to improve the literacy and numeracy performance of students who are falling behind. The one-year national partnership comprises:

- \$242 million to states and territories for implementation
- \$1.9 million to support evaluation and administration of the Teach, Learn, Share evidence base.

Approximately 1900 schools (both government and non-government) are receiving funding under the national partnership (20 per cent of all Australian schools). This includes approximately 781,000 students or 22 per cent of Australia’s total student population. The key performance indicators for the national partnership are:

- improvement in literacy and numeracy results for targeted student groups including Aboriginal and Torres Strait Islander students
- increased NAPLAN participation rates for targeted student groups including Aboriginal and Torres Strait Islander students
- education systems and participating schools conducting effective data collection and assessment to inform best practice literacy and numeracy teaching
- staff in participating schools engaged in professional learning in literacy and numeracy.

Performance information

Table 9 Program 2.6 effectiveness indicators

Effectiveness indicators	Year 3		Year 5		Year 7		Year 9	
	R	N	R	N	R	N	R	N
Percentage of non-Indigenous students at or above the national minimum standard in reading and numeracy	94.7%	95.1%	93.1%	94.6%	95.1%	94.9%	92.7%	94.7%
Percentage of Indigenous students at or above the reading and numeracy national minimum standards	74.2%	72.7%	64.7%	69.2%	75.4%	74.4%	67.2%	74.2%

R = reading; N = numeracy.

Source: NAPLAN National Report for 2012.

Table 10 Comparison of gap in Indigenous reading and numeracy, 2008 to 2012

2012 NAPLAN	Indigenous reading (%)	Gap (percentage points)	Change on 2008 Gap (percentage points)	Indigenous numeracy (%)	Gap (percentage points)	Change on 2008 gap (percentage points)
Year 3	74.2	20.5	-4.7	72.7	22.4	+5.0
Year 5	64.7	28.4	-0.8	69.2	25.4	+0.6
Year 7	75.4	19.7	-3.8	74.4	20.5	+2.7
Year 9	67.2	25.5	+2.0	74.2	20.5	-1.8

Source: 2008 and 2012 NAPLAN National Reports—proportion of Indigenous students at or above the national minimum standard.

Nationally in 2012 across reading and numeracy, the percentage of Aboriginal and Torres Strait Islander students who were at or above national minimum standards ranged from 64.7 per cent for Year 5 reading to 75.4 per cent for Year 7 reading.

The greatest improvement in 2012 over the 2011 results in the percentage of Aboriginal and Torres Strait Islander students at or above the national minimum standard was in Year 9 numeracy (up by 2.2 percentage points). This improvement resulted in a reduction in the gap between Indigenous and non-Indigenous students for Year 9 numeracy of 1.8 percentage points between 2008 and 2012. Over the same period, the gap also narrowed for reading in Years 3, 5 and 7.

Program 2.7 Education infrastructure

As part of the government's \$42 billion Nation Building—Economic Stimulus Plan, \$16.2 billion was invested over four financial years (2008–09 to 2011–12) through the Building the Education Revolution initiative. The initiative has achieved its twin objectives: to provide economic stimulus through the rapid construction and refurbishment of school infrastructure, and to build learning environments to help children, families and communities participate in activities that support achievement, develop learning potential and bring communities together.

Building the Education Revolution funding ceased in June 2012.

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

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

These reforms contribute to COAG's social inclusion and Indigenous disadvantage agendas. They focus on teacher quality, principal leadership, school accountability and innovative learning opportunities to better equip students for further education, workforce participation and civic responsibilities.

The Low SES NP is contributing to achievement of the performance indicators set out in the National Education Agreement. These include the proportion of Aboriginal and Torres Strait Islander and low socioeconomic status children enrolled in and attending school and the literacy and numeracy achievement of Aboriginal and Torres Strait Islander and low socioeconomic status students in Years 3, 5, 7 and 9 in national testing.

Strategies that are proving to be successful in high-performing Low SES NP schools include whole-school approaches to literacy and numeracy, targeted intervention for at-risk students, engagement of specialist staff to support student wellbeing, leadership programs for principals, placement of high-performing principals and teachers in Low SES NP schools, strengthened parent and community engagement and establishing partnerships between schools.

Approximately 1790 schools will benefit from this national partnership over the seven years. These schools have some 485,000 students in total, of whom around 67,000 identify as Aboriginal or Torres Strait Islander—or approximately 42 per cent of all Aboriginal and Torres Strait Islander students enrolled in schools around the country.

National partnership funding enhances learning in Victorian school

Canadian Lead Primary School in Ballarat East, Victoria, has an enrolment of 153 students and recently had a \$2 million refurbishment. Significant emphasis is placed on building strong foundations in literacy and numeracy and embedding information and communication technology into teaching and learning. The school has a strong focus on the emotional wellbeing of students, and is supported by the pastoral services of the school chaplain and the Kids Hope mentoring program. Its Active After-school Community Program enables students to participate in a range of recreational activities for three days a week.

The school received \$163,008 in funding under the Smarter Schools—Low Socio-economic Status School Communities National Partnership to employ a teaching and learning leader to coach individual staff across the school. The school's professional learning teams are being supported in fortnightly planning to build consistent whole-school approaches to teaching and learning in literacy and numeracy.

Over the past two years, national partnership funding has enabled the school to significantly improve its learning and pastoral culture. The school is implementing improvements to in-school transition processes so it can track individual students' progress and identify their learning needs. The school encourages positive partnerships between school and home, and teachers and parents, to ensure the best possible learning environment for students. Student-led parent and teacher conferences have been held, and the school has begun to offer parent information sessions to improve understanding of the school's direction in personalised learning.

Principal Scott Phillips said, 'The funding has allowed us to free up experienced teaching staff to act as literacy and numeracy coaches, working directly with graduate teachers and teams to ensure lessons are very tightly focused on achieving the best learning outcomes for the students. This can mean targeted one-on-one work with students using programs such as Multilit and Quick Smart to really lift their performance in literacy and numeracy. The results are starting to speak for themselves.'

Performance information

Table 11 Program 2.8 deliverables

Deliverables	Estimate	Actual
Number of schools assisted	1,734 (over 2009 to 2015)	1,790 ^a

a Figure based on DEEWR data (current at 6 June 2013).

Program 2.9 Smarter Schools—Improving Teacher Quality National Partnership

The Smarter Schools—Improving Teacher Quality National Partnership, in its final year in 2012–13, has supported ambitious, nationally significant and sustainable reforms to attract, train, place, develop and retain quality teachers and school leaders in classrooms and schools. These reforms have provided a platform for raising student performance and supported other schooling reforms targeting low socioeconomic status school communities and literacy and numeracy outcomes.

Bilateral agreements and implementation plans agreed to by the Australian, state and territory governments set out strategies in each jurisdiction to implement reforms, along with payments and state co-investments to be made in support of the national partnership.

Under the national partnership, states and territories were funded to implement reforms such as establishing national professional standards for teachers, nationally consistent teacher registration, and a national approach to the accreditation of initial teacher education; enabling professional development for school leaders; and improving the quality and availability of data on the teaching workforce.

States and territories have been rewarded for their progress in improving teacher remuneration structures, increasing school-based decision making, improving in-school support, rewarding teachers in hard-to-staff and disadvantaged schools and increasing Aboriginal and Torres Strait Islander teachers' and school leaders' engagement with community members.

The Teach for Australia initiative was introduced in 2010 to provide a new pathway into teaching for high-achieving university graduates. To date, associates have been placed in Victoria (government and Catholic schools), the Australian Capital Territory (government schools) and the Northern Territory (government schools, a Catholic school and an independent school). During 2012–13, recruitment for the fourth cohort of associates, including those with a background in science, technology, engineering and maths, was undertaken. In January 2013, 50 new associates started employment and training in placement schools.

Performance information

The effectiveness of the Smarter Schools—Improving Teacher Quality National Partnership was measured by the achievement of reform milestones, which are included in the bilateral agreements and implementation plans. States and territories reported to the government biannually on progress against the agreed facilitation reform milestones and annually to the COAG Reform Council on progress against the agreed reward reform milestones.

In its report (to be released in July 2013) the COAG Reform Council is expected to report that 94 per cent of milestones have been achieved by states and territories to date. Of the 122 milestones set out in the national partnership, 115 have been met by the states and territories. An additional six milestones (four in Victoria and two in Western Australia) have been partially progressed.

Table 12 Program 2.9 deliverables

Deliverables	Estimate	Actual
Number of Teach for Australia associates commenced	50	50

Program 2.10 More Support for Students with Disabilities

The More Support for Students with Disabilities initiative provides funding to government and non-government education authorities to build the capacity of their schools and teachers to provide additional support to students with disability.

In 2012–13, the initiative provided \$78.72 million to education authorities to undertake activities to benefit students according to the needs of their jurisdiction. These activities included:

- purchasing assistive technology to assist the teaching and learning of students with disability
- creating professional development modules on the Disability Standards for Education 2005
- providing professional development for teachers on the use of individual education plans in the classroom
- developing partnerships with the post-school sector to assist students with disability to transition from the school environment.

As part of the National Plan for School Improvement, the More Support for Students with Disabilities initiative was extended to include a further \$100 million in government funding for activities in the 2014 school year. This is on top of the \$200 million the government is providing for the 2012 and 2013 school years.

At 1 March 2013:

- 2809 assistive technology items had been provided to 884 schools and 2908 teachers had been trained in their use
- 218 health or allied health professionals had provided support to 537 schools
- 687 paraprofessionals (such as teacher aides) had undertaken professional development
- 76 support centres had provided support to 485 schools
- 1953 students with disability had been provided with support in undergoing transitions either from school into work or education or between stages of schooling
- 5205 teachers had received professional development to build their skills in special education.

Performance information

Key performance indicators for this initiative have been developed at the jurisdictional level and vary according to activities being undertaken. Indicators are detailed in jurisdiction implementation plans that are approved by the Australian Government.

Program 2.11 Youth support

The government is committed to supporting all young people to make a successful transition from school to further education, training or work. Attaining a Year 12 qualification, or its vocational equivalent, is a factor that significantly affects young people's future economic opportunities and engagement in lifelong learning. The National Partnership on Youth Attainment and Transitions has been driving long-term reform since 2010 to ensure that young people stay engaged in education and training.

Evidence shows that current Year 12 or equivalent attainment rates have not increased significantly over the past decade and that improvement above the long-term trend will be required to meet the COAG target of 90 per cent of school leavers with a Year 12 or equivalent attainment by 2015.

A small proportion of young people are not engaged in productive activities after leaving school and are likely to experience protracted periods of reliance on income support. Other young people require additional support to make a smooth transition from school into further education, training or work. For this group, transition support can reduce 'churn' through education or training courses, and lead to more sustainable employment. Government support has a particular focus on young people who are not fully engaged with education or work.

Office for Youth

The department's Office for Youth aims to ensure that young people reach their full potential; make effective transitions to adulthood as they continue to learn; start work; and make decisions that support a healthy lifestyle. It delivers a range of initiatives to help young Australians engage with their families and the community. These initiatives complement the goals of the National Partnership on Youth Attainment and Transitions.

The Office for Youth is responsible for managing a number of programs that support Aboriginal and Torres Strait Islander young people to make a successful transition from school to university, training or work. Targeted programs include the Indigenous Youth Leadership Program, the Indigenous Youth Mobility Program, the Australian Indigenous Education Foundation, Indigenous Remote Service Delivery Traineeships—Schools, the Governor-General's Indigenous Student Teacher Scholarship, the Australian Indigenous Mentoring Experience, the National Indigenous Youth Leadership Academy and the Reach Foundation.

The Office for Youth manages the Australian Youth Forum, a mechanism for young people to engage directly with the government and have the opportunity to shape and influence public policies, programs or projects that matter to them.

The National Strategy for Young Australians, developed by the Office for Youth in consultation with young people and the youth sector, released in April 2010, sets out the government's vision and goals for young people and provides a framework to guide government investment. The strategy identifies eight priority areas for action: health and wellbeing, education, families, communities, online, work, early intervention and safety.

Australian Clearinghouse for Youth Studies

The University of Tasmania, through the Australian Clearinghouse for Youth Studies, provides the only national youth-specific clearinghouse in Australia. The government entered into a new \$1.2 million contract with the university covering the period from 4 February 2013 to 30 June 2015.

The Australian Clearinghouse for Youth Studies provides information through library and helpdesk services, a comprehensive website and a monthly newsletter. Under the new arrangements, the clearinghouse will expand its services by developing innovative products such as webinars, podcasts, briefing papers, and case studies on the latest youth matters. Access to the latest research is vital in developing good policies and programs that support young people.

National Youth Week

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. The theme for National Youth Week 2013 was 'Be active. Be happy. Be you'. Thousands of young people attended events in metropolitan, regional and remote areas around the country. On 5 April 2013, the government announced the introduction of the National Youth Awards, which will be presented during National Youth Week each year to recognise and celebrate young people, promoting the important contribution they make to the nation.

Youth Development and Support Program

The Youth Development and Support Program provides financial support to non-government, not-for-profit organisations to deliver community-based projects. The program provides \$500,000 annually to fund initiatives that inspire and encourage young people to engage with the government and their communities, and help them develop skills and connections within their communities.

The government funded 15 projects under the theme of 'ready for further study and work' in the 2012–13 funding round.

Positive Body Image Awards

Body image is a major issue of concern to young people. Research indicates that negative body image can affect self-esteem and general wellbeing, inhibit participation in social activities and lead to serious health concerns such as depression and social isolation. In response to these concerns, the government is taking action to promote positive body image and to build young people's resilience to negative body image pressures.

The Positive Body Image Awards, launched in 2011–12, recognise the positive steps taken by the media and entertainment, fashion, advertising and health and wellbeing industries to adopt the principles outlined in the Voluntary Industry Code of Conduct on Body Image. The recipients of the expanded 2013 Positive Body Image Awards will be announced on 9 August 2013.

Heywire

Heywire is an annual competition designed to encourage young people aged 16 to 22 living in rural or regional Australia to submit short stories about life outside the major cities. Each year the winning stories are published through the ABC's platforms and winners are flown to Canberra to develop leadership and policy development skills at the annual Regional Youth Summit.

National Awards for Local Government Youth Engagement and Participation category

The government sponsored the Youth Engagement and Participation category under the National Awards for Local Government in 2013. The youth category recognises councils that empower young people, including those in rural and regional Australia, to take part and be active in their communities.

National Partnership on Youth Attainment and Transitions

The National Partnership on Youth Attainment and Transitions aims to increase the educational engagement and attainment of young people to improve their transitions. It clarifies roles and responsibilities between the Commonwealth and the states and territories, provides a safety net for young people who have become disengaged from education, and drives long-term reform to ensure that young people stay engaged in education and training to increase their skills and qualifications.

In 2012, the proportion of 20–24-year-olds with at least a Year 12 or Certificate II qualification increased by 1.8 percentage points (from 84.1 per cent in 2011 to 85.9 per cent in 2012). Despite this recent increase, growth in attainment will need to accelerate over the next three years to meet the 2015 COAG target of 90 per cent.

However, there are some positive signs for future growth in attainment. The proportion of 15–19-year-olds participating in full-time education and training has increased over the period of the national partnership from 69.5 per cent in 2009 to 75.9 per cent in 2013.

Results reported under the Youth Connections program reflect the positive outcomes for young people who receive individual support services. Youth Connections also delivered group activities for young people in their communities, and improved the coordination and capacity of services for young people at risk.

School Business Community Partnership Brokers continued to build partnerships between schools, businesses and the broader community to meet the needs of young people in their region. In the 2012 calendar year, there were approximately 1450 active and self-sustaining partnerships associated with Partnership Brokers nationally (excluding Victoria), involving more than 4700 partner organisations. In Victoria, the Partnership Brokers program is delivered through the Victorian government's Local Learning and Employment Network and is managed by the Victorian Department of Education and Early Childhood Development.

National Career Development Strategy

The National Career Development Strategy was launched at the Career Development Association of Australia's conference on 23 May 2013. Developed following in-depth research and consultation, the strategy sets out a collaborative vision to 2020 for career development in Australia—that all Australians have the skills, knowledge and capabilities to manage their careers throughout life to support their individual wellbeing and participation in the workforce and contribute to Australia's productivity.

Four priority areas became evident during the development process and are outlined for immediate action:

- involving industry more actively in career development
- building career development skills in individuals
- improving young people's exposure to the world of work
- improving the professionalism of the career development industry.

To coincide with the release of the strategy and support its priority areas, eight Making Career Connections initiatives were announced to accelerate or expand existing projects that are working well.

Youth Connections improves a Tasmanian student's school experience

Gertrude (not her real name) is at school, making friends and no longer being bullied, thanks to Youth Connections in Tasmania.

Gertrude rarely attended school and she was well behind in literacy and numeracy skills. Her hygiene was suffering severely because of unstable family support, and she was eventually removed from her family by Child and Family Services. On the days she went to school, Gertrude was given help with food, clothes and hygiene, but at the same time she was struggling with bullies and had few friends.

Youth Connections team members worked with Gertrude to build her coping skills and help her develop ways to deal with the bullying and her family situation. They arranged weekly numeracy and literacy classes as well as team activities tailored to help with her social skills and interaction, while she continued to attend school.

Gertrude's case worker attends monthly case management meetings, provides feedback on her achievements and discusses her family's mental health issues. The case worker has arranged access visits to Gertrude's extended family, whom she often cannot see because of financial constraints.

With the help of this program, Gertrude has now blossomed into a healthy young girl who regularly attends school and has a positive outlook on life. The bullying problems at school have been resolved and Gertrude has made friends and gets along well with her classmates.

Transition to Independent Living Allowance

The Transition to Independent Living Allowance supports young people aged 15 to 25 with the costs involved in moving from a state-based or informal care situation into an independent living arrangement. Southern Youth and Family Services, located in Wollongong, New South Wales, is the administrator of the allowance. The allowance is a one-off payment up to the value of \$1500 that can be used flexibly to support a young person's transition to independence.

The number of young people accessing the allowance has remained steady over the past two years. In 2012–13, 2566 young people accessed the payment.

Performance information

The effectiveness of the government's youth transition and support services is measured by their impact on the Year 12 or equivalent attainment rates and the number of young people achieving real outcomes within the new programs.

Table 13 Program 2.11 deliverables

Deliverables	Estimate	Actual
National Partnership on Youth Attainment and Transitions		
Progress towards 2015 COAG target of 90 per cent Year 12 or equivalent attainment	85.9%	85.9%
Number of young people for whom outcomes are achieved through support provided by the Youth Connections program	20,000	19,660
Number of regions that School Business Community Partnership Brokers support (delivered through 31 Local Learning and Employment Networks in Victoria)	107	107
Transition to Independent Living Allowance		
Number of young people accessing the Transition to Independent Living Allowance	2,260	2,566

Program 2.12 Student assistance

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

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

ABSTUDY

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

The average number of secondary school students receiving ABSTUDY decreased from 25,636 in 2011–12 to 23,559 in 2012–13. The introduction of the Supporting Families with Teenagers measure on 1 January 2012 made Family Tax Benefit the primary support payment for families with teenagers in full-time secondary study. Some families now choose to continue to receive Family Tax Benefit payments rather than apply for ABSTUDY assistance when the student turns 16. This resulted in a decrease in the number of 'at home' secondary school students receiving the ABSTUDY Living Allowance in 2012–13.

The average number of higher education recipients of ABSTUDY remained stable. ABSTUDY tertiary students decreased slightly from 4334 in 2011–12 to 4308 in 2012–13. ABSTUDY VET students and Australian Apprentices decreased slightly from an average of 5058 in 2011–12 to 5024 in 2012–13.

The eligibility age for the higher rate of ABSTUDY Living Allowance increased from 21 to 22 years on 1 July 2012, in line with changes to Youth Allowance as part of the Building Australia's Future Workforce package.

From 1 July 2012, as part of the package of reforms to student income support, the ABSTUDY personal income test limit was increased from \$236 to \$400 per fortnight, and the student income bank from \$6000 to \$10,000 per year. Approximately 1000 ABSTUDY Living Allowance recipients benefited from this measure in 2012–13.

The Relocation Scholarship is payable to eligible university students receiving ABSTUDY Living Allowance who have to move away from home for study. Independent students who are disadvantaged by their personal circumstances and are unable to live in the family home are also eligible for this scholarship.

In 2012–13, the Relocation Scholarship was \$4000 for eligible students in their first year of living away from home and more than 400 students received this payment. Students from regional areas may receive \$2000 in the second and third years of their study and \$1000 in subsequent years. For students from major cities, the scholarship was \$1000 for each subsequent year. More than 500 students were assisted with these subsequent year payments during 2012–13.

From 1 January 2014, the Student Start-up Scholarship will transition to an income-contingent loan of up to \$2050 per year for new higher education students in receipt of ABSTUDY to help them pay for up-front costs of study. Students who have received a Student Start-up Scholarship prior to 1 January 2014 will continue to remain eligible to receive the scholarship payment while in receipt of student payments.

Assistance for Isolated Children Scheme

The Assistance for Isolated Children Scheme helps the families of primary, secondary and certain tertiary students who are unable to attend an appropriate government school on a daily basis because of their geographic isolation. An appropriate government school is one that offers the student's level of study or, if the student has special health-related or educational needs, one that provides access to the facilities, programs, and environment required for those needs.

The scheme is a demand-driven program based on the numbers of eligible students who lodge a claim. To receive assistance, eligible students must indicate their intent to claim before the 31 December deadline for the year they were studying. As a result, accurate student numbers can only be ascertained following the end of each calendar year. The method used to determine average student numbers was further refined during 2011–12 so comparisons between estimated and actual numbers may not be reliable.

In 2012, 9983 students received allowances at a cost of \$ 60.1 million.

Performance information

Table 14 Program 2.12 deliverables and performance indicators

Deliverables	Estimate	Actual
ABSTUDY—Secondary		
Average number of school students receiving ABSTUDY during the year	23,600	23,559
Assistance for Isolated Children Scheme		
Students in receipt of Assistance for Isolated Children funding	12,176	9,983
Performance indicators		
ABSTUDY—Secondary		
Average number of school students receiving ABSTUDY during the year	23,600	23,559
ABSTUDY—Tertiary and VET		
Average number of higher education students receiving ABSTUDY during the year	4,400	4,308
Average number of Australian Apprentices and students attending a TAFE college or private training institution in receipt of ABSTUDY during the year	5,200	5,024
Average number of tertiary and VET students in receipt of ABSTUDY during the year (total)	9,600	9,332

Program 2.13 Empowering local schools

The Empowering Local Schools initiative aims to empower participating schools to make decisions at a local level by supporting them to better respond to the needs of students and the school community, and to provide services designed to assist their students to achieve their best educational outcomes. While all program funds for the first phase had been provided to education authorities by 30 June 2012, education authorities distributed those funds to schools during 2012–13.

Over the 2012 and 2013 school years, the initiative has focused on supporting increased local decision making in the areas of governance, funding and infrastructure, and workforce in up to 1000 government and non-government schools (the Western Australian government is not participating in the Empowering Local Schools initiative). The initiative comprises:

- start-up grants of \$43.51 million (between \$40,000 and \$50,000 for each participating school) to assist them to manage their increased decision-making responsibilities effectively
- up-front, one-off transition funding to the government sector of \$6.36 million (\$909,000 for each education authority) and the Catholic sector of \$4.07 million (\$509,000 per education authority) to support changes to centralised administrative arrangements required to assist participating schools to assume greater levels of local decision making
- \$3.22 million in funding to support training and professional development for principals and school communities.

Program 2.14 Rewards for school improvement

The Rewards for School Improvement initiative aims to encourage a nationally consistent and rigorous approach to school self-evaluation and improvement planning through implementation of a national school improvement tool. In December 2012, education ministers endorsed the tool, developed in partnership with education stakeholders throughout 2012. The tool will benefit all schools. It is available to schools and systems for optional incorporation within their existing school improvement process. The tool will assist schools to focus on school practices that have a relatively direct influence on the quality of teaching and learning.

Program 2.15 National rewards for great teachers

The Rewards for Great Teachers initiative was established to recognise and reward quality teachers in Australia who achieve certification at the highest levels of the Australian Professional Standards for Teachers. The government invested \$60 million to implement the Australian Teacher Performance and Development Framework and a nationally consistent certification process for highly accomplished and lead teachers in schools across Australia from January 2013.

Service delivery performance

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

DHS's performance against the confidence framework during 2012–13 was satisfactory. New claims for ABSTUDY and Assistance for Isolated Children were processed within agreed timeframes. However, payment accuracy for ABSTUDY remained below the benchmark of 95 per cent, primarily due to failure by ABSTUDY recipients to report changes in their study load.

Random Sample Survey Program

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

The 2012–13 the Random Sample Survey Program conducted 750 reviews of ABSTUDY payments.

Table 15 Level of payment accuracy for ABSTUDY payments, 1 July 2012 to 30 June 2013

Payment type	Rate of accuracy (%)
ABSTUDY	86.5 (± 2.6%)

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

Source: DEEWR Random Sample Survey Program.

Debt management

DHS is responsible for the management of debt identification and recovery on behalf of DEEWR, which performs a monitoring and oversight role.

Under the bilateral management arrangement between DEEWR and DHS, targets are established to measure the overall effectiveness of debt management in relation to DEEWR program payments. There has been recent cross-agency work undertaken to improve reporting of debt management activity. DEEWR and DHS, together with the Department of Families, Housing, Community Services and Indigenous Affairs and the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, agreed to measures to track a suite of debt management issues, including the raising, recovery and timeliness of debt activity. The measures, which have been in place since July 2012, aim to provide broader insight into debt management activities, and are subject to further improvement and refinement over time.

Overall, the performance of debt raising and recovery activities remains within satisfactory parameters.

It should be noted that some of the changes to debt raising, reviews and data matching relate to recent changes in DHS's approach to debt management. This has involved a greater focus on preventative action in relation to debt, so a direct comparison between 2011–12 and 2012–13 figures is not possible.

DHS is, however, dedicating significant resources to improving debt raising activity and is working with DEEWR to establish new debt management targets that take into account recent developments in debt prevention and early intervention as ways of managing debt before it is created.

Table 16 Percentage change in ABSTUDY and Assistance for Isolated Children debt levels from 1 July 2011 to 30 June 2013 and change in growth rate

	Change in \$ 1 July 2011 to 30 June 2012	Change in \$ 1 July 2012 to 30 June 2013	Change in rate of growth
Current recipients	-6.8%	1.8%	Increase
Non-current recipients	4.4%	-6.7%	Decrease

Student income support payments debts raised and recovered

In 2012–13, 13,048 ABSTUDY and Assistance for Isolated Children debts, with a value of approximately \$11.5 million, were raised; around \$11.8 million of debt was recovered, waived or written off by DHS and its contracted mercantile agents.

Reviews of recipients' compliance

Regular reviews of income support recipients' circumstances occur to ensure they are receiving the level of income support they are entitled to. Information obtained from the DHS Integrated Review System shows that 5531 ABSTUDY and Assistance for Isolated Children payment reviews were completed in 2012–13. As a result of those reviews, 1078 payments were reduced or cancelled, 191 payments were increased, and 1394 debts were raised, with an estimated value of \$4.1 million.

Data matching

DHS data is compared with data from other agencies to identify inconsistent recipient information, including incorrect earnings, multiple identities, incorrect rental information and incorrect information about dependants in care. The comparison uses data from the Australian Taxation Office, the Department of Immigration and Citizenship, Defence Housing Australia, ComSuper, the Australian Transaction Reports and Analysis Centre, and state and territory registers of births, deaths and marriages. In 2012–13, 2374 data matching reviews of ABSTUDY payments were conducted.

Outcome 3

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

A skilled workforce is integral to Australia's long-term productivity and economic prosperity. The objective of Outcome 3 is to ensure working-age people of all backgrounds have access to services that assist them to develop new skills and knowledge, gain sustainable employment and participate in society.

While Australia's unemployment rate is low by international standards, an ageing population and ongoing structural changes in the labour market, means the risk of skill shortages across many industries remains. Job Services Australia and Disability Employment Services and related programs, assist disadvantaged job seekers to find employment and address vocational and non-vocational barriers so they can participate in the workforce to their capacity and throughout their working-age lives.

Employment services and programs for job seekers are underpinned by the income support system and compliance framework. Participation requirements and compliance arrangements play an important role: they keep job seekers engaged with education, vocational training and work experience opportunities, and help them to move off income support and into paid employment.

The Indigenous Employment Program provides support for Aboriginal and Torres Strait Islander people. The program complements the assistance available under Job Services Australia and Disability Employment Services. The department works closely with states and territories through COAG and through the national agreements to close the gap in employment outcomes between Aboriginal and Torres Strait Islander people and other Australians.

During 2012–13 the department worked closely with the Department of Families, Housing, Community Services and Indigenous Affairs to design and implement the new integrated Remote Jobs and Communities Program, which will start on 1 July 2013. It replaces Job Services Australia, Disability Employment Services, the Indigenous Employment Program and the Community Development Employment Projects Program in remote areas of Australia. The Remote Jobs and Communities Program, which will operate in 60 regions across Australia, is designed to help more people into employment and contribute to developing strong and sustainable communities.

Outcome 3 priorities

Efficiently and effectively deliver employment services to all eligible Australians.

Deliver employment services programs that address the specific requirements of the most disadvantaged Australians.

Maximise workforce participation, including for mature-age job seekers.

Effectively administer working-age payments for unemployed Australians and parents.

Provide policy advice, data and analysis to the government on the labour market, income support and employment services.

Build on the evidence base for employment services design and delivery.

Implement and evaluate the Building Australia's Future Workforce measures.

Implement measures from the 2012–13 Budget to provide additional support for payment recipients to manage unanticipated financial pressure and to encourage workforce participation.

Manage the national Disability Employment Services—Employment Support Service tender and the transition to the new deed.

Implement the Remote Jobs and Communities Program and ensure a smooth transition to it, with minimal disruption for job seekers, communities, employers and providers across remote Australia.

Lead the implementation of the Seasonal Worker Program, including supporting partner-country governments in relation to their labour-sending arrangements.

Provide policy advice to government on labour market and workplace relations issues associated with temporary, permanent and humanitarian migration programs and ensure that the policy settings of these programs are consistent with World Trade Organization and free trade agreement commitments on foreign workers.

Consult with stakeholders on the development and implementation of new Indigenous Employment Program assessment and funding arrangements, to maximise outcomes.

Outcome 3 achievements

Job Services Australia has achieved more than 1.6 million job placements since its inception on 1 July 2009.

On 1 July 2012, grant funding was announced to 12 successful Job Services Australia providers to participate in the Indigenous Mentoring Pilot in 20 non-remote Employment Service Areas. The pilot has had 1613 job seekers commence in mentoring, resulting in 553 job placements.

Wage Connect has continued to be extremely successful and has facilitated more than 15,500 jobs.

The job seeker compliance framework helped job seekers to re-engage effectively with their employment services provider after instances of non-attendance or other forms of non-compliant behaviour.

A successful tender for non-remote Disability Employment Services—Employment Support Service deeds, helping to ensure that the best providers are delivering employment services to people with disability.

Disability Employment Services continued to deliver sustainable employment outcomes for people with disability. Since 1 March 2010, more than 170,000 paid job placements have been recorded, more than half of which were under the Disability Management Service.

A two-year Moderate Intellectual Disability Loading pilot was successfully completed. The initiative will become an ongoing feature of Disability Employment Services from 1 July 2013.

The Experience+ Corporate Champions program established a panel of industry experts to engage and work with Corporate Champion employers. This year 67 employers signed up to the program.

The Experience+ Career Advice service provided more than 4000 career advice sessions to mature-age people.

An Experience+ Work Ready panel of providers was established to deliver the program across Australia, with 16 providers contracted to deliver 19 projects in 17 locations in 2013.

The Priority Employment Area strategy, including Local Employment Coordinators and Jobs and Skills Expos, was extended through to June 2014 and an additional priority employment area in Greater Geelong was announced.

Twenty-eight Jobs and Skills Expos were held across Australia, attracting around 1800 exhibitors and connecting more than 7100 job seekers with job and training opportunities.

Transition and implementation in 60 regions of the Remote Jobs and Communities Program including consultation, program design, selection of providers and stakeholder engagement.

Supporting Jobless Families started on 1 July 2012 in 10 locations across Australia in a three-year trial. This measure offers additional support to Parenting Payment recipients; enhances child health, early learning and development; and supports family wellbeing.

The Family Centred Employment Project successfully assisted 389 jobless families.

DEEWR contributed to a joint inter-agency submission and other supporting materials to help inform the Education, Employment and Workplace Relations Senate References Committee's inquiry into the allowance payment system.

The Building Australia's Future Workforce package supported participation by young people and jobless families through a number of changes, including increasing the income-free area for Youth Allowance (other) and relaxing the income test taper rate for single parents moving to Newstart on 1 January 2013.

DEEWR implemented the changes to eligibility for Parenting Payment that came into effect on 1 January 2013. The changes were designed to improve equity in income support and to encourage workforce participation for parents following the cessation of the grandfathering arrangements introduced in 2006.

Measures were introduced to provide additional support for payment recipients to manage unanticipated financial pressure. These included a new income support bonus and changes to the Liquid Assets Waiting Period thresholds.

Memorandums of understanding were signed with countries participating in the Seasonal Worker Program, which began on 1 July 2012. Of the available 1600 places for the horticulture sector, 1453 were taken up in 2012–13.

The Indigenous Employment Program recorded a total of 22,598 commencements into employment, training and other assistance; of these, 11,702 were into employment.

DEEWR funded Reconciliation Australia from December 2011 to March 2014, through the Indigenous Employment Program, to deliver the Workplace Ready Program. This program enables organisations to welcome and support Aboriginal and Torres Strait Islander employees and increase the supply of goods and services from Aboriginal and Torres Strait Islander businesses.

Program 3.1 Employment services

Job Services Australia

Workforce participation remains an important component of the productivity agenda as a driver of long-term economic growth. Job Services Australia is a streamlined and personalised service for job seekers, providing them with tailored assistance to equip them with the skills and attributes to meet employers' needs.

Strong results have been achieved for disadvantaged job seekers. Employment outcomes for the most disadvantaged job seekers, those within Stream 4, are around 50 per cent higher than under previous arrangements. Since the start of Job Services Australia in 2009, more than 270,000 job placements have been achieved for Stream 4 job seekers.

New Enterprise Incentive Scheme

Through the New Enterprise Incentive Scheme, eligible job seekers who are interested in starting and running small businesses receive accredited small business training, business advice and mentoring. Once their business has started, these job seekers are eligible for an allowance (equivalent to Newstart), for up to 52 weeks. The scheme supported the establishment of 5674 businesses in 2012–13.

Harvest Labour Services

Harvest Labour Services connects out-of-area workers to jobs in rural areas where the local labour pool is insufficient to meet growers' needs. During 2012–13, the service filled more than 24,296 harvest labour positions in 16 harvest areas throughout Australia.

The service is complemented by the National Harvest Labour Information Service, which publishes the *Harvest Guide*, coordinates the Harvest Trail website www.harvesttrail.gov.au and provides free telephone service information.

Indigenous Mentoring Pilot

The Indigenous Mentoring Pilot provides intensive mentoring support before and after placement to volunteer Aboriginal and Torres Strait Islander job seekers in 20 Employment Service Areas, with priority being afforded to job seekers in Streams 3 and 4. Since 1 July 2012 there have been 1613 commencements in the pilot.

Development of post-June 2015 employment services

On 11 December 2012, the Hon Kate Ellis MP, Minister for Employment Participation, released a discussion paper, *Employment services—building on success*, to initiate consultation on employment service arrangements to apply when the current Job Services Australia and Disability Employment Services—Disability Management Service contracts expire on 30 June 2015. Consultation forums were held from February to April 2013 with employers, job seekers, employment service providers and community service organisations across Australia. More than 440 people from almost 300 organisations attended these forums and 180 submissions were received. The feedback is a key element of the government's consideration of the new model. Further community consultation will take place during 2013–14 before final decisions are taken on the new arrangements.

The results of a number of targeted trials and pilots, including the Job Services Australia Demonstration Pilots, will inform the design of the new employment services model, in particular potential enhancements to Stream 4 services, including partnerships with complementary service providers, to improve employment and education outcomes. The pilots, which represented an investment of \$4.7 million and ceased on 30 June 2013, tested new approaches to service delivery for highly disadvantaged job seekers. More than 2000 job seekers were assisted during the pilots, and the number of paid job placements for pilot participants was twice that of other Stream 4 job seekers being serviced by the same providers in the area. A final evaluation of the pilots will take place in 2013–14. The interim report led to the release of a series of better practice guides to encourage improved service delivery across the entire Job Services Australia program.

Building Australia's Future Workforce

Building Australia's Future Workforce was announced in the 2011–12 Budget as a whole-of-government response to address the challenges of Australia's changing labour market by building an educated and skilled workforce and maximising opportunities for all to experience the benefits of work.

The following initiatives and services were provided under the Building Australia's Future Workforce banner:

- Job Services Australia Demonstration Pilots for highly disadvantaged job seekers were delivered through 20 pilot projects in identified areas of high disadvantage.
- Wage Connect, a wage subsidy to support people who are very long-term unemployed in their transition to sustainable, ongoing paid work. It is designed to increase employment opportunities, provide an incentive for employers to offer jobs to people with minimal or no work experience, and reduce the number of very long-term unemployed job seekers on income support. Due to the strong take-up of Wage Connect, new applications for the program were suspended from 1 February 2013. The next round of subsidies will begin on 1 July 2013. Wage Connect has 10,000 new places available in 2013–14.
- Increased obligations for very long-term unemployed job seekers began on 1 July 2012. Increased participation requirements were introduced for those job seekers entering their second year of the Work Experience Phase, known as the Compulsory Activity Phase. Under this measure, eligible job seekers are required to participate in Work Experience Activities for 11 months out of every 12-month period they remain in the Compulsory Activity Phase.
- Eligible unemployed parents receiving Parenting Payment were given support to access professional career counselling to build their motivation and confidence.
- The Helping Young Parents measure provided support in 10 locations across Australia for young parents on Parenting Payment to undertake education or training leading to the attainment of a Year 12 or equivalent qualification, and to participate in activities focused on parenting and their children's health and early development.
- Assistance to families with young children in 10 locations across Australia, through the Supporting Jobless Families measure, provided new services, opportunities and responsibilities to boost job readiness, child wellbeing and functioning.

Kim's story

Kim, a 45-year-old Indigenous Stream 4 job seeker, had been unemployed for more than four years. She wanted to become a nurse but she had some barriers to fulfilling her goal and had not studied for some time.

Kim's Job Services Australia provider worked with her, and a counsellor, to address the issues affecting her health. Her Job Services Australia provider also researched the study opportunities that were available to her, particularly courses that would allow her to receive recognition for prior learning.

Kim received some funding through the Indigenous Education Scheme to complete a Certificate III in Aged Care. To broaden her employment options, she also undertook study for a Certificate III in Disability, using modules already completed in her Aged Care course. The Employment Pathway Fund paid for two units of this course and for first aid refresher training, as well as the police clearance and clothing and footwear Kim needed to start work.

After Kim had successfully completed the Certificate III in Disability, her Job Services Australia provider contacted a number of aged care organisations to flag her interest in work. One organisation requested her résumé and arranged an interview.

Kim's Job Services Australia provider discussed the benefits of employing her, and advised the employer that they qualified for Wage Connect, a government initiative that helps employers offset the costs of wages and training for new employees for the first six months they are in the job. It gave the employer the chance to train Kim without incurring too much financial outlay.

The employer loved Kim's personality and knew that she would be an asset to the business. Kim was offered the job in May 2012 and has since been independent of Centrelink payments. With the assistance of Wage Connect and the support of the Job Services Australia provider, both Kim and her employer are very happy.

Mature-age strategy

The 2012–13 Budget included more than \$55 million in initiatives to support mature-age job seekers. Experience+ initiatives aim to keep mature-age Australians in the workforce. The four programs that have been implemented are:

- Corporate Champions—supports employers who commit to moving towards best practice in the recruitment and retention of mature-age staff
- Jobs Bonus—provides 2500 jobs bonuses of \$1000 (GST exclusive) a year to employers who recruit an eligible mature-age job seeker
- Career Advice—a free career advice service for any Australian aged 45 or over
- Work Ready—gives intensive support to mature-age job seekers in a peer-based environment.

These programs are being delivered within a broader context of education and support for employers of mature-age workers. Seminars have been delivered to employers nationally to raise awareness about age discrimination and to communicate the business benefits of employing mature-age people.

The Productive Ageing Package—\$43.3 million between 2010–11 and 2014–15—continued to provide funding for several mature-age programs in the form of career advice and Experience+ training.

Seasonal Worker Program

The Seasonal Worker Program started on 1 July 2012. It builds on the Pacific Seasonal Worker Pilot Scheme and contributes to the economic development of participating countries. The program is ongoing for the horticulture sector, and involves eight Pacific Island countries and Timor-Leste. A small-scale, three-year trial is also taking place in the accommodation, aquaculture, cane and cotton sectors in selected regions.

Up to 12,000 places are available to employers who may recruit from nine partner countries: Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu. The program provides 10,450 places for the horticulture sector over four years (to 30 June 2016) and 1550 places for the trial over three years (to 30 June 2015). Only employers unable to find enough local Australian workers to meet seasonal demand can recruit workers under the program.

During 2012–13, seasonal workers were recruited from eight of the nine participating countries and undertook work in all states and territories except for the Australian Capital Territory. Seasonal workers benefit financially from their participation, undertake on-the-job learning, and in some cases undertake training in basic first aid, basic information technology, and English literacy and numeracy.

Program performance

Job Services Australia has achieved more than 1.6 million job placements since it began in July 2009. More than half of the deliverables and performance indicators were met or exceeded in 2012–13. Despite the general easing in labour market conditions, the targets for Job Services Australia have been maintained at or increased on previous years.

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

Further measures of effectiveness are provided through the following broader indicators:

- labour force participation rate for people of workforce age (15–64 years)
- employment-population ratio for people of workforce age
- average duration (in weeks) of unemployment per labour force member.

The outcomes for these indicators also depend on economic and labour market conditions.

Table 17 Program 3.1 Deliverables and performance indicators

Deliverables	Estimate	Actual
Job Services Australia		
Total job placements achieved	450,000	356,439
Performance indicators		
Cost per employment outcome for employment services delivered by Job Services Australia: ^a		
• Streams 1–3	\$3,000	\$1,989
• Stream 4	\$12,000	\$7,539
Proportion of job seekers in employment three months following participation in employment services:		
• Stream 1	55%	55.9%
• Stream 2	50%	41.4%
• Stream 3	30%	31.1%
• Stream 4	25%	22.6%
Proportion of job seekers in education or training three months following participation in employment services:		
• Stream 1	15%	21.8%
• Stream 2	15%	25.2%
• Stream 3	15%	23.6%
• Stream 4	15%	20.2%
Proportion of job seekers off benefit three months following participation in employment services:		
• Stream 1	55%	52.6%
• Stream 2	50%	38.2%
• Stream 3	35%	24.0%
• Stream 4	30%	26.2%
Proportion of job seekers off benefit 12 months following participation in employment services:		
• Stream 1	65%	67.3%
• Stream 2	60%	53.7%
• Stream 3	40%	36.8%
• Stream 4	35%	37.6%

a Cost per employment outcome for employment services delivered by Job Services Australia is calculated as the cost of job seekers assisted divided by the number of job seekers employed (as measured through the department's Post-Program Monitoring Survey) in the reporting period.

Economic conditions

Global economic growth is uneven and Australia's economic growth has slowed although the unemployment rate in Australia is lower than in any of the Group of Seven major economies except Japan and Germany. In seasonally adjusted terms, economic growth in Australia was 1.9 per cent between the June quarter 2012 and the March quarter 2013 (latest available data), compared with the higher growth rate of 3.1 per cent recorded over the same period in the previous financial year.

In terms of state breakdowns, between the June quarter 2012 and the March quarter 2013, economic activity was strongest in the resource-rich states of Western Australia (2.1 per cent) and Queensland (1.8 per cent) but declined in South Australia, Tasmania, the Northern Territory and the Australian Capital Territory. This is in contrast to the previous corresponding period, in which growth in economic activity in the Northern Territory, Western Australia and Queensland was 14.1 per cent, 7.1 per cent and 5.0 per cent respectively between the June quarter 2011 and the March quarter 2012.

The proxy used by DEEWR for economic activity in the states and territories is the sum of seasonally adjusted quarterly state final demand and net international exports, both in chain-weighted terms, using the latest data available from the Australian Bureau of Statistics.

Labour market conditions

Against the backdrop of weak global conditions, a high Australian dollar and slowing economic growth nationally, labour market conditions in Australia continued to ease in 2012–13. While employment increased by 1.4 per cent over the year to June 2013 (to a record high of 11,668,500), the pace of employment growth was well below the long-term trend of 2.1 per cent recorded over the last decade. The increase in employment in 2012–13 was largely due to a rise in part-time employment, up by 96,400 (2.8 per cent) to a record high of 3,524,100, while full-time employment increased by 64,100 (0.8 per cent).

Reflecting the multispeed nature of the economy and the labour market, some Australian industries have been performing strongly while others continue to decline. For instance, large increases in employment were recorded in health care and social assistance (up by 44,300), and education and training (36,600). Encouragingly, large increases in employment were also recorded in some industries in which employment growth has previously been relatively subdued, such as transport, postal and warehousing (up by 46,100), accommodation and food services (43,800), wholesale trade (37,300) and retail trade (37,300).

Employment in manufacturing and in agriculture, forestry and fishing recorded large declines over the year (down by 25,500 and 24,700 respectively), consistent with the long-term structural change in the economy and exacerbated more recently by the high Australian dollar. Mining (down by 7200) recorded its first annual decline in employment since November 2009, reflecting in part the industry's transition from a construction phase to a less labour-intensive operational phase.

In line with the overall softness in the Australian labour market, the level of unemployment increased by 75,300 (or 11.9 per cent) over the year to June 2013, while the unemployment rate also rose, by 0.5 percentage points, to stand at 5.7 per cent in June 2013. Despite this increase, Australia's unemployment rate compares favourably with the much higher rates of unemployment recorded in many other advanced economies such as the United States (7.6 per cent) and the Euro area (12.2 per cent).

Reflecting the softer labour market conditions at the national level, long-term unemployment (people unemployed for 52 weeks or more) increased by 21,500 (or 18.7 per cent) in 2012–13 to 136,300 in June 2013. Regional disparity also remains a concern, with the difference between the highest and lowest regional unemployment rates standing at 5.8 percentage points in June 2013.

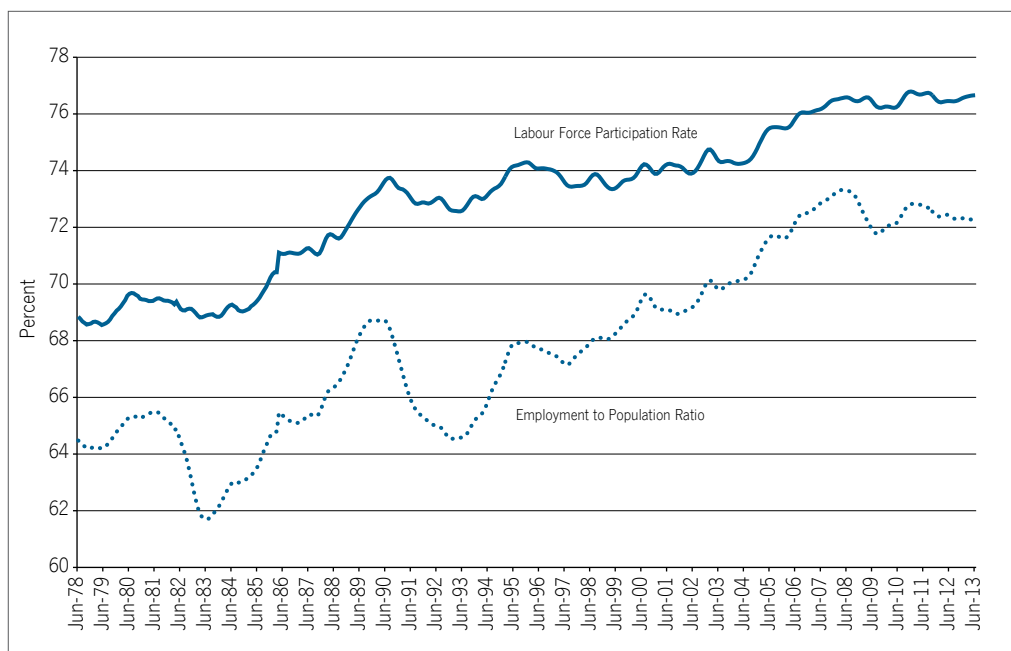
The Australian labour market is likely to remain reasonably soft, at least in the near term. The latest Treasury Budget forecast is for the unemployment rate to edge up to 5.75 per cent by the June quarter 2014.

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

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

The trend employment-to-population ratio for people aged 15–64 years decreased by 0.2 percentage points over the year to June 2013, to a level of 72.2 per cent. This reflects Australia's moderate rate of economic growth combined with moderate growth in the workforce-age population (of 1.3 per cent over the year to June 2013 in trend terms), falls in commodity prices (the Reserve Bank of Australia's Index of Commodity Prices for all items in Australian dollars and original terms fell 5.5 per cent over the year to June 2013) and slow growth in credit to businesses. Despite the fall in the employment-population ratio which would have discouraged some people from participating in the labour force, Australia's trend workforce-age participation rate increased by 0.2 percentage points over the same period, and was 76.7 per cent in June 2013. Recent increases in educational participation and attainment are likely to have provided a countervailing boost to the labour force participation rate.

Chart 4 Labour force participation rate and employment-to-population ratio: persons aged 15–64 years: trend data, June 1978 to June 2013.



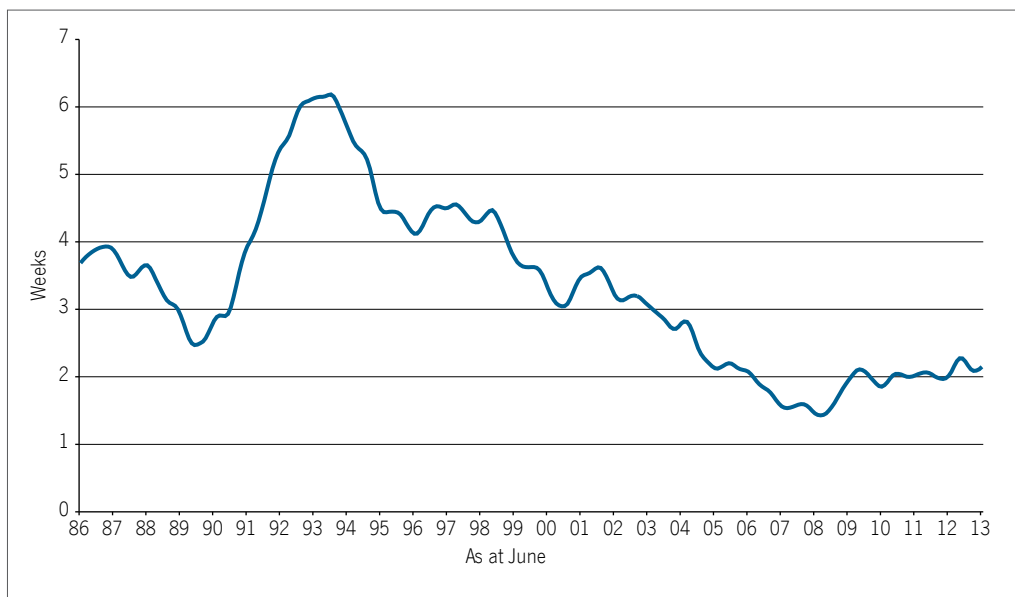
Source: ABS, Labour Force, Australia, June 2013, ABS Catalogue No. 6202.0, Table 18.

The proportion of civilians aged 15–64 years on workforce-age income-support payments increased slightly (by 0.1 of a percentage point) from 16.0 per cent in June 2012 to 16.1 per cent in June 2013. The rate for those with earnings from paid work was unchanged, while the rate for those without earnings from paid work slightly increased by 0.1 percentage point.

Average duration of unemployment

Changes in the average duration of unemployment per labour force member indicate the ability of unemployed people to find work. Chart 5 provides a time series for this measure in trend terms for the last 27 years. In the 12 months to June 2013 the average duration of unemployment per labour force member increased from 2.0 weeks to 2.1 weeks.

Chart 5 Average duration of unemployment per labour force member, June 1986 to June 2013



Source: Based on data from SuperTABLE Data Cube UM1 and Spreadsheet Table 01 in ABS (2013), Labour Force, Australia, Detailed—electronic delivery, June 2013, ABS Cat. No. 6291.0.55.001. These statistics were seasonally adjusted and trended in DEEWR.

Program 3.2 Indigenous employment

The objective of the Indigenous Employment Program is to increase employment outcomes and participation in economic activities for Aboriginal and Torres Strait Islander people. This objective aligns with the government’s commitment to halve the gap in employment outcomes for Aboriginal and Torres Strait Islander people and other Australians by 2018.

The program provides funding for a range of activities. It focuses on employment, training and business support, and complements the services available through Job Services Australia and Disability Employment Services—the largest providers of employment services for Aboriginal and Torres Strait Islander people.

The program offers:

- tailored solutions to assist employers recruit, train and provide sustainable employment for Aboriginal and Torres Strait Islander people
- customised and flexible assistance for Aboriginal and Torres Strait Islander job seekers, including pre-employment and job-specific training
- employment placement, support and mentoring to help Aboriginal and Torres Strait Islander people stay in work
- support for employers, including wage subsidies and support for cross-cultural training
- support for Aboriginal and Torres Strait Islander people to pursue self-employment and business development opportunities.

On 26 March 2013, the department released a discussion paper and held consultations across the country on proposed changes to the assessment and funding processes for the program. Consultations included 11 face-to-face workshops with more than 80 organisations; 55 written submissions had been received by the closing date of 26 April 2013. Both employers and providers have shown a growing interest in Aboriginal and Torres Strait Islander employment and engagement with the program, which has seen a significant increase in demand.

The proposed changes will allow the department to better prioritise projects for funding under the program, ensure investment is targeted to areas of greatest need or opportunity, and maximise the program's contribution to the Closing the Gap employment target. All stakeholder groups reacted positively to the national consultation process, which has highlighted the significant goodwill and commitment to improving Aboriginal and Torres Strait Islander employment outcomes throughout Australia.

The consultations informed the design of the new application and assessment processes announced on 13 June 2013 by the Minister for Indigenous Employment and Economic Development, the Hon Julie Collins MP. The changes introduced a more structured and transparent assessment process to identify priorities for funding. The new process allows the flexibility to develop place- and cohort-based strategies to maximise workforce participation for specific groups and within regions. These strategies will be based on evidence of need or opportunity. The changes also provide panel members, employers and Aboriginal and Torres Strait Islander businesses with greater certainty about how and when decisions are made under the program.

The Indigenous Youth Careers Pathways Program was fully implemented during the year. Following a competitive open tender process, 18 organisations were contracted to provide program services across Australia in the 2013 and 2014 school years.

During 2012–13, the component of the Indigenous Employment Program that applied to stakeholders in remote Australia was transitioned to the new Remote Jobs and Communities Program. In response to the change in geographic scope of the program, new eligibility requirements have been developed for the Indigenous Employment Program to focus support on stakeholders who live in regional and urban areas.

In 2012–13, \$155.37 million was spent under the Indigenous Employment Program. There were 22,598 commencements into projects that supported employment, training, mentoring and other services, of which 11,702 were into employment only.

The Indigenous Opportunity Policy is connected to Commonwealth procurement policy and requires private sector organisations that are contracted to deliver eligible government business to have an approved Indigenous training, employment and supplier plan in place. The plan outlines how the organisation will generate and support employment and business opportunities for Aboriginal and Torres Strait Islander people and businesses. The policy has continued to build momentum among government agencies and corporate Australia. In 2012–13, the policy was applied to at least eight government approaches to market, and 97 organisations are now implementing it. At 31 March 2013, 129 plans had been approved and the policy had been identified in 30 approaches to market since the policy was implemented in July 2011.

Supply Nation, formerly the Australian Indigenous Minority Supplier Council, is an initiative that works to strengthen business-to-business links between Aboriginal and Torres Strait Islander enterprises and corporate and government Australia. Currently, Supply Nation has 192 corporate and government members and 178 certified Indigenous suppliers. Due to the initiative's success, the government is providing additional funding of around \$7.5 million from 2012–13 over three years to support Supply Nation's ongoing work.

The Learn Earn Legend! Work Exposure in Government program was conducted twice in 2012–13, in September 2012 and June 2013. The initiative gives Year 11 and 12 Aboriginal and Torres Strait Islander students exposure to the work of the offices of parliamentarians and Australian public sector agencies, with the aim of increasing their knowledge of the career opportunities available to them. Over the two events, 196 students and 28 teachers came to Canberra, where 161 parliamentarians and 64 Australian public sector agencies opened their offices to the students.

Regional coordinators have been working with local stakeholder committees on strategic plans designed to focus employment and business goals and achieve tangible outcomes. These coordinators are funded jointly by the Australian Government, industry and the community under the Australian Government–Minerals Council of Australia memorandum of understanding on Indigenous employment and enterprise development.

Program performance

During 2012–13 the Indigenous Employment Program achieved 87.6 per cent of its target for total full-year commencements. The program also achieved 82.4 per cent of its full-year employment commencement target.

The proportion of job seekers in employment, education or training following participation in the program exceeded the target, at 76.4 per cent. Notably, around one in three job seekers were in education or training after participation in the program.

Table 18 Program 3.2 deliverables and performance indicators

Deliverables	Estimate	Actual
Number of total commencements (includes commencements in employment, training and other assistance)	25,800	22,598
Number of employment commencements	14,200	11,702
Performance indicators		
Proportion of job seekers in employment and/or education/ training (positive outcomes) three months following participation in Indigenous employment programs	65%	76.4%

Program 3.3 Disability employment services

Disability Employment Services has been in operation since 1 March 2010. The objective of the program is to help people with disability, an injury or a health condition to secure and maintain sustainable employment in the open labour market. Disability Employment Services operates under the terms of the *Disability Services Act 1986*.

The program focuses on the needs of job seekers, with an emphasis on employment, skills development, and education and training. Service providers consider the impact that a participant's disability, injury, or health condition has on their ability to find and retain a job, and provide appropriate tailored assistance to job seekers so that they can achieve sustainable outcomes. Where necessary, participants receive ongoing support in the workplace to help them keep their jobs.

Disability Employment Services has two parts:

- The Disability Management Service provides services to eligible job seekers with disability, a temporary or permanent injury, or a health condition who require the assistance of a disability employment service and who may require flexible ongoing support but are not expected to need regular long-term ongoing support in the workplace.
- The Employment Support Service is available to eligible job seekers with permanent disability who are assessed as needing regular, long-term, ongoing support in the workplace.

During 2012–13, all Disability Management Service contracts were extended until 30 June 2015, and all four- and five-star Employment Support Service providers were offered a contract extension from 4 March 2013 until 4 March 2018.

The business of one-, two- and three-star Employment Support Service providers was put out to an open tender in 2012, with the results announced on 30 October 2012. Successful tenderers received a five-year contract, from 4 March 2013 to 4 March 2018. The competitive tender process provides certainty that the best providers are delivering services to people with disability with the widest possible geographic coverage.

The tender received strong support from the Australian Federation of Disability Organisation, and resulted in 137 providers, delivering 419 generalist and 95 specialist services from 4 March 2013. Many high performing providers expanded their businesses in current and new geographical areas. There has been a 50 per cent increase in the number of service sites, bringing the total number to more than 1600. A wider range of specialist services that go beyond disability types is now available, including specialisations such as youth and homelessness.

An extensive and successful transition process was established, to ensure the 21,600 participants who needed to change providers were well informed and supported through the process.

The transition period was from 1 November 2012 to 3 March 2013. During this time the department provided dedicated transition support and communication material to providers. Participants were given the opportunity to select the provider of their choice and positive feedback was received on this arrangement.

During 2012–13, the department extended the contracts of all Employment Support Service and Disability Management Service providers in remote areas until 30 June 2013. From 1 July 2013, employment assistance for people with disability in remote areas will be delivered through the new Remote Jobs and Communities Program.

Job seekers with moderate intellectual disability have historically had low rates of labour force participation and high unemployment. In 2013 DEEWR completed a successful two-year Moderate Intellectual Disability Loading pilot, which found that loadings on job placement and outcome fees can enhance the rates of employment outcomes and assist job seekers to obtain more hours of employment. From 1 July 2013 the Moderate Intellectual Disability Loading will become an ongoing feature of Disability Employment Services.

Disability Employment Brokers program

The Disability Employment Brokers program was part of the Building Australia's Future Workforce package. The program started on 1 July 2012 and was completed on 30 June 2013. The program aimed to:

- create employment outcomes for Disability Employment Services participants in small to medium-sized businesses in a regional location and industry sector
- foster greater awareness of the advantages of employing people with disability, with a focus on ability rather than disability.

Five separate projects with a total value of \$603,691 were approved for funding and all five projects were successful in meeting their project objectives. The Disability Employment Broker program found jobs for 68 people with disability, placements in work experience for 37 people and training for 20 people. Lessons learnt from the projects are being collated to influence future policies to support employers.

Daniel's story

Futures for Growth is a Disability Employment Broker project managed by Tasmanian Life Long Learning Inc. The project aims to create ongoing career opportunities and increase employment outcomes for participants in the agriculture and horticulture industries. Tasmanian Life Long Learning Inc engaged with local employers and Disability Employment Service providers to identify training and support gaps as well as better ways to help people with disability into a job. The project involved developing working relationships between industry bodies, training providers, employers, people with disability and Disability Employment Services providers to ensure that the training needs of both the employer and employee were met and that job outcomes were achieved. One of the people assisted by Tasmanian Life Long Learning Inc was Daniel.

Daniel is in his mid-twenties, has Asperger's syndrome and was a participant in the project in Launceston. Daniel began a work placement in April 2013 at Second Bite, a company that sources and redistributes food to people in need. He has since successfully made the transition to a paying job as a warehouse worker in the Second Bite warehouse. This is Daniel's first job—it has been a major change for him, but he has put a lot of effort into overcoming the hurdles that have challenged him.

'Daniel has made amazing progress. This is Daniel's first-ever paid role. Daniel has learned how to maintain a regular schedule and how to interact with others in the workplace', says Jennie Slinger, a disability employment consultant with the ORS Group, the Disability Employment Services provider.

Employment assistance and other services

The Disability Employment Services model is underpinned by a suite of support programs that aim to create employment opportunities for people with disability by offering support and education to employers:

- The Employment Assistance Fund provides financial assistance to help cover the costs of accommodating employees with disability at work. It provides funding for workplace modifications, assistive technology, disability awareness training and Auslan interpreting for job interviews and work-related activities. The fund also provides free workplace assessments to identify ways to increase access and productivity.
- The Wage Subsidy Scheme provides a financial incentive to employers to encourage them to employ people with disability who are registered with a Disability Employment Services provider.
- The National Disability Recruitment Coordinator provides services to large employers to help them implement disability employment strategies, improve their knowledge and use of relevant programs, and raise their awareness of working with people with disability.
- JobAccess provides a comprehensive, easy-to-use website and a telephone service where people can get expert advice on disability-related employment matters. The website has step-by-step guides on recruitment, searching for a job, adjusting to a workplace, understanding rights and responsibilities at work, and other topics.
- The Supported Wage System provides productivity wage assessments for people whose work productivity is reduced as a result of disability.

Program performance

Uncapping access to the Disability Employment Service to those people with disability who qualified for the program has led to a major increase in the number of people who have benefited from the program.

The targets for the total job placements achieved and proportion of job seekers in employment three months following participation in the Disability Management Service or Employment Support Service increased in 2012–13 when compared to 2011–12 given the overall increase in the number of people accessing Disability Employment Services. The overall softness in the Australian labour market over the past 12 months however has affected achievements against these increased targets. The tendering of the Employment Support Service led to a short term reduction in outcomes as participants transferred to higher performing providers.

Table 19 Program 3.3 deliverables and performance indicators

Deliverables	Estimate	Actual
Employment assistance and other services— Disability Employment Services		
Number of commencements		
• Disability Management Service	50,000	51,498
• Employment Support Service	45,000	44,301
Total job placements achieved		
• Disability Management Service	31,000	26,305
• Employment Support Service	28,000	21,916
Employment assistance and other services— employer incentives and other services		
• Other disability employment assistance and services including Employer Incentives Scheme incorporating Wage Subsidy Scheme, Supported Wage System and Employment Assistance Fund	16,500	19,036
• National Disability Recruitment Coordinator ^a	500 job placements to 31 December 2012	470 to 31 December 2012
	150 job vacancies from 1 January to 30 June 2013	113 to 30 June 2013
Performance indicators		
Proportion of job seekers in employment three months following participation in employment services		
Disability Management Service	45%	39.2%
Employment Support Service	40%	32.3%

a A new deed for the National Disability Recruitment Coordinator began on 1 January 2013. The deed includes a strong focus on assisting employers to create job vacancies specifically for people with disability. The new target was for 150 such vacancies to be created for the period 1 January to 30 June 2013.

Program 3.4 Remote Jobs and Communities Program

The Remote Jobs and Communities Program aims to achieve personal, social and economic development for people in remote areas through active participation, jobs and stronger communities. The program will contribute to closing the gap on Indigenous disadvantage and support sustainable futures for all people living in remote Australia.

From 1 July 2013, the program will provide a more integrated and flexible approach to employment, participation and community services for people in remote Australia. With funding of \$1.5 billion over five years, the program will build on the strengths of existing services: Job Services Australia, Disability Employment Services, the Indigenous Employment Program and the Community Development Employment Projects program.

Preparing to implement the program

Program implementation has been undertaken jointly by DEEWR and the Department of Families, Housing, Community Services and Indigenous Affairs, with the support of the Department of Human Services. The three departments worked collaboratively throughout 2012–13 on program design, IT development, communication and stakeholder engagement, procurement, training and transition.

Following the announcement of the Remote Jobs and Communities Program on 26 April 2012, more than 90 information and consultation sessions were held in remote communities and regional centres, and with stakeholders, from May to September 2012. The consultations informed the configuration of the remote regions and the detailed program design. A series of roundtables from November 2012 to February 2013 provided the opportunity for DEEWR to talk with employers and industry about the introduction of the program and how providers will work with them in each region to develop the local workforce.

The selection of organisations to deliver the program was undertaken in 2012–13. As part of the expression of interest for the conduct of the program for 2013–2018, applicants were required to demonstrate their:

- connection to, or acceptance by, the communities in the regions applied for
- strategies for employment of and meaningful support for people with different individual needs
- strategies to meet the needs of local employers and industry.

The providers for 60 regions were announced by the Minister for Indigenous Employment and Economic Development between April and June 2013.

A unique feature of the process was the availability of capacity strengthening for potential providers to develop partnering arrangements, support the development of their operations and enhance their delivery of the suite of services.

Comprehensive transition arrangements were established to support the smooth transfer of job seekers from existing employment and participation services to the Remote Jobs and Communities Program at the end of June 2013 and the start of activities with minimal disruption for individuals, communities, employers and providers. DEEWR employees worked closely with program providers as they prepared to begin delivery. Provider training on the program and on job seeker compliance included face-to-face sessions, self-paced modules, live IT training and one-on-one support from departmental staff. Forums were held in major centres in May and June 2013 to build connections between program providers and facilitate links with employers.

How the program will work

Demand-driven ‘jobs first’ employment and participation services will be central to the program. This will provide personalised support for people looking for work, by giving them more access to skills development and training linked to their needs, and to current and emerging job opportunities. Job seekers will be assisted to participate in activities that advance their employment prospects and contribute to community wellbeing. People with disability will receive a more tailored service that responds to their level of capacity and helps them to participate in their community or to find and keep a job.

The new Remote Youth Leadership and Development Corps will see young job seekers undertake a structured program for up to 12 months, which will have a specific focus on providing work experience in jobs that are available in or near their community. The aim is to provide a strong pathway from school to work and to help participants build the skills necessary for sustainable employment. Participants will engage with local leaders, mentors and employers during their program, undertaking a Certificate II or equivalent course with the goal of achieving sustainable employment.

There will be a single Remote Jobs and Communities Program provider with a permanent presence in each of the remote regions, so that job seekers and others have a single, local point of contact for employment and participation services. Remote communities will have a strong say in how providers develop and deliver services. Working together, local people and providers will set priorities and goals for participation, training, employment and long-term development through the community action plans developed for each region.

A Community Development Fund, managed by the Department of Families, Housing, Community Services and Indigenous Affairs is another fundamental element of the program. The fund will support projects that provide employment and participation opportunities for local people and are consistent with the direction of the community action plan.

The program’s performance management framework is designed to support continuous improvement and provide a framework for measuring individual provider performance. It will feature a set of performance indicators covering community engagement and participation, achieving employment and education outcomes, and service quality. The framework will be finalised following community and industry consultation, which began in late 2012–13.

Program 3.5 Working age payments

Program objective

Working age payments support people to improve their prospects of gaining employment, acquire labour market skills and knowledge and participate in society.

Financial assistance is provided to people who are: unemployed; looking for work; undertaking employment preparation programs; have parenting responsibilities; have a partial capacity to work due to disability or young people (aged under 22 years) studying towards a Year 12 or equivalent education attainment.

The 2012–13 Budget included measures to provide additional support for payment recipients to help them manage unanticipated financial pressures:

- Job seekers, Parenting Payment and ABSTUDY (Living Allowance) recipients received a new income support bonus from 20 March 2013 of \$210 per year for singles and \$175 per year for each member of a couple. The bonus is indexed and paid in two instalments in March and September each year.
- From 1 July 2013, new claimants for Newstart Allowance, Sickness Allowance and Youth Allowance are able to keep more of their savings and qualify earlier for payment. The Liquid Assets Waiting period thresholds were doubled from \$2500 to \$5000 for a single person and from \$5000 to \$10,000 for a person who is partnered or has dependent children.

Under changes announced in the 2012–13 Budget, from 1 January 2013 recipients grandfathered under the 2006 Welfare to Work measure (those people granted Parenting Payment before 1 July 2006) became subject to the same income support eligibility rules as other parents and ceased to be eligible for Parenting Payment when their youngest child is six (for partnered parents) and eight (for single parents). This measure brought forward the gradual withdrawal of grandfathering announced in the 2011–12 Budget as part of the Building Australia's Future Workforce package and improves equity in the income support available to this group. Other measures announced as part of the Building Australia's Future Workforce package in the 2011–12 Budget to support participation by young people and jobless families that were implemented in 2012–13 included improving:

- work incentives for unemployed young people through increasing the income test free area of Youth Allowance (other) from \$62 a fortnight to \$143 a fortnight, complemented by an increase in the Working Credit from \$1000 to \$3500 from 1 July 2012
- study incentives and strengthening participation requirements from 1 July 2012 for 21-year-old job seekers by closing Newstart Allowance to all new applicants aged 21 (they will instead be eligible for Youth Allowance (other)) and extending the Learn or Earn requirements to 21-year-old Youth Allowance (other) recipients who do not have a Year 12 or equivalent qualification
- incentives to work from 1 January 2013 by relaxing the income test taper rate for single principal carers on Newstart Allowance.

Newstart Allowance

Newstart Allowance provides income support for eligible job seekers aged 22 years and over, and under Age Pension age. From 1 July 2012 the minimum age for Newstart Allowance eligibility increased from 21 to 22 years. Recipients must satisfy the activity test by seeking and accepting suitable work and participating in activities designed to improve their employment prospects.

At June 2013, there were 660,673 recipients, a 20.2 per cent increase since June 2012, when there were 549,773. This increase includes 72,756 previously grandfathered Parenting Payment recipients (both single and partnered) who transferred to Newstart Allowance on 1 January 2013.

Youth Allowance (other)

Youth Allowance (other) is a means-tested income support payment available to eligible young people aged 16 to 21 years who are seeking or preparing for paid employment or who, until they attain Year 12 or an equivalent Certificate II qualification, are undertaking study or training in combination with other approved activities. Some 15-year-olds, including those who are homeless, may also receive assistance. The maximum age for Youth Allowance for job seekers increased from 20 to 21 years on 1 July 2012.

At June 2013, there were 113,840 recipients, a 35.8 per cent increase since June 2012, when there were 83,802 recipients. This increase is primarily due to the change in the maximum age.

Parenting Payment (Partnered and Single)

Parenting Payment is the main income support payment for the principal carer parent with sole or primary responsibility for the care of a young child. From 1 January 2013, single parents may be eligible for Parenting Payment (Single) until their youngest child turns eight. Partnered parents may be eligible for Parenting Payment (Partnered) until their youngest child turns six.

From 1 January 2013, all principal carer parents in receipt of Parenting Payment have consistent part-time participation requirements once their youngest child turns six years of age. Principal carer parents can meet their participation requirements in several ways including part-time paid work, study or job search of at least 15 hours per week (30 hours per fortnight).

At June 2013, there were 255,411 Parenting Payment (Single) recipients, a 20.1 per cent decrease since June 2012, when there were 319,582. This decrease includes 63,113 single principal carer parents who lost eligibility for this payment on 1 January 2013; most of whom (62,155) transferred to Newstart Allowance.

At June 2013, there were 103,497 Parenting Payment (Partnered) recipients, a 9.5 per cent decrease since June 2012, when there were 114,342. This decrease includes 10,601 partnered principal carer parents who lost eligibility for this payment on 1 January 2013 and transferred to Newstart Allowance.

Mobility Allowance

Mobility Allowance is a fortnightly payment to assist people with disability who are undertaking approved activities and are unable to use public transport without substantial assistance. Mobility Allowance is not subject to the income and assets tests.

To qualify for the standard rate of Mobility Allowance, recipients must be undertaking approved activities such as job seeking or any combination of paid employment, voluntary work, vocational training, independent living, life skills training or vocational rehabilitation for at least 32 hours every four weeks.

At June 2013, 90.0 per cent of recipients received the standard rate and 10.0 per cent the higher rate. There were 63,207 recipients, a 3.0 per cent increase since June 2012, when there were 61,343.

A higher rate of Mobility Allowance may be payable to eligible Parenting Payment, Disability Support Pension, Newstart Allowance and Youth Allowance (other) recipients who are working 15 hours or more a week in the open labour market for wages (at or above the relevant minimum wage), or who are looking for such work under an agreement with an employment services provider.

From 1 July 2013, if a Mobility Allowance recipient is receiving a 'funded package of support' in a DisabilityCare Australia launch site, they will no longer qualify for Mobility Allowance and instead their reasonable and necessary transport needs will form part of their package.

Sickness Allowance

Sickness Allowance is a means-tested income support payment for people who are employed (and on Austudy or ABSTUDY payment) but who are temporarily unable to work or study because of an illness or injury, and have a job or course of study to return to. In June 2013, there were 7494 recipients, a 4.8 per cent increase from June 2012, when there were 7150 recipients.

Partner Allowance

Partner Allowance provides assistance to mature-age people who are partners of income support recipients and who face difficulty gaining employment due to a lack of recent workforce experience. Partner Allowance was closed to new claimants on 20 September 2003 and people who would previously have been eligible for Partner Allowance can apply for Newstart Allowance. The numbers have declined in recent years as a result. In June 2013, there were 9974 recipients, a 28.5 per cent decrease since June 2012, when there were 13,945.

Widow Allowance

Widow Allowance provides income support for older working-age women who are widowed, divorced or separated after turning 40 years of age and have no recent workforce experience. Widow Allowance is being phased out. From 1 July 2005, new grants have been made only to women who were born on or before 1 July 1955. In June 2013, there were 25,681 recipients, an 11.2 per cent decrease since June 2012, when there were 28,935 recipients.

Supplementary payments

Recipients of DEEWR income support payments may be eligible to receive a range of supplementary payments.

Clean Energy Advance

As part of the Household Assistance Package, the Clean Energy Advance is a tax-exempt payment, paid as a lump sum to eligible income support recipients. More than 700,000 payments of the Clean Energy Advance were automatically made to recipients of DEEWR income support payments in 2012–13.

As part of the transition to the fortnightly Clean Energy Supplement, the Clean Energy Advance will cease from 1 January 2014.

Clean Energy Supplement

As part of the Household Assistance Package, the Clean Energy Supplement is an ongoing payment that is paid fortnightly to eligible income support recipients. Recipients of eligible DEEWR income support payments started receiving this payment as part of their usual income support payments from 20 March 2013. More than 1.25 million recipients of eligible DEEWR income support payments received the Clean Energy Supplement during the last part of 2012–13.

From 1 January 2014, additional recipients of DEEWR income support payments will transition from the Clean Energy Advance and start receiving the fortnightly Clean Energy Supplement.

Education Entry Payment

The Education Entry Payment is a lump-sum payment of \$208, payable once annually, to assist with the costs associated with beginning approved study. The payment is available to people on eligible income support payments who meet certain criteria and to those who qualify for the Pensioner Education Supplement. In 2012–13, a total of 88,761 income support recipients received the payment.

Language, Literacy and Numeracy Supplement

The Language, Literacy and Numeracy Supplement is a fortnightly supplement of \$20.80 to assist people on eligible income support payments with the costs associated with participating in a language, literacy and numeracy program. In 2012–13, there were 29,029 income support recipients who received the payment. From 1 July 2013, the previously named Language Literacy and Numeracy Program, which attracted the Language, Literacy and Numeracy Supplement, will be renamed the Skills for Education and Employment Program.

Pensioner Education Supplement

The Pensioner Education Supplement is a fortnightly income support supplement of up to \$62.40 payable to certain income support recipients, such as single parents or people with disability, who are undertaking qualifying full-time or part-time study. In June 2013, there were 46,661 recipients of Pensioner Education Supplement including 22,343 recipients of DEEWR income support payments.

Training Supplement

The Training Supplement was a temporary additional payment under the Jobs and Training Compact of \$41.60 per fortnight for recipients of Newstart Allowance and Parenting Payment who had not completed Year 12 or equivalent, or who had a trade or vocational qualification that could be upgraded to better equip them to find future employment. The supplement was paid to eligible job seekers who fully met their participation requirements by starting an approved Certificate I to Certificate IV course between 1 July 2009 and 30 June 2011. Recipients may continue to receive Training Supplement for courses started prior to 30 June 2011 until the end of the course. In 2012–13 there were 163 recipients.

Utilities Allowance

The Utilities Allowance is a supplement paid to recipients of Partner Allowance or Widow Allowance, who are under Age Pension age, to assist with their household bills, such as energy, rates and water. The allowance is also paid to recipients of Disability Support Pension aged under 21 years who have no dependent children. Eligible households can receive up to \$573.20 per year, paid in quarterly instalments. In 2009, the Pension Supplement replaced the Utilities Allowance, Pharmaceutical Allowance and Telephone Allowance for recipients over Age Pension age. In 2012–13, 43,097 recipients of DEEWR income support payments were paid the Utilities Allowance. The Pension Supplement was paid to 3405 recipients of DEEWR income support payments.

Approved Program of Work Supplement

The Approved Program of Work Supplement is a fortnightly payment of \$20.80 to assist job seekers with the cost of participating in an approved activity such as Work for the Dole, Drought Force, Green Corps and Community Development Employment Projects. In 2012–13, the supplement was received by 54,013 income support payment recipients.

Community Development Employment Projects Participant Supplement

The Community Development Employment Projects Participant Supplement is a fortnightly payment of \$20.80 to assist with the cost of participating in the Community Development Employment Projects program for participants receiving wages under the program. In 2012–13, there were 4749 recipients.

Program performance

Performance is measured by monitoring and analysing payment trends to assess the average duration on income support.

The changing labour market conditions and eligibility for some payments during 2012–13 are reflected in the duration of recipients on income support. The average duration on income support of Newstart Allowance recipients increased to 228 weeks in June 2013 from 180 weeks in June 2012. The inclusion of eligible Parenting Payment recipients transferred to Newstart Allowance on 1 January 2013 was a major contributor to this increase. The average income support duration for Youth Allowance (other) recipients also increased to 94 weeks in June 2013 from 86 weeks in June 2012. The inclusion of 21-year-old recipients with, on average, longer income support durations has contributed to this increase.

The average duration on income support for Parenting Payment (Single) recipients decreased to 286 weeks in June 2013, down from 362 weeks in June 2012. Grandfathering arrangements for Parenting Payment recipients ceased on 1 January 2013 and the transfer of these recipients, with a longer than the average duration, to other income support payments reduced the average duration outcome for this payment.

Exits from payment within three months for people granted Newstart Allowance during the March 2013 quarter were 26 per cent, down from 30 per cent for the equivalent period of 2012. For people granted Youth Allowance (other) during the March 2013 quarter, 27 per cent exited this payment within three months, down from 31 per cent in the equivalent period of 2012. In July 2012, the income free area was increased enabling recipients to earn more income before exiting payment and this may have influenced the result.

The proportion of income support recipients who exited within 12 months of grant was lower than for the previous year. For people granted Newstart Allowance during 2011–12, 68 per cent of recipients exited income support within 12 months of grant, compared to 72 per cent for the previous financial year. Similarly, for the same periods, Youth Allowance (other), exits within 12 months were lower at 67 per cent compared to 71 per cent.

Program performance

Table 20 Program 3.5 performance indicators

Performance indicators	Estimate	Actual
Average (mean) duration on income support by current income support payment (weeks):		
• Newstart Allowance	230	228
• Youth Allowance (Other)	89	94
• Parenting Payment Single	286	286
Percentage of income support recipients who exit income support within three months of grant:		
• Newstart Allowance	32	26
• Youth Allowance (Other)	33	27
Percentage of income support recipients who exit income support within 12 months of grant:		
• Newstart Allowance	75	67
• Youth Allowance (Other)	71	67

Service delivery performance

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

During 2012–13 DHS's performance against the confidence framework for working age payments and job seeker participation was satisfactory and consistent with previous financial years, with payment accuracy for major working age payments remaining steady, although marginally below the target of 95 per cent. Processing of working age payments and job seeker participation reports were largely processed within agreed timeframes.

DHS has introduced a number of new initiatives, which were trialled in 2012–13 and expected to be introduced more broadly in 2013–14, aimed at improving service performance. This includes new technologies to facilitate the reporting of income changes and a focus on contacting income support recipients early to clarify earnings and other changes that may affect their eligibility for working age incomes support payments.

Random Sample Survey Program

The Random Sample Survey Program provides assurance about the accuracy of working age income support payments. Reviews are conducted by DHS on a random sample of the population for each payment type. DEEWR selects the sample and independently validates DHS's conduct of the reviews.

The program provides a point-in-time assessment of recipient circumstances and is designed to establish the value of total outlays accurately paid and to provide reasons for any debt, error or change

in payment rate. It provides benchmark data on the level of inaccurate payments, and in 2012–13 conducted 13,866 reviews.

The survey is the primary means to measure service delivery performance. Under the confidence framework, payments are to be made with 95 per cent, or above, accuracy as measured by the program. In 2012–13, both the overall results and results for some individual working age payments were below the agreed target. DEEWR and DHS continue to work collaboratively to consider ways to improve overall accuracy.

Table 21 Level of payment accuracy determined from the Random Sample Survey Program for the major working age income support payments, 1 July 2012 to 30 June 2013

Payment type	Rate of accuracy ^a (%)
Newstart Allowance	93.6
Parenting Payment (Single)	96.9
Parenting Payment (Partnered)	87.2
Youth Allowance (other)	92.4
Overall	94.3 (±0.5)

a Figures are based on a statistical estimate of the level of accuracy of payments. Working age income support payments are surveyed over three periods during the financial year: 1 July to 31 October, 1 November to 28 February, and 1 March to 30 June. All results are based on preliminary data from the three survey periods and are subject to revision.

Source: DEEWR Random Sample Survey Program.

Debt management

DHS is responsible for the management of debt identification and recovery on behalf of DEEWR and DEEWR performs a monitoring and oversight role in this process.

Under the bilateral management arrangement between DEEWR and DHS, targets are established to measure the overall effectiveness of debt management in relation to DEEWR program payments. Cross-agency work was undertaken to improve reporting of debt management activity. DEEWR and DHS, together with FaHCSIA and the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, agreed to a range of measures to track a suite of debt management issues, including raising, recovery and timeliness of debt activity. The measures have been in place since July 2012 and aim to provide broader insight into debt management activities and are subject to further improvement and refinement over time.

DHS has dedicated resources in 2012–13 to improving debt-raising activity and has introduced changes to debt-raising, reviews and data matching. This involved a move towards a greater focus on preventative action for debt. DEEWR and DHS continue to work to develop new debt management performance measures which take into account these recent developments in debt prevention and early intervention as way of managing debt before it is created.

Working age income support payments debts raised and recovered

In 2012–13, 529,080 new working age income support payment debts were raised, with a value of approximately \$339.1 million; and \$379.7 million of debt was recovered, waived or written off by DHS and its contracted mercantile agents.

Reviews of recipients' compliance

Regular reviews of an income support recipients circumstances occur to ensure they are receiving the correct level of income support they are entitled to. Information obtained from DHS's Integrated Review System shows that 921,976 working age payment reviews were completed in 2012–13. As a result of those reviews, 83,615 payments were reduced or cancelled, 21,020 payments were increased, and 69,539 debts were raised, with an estimated value of \$123.8 million.

Data matching

DHS data is also compared with data from other agencies to identify inconsistent recipient information, including incorrect earnings, multiple identities, incorrect rental information and incorrect information about dependants in care. Data from the following agencies is used as part of the matching process: the Australian Taxation Office, the Department of Immigration and Citizenship, Defence Housing Australia, ComSuper, the Australian Transaction Reports and Analysis Centre and state and territory registers of births, deaths and marriages. In 2012–13, 451,460 data matching reviews were conducted.

Customer service and quality

Survey of employers' recruitment experiences

Surveys of employers' recruitment experiences have been conducted since 2006 in various regions across Australia.

In 2012–13, around 12,000 employers participated in surveys in 32 regions across Australia and provided information about their recent recruitment experiences. The surveys collected information on employers' demand for labour and skills, including unfilled vacancies, occupations that are difficult to fill, the number of applicants per vacancy and reasons why applicants were unsuitable.

Since April 2009, the regional survey program has largely focused on the 20 Priority Employment Areas that were identified as likely to be adversely affected by the global financial crisis, as well as a number of other regions where there has been a strong interest in recruitment conditions and the resultant information.

The survey results show that, while labour market conditions in the Priority Employment Areas remain subdued, there are clearly still opportunities for job seekers across all skill levels. The survey findings, together with other labour market information, inform the development of strategies to better match job seekers with these opportunities. They are also used to develop the presentations on local labour market conditions that underpin a wide range of events, including:

- business breakfasts preceding the government's Jobs and Skills Expos
- whole-of-government events attended by stakeholders such as Job Services Australia providers, training organisations, federal and state departments, and regional councils to develop local solutions to labour market challenges
- events focused on youth transitions and pathways from school to work attended by teachers and career advisers, or students.

In 2012–13, more than 50 such presentations were delivered across Australia. These presentations were attended by around 3000 stakeholders, who received targeted information on their local labour market. Feedback from presentations has been positive and copies of presentations and other related information are routinely requested for wider distribution across the region. The regional labour market reports and presentations are released on www.deewr.gov.au.

Customer service statistics

Since 1 July 2012, the Employment Services Information Line and the Customer Service Line collectively handled more than 179,000 calls from the public about employment support services.

The Customer Service Line managed 29,882 feedback items, including 8759 complaints, 7387 requests for information and 10,432 transfers of job seekers between employment services providers (see Tables 22 and 23).

The Complaints Resolution and Referral Service received 1202 complaint calls from Disability Employment Services clients.

Table 22 Breakdown of feedback by type

Feedback type	Percentage of total	Count
Complaints	29.31	8,759
Requests for information	24.72	7,387
Transfers of job seekers	34.91	10,432
Other (e.g. compliments and suggestions)	11.06	3,304
Total	100	29,882

Table 23 Breakdown of complaints by program

Program	Percentage of total	Count
Job Services Australia	83.54	7,317
Disability Employment Services	14.23	1,246
Indigenous Employment Program	0.01	1
Other	2.22	195
Total	100	8,759

Departmental outputs for Outcome 3

Table 24 Performance information for Outcome 3 departmental outputs

Performance indicators	Estimate	Actual
Program management		
Employment IT applications: defect density for important defect types measured by the mean defect from the International Software Benchmarking Standards Group repository of major defects	Benchmark: Mean defect density (major severity) = 15 defects per 1,000 function points (to be measured four weeks after software release)	4 defects per 1,000 function points
Employment IT applications services— construction and redevelopment of internally developed software	Cost benchmark is \$1,250 per function point. Target is \$1,250 or less	\$1,239 per function point
Employment IT applications availability	Target is 99.5%	99.7%
Services provided by DHS on behalf of DEEWR programs satisfy jointly agreed performance requirements including detailed key performance measures with specific targets	DEEWR monitors the performance of DHS against agreed performance requirements as outlined in the bilateral management agreement. The two departments work collaboratively to address performance issues when targets are not met	DHS met the majority of performance requirements
Client satisfaction		
Level of satisfaction of service providers with contracted information and support	Target is 80%	93.2% satisfied

OUTCOME 4

Safer, fairer and more productive workplaces for employers and employees by promoting and supporting the adoption of fair and flexible workplace arrangements and safer working arrangements

Outcome 4 is focused on achieving safer, fairer and more flexible workplaces for employees and employers.

Several pieces of legislation relating to workplace relations and work health and safety were enacted during the year.

The *Fair Entitlements Guarantee Act 2012* started on 5 December 2012 and replaced the General Employee Entitlements and Redundancy Scheme. The Act provides a legislative basis for advancing certain unpaid entitlements to employees who lose their jobs due to the insolvency of their employer.

The *Fair Work Amendment Act 2012* received royal assent on 4 December 2012 and the *Fair Work Amendment Act 2013* received royal assent on 28 June 2013. The Acts made a number of amendments in response to the post-implementation review of the *Fair Work Act 2009*, the Productivity Commission's inquiry into default superannuation funds in modern awards, and the House of Representatives Standing Committee on Education and Employment's report, *Workplace bullying: we just want it to stop*. The amendments also include measures to help employees balance work and family responsibilities.

The report of the Asbestos Management Review was released publicly on 16 August 2012. The department developed the government's response to the report's recommendations in consultation with all levels of government, unions, industry and community groups. As recommended by the review, the Asbestos Safety and Eradication Agency was established by the *Asbestos Safety and Eradication Agency Act 2013* and will start operations on 1 July 2013. The department developed a national strategic plan for asbestos eradication, handling and awareness, taking into account the review's recommendations. The plan aims to prevent exposure to asbestos fibres in order to eliminate asbestos-related disease in Australia. The Asbestos Safety and Eradication Agency will implement the plan in conjunction with state and territory governments and stakeholders.

Through its membership of Safe Work Australia, the department continued to support the development of model codes of practice as part of the harmonisation of work health and safety laws.

Outcome 4 priorities

Provide policy and legal advice to the government to ensure effective implementation and operation of the *Fair Work Act 2009* and related frameworks, including advice on issues such as the:

- government's response to the Fair Work Act Review
 - Fair Work Commission's annual wage review
 - Fair Work Commission's two-year review of modern awards
 - government's responses to parliamentary committee reports
 - new Road Safety Remuneration System.
-

Provide advice on the government's workplace relations policies for the building and construction industry.

Support the establishment of the Centre for Workplace Leadership.

Support the establishment of the National Workers Memorial.

Progress work on harmonising work health and safety laws, in particular the model codes of practice.

Implement the response to the Asbestos Management Review.

Implement the reviews of the *Safety, Rehabilitation and Compensation Act 1988* and the Seacare scheme—incorporating the *Seafarers Rehabilitation and Compensation Act 1992* and the *Occupational Health and Safety (Maritime Industry) Act 1993*.

Implement the transition from the General Employee Entitlements and Redundancy Scheme to the Fair Entitlements Guarantee.

Outcome 4 achievements

The Fair Entitlements Guarantee was implemented through the *Fair Entitlements Guarantee Act 2012*.

More than \$261 million was advanced under both the Fair Entitlements Guarantee and the General Employee Entitlements and Redundancy Scheme to 16,023 Australian workers who had unpaid employee entitlements after they lost their jobs as a result of their employer's insolvency. The amount advanced in 2012–13 was the highest since the Scheme started in 2001.

The department contributed to the development of the *Fair Work Amendment Act 2012* and *Fair Work Amendment Act 2013*, which responded to a number of recommendations of the Fair Work Act Review, the Productivity Commission's inquiry into default superannuation funds in modern awards and the House of Representatives Standing Committee on Education and Employment's inquiry into workplace bullying.

The department prepared submissions on behalf of the government for the Fair Work Commission's two year review of modern awards on issues including penalty rates, public holidays, outworkers, apprentice wages and junior rates in the *General Retail Industry Award 2010*. In addition, senior departmental officers appeared before the Commission at hearings on several of these matters.

The department, in conjunction with The Treasury, prepared two submissions for the 2013 Annual Wage Review and appeared before the Minimum Wage Panel of the Fair Work Commission.

A competitive process was conducted by the department to select a provider for the Centre for Workplace Leadership. The successful applicant, the University of Melbourne, was announced by the Minister for Employment and Workplace Relations on 21 June 2013.

The department supported the introduction and passage of legislation through the Australian Parliament to establish a national asbestos agency to coordinate a national strategic plan as recommended by the Asbestos Management Review.

The department provided secretariat support for the National Workers Memorial Steering Committee. The National Workers Memorial was unveiled on 26 April 2013, honouring those who have died as a result of a work-related injury or illness. The memorial serves as a poignant reminder of the importance of work health and safety.

The department provided secretariat support to the review of the *Safety, Rehabilitation and Compensation Act 1988*, released on 30 March 2013, and the review of the Seacare scheme, released on 20 May 2013.

The department supported the government's tabling of its response to the *Making it fair: pay equity and associated issues related to increasing female participation in the workforce* report in May 2013.

The department supported the establishment of a new pay equity unit within the Fair Work Commission.

Program 4.1 Employee assistance

This program provides safety net support for employees in certain circumstances or, alternatively, supports longstanding industry arrangements that deliver employee benefits.

Coal Mining Industry (Long Service Leave) Administration Act

Under the *Coal Mining Industry (Long Service Leave) Administration Act 1992* financing arrangements, the cost of portable long service leave entitlements is managed through a central fund administered by the Coal Mining Industry (Long Service Leave Funding) Corporation. Monthly levy collections are paid from the Consolidated Revenue Fund and then transferred by the department to the central fund. In 2012–13, the amount of payroll levy paid by employers to the fund was 2.7 per cent of eligible wages, as prescribed by the Coal Mining Industry (Long Service Leave) Payroll Levy Regulations 1993.

Fair Entitlements Guarantee and General Employee Entitlements and Redundancy Scheme

The Fair Entitlements Guarantee (FEG) is a legislative scheme to replace the administrative General Employee Entitlements and Redundancy Scheme (GEERS). The FEG and GEERS are safety net schemes that protect the entitlements of workers who have lost their jobs as a result of the bankruptcy or liquidation of their employer. They cover the following employment entitlements: unpaid wages (up to 13 weeks), unpaid annual leave, unpaid long service leave, up to five weeks of unpaid payment in lieu of notice and up to four weeks of unpaid redundancy for each full year of service. Payments are also subject to a maximum weekly wage cap that is indexed annually.

During 2012–13:

- A total of \$261,650,549 was advanced in financial assistance under the FEG and GEERS to 16,023 eligible claimants from 2111 insolvent entities.
- Of those claimants who received assistance, 88 per cent were paid 100 per cent of their verified employee entitlements.
- More than 36,500 inquiries were handled by the FEG/GEERS Hotline.
- A total of 1070 requests for reviews of claim decisions were received (6 per cent of the total number of employees claiming assistance).
- A total of 78 appeal requests were received from people dissatisfied with the outcome of their request for review (7 per cent of the total number of employees requesting a review).
- The department responded to three matters from the Commonwealth Ombudsman relating to FEG and GEERS assistance. In each case the Commonwealth Ombudsman closed their inquiry without making any adverse findings about the administration of FEG or GEERS.
- Over \$37 million was recovered on behalf of the Commonwealth through creditor dividends in the winding-up process. The recoveries relate to advances made within or before the current financial year.
- Of the claims finalised, 35 per cent were administered under the FEG and 65 per cent were administered under GEERS operational arrangements.

In administering the FEG and GEERS, the department works closely with insolvency practitioners to determine employees' entitlements and finalise claims quickly and accurately.

In 2012–13, the department surveyed 163 insolvency practitioners to gauge their level of satisfaction with the department's management of the schemes; 91 per cent of insolvency practitioners gave a rating of satisfactory or above. Information from the survey will assist the department to identify improvements to systems and processes to ensure better outcomes for workers needing assistance.

GEERS provides assistance to Darrell Lea employees

In September 2012, chocolate manufacturer and retailer Darrell Lea entered liquidation, making 704 permanent and casual employees redundant. Of those employees, 319 were left with unpaid entitlements. As Darrell Lea was unable to pay its employees the entitlements they were owed, employees applied for assistance from the General Employee Entitlements and Redundancy Scheme.

The department assessed employees' claims and has advanced more than \$10.5 million to employees to date.

On average, employees received assistance within 10.8 weeks of Darrell Lea entering liquidation. The amount advanced comprised:

- \$163,900 in unpaid wages
- \$1,374,120 in annual leave
- \$1,323,869 in long service leave
- \$1,125,617 in payment in lieu of notice
- \$6,718,292 in redundancy pay.

Darrell Lea is one example of the 2111 cases where assistance was provided to Australian workers under GEERS or the FEG in 2012–13.

Program 4.2 Workplace assistance

The objective of this program is to ensure the successful operation of the workplace relations system through initiatives designed to demonstrate the benefit of cooperative workplace relations and to assist employers and employees to understand their rights and obligations under the system.

Fair Work Principles

The Fair Work Principles are designed to ensure that Commonwealth contracts promote fair, cooperative and productive workplaces. They are supported by the Commonwealth Cleaning Services Guidelines, which seek to improve the working conditions of contract cleaners working in Commonwealth buildings. The guidelines are a legislative instrument that set out tender and contract requirements, minimum hourly base rates of pay and the mandatory practices that apply to Australian Government cleaning services contracts.

The mandatory practices require tenderers for contracts to ensure:

- induction and on-the-job training is provided
- suitable equipment and materials are provided as well as training in the safe and effective use, maintenance and disposal of the required equipment and materials
- written duty schedules listing specific tasks are provided
- workloads are fair and reasonable and there are adequate staff to achieve required performance levels
- freedom of association and representation of employees are acknowledged and supported.

Revised guidelines were released on 1 July 2012 which included updated rates of pay for cleaners working for an employer under an Australian Government cleaning services contract.

Productivity Education and Training Fund

The Productivity Education and Training Fund assists peak employer and employee organisations to create long-term education and skills development programs to support cooperative and productive workplaces.

The fund provided \$10 million in 2011–12 and a further \$10 million in 2012–13. The programs that started in 2012–13 will run for between five and 10 years. They are being delivered by the Union Education Foundation, the Australian Chamber of Commerce and Industry and the Australian Industry Group.

National Workplace Education Program

The National Workplace Education Program aims to create a cooperative workplace relations environment by improving employee representatives' skills in, and knowledge of, the Fair Work system.

The program is delivered by the Union Education Foundation, which received a one-off grant of \$10 million in 2010 to be used over five years to provide national workplace education programs to employee representatives.

The foundation has developed courses, curriculum and online resources. Affiliates of the Australian Council of Trade Unions have delivered courses focusing on women, leadership and workplace representatives in regional and rural areas as part of the program.

Social and Community Services Education and Information Program

The Social and Community Services Education and Information Program provides assistance to employers and employees in the sector who were affected by the Equal Remuneration Order handed down in February 2012 by Fair Work Australia (now the Fair Work Commission).

The Australian Government provided \$1.2 million in grant funding across 2011–12 and 2012–13 under the program. National Disability Services delivered the employer components of the program and the Australian Services Union delivered the employee components across all states and territories, covering both metropolitan and regional areas. The program consisted of seminars, webinars, workplace sessions, teleconferences, web-conferencing, online videos, fact sheets and online resources.

Ethical Clothing Australia Education and Compliance Program

The Ethical Clothing Australia Education and Compliance Program provides \$1 million per year to the Homeworkers Code Committee Incorporated to support the promotion of Ethical Clothing Australia.

The Homeworkers Code of Practice is voluntary and encourages manufacturers, suppliers and retailers to make their production and supply chains transparent, to better understand their supply chains to minimise the potential for exploitation of outworkers, and to adopt ethical procurement policies.

The Homeworkers Code of Practice provides for accreditation of parties along the textile, clothing and footwear supply chain to help ensure that homeworkers are employed according to relevant award conditions.

Ethical Clothing Australia's strategies include accreditation of brands' supply chains, verification of compliance with workplace relations laws and a signatory system for retailers. At 30 June 2013, there were 85 accredited manufacturers under the voluntary accreditation system and a further 15 with open accreditation applications. There were also 141 signatory retailers under the code.

Domestic Violence Workplace Rights and Entitlements Project

Since 2010, the government has provided total funding of \$872,000 to the Australian Domestic and Family Violence Clearinghouse for the Domestic Violence Workplace Rights and Entitlements Project. With the support of the Department of Families, Housing, Community Services and Indigenous Affairs, a further \$300,000 in funding was made available for 2012–13. The Clearinghouse used the additional funding to expand its research, training, monitoring and evaluation of family violence-related developments in employment law. The project will cease on 31 July 2013 in accordance with the existing funding agreement.

The principal aim of the project was to improve the knowledge and capacity of unions and employer organisations to support employees who are experiencing domestic violence. The project focused on developing:

- a range of workplace provisions and practices to assist victims of domestic violence to remain in the workplace
- resources to inform unions and employer organisations about domestic violence issues, such as fact sheets, training modules and an online training tool
- a framework to enable the collection, monitoring and evaluation of data about the experience of domestic violence and the implications for the workplace
- strategies to encourage the adoption of domestic violence provisions in enterprise agreements. At least 160 enterprise agreements approved up to 30 June 2013, covering over 110,000 employees, contained domestic violence provisions.

International Labour Organization

The department represented the Australian Government at three International Labour Organization (ILO) governing body meetings as well as at the 102nd session of the International Labour Conference held in Geneva in June 2013. Departmental delegates contributed to discussions on measures to improve social dialogue and address modern challenges to the world of work, including the new demographic context and the role of jobs in achieving environmental sustainability. They were also influential in the conference's decision to adopt a resolution to discontinue ILO sanctions in Myanmar. More information about the department's involvement in ILO matters can be found in Part 4.

The department worked closely with AusAID and the ILO on the ongoing management of the Australian Government–ILO Partnership Agreement 2010–2015. Projects operating under the agreement in 2012–13 were the Better Work Programme, the Pacific Growth and Employment Project, the Labour Governance and Migration Project, and the Tripartite Action to Protect Migrants within the Greater Mekong Subregion from Labour Exploitation Project.

The department has been involved in other international labour forums and in the negotiation of labour provisions in the Trans-Pacific Partnership free trade agreement and the Australia–Japan free trade agreement.

International labour standards and priority conventions

During 2012–13, the department supported government efforts to ratify the ILO Minimum Age Convention, 1973 (No. 138) and the Labour Inspection (Agriculture) Convention, 1969 (No. 129). All state and territory governments advised that their law and practice is compliant with each convention and most jurisdictions supported ratification of the conventions. The conventions, along with accompanying national interest analyses, were tabled in Parliament on 12 March 2013. They were referred to the Joint Standing Committee on Treaties, which at 30 June 2013 had not reported to parliament.

The department also supported government efforts to ratify the Home Work Convention, 1996 (No. 177), the Safety and Health in Mines Convention, 1995 (No. 176) and the Occupational Safety and Health (Dock Work) Convention, 1979 (No. 152). Most state and territory governments have advised that their law and practice is compliant with the conventions.

Consideration of the Indigenous and Tribal Peoples Convention, 1989 (No. 169) began in early 2013.

Protected Action Ballots Scheme

Under the Fair Work Act, a protected action ballot of eligible workers is required to approve the taking of lawful industrial action to pursue claims during bargaining for an enterprise agreement, except where the action is in response to industrial action by the other party in enterprise bargaining. During 2012–13 the government met the full cost of 816 ballots, paying just over \$1.12 million under the scheme.

Program 4.3 Workers compensation payments

The *Safety, Rehabilitation and Compensation Act 1988–s90D* is appropriated for the purposes of Comcare's Outcome 2—an early and safe return to work and access to compensation for injured workers covered by the Comcare scheme through working in partnership with employers to create best practice in rehabilitation and quick and accurate management of workers' compensation claims—Component 1.2.2: Management of premium claims.

The *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005–s8(2)* is appropriated for the purposes of Comcare's Outcome 3—access to compensation for people with asbestos-related diseases where the Commonwealth has a liability through management of claims—management of common law asbestos claims.

Program deliverables

- Compensation decisions that are consistent, prompt and fair.
- Better support for Comcare decision makers through improved insight and business process reforms in response to trends identified through accurate and accessible data.
- Expectations of employers' roles and responsibilities as rehabilitation authorities are clear and supported by targeted audits and regulatory activity.
- Manage asbestos-related claims liabilities consistently and in accordance with relevant legislation or Australian Government policies.
- Support Safe Work Australia to harmonise approaches to safety, statutory and common law compensation for workplace dust diseases.
- Maintain accurate data and other information about asbestos-related liabilities to ensure accurate valuation of future projected liabilities.

- Delivery of practical programs and research which raise awareness of asbestos, improve its management and removal and provide better treatment and support for asbestos-related disease sufferers and their families.

Performance information

The resolution time for primary asbestos claims improved in 2012–13, exceeding the target of 65 per cent. The target for resolving claims within 180 days covers all claims settled in the financial year, including claims brought forward from previous years.

The target to recover five per cent of the value of asbestos claims settlements was reached in 2012–13. This reflects a continuing commitment to pursuing viable claims for recovery of damages from third parties. Monies recovered from third parties are returned to the Consolidated Revenue Fund, contributing to the preservation of funds available for future compensation payments.

Performance of the management of premium claims is primarily assessed through the monitoring of the satisfaction of employers and injured workers with recovery and support services. Additional indicators are listed in Table 25.

Management of common law asbestos claims is evaluated through:

- the extent to which Comcare complies with the Commonwealth Legal Service Directions, the management objectives contained in the Asbestos Litigation Policy Statement and any court or tribunal rules or orders in respect of all asbestos-related disease claims
- the accuracy and completeness of data given to external actuaries for the purpose of the annual actuarial valuation of asbestos-related liabilities
- other performance measures described in the table below.

Table 25 Program 4.3 performance indicators

Performance indicators	Estimate	Actual
Premium claims		
Durable return to work rate (percentage of injured workers with two weeks lost time who were working in a paid job 7 to 9 months after lodging their claim)	89%	80%
Funding ratio (percentage of premium-related total assets to premium-related total liabilities)	74%	64%
Percentage of licensees complaint with licensing obligations	100%	97%
Commonwealth average premium rate	1.80	1.77
Common law asbestos claims		
The percentage of primary asbestos claims settled by Comcare within 180 calendar days	65%	77%
Percentage of the value of asbestos claims settlements recovered from third parties	5%	5%

Comcare reports on their 2012–13 estimates as published in the 2012–13 Portfolio Budget Statements. Further information on these and other performance indicators can be found in the Comcare annual report.

Workplace relations policy

Fair Entitlements Guarantee

The *Fair Entitlements Guarantee Act 2012* was passed by parliament on 28 November 2012 and started operation on 5 December 2012 (see page 97). The Fair Entitlements Guarantee Regulation 2012 was made to establish a special scheme of financial assistance for contract outworkers in the textile, clothing and footwear industry and started on 15 May 2013.

Building and construction industry

During 2012–13, the department continued to support and provide advice on the government's workplace relations policies for the building and construction industry. Areas of focus included promoting sustainable workplace health and safety, administering the Australian Government Building and Construction OHS Accreditation Scheme (through the Office of the Federal Safety Commissioner), and providing policy advice on the requirements for industry participants that wish to undertake Commonwealth funded building work.

Building Code 2013

The Building Code 2013 sets out the Australian Government's required standards for all building contractors or building industry participants involved in Commonwealth-funded construction projects. It was issued under section 27 of the *Fair Work (Building Industry) Act 2012* and came into effect on 1 February 2013. The code is based on the May 2012 Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry and replaces all versions of the guidelines.

The Building Code 2013, the *Fair Work (Building Industry) Act* and designated building laws including the *Fair Work Act* provide a comprehensive statement for building contractors and building industry participants of what workplace practices can and cannot occur in relation to building work.

The department continued to provide advice and assessment services on the compliance of building and construction employers' industrial instruments with the Building Code 2013 (and, before February 2013, the guidelines). During 2012–13, the department completed 8656 assessments, with an average turnaround time of 3.77 days. This was well within the target response time of 10 days.

Government response to the Fair Work Act Review

Following the release of the Fair Work Act Review report on 2 August 2012, the government consulted with employers, employer organisations, unions, state and territory governments and other stakeholders in developing the government's response to the review. The consultations included two roundtable discussions with small business representatives.

The government responded to the review in two stages. The *Fair Work Amendment Act 2012*, passed by parliament on 28 November 2012, covers four main areas:

- changes to the unfair dismissal provisions to improve the integrity of the application and hearing process, and to align the timeframes for making unfair dismissal claims and general protections dismissal claims at 21 days
- changes to the structure and operation of the Fair Work Commission, as recommended by the review panel and proposed by the President of the Commission

- a process for determining the most suitable funds to be listed as default funds in modern awards that meets the principles and model outlined by the Productivity Commission, in a way that is workable for employers and employees
- other technical and clarifying amendments recommended by the review panel, and for which there was broad agreement among stakeholders.

The Fair Work Commission also amended its application requirements for unfair dismissal claims to require more information about the circumstances of the dismissal, which addressed recommendation 44 of the review.

The *Fair Work Amendment Act 2013* represented the second tranche of the government's response and was passed by parliament on 27 June 2013. The Act:

- extended the functions of the Fair Work Commission to include promoting cooperative and productive workplace relations and preventing disputes
- introduced new family-friendly arrangements, including providing further flexibility for unpaid parental leave, providing that taking unpaid special maternity leave does not reduce an employee's entitlement to unpaid parental leave, ensuring that all pregnant women have the right to transfer to a safe job, and expanding eligibility for the right to request flexible working arrangements to a broader range of employees
- provided new rostering protections to require employers to provide information to employees and consult with them about changes to regular rosters or ordinary hours of work
- made changes to right-of-entry rules, including giving the Fair Work Commission greater power to resolve disputes about frequency of visits, and introducing new rules for the location of discussions and interviews and new arrangements to facilitate right-of-entry access to remote worksites
- gave the Fair Work Commission the power to conduct arbitration, with the consent of the parties, of general protections dismissal and unlawful termination applications.

The Act also introduces, from 1 January 2014, an individual right of recourse for people who are being bullied at work, implementing recommendations of the House of Representatives Standing Committee on Education and Employment inquiry into workplace bullying in 2012.

Road safety remuneration system

The department monitored implementation of and provided policy advice on the *Road Safety Remuneration Act 2012*, which started on 1 July 2012. The Act established the Road Safety Remuneration Tribunal, which is an independent body comprising both Fair Work Commission members (who are dual-appointed members of the commission) and road transport industry specialists.

The tribunal has the following functions:

- making road safety remuneration orders, which can set minimum pay and related conditions for road transport drivers
- approving road transport collective agreements with contractor drivers
- dealing with certain disputes about remuneration and related safety issues in the road transport industry, including by mediation or conciliation, making a recommendation or, if all parties agree, arbitration
- conducting research into pay, conditions and related matters that could be affecting safety in the road transport industry.

The Act also establishes a compliance regime for enforcing road safety remuneration orders, road transport collective agreements and any orders arising from arbitration of a dispute.

During its first year of operation in 2012–13, the tribunal focused on inquiries into the retail, livestock, bulk grain, and interstate and intrastate long-distance sectors of the road transport industry.

Workplaces of the future

In March 2013, the Society for Knowledge Economics delivered its report on the design of the Workplaces of the Future initiative to the department. The report provides evidence and proposes strategies for building leadership and management capability in Australian workplaces to enhance productivity.

The department will use the report as part of its broader policy development around the future of workplaces. This work has been ongoing since the department held the first Workplaces of the Future forum in 2009.

Centre for Workplace Leadership

Through a competitive process, the University of Melbourne was selected to establish and run the Centre for Workplace Leadership. Total funding includes \$12 million over four years from the Australian Government and around \$5 million in cash and in-kind contributions from businesses and the university.

The Centre for Workplace Leadership is designed to improve workplace productivity by creating higher performing workplaces and stronger leadership capability in Australian workplaces. The centre will raise public awareness about the importance of good leadership and people management and work directly with businesses across Australia to help them develop their skills in these areas.

A role of the centre will be to advocate the benefits of improving leadership capabilities for employers and employees alike. The centre will provide leadership training and conduct further research on the links between leadership, productivity and employee engagement.

Among the first projects the centre will undertake are:

- creating and making available tools and resources to help workplaces to measure their own performance and benchmark themselves against similar businesses
- developing and delivering practical workplace training and education for managers and workplace leaders
- working with a technology firm to investigate how telework can increase productivity, including how managers can respond and adapt to telework technology
- conducting research in a business to measure the impact of building workplace leadership across a supply chain.

Review of modern awards

During 2012–13, the department supported the government's participation in the two-year review of modern awards conducted by the Fair Work Commission. The department made submissions to the full bench hearings constituted by the commission on penalty rates; public holidays; work health and safety; textiles, clothing and footwear; and apprentices, trainees and juniors, including a review of junior rates under the General Retail Award.

Annual Wage Review

Jointly with the Treasury, the department managed the government's submissions to the Fair Work Commission's 2012–13 Annual Wage Review. On 3 June 2013, the Minimum Wage Panel of the commission announced its decision to increase minimum wages and award wages by 2.6 per cent from 1 July 2013. This decision increases the national minimum wage by \$15.80 per week to \$622.20 per week (\$16.37 per hour).

Workplace relations legal

During 2012–13, the department provided legal advice to portfolio ministers, portfolio agencies and other stakeholders about:

- the operation of the Fair Work framework and the national workplace relations system
- developments arising from court and tribunal decisions in federal, state and territory jurisdictions
- work health and safety, workers compensation and public sector employment matters.

Primary legislation

The *Asbestos Safety and Eradication Agency Act 2013* will establish from 1 July 2013 the Asbestos Safety and Eradication Agency as an independent body. The agency's functions include advocating, coordinating, monitoring and reporting on the implementation of the national strategic plan and providing advice to the Minister for Workplace Relations about asbestos safety. The Act also establishes the Asbestos Safety and Eradication Council which has functions that include providing advice to the CEO and Minister and monitoring the adoption of the National Strategic Plan.

The *Fair Entitlements Guarantee Act 2012* started on 1 January 2013. The Act replaced the administratively based General Employee Entitlements and Redundancy Scheme with legislated arrangements for advancing unpaid entitlements to employees who lose their jobs due to insolvency of their employer.

The *Fair Work Amendment (Textile, Clothing and Footwear Industry) Act 2012* started on 1 July 2012. It amended the Fair Work Act to enhance entitlements and protections for outworkers in the textile, clothing and footwear industry.

The *Fair Work Amendment (Transfer of Business) Act 2012* amended the Fair Work Act and related legislation to enable former state public sector employees in Queensland, New South Wales, South Australia, Tasmania and Western Australia to retain certain key terms and conditions of employment when their employment moves from the state public sector to the national workplace relations system as a result of a transfer of business.

The *Fair Work Amendment Act 2012* amended the Fair Work Act to implement the government's response to a number of recommendations arising from the Fair Work Act Review. *The Fair Work Amendment Act 2012* and the *Superannuation Laws Amendment (MySuper Capital Gains Tax Relief and Other Measures) Act 2013*, also implemented the government's response to the Productivity Commission's inquiry into default superannuation funds in modern awards.

Most changes in the *Fair Work Amendment Act 2012* came into effect on 1 January 2013. Changes relating to default superannuation funds in modern awards will begin on 1 January 2014.

The *Fair Work Amendment Act 2013* amended the Fair Work Act to implement the government's response to additional recommendations from the Fair Work Act Review and further measures arising from the government's consultation with stakeholders. Most amendments start on 1 January 2014; however, certain amendments, such as the family-friendly measures, will begin on 1 July 2013. The amendments relating to registered organisations began on 29 June 2013.

The *Fair Work Amendment Act 2013* also implemented the government's response to the House of Representatives Standing Committee on Education and Employment report *Workplace bullying: we just want it to stop*. These amendments, which begin on 1 January 2014, will:

- enable workers who have been bullied at work to apply to the Fair Work Commission for an order to stop the bullying
- require the Fair Work Commission to start dealing with an application within 14 days
- enable the Fair Work Commission to make any appropriate orders to stop the bullying (other than orders for payment).

The *Fair Work Amendment Act 2013* also amended the *Fair Work (Registered Organisations) Amendment Act 2012*. The Act now specifies that the commencement of Part 2 of Schedule 1 is 1 January 2014, while ensuring that relevant disclosures for the period between 1 July 2013 and 31 December 2013 are still required; provides greater clarity and ensures consistency with the Act amendments regarding disclosure of remuneration; and makes related consequential amendments to the Act.

The *Road Safety Remuneration Act 2012* and the *Road Safety Remuneration (Consequential Amendments and Related Provisions) Act 2012* started on 1 July 2012 and established the Road Safety Remuneration Tribunal.

Regulations

The following regulations were made during 2012–13:

- The Building Code 2013 came into effect on 1 February 2013. The Building Code sets out the standards required of contractors who undertake Commonwealth-funded building work.
- The Coal Mining Industry (Long Service Leave) Legislation Amendment Regulation 2012 extended administrative deadlines relating to the Coal Mining Industry (Long Service Leave) scheme.
- The Fair Entitlements Guarantee Regulation 2012 extends advances of financial assistance to contract outworkers in the textile, clothing and footwear industry for unpaid entitlements due to the insolvency or bankruptcy of the person who engaged them to carry out the work.
- The Fair Work Amendment Regulation 2013 (No. 1) amended regulation 3.25 of the Fair Work Regulations 2009 to add the South Australian *Work Health and Safety Act 2011* to the list of prescribed state and territory occupational health and safety laws.

- The Fair Work Amendment Regulation 2013 (No. 2) amended the Fair Work Regulations 2009 consequential to the *Fair Work Amendment Act 2013* to prescribe additional information for the Fair Work Information Statement and to amend the model consultation term for enterprise agreements.
- The Fair Work Amendment Regulation 2012 (No. 2) amended regulations consequential to changes to the Fair Work Act made by the *Fair Work Amendment (Transfer of Business) Act 2012*.
- The Fair Work Amendment Regulation 2012 (No. 3) amended the Fair Work Regulations 2009, consequential on amendments to the Fair Work Act made by the *Fair Work Amendment (Textile, Clothing and Footwear Industry) Act 2012*.
- The Fair Work (Building Industry—Accreditation Scheme) Amendment Regulation 2012 (No. 1) made some technical amendments and amended the Accreditation Scheme Regulations to exempt the Commonwealth and Commonwealth authorities from the requirement, under the *Fair Work (Building Industry) Act 2012*, to engage scheme-accredited builders when entering into contracts for building work with a joint venture in certain circumstances.
- The Fair Work Legislation Amendment Regulation 2012 (No. 1) amended the Fair Work Regulations 2009 to:
 - reflect amendments made by the *Fair Work Amendment Act 2012* to allow electronic voting for protected action ballots
 - require the Fair Work Commission President to provide the Minister and the Fair Work Ombudsman with information about the number of orders for costs made against a party in an unfair dismissal matter, and the number of unfair dismissal applications dismissed under new provisions included in the Fair Work Act by the *Fair Work Amendment Act 2012*
 - preserve status entitlements of certain members of the Fair Work Commission
 - reflect the name change of Fair Work Australia to the Fair Work Commission, including consequential amendments to other regulations.
- The Fair Work Legislation Amendment Regulation 2012 (No. 2) amended the Fair Work Regulations 2009 to ensure that the Fair Work Act continues to apply to ships engaging in coastal trading, following commencement of coastal trading reforms on 1 July 2012.
- The Fair Work (Transitional Provisions and Consequential Amendments) Amendment Regulation 2012 (No. 2) amended the Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009 and the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009* to provide annual wage increases for employees in the Queensland social and community services sector whose minimum wages are set by transitional pay equity orders made by Fair Work Australia.
- The Road Safety Remuneration Regulation 2012 prescribes recordkeeping requirements for employers and hirers of road transport drivers and for supply chain participants, as well as a range of other matters necessary or convenient for carrying out or giving effect to the *Road Safety Remuneration Act 2012*.
- The Work Health and Safety Amendment Regulation 2012 (No. 1) extended the transitional period for obtaining a high-risk work licence for the operation of a reach stacker, included a new fee for the issue of a general construction induction card and corrected a minor drafting error.
- The Work Health and Safety Codes of Practice 2012 approved 12 codes of practice for the purpose of the *Work Health and Safety Act 2012*.
- The Work Health and Safety Legislation Amendment Regulation 2012 (No. 1) made amendments to the Work Health and Safety Regulations 2011 and the Fair Work Regulations 2009 related to the training of and the provision of entry permits to health and safety representatives.

Workplace safety

Office of the Federal Safety Commissioner

The Office of the Federal Safety Commissioner administers the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme and works closely with Australian Government agencies and industry to ensure effective implementation of the health and safety requirements of the *Fair Work (Building Industry) Act 2012*.

The scheme aims to establish best practice in health and safety systems of building companies that wish to undertake Commonwealth building work. At 30 June 2013, 280 companies were accredited under the scheme. In addition, the office had been notified of 947 directly and indirectly funded contracts for building work covered by the scheme with a combined value \$49.26 billion.

Outcome performance indicators

Table 26 Performance indicators for Outcome 4

Performance indicators	Year to June quarter 2012	Year to June quarter 2013
<i>The federal workplace relations system supports improved productivity outcomes</i>		
Productivity as measured by output per hour worked in the market sector (annual, trend terms)	2.8%	2.3%
ABS wage price index (annual, seasonally adjusted terms)	3.7%	2.9%
<i>Low incidence of industrial action (allowing for variations in the bargaining cycle)</i>		
Working days lost per thousand employees	28.8	20.2
Working days lost in federal bargaining disputes (annual) ^a	Not available	Not available
<i>Collective bargaining is widely used by employers and employees to negotiate pay and conditions</i>		
Number of enterprise agreements approved under the <i>Fair Work Act 2009</i>	8128 Fair Work Act agreements approved	9769 Fair Work Act agreements approved

a This data is no longer available as the ABS figures include working days lost from all industrial disputes, not just those under the Fair Work Act.

The effectiveness of Outcome 4 in achieving the government's policy and program objectives is measured through the indicators set out in Table 26. The department works to encourage employers and employees to adopt fair and flexible workplace arrangements and to provide timely policy advice on workplace relations, workplace health and safety, and workers compensation issues.

Wages and earnings

The Australian Bureau of Statistics (ABS) wage price index increased by 2.9 per cent (seasonally adjusted) over the year to the June quarter 2013, down from 3.7 per cent over the year to the June quarter 2012. The annual wage price index result reflects a softening in labour market conditions over the year.

The statistics indicate public sector wages grew by 2.8 per cent, while private sector wages increased by 3.0 per cent.

In industry terms (original data), the highest rate of increase in the index was in electricity, gas, water and waste services (3.9 per cent). The lowest annual increases was in education and training (2.5 per cent).

Real wages, as calculated using the ABS *Australian national accounts: national income, expenditure and product*, fell by 1.1 per cent (seasonally adjusted) over the year to the June quarter 2013. By contrast, over the year to the June quarter 2012, real wages rose by 2.7 per cent. The decrease in real wages was due to an increase of 1.9 per cent in the derived implicit price deflator for household final consumption expenditure, compared with a smaller increase of 0.8 per cent in the nominal average non-farm compensation per employee. It should be noted that the average non-farm compensation series is volatile and fluctuates considerably from quarter to quarter.

On 3 June 2013, the Fair Work Commission's Minimum Wage Panel released its decision to increase the national minimum wage by 2.6 per cent. This sets the minimum wage at \$622.20 per week, or \$16.37 per hour, representing an increase of \$15.80 per week since the last minimum wage rise in July 2012. The increase will take effect from the first full pay period on or after 1 July 2013.

Productivity

Labour productivity—as measured by real gross value added per hour worked in the market sector—increased by 2.3 per cent (trend terms) over the year to the June quarter 2013, down from the 2.8 per cent increase over the year to the June quarter 2012.

Market sector real gross value added increased by 2.5 per cent, while hours worked (in the market sector) increased by 0.2 per cent. It should be noted that short-term measures of productivity are prone to volatility and cyclical effects and should therefore be interpreted with caution.

Labour productivity growth is influenced by a wide range of factors, including business investment and capital deepening, innovation, new technology, human capital and infrastructure.

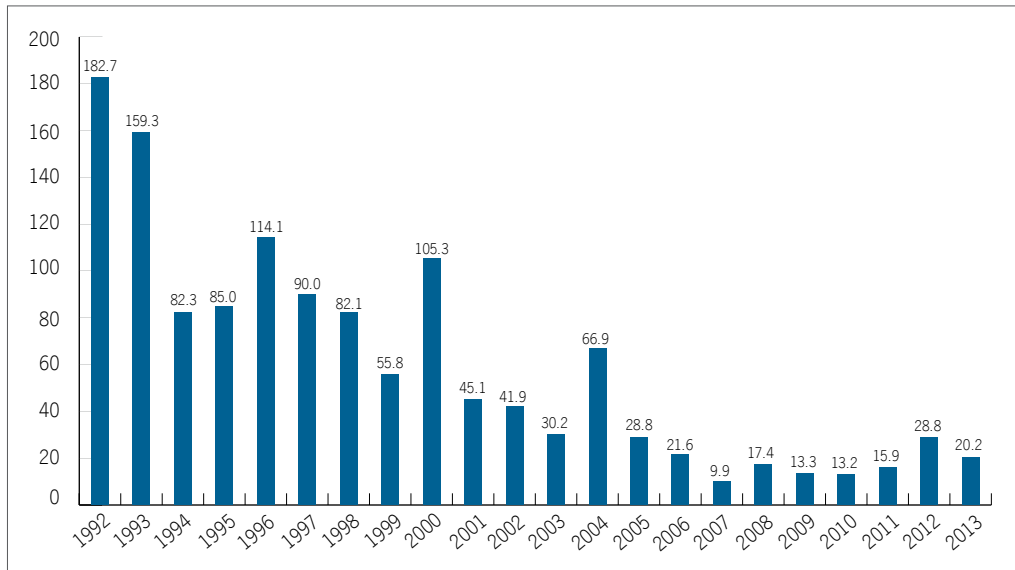
Labour productivity in the whole economy has grown at 1.2 per cent per year over the 10 years to the June quarter 2013, compared with 1.9 per cent over the previous decade. Possible explanations for the slowdown include the effects of droughts, floods and cyclones on mining and agriculture, forestry and fishing; specific factors affecting the electricity, gas, water and waste services industry, including the need to invest in transmission and peak generation infrastructure; and an inflow of less experienced people into the workforce. Specific factors affecting the mining industry could include substantial investment in new projects, which have not begun to produce output, resulting in a decline in measured productivity until those projects come online, and the exploitation of lower quality sources of mineral and energy products in response to high real commodity prices.

Industrial disputation

Australia recorded a rate of 20.2 working days lost per thousand employees over the year to the June quarter 2013, down from 28.8 working days lost per thousand employees over the year to the June quarter 2012. In general, industrial disputation under this measure has trended downwards over the long term despite short-term fluctuations (see Chart 6).

The education and training and health care and social assistance industries accounted for the largest number of working days lost (approximately 95,900) over the year to the June quarter 2013, followed by construction (approximately 61,600).

Chart 6 Industrial disputation as measured by annual working days lost per thousand employees, year to June quarter 1993 to year to June quarter 2013



Source: Australian Bureau of Statistics, *Industrial disputes, Australia*, cat. no. 6321.0.55.001, various years.

Agreement making

A total of 6769 collective agreements were approved by Fair Work Australia and the Fair Work Commission in 2012–13 compared to 8128 agreements approved in 2011–12. Almost all industries experienced a lower rate of agreement-making, but in terms of number of agreements, this decrease was most pronounced in the Construction and Manufacturing industries due to industry bargaining cycles. The average annualised wage increase under the enterprise agreements approved in 2012–13 was 3.5 per cent, compared to the 3.9 per cent increase for agreements made between in 2011–12.

Departmental outputs for Outcome 4

Table 27 Performance information for Outcome 4 departmental outputs

Performance indicator	Estimate	Actual
Timeliness of processing claims for the General Employee Entitlements and Redundancy Scheme	80% processed within 16 weeks of receipt	81.4% ^a
	98% processed within four weeks of receipt of verified entitlement data	97.3% ^a
Accuracy of processing claims for the General Employee Entitlements and Redundancy Scheme	Over 98% of payments not varied after appeal	99.8% ^a
Satisfaction of stakeholders (insolvency practitioners) with the management of the General Employee Entitlements and Redundancy Scheme	Satisfied or above	91% of surveyed stakeholders reported the department's management of the scheme at satisfactory or above
Timeliness of departmental responses to client requests for assessment of industrial instruments against the code and guidelines (and, from 1 February 2013, against the Building Code 2013 and the supporting guidelines for Commonwealth funding entities)	95% completed within 10 working days	97% completed within 10 working days
Level of satisfaction of clients with the provision of advice, information, education and promotion of safer workplaces on Australian Government construction sites by the Office of the Federal Safety Commissioner	Effective or above	Effective
Client satisfaction Fresh Ideas for Work and Family ^b	80% of clients surveyed satisfied	99% were satisfied

a Includes claims processed under the Fair Entitlements Guarantee.

b The Fresh Ideas for Work and Family program concluded on 28 September 2012.

PART 3

Our operations



3 Our operations

Our people

Strategic people management and people capability

Under DEEWR's governance arrangements, the People and Leadership Committee is responsible for ensuring the department has appropriate and effective people management strategies to enable us to meet our business goals.

Following two years of significant organisational change, 2012–13 was a period of consolidation for DEEWR. The staff survey, conducted in September 2012, showed that our strategies for improving how we manage change, the way work is delegated and how we communicate with employees, are working. The survey results showed a healthy organisation, with high levels of employee engagement and improvement across every area surveyed compared to the 2010 survey.

The Shaping DEEWR's Future plan continued to provide the roadmap for further developing our flexible, agile and capable workforce and positioning the department to respond quickly and effectively to emerging priorities. During the year, we implemented several initiatives to further strengthen our approach to learning and development, including supporting blended approaches to learning that combines on-the-job and formal training options. We also continued our efforts to develop leadership skills at all levels, with an emphasis on learning from one another. DEEWR's Learning from Leaders seminar program has been successful in passing on the experience and expertise of our own people.

Another focus during the year was building specific capabilities in response to the *Australia in the Asian century white paper*. Initiatives included an interactive intranet site and blog providing staff access to contemporary information on the Asian region and an Asian century community of practice to share ideas and information.

People Capability Framework

The DEEWR Workforce Plan 2011–13 highlighted the need for the department to be able to identify and measure workforce capability. The DEEWR People Capability Framework, introduced as part of the 2012–13 performance cycle, is structured on a job families and job roles model and provides a comprehensive and integrated approach to building our workforce capability. Employees and managers use a customised online tool to assess the knowledge, skills and behaviours required for particular job roles. An employee's assessment directly links with and informs the learning and development priorities set out in their individual performance and development plan.

Aggregated data is used to identify job roles and capability strengths and gaps at both business unit and organisational levels. This information assists us with workforce planning and with aligning learning and development initiatives with specific areas of need.

Recruitment

Entry-level programs

As part of our recruitment strategy, DEEWR offers a comprehensive range of entry-level programs. The largest intakes are for the graduate program and the Indigenous Australian Government Development Program. The department also participates in other entry-level programs, including the Indigenous Cadet Program and internship programs in our ICT and legal areas.

The graduate program is an entry-level learning and development program aimed at building the future leadership capability of the department and the Australian Public Service (APS). The 10-month program provides graduates with broad knowledge and skills to enhance their work capabilities and to assist them to build a strong public service career. For the 2012 program 68 graduates completed the program, 58 of whom continue to work for the department at 30 June 2013. It is expected that the 2013 cohort of 58 graduates will complete the program in December 2013.

DEEWR manages, on behalf of a number of APS agencies, the Indigenous Australian Government Development Program, which provides employment opportunities and formal qualifications for Aboriginal and Torres Strait Islander people. The program combines ongoing employment with structured learning, and aims to increase the representation of Aboriginal and Torres Strait Islander people working in government. In October 2012, 50 participants started the 15-month program (25 participants in DEEWR and 25 across seven other APS agencies). They are expected to attain their Diploma of Government qualification in December 2013. At 30 June 2013, all of the original DEEWR participants continued to be employed in the department. Recruitment is underway for the 2013–14 program, which will start in October 2013.

Working in partnership with the Australian Public Service Commission, DEEWR also supports seven Indigenous cadets as part of the APS Indigenous Pathways Program. This program provides additional employment opportunities for Aboriginal and Torres Strait Islander people.

Remuneration and conditions of employment

Enterprise agreement

All non–Senior Executive Service (SES) employees in the department are covered by the *DEEWR Enterprise Agreement 2012–2014*.

The enterprise agreement, which came into effect on 13 June 2012, provides a range of flexible working arrangements to assist employees to balance their personal and professional lives. These include part-time arrangements, flextime, study assistance, purchasing of additional leave, working-from-home arrangements, and broad personal and parental leave provisions.

Determinations

Remuneration and conditions for SES employees are provided under a section 24(1) determination made under the *Public Service Act 1999*. DEEWR adopts a total remuneration approach. In 2012–13, 140 SES employees had section 24(1) determinations in place.

Performance pay

At 30 June 2013 all non-SES employees were covered by the enterprise agreement, which does not provide access to performance pay. During the 2012–13 performance cycle, no SES employees were granted performance pay.

Workforce planning

At 30 June 2013, the department had 4152 employees. Appendix 8 contains summary tables of workforce statistics at 30 June 2013.

During 2012–13, 400 people separated from the department. Details of the separations can be found in Table 46 in Appendix 8.

A new departmental workforce plan will be developed this year to replace the existing DEEWR Workforce Plan 2011–2013. Along with the Shaping DEEWR's Future plan, the workforce plan sets out the strategies for building and strengthening our workforce to ensure we can deliver our business now and into the future. Our workforce planning processes have been significantly strengthened through the People Capability Framework and continued enhancements to workforce reporting.

A system of regular workforce reporting was introduced during 2012–13, facilitating timely and detailed discussions with each deputy secretary about their workforce needs and challenges. The People and Leadership Committee and the Executive Meeting monitor organisational workforce demographics and departmental performance against human resource performance indicators, and steer key strategic responses.

Business area workforce management is supported by a desktop HR Dashboard, an online tool available to managers that provides real-time and trend information about their workforce drawn from the department's human resource information system, Connect.

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 a new 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 2014, and will be available at www.fahcsia.gov.au.

The Social Inclusion Measurement and Reporting Strategy agreed by the government in December 2009 will also include some reporting on disability matters in its regular *How Australia is Faring* report and, if appropriate, in strategic change indicators in agency Annual Reports. More detail on social inclusion matters can be found at www.socialinclusion.gov.au.

Diversity

The DEEWR Diversity Strategy provides the framework for creating an environment that supports and embraces all elements of diversity. We have an action plan to achieve each of the priorities identified in the strategy.

Workplace diversity is integrated into every aspect of DEEWR life and our workforce reflects the diversity of the broader Australian community. It underpins the way we work and our approach to recruitment, leadership, teamwork, innovation and workforce capability. Our focus is on building an inclusive workplace that values the contribution diversity makes to organisational outcomes.

Amendments to the Public Service Act

DEEWR is well prepared for the introduction of amendments to the *Public Service Act 1999* that take effect from 1 July 2013. During the year, we updated our employment-related policies and procedures and communicated the changes to employees through staff notices, team briefings and interactive webinars.

Consistent with the requirements of the amended Act, the DEEWR Diversity Strategy will soon be available at www.deewr.gov.au.

Teleworking

The government's National Digital Economy Strategy commits to a goal of at least 12 per cent of Australian employees teleworking by 2020, including APS employees. DEEWR is participating in a six-month telework trial using the National Broadband Network. The trial started in April 2013 with 24 approved participants.

Teleworking is an extension of DEEWR's existing work-from-home arrangements. The trial involves participants using high-speed broadband and videoconferencing to enhance their communication and connectivity.

Teleworking provides an opportunity for DEEWR to take a citizen-centric approach to delivery of our services and offer more flexible working arrangements to employees. It will also allow us to tap a significant pool of potential employees, such as mature-age people, people with disability, people in rural and regional areas and those not in the labour force.

Work health and safety policy

DEEWR is committed to providing a safe and healthy work environment and has established a Work Health and Safety Policy to support this commitment. DEEWR promotes a proactive approach to health and safety management based on communication and consultation, and systematic identification, assessment and control of risks.

DEEWR's Work Health and Safety policy focuses on consulting with employees and promoting and developing health and safety initiatives in the workplace. The Work Health Safety and Environment Committee was established in accordance with the *Work Health and Safety Act 2011* (WHS Act) and met regularly throughout the year. With representatives from state, territory, regional and national offices, the committee provides a forum for consultation on and consideration of strategic work health and safety issues.

Achievements during the year included the development of a Health, Safety and Wellbeing Strategy 2013–2016, a work health and safety risk assessment and treatment plan and a due diligence framework. The framework was developed to assist employees who are deemed to be officers under the WHS Act meet their responsibilities.

The Health, Safety and Wellbeing Strategy establishes a clear vision, aligned with DEEWR's philosophy, of looking after and valuing our people. It acknowledges that the basis for enhancing our health, safety and wellbeing performance involves the creation of a strong safety culture driven by an understanding and acceptance that the responsibility for health, safety and wellbeing rests with everyone in DEEWR.

Other activities during the year included promoting and participating in National Health Week and funding influenza vaccinations.

Work health and safety reporting

In 2012–13, falls, slips and trips made up the highest proportion (20 per cent) of reported work health and safety incidents, with body stressing (includes muscle strains, back conditions and tendonitis/enosynovitis) making up the next highest proportion (16 per cent). Body stressing can be attributable to sedentary work, which has been identified as a key area of focus under the Health, Safety and Wellbeing Strategy.

In 2012–13, Comcare was notified of nine incidents pursuant to section 38 of the WHS Act. This compares with 51 incidents reported to Comcare in 2011–12. The reduction in reporting is partly due to stricter definitions of what is reportable under the WHS Act, as well as fewer incidents.

The number of health and safety representatives increased by 28 per cent 2012–13, due to the restructuring of work groups to ensure effective representation.

State network

At 30 June 2013, 849 employees worked in state network offices, including 148 Aboriginal and Torres Strait Islander people and 43 people with disability. Through our extensive network of offices across Australia, the department has a presence in 52 locations, 45 of which are regional (including Indigenous Coordination Centres and Regional Education, Skills and Jobs Coordinator locations). There is a state office in each capital city.

The state network is one of the primary means through which the department delivers Australian Government programs and services to support employment, Indigenous education and employment, schools, early childhood education and child care. A strength of the state network is its understanding of what works on the ground—evidence sourced through the state network helps shape national programs and policies. The network also has the capacity to respond rapidly and consistently to risks and challenges in delivery.

State network employees maintain strong connections with service providers and stakeholders, including local organisations, state governments, non-government organisations, industry and educational bodies.

Cross-government partnerships

The network also plays an ongoing role in maintaining relationships with other Australian Government agencies, enabling DEEWR to strengthen links, achieve outcomes across the portfolio, and drive progress towards targets under national partnership agreements and other national reform priorities.

The network has a lead role in implementing the Building Australia's Future Workforce measures, working with three other agencies: the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education; the Department of Families, Housing, Community Services and Indigenous Affairs; and the Department of Human Services. The state network contributed to the development and implementation of the Remote Jobs and Communities Program, which will be launched in 60 remote regions around Australia on 1 July 2013.

The Queensland State Office Natural Disaster Response Team drew on their existing connections to work in partnership with the Queensland Government and numerous local governments, organisations and communities to find and implement innovative and practical solutions to help Queensland rebuild and recover from the devastating floods. In recognition of their efforts, the team received the prestigious Best Practice in Federal Government Award at the Institute of Public Administration Australia Queensland Public Sector Excellence Awards.

Strategic workforce planning

In 2012–13, a workload priorities taskforce, with representation from across the state network and the national office, worked on re-engineering business processes to better prioritise work. Over the last year, the network and employment areas of the department streamlined their work in order to free up a significant number of people to support large procurement processes such as the Disability Employment Services tender. The network is now working with the Indigenous employment and early childhood areas to prioritise workloads.

A new management structure for the National Customer Service Line, operating out of South Australia, Queensland and Victoria, was introduced this year. The National Customer Service Line delivers a consistent, more efficient and more effective service to job seekers. In 2012–13, the team handled 31,368 calls.

Implementing policy and programs

DEEWR's State and Regional Services Strategy group provide support and effective representation for the state and territory network in the national office. The group delivers best practice implementation of the department's business priorities and supports the department in delivering government policy.

During 2012–13, the group assisted in delivering the Better Futures, Local Solutions initiative, which aims to help families and individuals boost their work skills, find jobs and provide opportunities for their children. In Ballarat, central Victoria, 38 young people are now in work following their participation in their local Better Futures, Local Solutions initiative, the Young Adult Empowerment Program.

Shaping DEEWR programs

The work of each state office is shaped by its environment. Differences between jurisdictions—in geography, economic performance, labour demands, population, levels of disadvantage and even preschool attendance rates—mean that workloads, pressures and areas of focus vary across the network.

Regional Education, Skills and Jobs Coordinators worked closely with local communities to identify issues, goals and strategies relating to education, skills and jobs in their regions. Forty-six tailored plans to improve outcomes in education, skills and employment were published in September 2012.

In far western New South Wales, the community of Menindee has enthusiastically embraced its new children's centre—every child between the ages of two and five is in attendance. The centre was funded through the Parent and Community Engagement program.

In Devonport, north-west Tasmania, a Jobs Fund project to restore a tall ship, the *Julie Burgess*, created 18 full-time jobs, 46 part-time jobs and five apprenticeships.

In Western Australia, the state office hosted a Stream 4 forum for Job Services Australia employment consultants. Participants learned about assisting people with disability to find employment by thinking creatively about their capabilities and employment possibilities.

Indigenous business across the state network

Improving outcomes for Aboriginal and Torres Strait Islander people is a priority of the network. All policy, program and service delivery areas incorporate tailored strategies to address the needs of Aboriginal and Torres Strait Islander people. This year, the network supported mentoring initiatives and career development opportunities for Aboriginal and Torres Strait Islander employees including through the DEEWR Aboriginal and Torres Strait Islander Employee Secondment and Development program. To read more about this, see page 128 of this report.

Environmental performance

DEEWR's 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 28.

Table 28 Summary of environmental performance

Indicator	2011–12 ^a	2012–13	Change (%)
Office/building energy use^b			
Total office tenant light and power electricity consumption (kWh)	10,635,473	7,164,658	-32.6%
Total office tenant light and power energy consumption (MJ)	38,287,702	25,792,768	-32.6%
Office tenant light and power energy use per full-time equivalent (MJ/FTE)	7,302.63	6,461.11	-11.5%
Office tenant light and power energy use per square metre (MJ/m ²)	265.38	239.95	-9.6%
Greenhouse emissions attributed to office tenant light and power energy use (tonnes/CO ₂ -e)	9,422.39	6,362.23	-32.5%
Green power purchased (kWh)	992,432	605,587	-39.0%
Vehicle fleet			
Total number of fleet vehicles	124	148	+19.4%
Average green vehicle rating of fleet	12.3	12.8	+4.1%
Total fuel purchased (kilolitres)	139.33	133.47	-4.2%
Total distance travelled (kilometres)	1,387,298	1,366,707	-1.5%
Average fuel consumption of vehicle fleet (litres/100 km)	10.04	9.77	-2.7%
Total direct greenhouse emissions of fleet (tonnes CO ₂ -e)	312.86	308.92	-1.3%
Greenhouse emissions			
Total greenhouse emissions (tonnes CO ₂ -e)	9,751.28	6,675.70	-31.5%
Total greenhouse emissions per FTE (tonnes CO ₂ -e/FTE)	1.87	1.67	-10.7%
Air travel			
Total number of flights	24,064	15,822	- 34.3%
Total distance of flights (km)	19,533,669	14,338,871	- 26.6%
Resource efficiency and waste^c			
Office paper purchased by FTE (A4 reams/FTE)	9.2	7.3	-20.7%
Percentage of paper purchased with recycled content	88.37%	98.67%	+10.34%
Office paper recycled (tonnes)	242.36	168.08	-30.6%
Total waste produced (tonnes)	180.30	139.93	-22.4%
Total waste produced per FTE (kg/FTE)	45.90	45.50	-0.9%
Percentage of waste diverted from landfill	87.28%	90.25%	+2.97
ICT sustainability			
Desktop devices per end user (including laptops)	1.71	1.54	-9.9
Desktop computers to printer ratio	15:1	14:1	-6.7
Desktop computers off (or sleeping) after hours	88%	88%	no change
Desktop energy per end user (kWh per annum, averaged across agency)	256	264	+3.1

CO₂-e = carbon dioxide equivalent; kWh = kilowatt hour; MJ = megajoule.

a Some figures for 2011–12 are different from those previously reported due to increased availability of data.

b Data sourced for office tenant light and power energy use per square metre in 2011–12 contained inaccuracies that cannot be resolved. In 2012–13, DEEWR began internal data management to ensure accuracy, and for this reason these figures cannot be used to calculate a percentage change.

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

Effect of the department's activities on the environment

DEEWR uses an effective environmental management system, certified to AS/NZS ISO 14001, as our main tool to continuously monitor and report on environmental performance, reduce negative environmental impacts and minimise pollution. The department is committed to the philosophy of *rethink, reduce, reuse, repair, recycle* to build strong environmental awareness. We are progressively implementing policies and work practices which minimise our energy and water consumption, waste and greenhouse gas emissions.

Office and building

The department continued to work to reduce our impact on the environment across departmental operations. Consistent progress has been made over recent years towards achieving and exceeding the government's energy efficiency targets. In 2012–13, we again surpassed the Energy Efficiency in Government Operations Policy target of 7500 megajoules per person per year, by achieving a further reduction to 6461 megajoules. Our head office building at 50 Marcus Clarke Street, Canberra, exemplifies our initiatives and progress in this area. In 2012–13, the building achieved excellent results in the most comprehensive range of formal environmental ratings gained by any building in Australia:

- 6 Star Green Star As Built (whole of building)
- 5 Star Green Star Office Interiors
- 5.5 Star NABERS Energy for both Base Building and Tenancy
- 5.5 Star NABERS Water
- 4.5 Star NABERS Indoor Environment
- 4.5 Star NABERS Waste.

We will continue our active and cooperative engagement with the building managers and our employees to ensure that we realise the building's full environmental potential.

Our refurbishment of an older tenancy at 215 Adelaide Street, Brisbane achieved a 4.5 Star NABERS Energy rating on 28 June 2013.

In August 2012, we took the significant step of bringing the facilities management function in-house. This provides us an even greater line of sight on energy consumption which further improves the department's ability to proactively manage our energy usage.

Information and communications technology

DEEWR has reduced the running costs, resource consumption and environmental impacts of our ICT operations through initiatives including the use of energy-efficient monitors, virtual servers and print-on-demand for multi-function devices that default to duplex and black-and-white printing.

As a result of reductions in equipment numbers, improvements in energy efficiency and the introduction of a desktop power management system, desktop energy per end user dropped from 1200 kWh per year in 2009–10 to 256 kWh per year in 2011–12. In 2012–13, desktop energy per end user rose by 3.1 per cent to 264 kWh per year.

Consistent with the Australian Government ICT Sustainability Plan, mandatory environmental standards have been embedded in departmental ICT procurement procedures, to ensure that future ICT purchases meet specified environmental, energy, packaging, and reuse or recycling standards.

Vehicle fleet and air travel

We have improved the average Green Vehicle Guide rating of our vehicle fleet by 4.1 per cent to a rating of 12.8. This, together with a reduction in fuel consumption, demonstrates our continued commitment to minimising the environmental impact of our fleet.

Total air kilometres travelled decreased by 26.6 per cent from 19,533,669 kilometres in 2011–12 to 14,338,871 kilometres in 2012–13. This outcome reflects our diligent approach to pursuing alternatives to air travel and increased use of ICT, such as videoconferencing.

Water

DEEWR's national office buildings are fitted with a range of water-saving systems. Water-saving technologies, such as low-flow taps and showers, dual-flush cisterns and waterless or low-flow urinals, are in place wherever possible. Additional water-saving technologies at 50 Marcus Clarke Street include sensor taps, grey water recycling for flushing toilets, waterless urinals and rainwater retention for use in cooling towers. Our head office building at 50 Marcus Clarke Street has achieved a 5.5 Star NABERS Water rating. Potable water usage data published in the 2011–12 annual report was incorrect. Although based on the most accurate information available at the time, data validated for 2012–13 has confirmed this error. As there is limited ability to report on potable water usage due to metering restraints, the department is unable to provide data for comparative purposes.

Resource efficiency and waste

DEEWR's waste management system continues to achieve excellent results. The 4.5 Star NABERS Waste rating at 50 Marcus Clarke Street is the best achieved by any large tenancy in Australia, exceeded only by one smaller tenancy. We are also progressively certifying our Canberra tenancies to the ACT Government's ACTSmart Office Recycling Program.

Paper use continues to drop, through standardised duplex printing, copy and print-on-demand technology and electronic filing. The Australian Government ICT Sustainability Plan 2010–2015 established formal targets for reductions in paper use. Starting from a baseline of 18.6 reams per person per year in 2010, targets reduce to 13 reams by July 2012—which DEEWR achieved by 2011—and culminate at 9 reams in July 2015. At June 2013, the target was exceeded with use of 7.3 reams per person per year being achieved. In addition to exceeding the paper use targets, the department has met another ICT Sustainability Plan target by purchasing 100% post-consumer recycled stock for all standard A4 and A3 paper.

Human rights

DEEWR operates within the context of Australia's obligations as a signatory to the seven key human rights treaties. Human rights are protected and promoted through a range of domestic legislation, policies and practices and independent bodies. In line with Australia's Human Rights Framework, the department aims to promote a human rights culture. This involves an expectation that employees treat all people with respect and consideration, and avoid making assumptions based on personal characteristics or behaviour. It also involves ensuring that DEEWR is a safe and respectful workplace that reflects the diversity of the people it serves. This commitment is consistent with our obligations under the APS Values and Code of Conduct, as contained in the *Public Service Act 1999*.

Employees have access to a range of resources to assist them to understand human rights obligations and take them into account in their daily work. More information on human rights is available on the Attorney-General's Department website www.ag.gov.au.

Supporting social and economic participation

Against a background of a changing economy and society, the department engages in cross-sectoral work that encompasses social inclusion, social policy, social innovation, engagement with international organisations, research and economic analysis and advice. This work supports the department's delivery of policies and programs that promote the social and economic participation of Australians, particularly those at risk of disadvantage.

Social policy initiatives

Social policy initiatives aim to improve the educational and economic outcomes of marginalised and disadvantaged groups, including people who are homeless or at risk of homelessness, people with disability, young parents, jobless families, and refugees and vulnerable migrants.

In 2012–13, the department provided advice to ministers on social inclusion issues and input to the Social Policy and Social Inclusion Committee of Cabinet, the Secretaries' Committee on Social Policy and the Australian Social Inclusion Board.

The department has developed an agency multicultural plan in line with the government's March 2013 response to the independent Access and Equity Inquiry. All areas of the department have contributed to the plan, which will promote our commitment to multicultural access and equity and ensure all Australians can benefit from our services and programs. The plan includes a set of key performance indicators for measuring our engagement with, or outcomes of services to, culturally and linguistically diverse clients. DEEWR's multicultural plan is now available at www.deewr.gov.au.

Social inclusion measurement strategy

The national social inclusion measurement and reporting framework is designed to provide the government and the community with information about social inclusion outcomes. During the year, the department participated in a review of the framework's strategic change indicators, which was undertaken by relevant Australian Government social policy agencies at the request of the Australian Social Inclusion Board. The review resulted in the refinement of three of the six strategic change indicators for which DEEWR is responsible to provide more accurate measures of disadvantage.

More information about the review and the department's progress against the strategic change indicators is provided in Appendix 2.

Homelessness policy

The department contributes to work on the Australian Government's agenda on homelessness. An important activity during the year was the development of an innovative study—Connecting the Dots: Service Delivery Pathways and Homelessness—in partnership with the Department of Families, Housing, Community Services and Indigenous Affairs, the Department of Human Services and the Australian Institute of Health and Welfare.

The study uses matching administrative datasets to examine how clients of specialist homelessness services interact with other government service systems, such as employment services. Results of the study are expected in 2013–14.

Disability and mental health policy

Increasing the economic participation of people with disability and mental illness continued to be a priority social policy focus for the department in 2012–13, with ongoing contributions to the national mental health reforms, the National Disability Strategy and the national disability insurance scheme, DisabilityCare Australia.

Australia continued to participate in the Organisation for Economic Co-operation and Development (OECD) project Disability and Work: the Challenges for Labour Market Inclusion of People with Mental Health Problems, with a visit by delegates for Australia's country review. The country report is expected in 2014.

In December 2012 the department issued a discussion paper—*Improving the employment participation of people with disability in Australia*—seeking views on how to improve employer practices for people with disability. The feedback will be taken into account in future policy development.

Refugees and vulnerable migrants

In 2012–13, the department chaired the Interdepartmental Working Group on Improving the Education and Employment Outcomes of Refugees and Vulnerable Migrants, and coordinated a cross-portfolio report to ministers on options to deliver employment and complementary services to refugee job seekers. We also contributed to the design of the Community Refugee Sponsorship Trial, to ensure humanitarian entrants sponsored under the trial are aware of their eligibility for employment services and informed of their workplace rights and protections.

Family policy and gender equality

The department develops policy to increase the workforce participation and social inclusion of women, parents and carers, with a focus on the complex barriers and factors that influence decisions to work. In 2012–13, we contributed to whole-of-government initiatives designed to raise awareness of, and provide employment and education assistance to, people with caring responsibilities. These included the National Carer Strategy, the National Plan to Reduce Violence Against Women and their Children, and the Valuing Unpaid Caring Work in Australia Research Project.

The department participated in a number of gender policy reference groups, including the Women's Interdepartmental Committee, the Interdepartmental Meeting on Male Health, the Gender Pay Gap Taskforce Roundtable, and the ABS Advisory Groups on Gender and Family Statistics. We also convened the Project Reference Group on Women's Workforce Participation, an interdepartmental working group examining ways to boost women's participation in the workforce.

Social policy trials

The department conducts social policy trials in developing new policy and initiatives. This approach enables the development of evidence-based responses to the challenges of welfare dependency, locational disadvantage and social cohesion, and implementation of tailored service delivery models.

Helping young parents

On 1 January 2012, the Helping Young Parents program started as part of the Building Australia's Future Workforce package. The program is supporting young parents in 10 locations across Australia to undertake education or training towards a Year 12 or equivalent qualification, and to participate in activities that focus on parenting and their children's health and early development.

Mary fulfils her work dream

Mary (not her real name) is a 20-year-old mother of three young children. Mary was 14 years old when she had her first child, and left school after Year 8. Initially, she lived with her mother in Melbourne but decided to move to a regional area and raise her child on her own. Two years later, the lack of stable accommodation forced Mary to move back to a rental property in Melbourne. By this time, she had had a second child and was almost nine months pregnant with her third child. Estranged from the father of her two younger children, Mary had low self-esteem, health and wellbeing issues, as well as problems with child care and education. In addition, all three children had serious health issues that needed close monitoring by medical professionals.

DHS phoned Mary to invite her to an interview under the Helping Young Parents program. Although Mary was initially nervous about the interview, DHS provided information and outlined the range of support available. During the interview Mary said her dream was to go back to school, study, gain some qualifications and get a job—but she did not know how to get started. She had previously made

contact with training providers but had been overwhelmed by the paperwork.

Mary said she was interested in doing an online course in accounting administration and through DHS was able to make contact with a Local Connections To Work provider. The provider offered flexible learning options and assistance with filling out the forms and DHS helped Mary apply for child care. In July 2012, Mary started her Certificate III in Accounts Administration course, and successfully completed it in February 2013. She then enrolled in a Certificate IV in Accounts Administration to gain some work experience and skills, accessing child care assistance while she was studying.

After a successful job interview, Mary has started work in an office administrator position, initially for one day a week.

“ Mary had low self-esteem, health and wellbeing issues, as well as problems with child care and education. ”

Feedback from participants and from service providers indicates that the program is meeting its goals. The majority of participants are attending interviews with the Department of Human Services (DHS) and undertaking the activities agreed to in their participation plans. Many parents who have attained their Year 12 or equivalent qualifications have elected to continue receiving support through the program.

Between 1 January 2012 and 30 March 2013, 762 parents attended a DHS general information interview, which occurs when a parent's youngest child has reached six months of age, and 960 parents attended a DHS commencement interview, which occurs when a parent's youngest child has reached 12 months of age. Two hundred and sixty-nine parents left the project after they attained a Year 12 or equivalent qualification.

Jobless families

On 1 July 2012, the Supporting Jobless Families initiative started as part of the Building Australia's Future Workforce package. It provides new services, opportunities and responsibilities to boost the job readiness, wellbeing and functioning of families with young children in 10 locations across Australia.

Workshops, in which local service providers outline the services they can offer parents and their children, have played a crucial role in linking parents to services. Parents are able to access services more easily, as the providers are on-site and able to supply additional information and register them for programs immediately.

Between 1 July 2012 and 29 March 2013, 6943 parents attended either an annual or bi-annual interview with DHS and 2633 parents attended a DHS workshop. More than 19,000 referrals were made to local services including education, employment, early childhood learning and development, and parenting support programs.

Family Centred Employment Project

The Family Centred Employment Project started on 1 July 2010 and finished on 30 June 2013. Its aim was to address jobless families' entrenched barriers to employment. The project was delivered in Goodna, Queensland; Broadmeadows, Victoria; and Port Adelaide, South Australia.

One of the objectives was to have at least one person in each family become involved in work, education or social participation. The approach recognised both the impact of the whole family in determining a parent's involvement in the workforce and the importance of building on existing community strengths and utilising the services already provided to assist families to meet their goals.

Over the three-year project, providers assisted 389 families, including 348 who completed a family care plan outlining the activities to be undertaken in working towards employment, education or social goals. Overall, there were 189 employment outcomes, 166 education outcomes and 1422 social outcomes, in areas such as obtaining a driver's licence, parenting skills, attaining stable housing, and financial and budgeting skills.

The department is evaluating the project to provide evidence for future best practice servicing for jobless families and their children.

Geospatial intelligence and support

The department conducts geospatial analysis and mapping to support the design, delivery and measurement of place-based and community-centred policies and programs. Activities in 2012–13 included geospatial analysis, advice and support for the following initiatives:

- Remote Jobs and Communities Program interactive website
- Indigenous Closing the Gap programs
 - Indigenous Youth Careers Pathways Program
 - Indigenous Opportunities Policy
 - Indigenous Employment Program
 - National Partnership Agreement on Remote Service Delivery
- geospatial reporting enhancements to the General Employee Entitlements and Redundancy Scheme database
- creation of place-based social inclusion reports
- Early Childhood Workforce—Recognition of Prior Learning package
- Priority Employment Area measure
- National Disability Coordination Officer Program.

Supporting economic participation

The department analyses developments in the Australian economy—particularly in relation to macroeconomic performance and household wellbeing—to provide evidence to support policy on enhancing human capital. Our ongoing work includes analysis and design of income support programs to promote social and economic participation by working-age Australians. We advise ministers on economic developments and risks and their likely impact on the labour market, and produce the Monthly Leading Indicator of Employment, which foreshadows trends in employment. We also liaise with the Australian Bureau of Statistics, and contribute to reviews and consultations including the Census and the Employee Earnings and Hours Survey.

In 2012–13, we provided economic research and analysis support to the National Panel for Economic Reform, the Senate inquiry on adequacy of the allowance payment system for job seekers, the independent panel reviewing the Fair Work Act, and the Prime Minister’s Taskforce on Manufacturing. We also continued to support the work of the Productivity Committee of Cabinet and the OECD, and contributed economic analysis to the 2015 Employment Services Review, the *Australia in the Asian century white paper*, and the government’s submission to the annual wage review.

During the year, we completed research in the following areas:

- structural and frictional labour underutilisation
- discrepancies in employment by industry between the Australian Bureau of Statistics Labour Force Survey and Economic Activity Survey
- the drivers of labour productivity
- high-performance workplaces
- re-skilling and upskilling in Australia
- early pathways and the development of key capabilities for quality of life.

To assist in developing income support policies, the department conducted analysis of the gender wage gap and the engagement of working-age Australians in the labour market, particularly those of mature age or with partial capacity to work. We also continued our review of the DEEWR Leading Indicator of Employment and investigated the application of behavioural economics to policy development.

Migration policy

To support productivity improvement in the labour market, the department provides advice on the policy settings for permanent, temporary and humanitarian programs. In 2012–13, this included providing advice on labour market and workplace relations issues relating to government measures to strengthen the integrity of the Temporary Work (Skilled) visa (subclass 457) program. We also provided advice on Enterprise Migration Agreements and Labour Agreements to ensure these programs contribute to broader government policy objectives, such as supporting employer participation in the training and skills development of Australians. Contributions were also made to reviews of other temporary migration programs with a work right, including those supplementing the airline and offshore resource industry workforce.

The department provided advice on portfolio interests (including temporary entry commitments, labour market and skills, workplace rights and government procurement) consistent with Australia's commitments on foreign workers in World Trade Organization agreements and free trade agreements.

Seasonal Worker Program

The Seasonal Worker Program started on 1 July 2012. The program allows Australian employers in the horticulture industry and four trial industries (accommodation, aquaculture, cotton and sugarcane) to employ workers from eight Pacific island countries and Timor-Leste, when they cannot find enough local workers to meet seasonal demands.

The program also contributes to the economic development of the participating countries—Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu—and offers a reliable, returning workforce to Australian employers.

Engagement with international organisations

The department engages with a range of international bodies including the Organisation for Economic Co-operation and Development (OECD), the World Association of Public Employment Services and the International Labour Organization. At the OECD, the department is represented by a Minister-Counsellor (Education and Employment) who is part of Australia's permanent delegation to the OECD in Paris. The Minister-Counsellor is also accredited to the United Nations Educational, Scientific and Cultural Organization.

The department helps shape and drive the OECD research and analysis agenda by participating in committees that govern the employment and education work of the OECD. These committees include the Education Policy Committee; the Centre for Educational Research and Innovation; the Employment, Labour and Social Affairs Committee; and the Cooperative Action Programme on Local Economic and Employment Development. We also manage Australia's involvement in numerous OECD projects, including the Programme for International Student Assessment, the Teaching and Learning International Survey, the International Indicators of Education Systems (INES), and the Programme for the International Assessment of Adult Competencies (PIAAC).

PIAAC is the OECD's leading international survey of adult literacy, numeracy and problem-solving skills. Through membership of the PIAAC Board of Participating Countries, the department ensures Australia's views are represented in relation to overall policy aspects of the program. Results from PIAAC will be published in the OECD's *Skills outlook* publication in October 2013.

During the year, the department continued its role of chair of the INES Working Party, which has responsibility for the overall INES work program. The INES program provides information and data on the performance of the education systems of the OECD's member countries and a set of partner countries for publication in the OECD's flagship education publication, *Education at a glance*. As part of its involvement in INES, the department led an OECD project to develop new, internationally comparable indicators on early child education. The new indicators were published for the first time in the OECD's *Education at a glance 2012* (released in September 2012).

In December 2012, the OECD published its review of Australia's activation policies, *Activating jobseekers: how Australia does it*. The review provides an overview and assessment of Australia's labour market policies to tackle welfare benefit dependency and unemployment. It examines Australia's main labour market institutions, employment services and other active labour market programs. The review was released by the head of the OECD's Employment, Labour and Social Affairs Directorate to coincide with the December 2012 launch of the consultation process for the next employment services contract by the Minister for Employment Participation.

In 2012–13, the department hosted 30 visiting international delegations from both government and non-government organisations. These delegations were primarily from Asia, with a focus on Australia's education and employment systems. Part 4 of this report provides information on the department's engagement with the International Labour Organization.

Research and evaluation

The department's policy agenda is supported by a rich evidence base. In 2012–13, we continued to commission and conduct research, analysis and evaluations to support the development of policy advice and improved program delivery. The research and evaluation capability continues to increase through improvements in data quality and enhancements in primary data collections, such as longitudinal administrative datasets of income support recipients. To further expand the evidence base for policy development, these datasets are made available to qualified academics to support research outside the department.

Research projects, evaluations and analysis are conducted in-house, as well as through external consultancies. In-house activities in 2012–13 included:

- School Enrolment and Attendance Measure (SEAM)—research and analysis was conducted during the year for the final evaluation of the SEAM trials in the Northern Territory and Queensland, which will be completed at the end of 2013. Results are expected to enhance the evidence base for further policy development and contribute to the delivery of the new SEAM program as part of the Stronger Futures in the Northern Territory initiative.
- Helping Young Parents—a preliminary evaluation report of the program provided the government with some early results on the impact of the trial.
- Family Centred Employment Project—an interim evaluation contributed to decisions about the delivery of the project.
- Ongoing evaluations of other trials, projects and programs, including the Supporting Jobless Families measure, further enhanced the department's evidence base.

Commissioned research projects during the year included:

- Vocational Training and Employment Centres and Other Industry-Driven Models—evaluated the employer-focused training and employment models for Aboriginal and Torres Strait Islander Australians and the vocational training and employment centres model of service delivery run by the Fortescue Metals Group in Port Hedland, Western Australia.
- Australian Blueprint for Career Development—examined the effectiveness of the blueprint, its relevance to users and whether it is delivering the intended outcomes. The blueprint is a framework for designing, implementing and evaluating career development programs for young people and adults. The review included extensive consultation with states and territories, including policy and curriculum areas in the government, Catholic and independent schooling sectors.
- Nationally Consistent Data on Students with Disability—conducted a trial to collect nationally consistent data on students with disability. The trial, which was approved by the Standing Council on School Education and Early Childhood, ran in more than 200 schools across Australia. It also tested the assistance provided to help students with disability to participate in education at the same level as other students.
- National Quality Standard for Early Childhood Education and Care and School Age Care—evaluated the assessment and rating process by analysing ‘live’ assessments and ratings completed under the framework. The evaluation, undertaken by the Australian Council for Educational Research, also formed the basis for advice to ministers on the validity and reliability of assessments and associated determination of ratings.
- Providing Accessible, Quality Early Childhood Education and Care for Disadvantaged Children and Families—reviewed research and practice from Australia and the European Union. The study will lead to the development of a framework for identifying and comparing the main success criteria in Australia and Europe for accessibility and quality of early childhood education and care in order to promote the integration of vulnerable or disadvantaged children into society and give them an equal chance with their more advantaged peers.

The department supports its research and evaluation, policy development and program management activities with high-quality library and other information services that provide efficient access to information and research resources.

Social innovation

Social innovation at DEEWR is about finding new ways to use financial and non-financial resources to create and sustain social outcomes. This includes designing and implementing initiatives that promote cross-sector collaboration, social investment and innovative approaches to social issues.

During 2012–13 the social innovation team worked on demonstrating the potential of social innovation to use market-based solutions to leverage capital, solve social problems, enable enterprise and innovation and boost productivity in the public and social sectors. Work has evolved from an early focus on specific social enterprise and investment initiatives to market-building, thought leadership and cross-government and multi-sector projects.

A fast-growing area of social innovation is social impact investment or impact investment. The aim of impact investment is to produce positive outcomes for society as well as financial returns. Finance can be targeted to enterprises operating with a social purpose and to other small and medium-sized enterprises that boost job creation and economic activity for communities.

IMPACT—Australia

The IMPACT—Australia initiative was designed to serve as an engagement exercise to inform and galvanise the market, as well as provide a roadmap for action.

The department collaborated with JBWere and international ‘blended value’ pioneer Jed Emerson to develop the *IMPACT—Australia: investment for social and economic benefit* report. The report fills a gap in the Australian market for discussion about what impact investing is, the international context in which it is developing and why it matters. It looked at what is already happening in Australia and what could (or should) happen in Australia.

The report identifies practical steps and immediate opportunities to catalyse action, build momentum and accelerate progress. Informed by a range of stakeholders, the report provides a foundation from which impact investing can be leveraged to build a more productive and inclusive future.

The report was supported by a series of events designed to highlight the findings and potential in IMPACT—Australia and its links to global developments, and to encourage action from the Australian market. Events were held in Melbourne, Canberra, Brisbane and Sydney.

Dialogue and workshops on the initiative contributed to establishment of market-led initiatives to develop impact investing in Australia. JBWere and Westpac are establishing a Financial Services Social Finance Forum to coordinate industry activities aimed at developing the impact investing field in Australia. Forum members will include banks, superannuation funds and investment advisers. The forum will be launched in August 2013 and meet quarterly.

Small Giants and Philanthropy Australia are looking to convene an investor network to build awareness and create concrete opportunities for impact investing.

Social Enterprise Development and Investment Funds

Since launching in 2011–12 with government seed funding, the Social Enterprise Development and Investment Funds have made significant progress towards their two objectives. The first objective—improving access to finance and support for Australia’s social enterprises to help them grow their business and increase their impact in communities—is being met, with three funds now established and operating. The funds are already contributing to the second objective—catalysing the development of the impact investment market in Australia.

The three funds—Social Ventures Australia, Social Enterprise Finance Australia and Foresters Community Finance—are providing financial products to social enterprises in Australia. As new intermediaries in a growing market they have:

- attracted a new supply of capital, demonstrating that Australian Government funding can be a critical factor in attracting a wide range of private investors
- stimulated demand from a diverse mix of social enterprises, indicating the broad applicability of impact investment across social policy areas
- begun to demonstrate the potential for impact investment in Australia by developing a track record of investments
- developed new networks and relationships across government and the social sector
- stimulated the establishment of another fund through Indigenous Business Australia to assist Indigenous social enterprises to access finance.

The investment made available to social enterprises through the first 10 loans, as at March 2013, is already having an impact, enabling social enterprises to increase their reach in communities and deliver strong social outcomes. Enterprises have used the finance to purchase property, create new business streams and scale up operations.

More information about the outcomes from the funds program is in the 2013 progress report, which is available at www.deewr.gov.au.

Children's Ground

Children's Ground is an integrated service approach to working with children, families and communities to achieve change over the long term. The department began working on the initiative in 2010, and in 2012–13 Children's Ground was successfully transitioned to an independent not-for-profit organisation. DEEWR has a continuing role as a strategic partner.

In 2012–13, the department convened a cross-agency community of practice to provide a forum for discussion on implementation of Children's Ground. A collective funding model, developed by Children's Ground, includes contributions from government, the community, philanthropic organisations and other service providers. This reflects the commitments to community agency and collective impact.

The success of this project highlights the power of networked development, under the right settings, as a tool for solving entrenched social problems, as well as the implications for governments, philanthropists and non-profit organisations seeking to address these problems.

Information and engagement

An important part of the department's work is creating materials to share the learning from innovation initiatives. In 2012–13, we developed resources on social innovation and its application, comprising a suite of 'Introduction to' documents on key concepts, a series of video interviews with international thought leaders, and case studies showcasing Australian projects.

Networks within Australia and internationally enable active engagement of people and organisations from across sectors and support innovation, collaboration, practice and learning. Locally, the department supported the Philanthropy Australia Conference, the inaugural Social Enterprise Awards and the Royal Melbourne Institute of Technology's Global Shifts—Social Enterprises conference.

Internationally, the department has an advisory role with the Impact Investing Policy Collaborative and has contributed led thinking at conferences, summits and forums in London, Singapore and Hong Kong. The social innovation team has collaborated with local and international partners (including Philanthropy Australia, JBWere, Social Finance UK, the Global Impact Investing Network and Jed Emerson) to bring together people and organisations from across sectors to raise awareness of and spur action for social innovation and impact investment.

With international momentum building, Australia is well positioned to use the platform created by the department's work to deliver priority initiatives and amplify the impact and scope of its social innovation agenda.

Indigenous business is everyone's business in DEEWR

As DEEWR has responsibility for four of the COAG targets for closing the gap on Aboriginal and Torres Strait Islander disadvantage, we require our people to be culturally capable and confident. This includes ensuring all employees have an appreciation of cultural capability and the opportunity to build that capability.

Recognising this, and as part of the department's broader efforts to identify and measure workforce capability, a set of Indigenous cultural capabilities has been developed. The development process was led by DEEWR's Indigenous Leader in consultation with Aboriginal and Torres Strait Islander employees, and was refined through a pilot process during 2012–13. Consistent with DEEWR's philosophy that Indigenous business is everyone's business, the Indigenous cultural capabilities will be part of all individual capability assessments from 2013–14.

DEEWR has an Indigenous Leader, appointed by the Secretary, who provides leadership, advice and guidance to the Executive, other managers and employees. The Indigenous Leader works with staff to ensure DEEWR is identified as an employer of choice for Indigenous Australians; DEEWR mainstream effort and Indigenous strategies jointly contribute to the achievement of COAG Closing the Gap targets; and the expertise of Aboriginal and Torres Strait Islander employees is supported and valued in business development and implementation.

Mura Kaimel–Yarrangi Committee

The Mura Kaimel–Yarrangi Committee is an important element of DEEWR's governance structure. Working in partnership with DEEWR's Indigenous Leader, the People and Leadership Committee, the People and Organisational Development Group and other key stakeholders, the committee provides DEEWR's Aboriginal and Torres Strait Islander employees with the opportunity to influence the department's recruitment, retention and career development strategies for Aboriginal and Torres Strait Islander people.

The national committee and associated state and national office networks provide support and informal mentoring opportunities for DEEWR employees.

Commitment to reconciliation

The department's Reconciliation Action Plan (RAP) formalises the department's commitment to reconciliation by setting out actions and measureable targets across many elements of our operations. The plan is aimed at strengthening our cultural capability and building an environment based on respect and good relationships. This enables us to provide the best opportunities to Aboriginal and Torres Strait Islander people through our programs and services.

The RAP is supported by a strong governance structure of SES-based committees and local working groups that assists with engagement and collaboration across the department. The structure's stakeholders inform DEEWR decision-making bodies, share ideas and support participation in reconciliation initiatives.

Since 2010 DEEWR has conducted regular surveys of employees to gauge their level of awareness of and engagement with reconciliation. The surveys enable the department to measure and track behavioural and attitudinal changes.

Survey results indicate that awareness, engagement and participation in DEEWR's RAP and reconciliation initiatives have been steadily increasing since the start of DEEWR's first RAP in 2009. The survey results assist work areas to identify strengths and weaknesses and develop tailored strategies for their areas. The survey shows that the department is well on track to achieve our RAP targets and ready to take further steps on our reconciliation journey.

Aboriginal and Torres Strait Islander recruitment, retention and career development

DEEWR is committed to improving the recruitment, retention and career development of our Aboriginal and Torres Strait Islander employees. This commitment reflects the department's broader aims for improving outcomes for Aboriginal and Torres Strait Islander people and contributing to closing the gap on Aboriginal and Torres Strait Islander disadvantage.

During 2012–13, we continued to build on our existing entry-level programs for Aboriginal and Torres Strait Islander employees, including the Indigenous cadet and Indigenous graduate programs.

The Australian Government has set a target to increase Aboriginal and Torres Strait Islander employment levels to a minimum of 2.7 per cent across the public sector by 2015. In 2009 the department set a target of 6.16 per cent by 2015. As at 30 June 2013, 5.73 per cent of DEEWR's employees identified as Aboriginal or Torres Strait Islander (see Appendix 8).

In an environment that has been characterised by resource constraints and downsizing, DEEWR's achievement in maintaining a higher representation of Aboriginal and Torres Strait Islander employees than the APS target is testimony to the department's commitment.

DEEWR Aboriginal and Torres Strait Islander Employee Secondment and Development Program

The DEEWR Aboriginal and Torres Strait Islander Employee Secondment and Development Program was created in 2013 as part of DEEWR's commitment to providing specialised recruitment pathways and employment opportunities to retain and develop Aboriginal and Torres Strait Islander employees.

The program involves Aboriginal and Torres Strait Islander employees from the state network coming to the DEEWR national office for a short period to work on specific projects in policy and program management areas. The program aims to provide opportunities for participants to understand and contribute to a national office business area while strengthening their stakeholder networks and providing valuable insight into the operations of the state network. Participants develop an ongoing mentoring relationship with a Senior Executive Service member and are exposed to targeted learning and development opportunities.

In early 2013, seven employees were selected as the first secondment cohort. Participants have said that the program is a valuable experience that has contributed to their development, helped with their career aspirations, increased their confidence in their own abilities, strengthened their passion for work and given

them a greater understanding of national office operations. Some have also shown an interest in applying for positions in national office.

'My experience participating in the Aboriginal and Torres Strait Islander secondment program has taken me on a new journey in life, which includes a permanent move from Sydney to Canberra and a new role in the International Labour Standards Team. The experience has also given me the opportunity to add to the job knowledge and skills that support my current area of study—Bachelor of Government and Public Management. It has also brought new friendships and given life to a new passion for international affairs.' Sherry-Ann Toomey, NSW state office

'Wow, what a great experience. Although at the start I found it challenging, I really enjoyed the opportunity and exposure in national office. As time went on I wanted to know more. It was a valuable experience working in a policy area and in particular on the project and how the department invests in strategies from a political context. This is a great program that has certainly opened my eyes to opportunities for career development and I totally recommend it to all Aboriginal and Torres Strait Islander staff.' Wendy Ruttley, Lismore regional office.

Reconciliation resources

Every year DEEWR proudly commemorates Aboriginal and Torres Strait Islander days of significance with a variety of events and activities across the country. For National Reconciliation Week 2013, each DEEWR state and territory office, as well as each national office cluster, focused on developing departmental resources relating to reconciliation.

The diversity of the resources developed showcases the interests, creativity and dedication of the groups of people who created them. The resources include examples of how DEEWR's policies and programs are contributing to reconciliation in action, video cultural tours, Indigenous language classes and reconciliation journey rooms.

One example is the Living Books library that was created by the DEEWR Schools and Youth cluster—an online database of biographies of Aboriginal or Torres Strait Islander employees who have volunteered to be ‘taken off the shelf’ by colleagues in the cluster for one-on-one conversations. This resource provides a great opportunity for staff to draw on the vast array of experience, knowledge and backgrounds of the Aboriginal and Torres Strait Islander employees in the cluster and build ongoing relationships in the spirit of reconciliation.

Developing the resources provided opportunities for project teams to collaborate with their local community, including schools, Indigenous organisations and community leaders, non-government organisations, artists and state governments. The relationships and skills built through this process are extremely valuable and will continue to grow.

This initiative is one example of how DEEWR actively strives to extend our commitment to reconciliation. The resources created will assist employees to continue to build their cultural capability and further embrace the philosophy that Indigenous business is everyone’s business in DEEWR. Further information on our RAP achievements can be found in our RAP annual progress reports at www.deewr.gov.au.

Information technology

Delivery of our outcomes is supported by information technology systems, processes and functions, including infrastructure, application development and maintenance and other support services. The department develops and hosts a number of large-scale business systems that underpin work across the portfolio. This includes corporate systems such as SAP Connect and business systems including the employment services system and the school education management information system.

Our achievements in information technology in 2012–13 included:

- establishing the DEEWR IT Strategic Plan 2012–2013 and achieving targeted savings
- developing and releasing the new whole-of-government parliamentary workflow solution announced in the 2012–13 Budget, including establishing new whole-of-government infrastructure to support the system. This work included significant security testing and performance modeling (refer to the parliamentary workflow system case study below)
- completing phase two of the Web Accessibility National Transition Strategy, which required all our websites to be level A conformant with the Web Content Accessibility Guidelines 2.0. Remediation plans are in place for the sites that are not conformant
- developing a training course to assist our employees to create accessible documents. The course is being considered for use across other government agencies
- implementing a system for Creative Young Stars Program applicants to submit online applications
- launching the Australian Job Search mobile phone application, enabling job seekers to search for local job vacancies, regional work and employment service providers, from anywhere in the country
- shifting the our wide area network to a new carrier under the Department of Finance and Deregulation panel arrangements, enabling unlimited download and reduced costs.

We have started a pilot using cloud-based services, including extending application development environments into the cloud, using cloud-based storage to supplement our internal storage capability and providing ad hoc computing environments for the testing of new applications.

When completed in August 2013, the pilot will inform the development of the DEEWR Cloud Computing Strategy. It will also support the implementation of the National Cloud Computing Strategy.

We continue to develop mobile technology approaches to improve the productivity of our workforce. DEEWR provides employees with flexibility in the choice of devices, which allows us to adapt to rapid changes in the mobile and tablet device market and move to new technologies to further enhance mobile services.

Services for other agencies

We continue to provide high-quality, professional and sustainable information and communication technology services to a number of agencies under memorandum of understanding arrangements. The base service involves desktop computers, network communications, applications hosting and storage. Some agencies also receive telephony services and application development and maintenance services. We continue to host and support the tertiary, skills and international education business systems for the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education.

Parliamentary workflow solution

During 2012–13 DEEWR developed the new whole-of-government parliamentary workflow solution announced in the 2012–13 Budget. The benefits the parliamentary workflow solution will deliver to the government include:

- providing ministers' offices with a single system for managing parliamentary documents from all agencies within their portfolio
- removing duplication of systems used to manage parliamentary workflow across 40 agencies
- facilitating cross-agency collaboration
- enabling more efficient responses to machinery-of-government changes.

The Department of Sustainability, Environment, Water, Population and Communities, the Australian Federal Police, the Australian Customs and Border Protection Service and the Department of Health and Ageing have begun implementation activities and will adopt the solution progressively throughout 2013–14.

The major project milestones achieved by the department were:

- releasing the core modules to agencies at the end of June 2013, including ministerial correspondence, briefs and submissions, parliamentary questions on notice, Senate questions on notice and question time briefs
- signing a collaborative head agreement between the Department of Finance and Deregulation as the lead client agency and DEEWR as the service provider
- joining with the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education to provide an authentication solution to support the solution
- establishing full technical connectivity for the first four agencies

- conducting a readiness-for-service review with Gateway-accredited reviewers in May 2013, which concluded that
 - the solution has a well-defined governance and delivery model. It is the first whole-of-government service that has a well-articulated governance framework with clearly defined roles and responsibilities. The framework would be a good model for other whole-of-government initiatives
 - in delivering the whole-of-government software for release 1, DEEWR has reused approximately 68 per cent of the solution from the current DEEWR parliamentary document management system software, reducing the total cost of the delivery of the new asset
 - the claims based authentication model, Vanguard Federated Authentication Service, is a reusable whole-of-government utility for government-to-government interactions and should form the basis for future whole-of-government services
 - the fee-for-service model established for the solution is sufficiently flexible to accommodate changes in resourcing for the measure and is subject to regular review by the governance committee
 - DEEWR's readiness to deliver the service was well advanced and functionally complete, allowing agencies to begin implementation by the required timeframe.

The project has not been without its challenges and there have been many valuable lessons learned along the way. These lessons will help government and agencies plan and deliver future whole-of-government activities and include:

- the importance of understanding the varied level of business change required within agencies to successfully manage transition
- the need for a flexible business case and associated funding streams to meet business demand
- the value of early technical connectivity to enable agencies to become familiar with the system well in advance of their scheduled transition timeframe
- the importance of managing the challenges that arise when development and implementation overlap.

DEEWR will continue implementation and support activity in 2013–14. Operational support is provided on a cost-recovery basis through project agreements between participating agencies and DEEWR.

The implementation of the parliamentary workflow solution places DEEWR as a significant provider of hosted services to other Australian Government departments.

PART 4

Our accountability



4 Our accountability

Governance

The Executive Meeting is the key decision-making body for the department. Membership consists of the Secretary, associate and deputy secretaries, and the chief finance officer. The Executive Meeting facilitates work across the department to achieve corporate objectives and promote the core principles of good public sector governance—accountability, transparency, integrity, stewardship, efficiency, leadership and risk management.

The DEEWR governance framework is made up of committees that report to the Executive Meeting. The committees are organised into the following streams based on their functional roles:

- organisational stream—supports and monitors the department's business. Committees under this stream are Audit; Business Management; Information Technology; and People and Leadership
- strategic linkages stream—discusses forward-looking policy and business linkages. Committees under this stream are Closing the Gap; DEEWR Implementation Steering; Budget Implementation Steering; and Strategic Information Management and Research
- business stream—manages the department's business and implements policy at an outcome or program level. The committees under this stream are Early Childhood, Working Age and Indigenous Participation Senior Executive Meeting; Schools and Youth Board; Employment Steering; and Workplace Relations and Economic Strategy Senior Executive Meeting.

A review of the governance framework was completed in August 2012. The recommendations were provided to the Executive Meeting. The outcomes ensure that we continue to meet our requirements through transparent reporting, accountability and decision making.

Strategic plan

The DEEWR Strategic Plan 2011–2014 is the overarching document that describes our work and how we engage with the community, stakeholders and other departments to achieve our goals now and in the future. The plan reflects the government's priorities for access to early childhood care and development; quality early childhood and school education; increased employment and participation; safe workplaces; and an inclusive society.

Through the plan, we demonstrate our commitment to closing the gap for Aboriginal and Torres Strait Islander peoples, and improving services and outcomes for people in regional Australia and people experiencing disadvantage. The plan is available at www.deewr.gov.au.

Business planning

DEEWR business plans are developed annually by each area of the department. The plans outline the deliverables for the year ahead and how they will be measured. The plans align with the vision, goals and strategies set out in the strategic plan, which in turn are linked to individual performance and development plans. The plans can be updated as needed to reflect any changes in priorities and are reviewed biannually to track progress.

Other processes integrated into business planning include:

- conducting strategic risk assessments, including fraud, security and ICT
- developing business continuity plans for mission-critical activities
- identifying actions to promote the department's philosophy that Indigenous business is everyone's business
- identifying opportunities to operate more efficiently and effectively.

Implementing government initiatives

DEEWR has a robust corporate governance structure in place to ensure initiatives are implemented seamlessly and to a consistently high standard in accordance with government and community expectations and accountability responsibilities.

One of DEEWR's major governance committees is the DEEWR Implementation Steering Committee. The committee is responsible for overseeing governance, risk and implementation strategies, and ensuring that arrangements are in place to meet external reporting obligations. The committee considers and provides strategic oversight by monitoring significant government commitments. This year the committee focused on broadening its approach to implementation by considering implementation lessons from other government agencies.

Risk management

DEEWR's risk management framework articulates our approach to managing risks at all levels. The framework focuses on promoting risk management as an integral component of business delivery and good governance. Supported by the Executive, it encourages all employees to manage risk as part of their everyday responsibilities.

The framework commits the department to identifying, treating and monitoring risks related to potential threats, harm, losses, failures and opportunities. Information is reported to members of the Executive and governance committees to guide the management of risk at the strategic level. As required under the Commonwealth Fraud Control Guidelines, relevant risk plans contain at least one identified fraud risk.

RiskActive, an enterprise-wide risk management system, provides a central repository for DEEWR's risk plans. It supports the framework by ensuring that risk management processes are integrated across all levels of the department. During 2012–13, an online learning module was developed to support the use of RiskActive. In conjunction with this tool, workshops are run with business areas to identify specific risks and assisting staff to consider all aspects of risk management. During 2012–13, more than 870 employees either attended training, received advice through the hotline and inbox, participated in workshops and risk discussions or completed the RiskActive online training module.

In the Comcover Awards for Excellence in Risk Management 2012, DEEWR received an honourable mention in the enterprise-wide risk management category.

External scrutiny

Judicial decisions

There were no judicial decisions in 2012–13 that had a significant impact on the department.

Administrative tribunal decisions

There were no decisions of administrative tribunals in 2012–13 that had a significant impact on the operations of the department. Details of all court and tribunal matters in which the department was involved are available in Appendix 9.

Reports on the operations of the department by the Commonwealth Ombudsman

There were no reports on the operations of the department by the Commonwealth Ombudsman in 2012–13.

Reports by the Auditor-General

During 2012–13 the Australian National Audit Office tabled five reports in parliament that made recommendations relating to the department:

- Audit Report No. 7 2012–13 *Improving access to child care—the community support program*
- Audit Report No. 14 2012–13 *Delivery of workplace relations services by the Office of the Fair Work Ombudsman*
- Audit Report No. 38 2012–13 *Indigenous early childhood development: children and family centres*
- Audit Report No. 43 2012–13 *Establishment, implementation and administration of the general component of the local jobs stream of the jobs fund*
- Audit Report No. 55 2012–13 *Indigenous employment: the Australian Government's contribution to the Australian employment covenant.*

The department was also involved in the following cross-portfolio reviews conducted by the ANAO:

- Audit Report No. 28 2012–13 *The Australian Government performance measurement and reporting framework—pilot project to audit key performance indicators*
- Audit Report No. 45 2012–13 *Cross-agency coordination of employment programs*
- Audit Report No. 53. *Agencies' implementation of performance audit recommendations.*

Details on these reports can be found at www.anao.gov.au.

Parliamentary committee inquiries

The department appeared before the Senate Standing Committee on Education, Employment and Workplace Relations for Supplementary Budget Estimates—17 and 18 October 2012; Additional Budget Estimates—13 and 14 February 2013; and Budget Estimates—3 to 6 June 2013.

The department also made appearances before, or submissions to, a number of parliamentary committee enquiries during the year (see Table 29). Details of the inquiries can be found at www.aph.gov.au.

Table 29 Appearances before, and submissions to, parliamentary committee inquiries

Committee	Inquiries, submissions and appearances
Senate Standing Committees on Legal and Constitutional Affairs	Migration Amendment (Temporary Sponsored Visas) Bill 2013 Framework and operation of Subclass 457 visas, Enterprise Migration Amendments and Regional Migration Amendment
Senate Economics Legislation Committee	Inquiry into the Superannuation Legislation Amendment (MySuper Capital Gains Tax Relief and Other Measures) Bill 2013
Senate Education, Employment and Workplace Relations Legislation Committee	<p data-bbox="585 514 1157 571">Inquiry into the Fair Work Amendment (Small Business—Penalty Rates Exemption) Bill 2012</p> <p data-bbox="585 597 1063 622">Inquiry into the Fair Work Amendment Bill 2012</p> <p data-bbox="585 649 1063 674">Inquiry into the Fair Work Amendment Bill 2013</p> <p data-bbox="585 700 1147 757">Inquiry into the Asbestos Safety and Eradication Agency Bill 2013</p> <p data-bbox="585 784 1107 841">Inquiry into the Fair Work (Registered Organisations) Amendment (Towards Transparency) Bill 2012</p> <p data-bbox="585 868 1147 925">Inquiry into Protecting Local Jobs (Regulating Enterprise Migration Agreements) Bill 2012</p> <p data-bbox="585 952 1161 1009">Social Security Legislation Amendment (Fair Incentives to Work) Bill 2012 [Provisions]</p> <p data-bbox="585 1035 888 1060">Australian Education Bill 2012</p> <p data-bbox="585 1087 1032 1111">Early Years Quality Special Account Bill 2013</p> <p data-bbox="585 1138 1204 1195">Social Security Amendment (Supporting More Australians into Work) Bill 2013</p> <p data-bbox="585 1222 865 1247">Student Identifiers Bill 2013</p> <p data-bbox="585 1273 1139 1359">Australian Education Bill 2013 (as amended); Australian Education (Consequential and Transitional provisions) Bill 2013</p>
Senate Standing Committee on Education, Employment and Workplace Relations	<p data-bbox="585 1378 1177 1466">The conditions of employment of state public sector employees and the adequacy of protection of their rights at work compared to other employees</p> <p data-bbox="585 1492 1134 1549">Teaching and Learning—maximising our investment in Australian schools</p> <p data-bbox="585 1576 1204 1702">The adequacy of the allowance payment system for job seekers and others, the appropriateness of the allowance payment system as a support into work and the impact of the changing nature of the labour market</p> <p data-bbox="585 1728 1147 1780">The effectiveness of the National Assessment Program—Literacy and Numeracy</p>

Committee	Inquiries, submissions and appearances
Joint Standing Committee on Treaties	International Labour Organization (ILO) Convention No. 129: Convention concerning Labour Inspection in Agriculture and ILO Convention No. 138: Convention concerning Minimum Age for Admission to Employment
Joint Standing Committee on Foreign Affairs, Defence and Trade	Inquiry into Australia's relationship with Timor Leste
Joint Committee of Public Accounts and Audit	Inquiry into Audit Report No. 41 (2011–12) National Partnership Agreement on Literacy and Numeracy
Joint Committee on Electoral Matters	Inquiry into the Australian Electoral Commission analysis of the Fair Work Australia report on the Health Services Union
House Select Committee on Australia's Food Processing Sector	Inquiry into Australia's food processing sector
House Standing Committee on Education and Employment	Inquiry into workplace bullying
House Economics Committee	Report on Australia's oil refinery industry
House Standing committee on Aboriginal and Torres Strait Islander Affairs	Inquiry into the contribution of sport to Indigenous wellbeing and mentoring Inquiry into language learning in Indigenous communities
House Standing Committee on Social Policy and Legal Affairs	Inquiry into Fetal Alcohol Spectrum Disorder
House Standing Committee on Regional Australia	Inquiry into fly-in fly-out and drive-in, drive-out workforce practices in regional Australia

Fraud control

As required by the *Commonwealth Fraud Control Guidelines* and the *Financial Management and Accountability Act 1997* (FMA Act), the department has a fraud control plan as well as other guidelines and policies that underpin fraud control in the department. Collectively, these documents establish our framework for managing fraud risks and conducting investigations.

In 2012–13, we promoted fraud awareness and managed fraud risks by:

- continuing to integrate fraud risk assessment into our business planning process
- providing face-to-face fraud awareness training to employees
- providing an interactive online fraud awareness training package for employees
- maintaining a suite of fraud control guidance documents for all employees
- reviewing and updating the fraud control plan to maintain its currency and relevance
- providing advice to program and policy areas on fraud risk analysis and management
- investigating instances of possible fraud in accordance with the Australian Government Investigation Standards and the Commonwealth Fraud Control Guidelines.

Audit processes

Internal Audit

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

- promote strong performance management and accountability in departmental programs, systems and practices
- promote better practice within DEEWR
- improve controls and governance within a risk management environment.

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

Audit Committee

The functions of DEEWR's Audit Committee are constituted in accordance with section 46 of the FMA Act and regulation 22C of the FMA Regulations. In line with the Act and Regulations, the Audit Committee's functions include:

- assisting the department to comply with obligations under the FMA Act, the FMA Regulations and the Finance Minister's Orders
- providing a forum for communication between the Secretary, senior managers and the internal and external auditors of the department.

The members of the Audit Committee include two deputy secretaries (chair and deputy chair), two group managers and one independent external member.

Communications and parliamentary

The Communication and Parliamentary Group plays a key role in providing specialised expertise and support to the portfolio's ministers and the department across a broad range of communication and parliamentary functions.

Services provided include developing and implementing communication strategies and campaigns, events management, public affairs (including traditional and social media), web development, design and branding advice, speechwriting and editing, stakeholder engagement, corporate communications, external contact centre management, and coordination and management of all parliamentary activity. The parliamentary functions include processing and monitoring ministerial correspondence, coordinating question time briefs, preparing briefs for Senate Estimates and providing support to the Executive and ministers' offices.

Public campaigns and events

Consistent with Australian Government guidelines on information and advertising campaigns, the department undertakes paid advertising to inform affected members of the Australian community about the range of programs and initiatives it administers. More information on DEEWR advertising can be found in Appendix 5.

National Plan for School Improvement Communication campaign

The National Plan for School Improvement Communication campaign was launched in May 2013. The plan represents the most significant reforms to school education in more than 40 years, and will affect millions of Australians, including students, parents, teachers, principals and school communities.

The campaign is designed to provide the Australian community with information about the plan and the ways it will affect them.

The campaign uses television, press, radio, online and magazine advertising to feature real people—including a student, a teacher, a mother, a grandfather, a community youth worker, a builder and an economist—talking about why education is important to them.

Information material was adapted for Indigenous and culturally and linguistically diverse audiences. Mass media messages were supported by the Better Schools website, a call centre and social media platforms such as Twitter, Facebook and YouTube.

Child care assistance campaign

The child care assistance campaign was launched in April 2013 to inform families about the Australian Government financial assistance available to help cover the costs of child care. The objective of the campaign was to increase awareness and understanding of the Child Care Rebate, particularly among families who are eligible for but not claiming the rebate.

Experience+ campaign

The Experience+ campaign was launched in April 2013 to promote the benefits of employing and retaining mature-age Australians, and to generate awareness and encourage take-up of government services available to employers and mature-age workers. The campaign, which will run for four years, includes newspapers, magazine, radio, digital display and digital search advertising. The first year is focused on employers, specifically business professionals involved in hiring staff, with mature-age workers targeted as a secondary audience.

National Literacy and Numeracy Week

National Literacy and Numeracy Week 2012 was held between 27 August and 2 September. It celebrates the achievements of parents, teachers, principals and members of the wider community who support children to develop stronger literacy and numeracy skills. The department has been running the popular week for 15 years and it is an established event on the national education calendar.

National Youth Week

National Youth Week 2013 began on 5 April. An annual joint federal, state, territory and local government initiative, the week celebrates and recognises the value of all young Australians to their communities. It is the single largest annual event on the Australian youth calendar and is held in every state and territory in Australia, encompassing both rural and regional areas.

National Youth Week promotes a positive image of young people by showcasing their talents, contributions and achievements. It acknowledges young people's common interests and diverse backgrounds, and provides them with a forum to express their ideas.

Media and speechwriting

Working in partnership with the portfolio ministers' offices, journalists and other stakeholders, the department produces high-quality communication products such as media releases, speeches, and question-and-answer sheets. This provides the Australian public with comprehensive and accurate information about a wide range of departmental programs and initiatives across a varied portfolio.

Engagement through social media

With 22 active social media projects spanning a total of 39 social media presences, the department is exploring new ways of engaging with the Australian community.

The department uses social media to provide information about programs and initiatives, promote activities, respond to inquiries from the public, encourage public participation and engage a broad online audience.

DEEWR also organises public forums to discuss policy and receive feedback from the community. Live events featuring the Prime Minister and portfolio ministers have been held in the DEEWR theatre, supported with live online streaming and chat facilities.

Making these forums available live online and viewable on demand after the event means that people can watch the full discussion rather than having to rely on coverage provided in mainstream media.

Our new website

The department is committed to making our online services and information accessible to as many people as possible regardless of ability, in accordance with the requirements of the whole-of-government Web Accessibility National Transition Strategy.

As part of this commitment, we redeveloped our website using open-source software for greater flexibility and accessibility. The project involved migrating thousands of pages of content. The website went live in December 2012.

The new site, still at deewr.gov.au, is built to be as accessible as possible across multiple devices, screen sizes and capabilities.

The new simple, clean and easy-to-navigate design improves legibility and ease of use. It also provides better integration of video material, greatly improved search facilities, and access to DEEWR's social media platforms and document library.

The improved accessibility makes it easier for anyone who visits the site to get the information they need about the department's varied programs and services.

Service charter

The DEEWR Service Charter explains our service commitments and standards. It provides the general business context within which the department's program-specific service-level agreements operate. The charter sets out the standard of service the general community can expect in its dealings with us, how they can provide feedback and how to contact the department if they are hearing or speech impaired or require interpreter assistance. DEEWR employees are encouraged to conduct program implementation and service delivery within the overall framework of the service charter. A link to the service charter is featured on the department's intranet and internet sites.

Financial management

After adjusting for depreciation and revaluations, the department reported an operating surplus for 2012–13 of \$1.4 million (0.2 per cent of departmental revenue) compared to a deficit of \$2.1 million for 2011–12 (0.3 per cent of departmental revenue).

The department's administered expenses decreased by \$3.9 billion compared to 2011–12.

Asset management

The department's asset management policies and procedures emphasise whole-of-life asset management. The department undertook a number of processes in the reporting year to provide assurance as to the existence, validity and valuation of the assets held. These included:

- a stocktake to confirm the existence and location of the department's assets
- an asset impairment review in accordance with Australian Accounting Standard 136 to ensure that the department only carries assets at a value above the recoverable amount
- assessments of asset values to ensure they are reported at fair value at 30 June 2013.

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. The provision of 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. As a result, the department's procurement activities are readily communicated and accessible to all business enterprises.

The department implements the Indigenous Opportunities Policy and internal procurement policies aimed at increasing opportunities for businesses owned by Aboriginal and Torres Strait Islander people. The department works in partnership with Supply Nation in applying the policies to support participation of Aboriginal and Torres Strait Islander businesses in Australian Government procurement activities.

Consultancies

During 2012–13, 165 new consultancies were entered into, involving total actual expenditure of \$13,003,458. In addition, 74 ongoing consultancy contracts were active during 2012–13, involving total actual expenditure of \$16,732,909.

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

Policy on selecting consultants

The department engages individuals and companies to provide professional services under contracts for service, taking into account the skills and resources required for the task, the skills available internally and the cost-effectiveness of those options. The decision to engage a consultant is made in accordance with the FMA Act and related regulations.

Consultancy services are a particular type of service delivered under a contract for services. They are distinguished from other contracts for services by the nature of the work performed. A consultant is an entity, whether an individual, a partnership or a corporation, engaged to provide professional independent and expert advice or services. The methods of selection used for consultancies are open tender, prequalified tender, limited tender and panel arrangements (initially selected through either an open tender or prequalified tender process). Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined research reviews or evaluations; or provide independent advice, information or creative solutions to assist the department in management decision making.

Exempt contracts

No contracts in excess of \$10,000 (inclusive of GST) or standing offers were exempted by the Secretary from being published on AusTender during the reporting year.

Grants programs

Information on grants awarded by the department during 2012–13 is available at www.deewr.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. DEEWR's plan is available at www.foi.deewr.gov.au.

Tripartite consultation on International Labour Organization matters

This report on tripartite consultations on International Labour Organization (ILO) matters was prepared in accordance with Australia's commitments under the ILO Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144). Australia ratified the convention in June 1979.

Tripartite consultation on ILO matters, including international labour standards, occurs through:

- regular meetings of the International Labour Affairs Committee, a committee of the National Workplace Relations Consultative Council
- direct consultation between DEEWR and the representative worker and employer organisations (the social partners)—that is, the Australian Council of Trade Unions, the Australian Chamber of Commerce and Industry, and the Australian Industry Group.

The International Labour Affairs Committee was established in 1978 under section 12(1) of the then *National Labour Consultative Council Act 1977* (replaced by the *National Workplace Relations Consultative Council Act 2002*). Its terms of reference require it to consider matters of substance relating to the ILO and other relevant international bodies.

In 2012–13, the committee met twice: 12 October 2012 and 1 March 2013.

Article 5 of Convention No. 144 requires consultation on several matters. A summary of these matters, and the way in which the Australian Government responded to them in 2013–13, follows.

Government responses to reports

The social partners were invited to contribute to a variety of Australian Government responses to ILO reports throughout 2012–13.

Tabling of Social Protection Floors Recommendation, 2012 (No. 202)

As required by the ILO, DEEWR tabled the ILO Social Protection Floors Recommendation, 2012 (No. 202) in the Australian Parliament on 14 May 2013 with an accompanying report detailing the extent to which the instrument would be given effect in Australia and related further action. The social partners were invited to comment on the report before it was tabled.

The recommendation was adopted by the ILO International Labour Conference in June 2012, and is designed to encourage member states to implement national social protection floors which are tailored to the needs, priorities, and financial and institutional capacity of each member state.

2013 International Labour Conference

The 102nd session of the International Labour Conference was held between 5 and 20 June 2013 and covered the following technical items:

- employment and social protection in the new demographic context
- sustainable development, decent work and green jobs
- strategic objectives of social dialogue under the follow-up to the 2008 ILO Declaration on Social Justice for a Fair Globalization.

The social partners that participated in the conference were consulted about these items prior to and in the margins of the conference.

Article 19 report on selected unratified conventions

The Australian Government was required to respond to a questionnaire on unratified ILO conventions and recommendations which is requested annually under Article 19 of the ILO Constitution. In 2012–13 Australia was required to report on two instruments:

- Minimum Wage Fixing Convention, 1970 (No. 131)
- Minimum Wage Fixing Recommendation, 1970 (No. 135).

As Australia has ratified Convention 131 and reported on its application in 2011, this report primarily addressed additional questions posed by the ILO concerning the impact of the global economic crisis on setting the minimum wage.

The Australian Government provided the reports to the ILO and social partners on 28 February 2013.

Re-examination at appropriate intervals of unratified conventions and of recommendations

At the International Labour Affairs Committee meetings in October 2012 and March 2013, members discussed the following unratified ILO instruments:

- Convention No. 94, Labour Clauses (Public Contracts) Convention, 1949
- Convention No. 129, Labour Inspection (Agriculture) Convention, 1969
- Convention No. 138, Minimum Age Convention, 1973
- Convention No. 152, Occupational Safety and Health (Dock Work) Convention, 1979
- Convention No. 167, Safety and Health in Construction Convention, 1988
- Convention No. 169, Indigenous and Tribal Peoples Convention, 1989
- Convention No. 176, Occupational Safety and Health in Mining Convention, 1995
- Convention No. 177, Home Work Convention, 1996
- Convention No. 181, Private Employment Agencies Convention, 1997
- Convention No. 189, Domestic Workers Convention, 2011.

Questions arising out of reports made to the ILO under Article 22 of the ILO Constitution

On 7 September 2012, in accordance with Article 22 of the ILO Constitution, the Australian Government submitted reports to the ILO on the following ratified conventions:

- Convention No. 12, Workmen's Compensation (Agriculture) Convention, 1921
- Convention No. 19, Equality of Treatment (Accident Compensation) Convention, 1925
- Convention No. 27, Marking of Weight (Packages Transported by Vessels) Convention, 1929
- Convention No. 42, Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934
- Convention No. 81, Labour Inspection Convention, 1947
- Convention No. 100, Equal Remuneration Convention, 1951
- Convention No. 111, Discrimination (Employment and Occupation) Convention, 1958
- Convention No. 137, Dock Work Convention, 1973
- Convention No. 155, Occupational Safety and Health Convention, 1981.

The social partners were invited to comment on these reports and were provided with final copies. The Australian Council of Trade Unions provided comments to the ILO on the reports.

The social partners were informed of the Article 22 reports due to be submitted to the ILO by September 2013. Reports are required for the following ratified conventions:

- Convention No. 47, Forty-Hour Week Convention, 1935
- Convention No. 87, Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Convention No. 98, Right to Organise and Collective Bargaining Convention, 1949
- Convention No. 142, Human Resources Development Convention, 1975
- Convention No. 144, Tripartite Consultation (International Labour Standards) Convention, 1976
- Convention No. 162, Asbestos Convention, 1986
- Convention No. 175, Part-Time Work Convention, 1994.

The social partners will be provided with copies of these reports before they are submitted to the ILO.

PART 5

Financial statements





INDEPENDENT AUDITOR'S REPORT

To the Minister for Education and Workplace Relations

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Education, Employment and Workplace Relations for the year ended 30 June 2013, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies; and Notes to and Forming Part of the Financial Statements 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, Employment and Workplace Relations is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the Department of Education, Employment and Workplace Relations' preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Education, Employment and Workplace Relations' 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, Employment and Workplace Relations, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Opinion

In my opinion, the financial statements of the Department of Education, Employment and Workplace Relations:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of Education, Employment and Workplace Relations' financial position as at 30 June 2013 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

Note 32 *Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund* discloses information on the Department of Education, Employment and Workplace Relations' review of its exposure to risks of not complying with statutory conditions on payments from special appropriations and special accounts, and annual appropriations which fund statutory payments. Non-compliance with statutory conditions may lead to a contravention of section 83 of the Constitution, which requires that no money shall be drawn from the Treasury of the Commonwealth except under an appropriation made by law.

As disclosed in Note 32:

- the Department of Education, Employment and Workplace Relations has indicated that it will continue to monitor the level of compliance across all

- legislation for which it is administratively responsible and where possible legislative amendments and system changes will continue to be progressed; and
- 2012–13 payments potentially in breach of section 83 of the Constitution, total \$452,873 under the *Schools Assistance Act 2008*, \$4,636,215 under the *Student Assistance Act 1973* and \$101,297,849 under the *Social Security Administration Act 1999*.

Australian National Audit Office



Ian McPhee


Auditor-General

Canberra

9 September 2013

**Department of Education, Employment and Workplace Relations
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2013 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.


Signed.....

Lisa Paul AO PSM
Chief Executive

9/9/13


Signed.....

Craig Storen
Chief Finance Officer

9/9/13

Department of Education, Employment and Workplace Relations
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2013

		2013	2012
	Notes	\$'000	\$'000
EXPENSES			
Employee benefits	3A	423,228	507,751
Supplier expenses	3B	184,510	237,657
Grants	3C	2,913	5,943
Depreciation and amortisation	3D	60,739	71,593
Finance costs	3E	119	105
Write-down and impairment of assets	3F	1,149	3,213
Losses from asset sales	3G	288	234
Total expenses		<u>672,946</u>	<u>826,496</u>
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	45,130	32,350
Total own-source revenue		<u>45,130</u>	<u>32,350</u>
Gains			
Sale of assets	4B	46	-
Reversals of previous asset write-downs and impairment	4C	5	341
Other gains	4D	4,550	7,326
Total gains		<u>4,601</u>	<u>7,667</u>
Total own-source income		<u>49,731</u>	<u>40,017</u>
Net cost of (contribution by) services		<u>623,215</u>	<u>786,479</u>
Revenue from Government	4E	563,881	712,826
Surplus (Deficit) attributable to the Australian Government		<u>(59,334)</u>	<u>(73,653)</u>
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to profit or loss			
Changes in asset revaluation surplus:			
Adjustment to land		-	837
Adjustment to buildings		-	194
Adjustment to leasehold improvements		-	1,030
Adjustment to infrastructure, plant and equipment		-	(4,530)
Changes to provision for restoration obligations		47	(516)
Total other comprehensive income		<u>47</u>	<u>(2,985)</u>
Total comprehensive income (loss)		<u>(59,287)</u>	<u>(76,638)</u>

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

Department of Education, Employment and Workplace Relations
BALANCE SHEET
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	21,569	2,540
Trade and other receivables	5B	94,346	148,210
Other financial assets	5C	14,326	491
Total financial assets		130,241	151,241
Non-Financial Assets			
Land and buildings	6A	85,453	104,860
Infrastructure, plant and equipment	6B	31,290	36,942
Intangibles	6D	112,362	106,383
Other non-financial assets	6F	23,716	25,370
Total non-financial assets		252,821	273,555
Total assets		383,062	424,796
LIABILITIES			
Payables			
Suppliers	7A	37,917	65,801
Other payables	7B	53,660	61,367
Total payables		91,577	127,168
Provisions			
Employee provisions	8A	131,932	123,639
Other provisions	8B	2,058	4,060
Total provisions		133,990	127,699
Total liabilities		225,567	254,867
Net assets		157,495	169,929
EQUITY			
Contributed equity		360,363	312,474
Reserves		43,353	44,346
Retained surplus (accumulated deficit)		(246,221)	(186,891)
Total equity		157,495	169,929

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

STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2013

	Retained earnings		Asset revaluation reserves		Contributed equity/capital		Total equity	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	(186,891)	(113,243)	44,346	47,331	312,474	265,730	169,929	199,818
Adjustment for errors ¹	4	5	(1,040)	-	-	-	(1,036)	5
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjusted opening balance	(186,887)	(113,238)	43,306	47,331	312,474	265,730	168,893	199,823
Comprehensive income								
Other comprehensive income	-	-	-	(2,469)	-	-	-	(2,469)
Adjustment to provision for restoration obligations	-	-	47	(516)	-	-	47	(516)
Surplus (Deficit) for the period	(59,334)	(73,653)	-	-	-	-	(59,334)	(73,653)
Total comprehensive income	(59,334)	(73,653)	47	(2,985)	-	-	(59,287)	(76,638)
Transactions with owners								
Distributions to owners								
Returns of capital:								
Restructuring (Note 9)	-	-	-	-	(1,777)	(34,303)	(1,777)	(34,303)
Return of special account balance (Note 26)	-	-	-	-	-	-	-	-
Contributions by owners								
Equity injection - Appropriation	-	-	-	-	5,607	12,132	5,607	12,132
Departmental capital budget	-	-	-	-	45,094	68,915	45,094	68,915
Return of Unspent Appropriation	-	-	-	-	(1,035)	-	(1,035)	-
Restructuring	-	-	-	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	47,889	46,744	47,889	46,744
Transfers between equity components	-	-	-	-	-	-	-	-
Closing balance as at 30 June	(246,221)	(186,891)	43,353	44,346	360,363	312,474	157,495	169,929

¹The adjustment to the assets revaluation reserves relates to assets that were incorrectly re-valued and are no longer assets of the Department as at 1 July 2012.

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

Department of Education, Employment and Workplace Relations
CASH FLOW STATEMENT
for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		634,229	766,161
Sale of goods and rendering of services		27,294	24,833
GST received		21,245	28,561
Other		6,205	9,841
Total cash received		<u>688,973</u>	<u>829,396</u>
Cash used			
Employee benefits		422,820	509,956
Supplier expenses		202,423	283,780
Grants		2,913	5,943
Section 31 receipts transferred to the OPA		42,117	33,342
Total cash used		<u>670,273</u>	<u>833,021</u>
Net cash from (used by) operating activities	10	<u>18,700</u>	<u>(3,625)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of infrastructure, plant and equipment		26	6
Proceeds from sales of land and buildings		302	-
Total cash received		<u>328</u>	<u>6</u>
Cash used			
Purchase of infrastructure, plant and equipment		7,196	12,276
Purchase / development of intangibles		36,802	50,130
Purchase of land and buildings		1,341	14,068
Total cash used		<u>45,339</u>	<u>76,474</u>
Net cash from (used by) investing activities		<u>(45,011)</u>	<u>(76,468)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity - capital injections		5,607	12,132
Contributed equity - capital budget		39,733	66,511
Total cash received		<u>45,340</u>	<u>78,643</u>
Net cash from (used by) financing activities		<u>45,340</u>	<u>78,643</u>
Net increase (decrease) in cash held		<u>19,029</u>	<u>(1,450)</u>
Cash and cash equivalents at the beginning of the reporting period		2,540	3,990
Cash and cash equivalents at the end of the reporting period	5A	<u>21,569</u>	<u>2,540</u>

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

Department of Education, Employment and Workplace Relations
SCHEDULE OF COMMITMENTS
as at 30 June 2013

	2013	2012
BY TYPE	\$'000	\$'000
Commitments receivable		
Sublease rental income ¹	(23,474)	(30,500)
Net GST recoverable on commitments	(48,210)	(60,015)
Total commitments receivable	(71,684)	(90,515)
Other commitments		
Operating leases ¹	485,661	553,133
IT commitments ²	47,995	59,897
Research and development	40	550
Other ³	26,605	74,844
Total other commitments	560,301	688,424
Net commitments by type	488,617	597,909
BY MATURITY		
Commitments receivable		
One year or less	(14,116)	(16,377)
From one to five years	(34,227)	(48,666)
Over five years	(23,341)	(25,472)
Total commitments receivable	(71,684)	(90,515)
Operating lease commitments¹		
One year or less	64,231	67,857
From one to five years	197,496	257,966
Over five years	223,934	227,310
Total operating lease commitments	485,661	553,133
IT commitments²		
One year or less	17,389	23,580
From one to five years	30,531	36,317
Over five years	75	-
Total IT commitments	47,995	59,897
Research and development commitments		
One year or less	40	275
From one to five years	-	275
Total research and development commitments	40	550

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

Department of Education, Employment and Workplace Relations
SCHEDULE OF COMMITMENTS
as at 30 June 2013

	2013 \$'000	2012 \$'000
Other commitments³		
One year or less	13,654	26,458
From one to five years	<u>12,951</u>	<u>48,386</u>
Total other commitments	<u>26,605</u>	<u>74,844</u>
Net commitments by maturity	<u>488,617</u>	<u>597,909</u>

NB: Commitments are GST inclusive where relevant.

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

Nature of lease	General description of leasing arrangement
Leases for office accommodation	Lease payments are subject to periodic market value or indexed increases.
Sub lease revenue for office accommodation	Vacant office space is sub leased where possible. The total of future minimum lease payments expected to be received over the next five years is \$23,029,320 (2012: \$25,363,918) including GST.
Agreement for provision of motor vehicles to senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to the department.

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.

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

Department of Education, Employment and Workplace Relations
SCHEDULE OF CONTINGENCIES

as at 30 June 2013

	2013	2012
	\$'000	\$'000
Contingent liabilities		
Claims for damages or costs	<u>294</u>	<u>3,961</u>
Total contingent liabilities	<u>294</u>	<u>3,961</u>
Net contingent assets (liabilities)	<u>(294)</u>	<u>(3,961)</u>

Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 11: Contingent Assets and Liabilities, along with information on significant remote contingencies and contingencies that cannot be quantified.

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

Department of Education, Employment and Workplace Relations
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
EXPENSES			
Supplier expenses	16A	2,331,808	2,764,014
Subsidies	16B	240,227	685,257
Personal benefits	16C	20,283,124	20,528,506
Grants	16D	9,205,453	11,849,400
Finance costs	16E	47	195
Write-down and impairment of assets	16F	3,817	81,408
Payment to CAC bodies	16G	6,280	21,515
Total expenses administered on behalf of Government		32,070,756	35,930,295
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Taxation revenue			
Other taxes	17A	172,567	151,584
Total taxation revenue		172,567	151,584
Non-taxation revenue			
Interest	17B	1,527	1,844
Commonwealth asset recoveries	17C	37,230	24,944
Other revenue	17D	29,022	133,447
Total non-taxation revenue		67,779	160,235
Total own-source revenue administered on behalf of Government		240,346	311,819
Gains			
Fair value gains from financial instruments	17E	29,134	-
Reversals of previous asset write-downs and impairment	17F	19,205	1,505
Total gains administered on behalf of Government		48,339	1,505
Total own-source income administered on behalf of Government		288,685	313,324
Net cost of (contribution by) services		31,782,071	35,616,971
Surplus (Deficit)		(31,782,071)	(35,616,971)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to profit or loss			
Changes in asset revaluation surplus		(37,572)	29,858
Total other comprehensive income		(37,572)	29,858
Total comprehensive income (loss)		(31,819,643)	(35,587,113)

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

Department of Education, Employment and Workplace Relations
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	18A	58	15
Trade and other receivables	18B	1,345,773	1,283,036
Other investments	18C	6,987	44,559
Total financial assets		1,352,818	1,327,610
Non-financial assets			
Other non-financial assets	19A	3,493	7,388
Total non-financial assets		3,493	7,388
Total assets administered on behalf of Government		1,356,311	1,334,998
LIABILITIES			
Payables			
Suppliers	20A	145,279	314,800
Subsidies	20B	32,349	32,028
Personal benefits	20C	478,356	391,514
Grants	20D	43,084	89,588
Other payables	20E	2,827,840	2,461,906
Total payables		3,526,908	3,289,836
Provisions			
Provision of personal benefits	21A	742,404	596,569
Total provisions		742,404	596,569
Total liabilities administered on behalf of Government		4,269,312	3,886,405
Net assets/(liabilities)		(2,913,001)	(2,551,407)

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

Department of Education, Employment and Workplace Relations
ADMINISTERED RECONCILIATION SCHEDULE

	2013	2012
	\$'000	\$'000
Opening administered assets less administered liabilities as at 1 July	(2,551,407)	11,226,633
Adjustment for errors	-	-
Adjustment for changes in accounting policies	-	-
Adjusted opening administered assets less administered liabilities	(2,551,407)	11,226,633
Surplus (deficit) items:		
Plus: Administered income	288,685	313,324
Less: Administered expenses (non CAC)	(32,064,476)	(35,908,780)
Less: Payments to CAC Act bodies	(6,280)	(21,515)
Other comprehensive income:		
Administered revaluations taken to/from reserves	(37,572)	29,858
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses (non CAC)	3,506,182	4,712,280
Annual appropriations for payment to CAC Act bodies	6,300	21,515
Special appropriations (limited) (non CAC)	149,654	129,571
Special appropriations (limited) paid to CAC Act bodies	-	-
Special appropriations (unlimited) (non CAC)	28,995,853	32,413,733
Special appropriations (unlimited) paid to CAC Act bodies	67,551	66,530
Special accounts	(234)	4,655
Transfers to OPA	(1,267,259)	(1,655,414)
Restructuring	-	(13,883,841)
Other movements	2	44
Closing administered assets less administered liabilities as at 30 June	(2,913,001)	(2,551,407)

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

Department of Education, Employment and Workplace Relations
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
OPERATING ACTIVITIES			
Cash received			
Interest		759	805
Net GST received		1,296,531	1,342,656
Levies		172,567	151,584
Other		214,270	364,998
Total cash received		1,684,127	1,860,043
Cash used			
Suppliers		3,460,537	3,878,942
Subsidies		239,906	682,522
Personal benefits		20,294,687	20,695,554
Grants		9,055,698	11,697,806
Interest		34	48
Payments to CAC Act bodies		6,280	21,515
Total cash used		33,057,142	36,976,387
Net cash flows from (used by) operating activities	22	(31,373,015)	(35,116,344)
INVESTING ACTIVITIES			
Cash received			
Repayments of advances and loans		200,419	1,246,661
Total cash received		200,419	1,246,661
Cash used			
Loans made		284,099	1,805,756
Total cash used		284,099	1,805,756
Net cash flows from (used by) investing activities		(83,680)	(559,095)
Net increase (decrease) in cash held		(31,456,695)	(35,675,439)
Cash and cash equivalents at the beginning of the reporting period		15	200
Cash from the Official Public Account for:			
- Appropriations		32,725,540	37,343,629
- GST appropriations		306,020	375,143
- Special accounts		654	79,501
		33,032,214	37,798,273
Cash to the Official Public Account for:			
- Appropriations		(1,267,259)	(1,655,414)
- Return of GST appropriations		(307,329)	(392,759)
- Special accounts		(888)	(74,846)
		(1,575,476)	(2,123,019)
Cash and cash equivalents at the end of the reporting period	18A	58	15

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

Department of Education, Employment and Workplace Relations
SCHEDULE OF ADMINISTERED COMMITMENTS
as at 30 June 2013

	2013	2012
BY TYPE	\$'000	\$'000
Commitments receivable		
Net GST recoverable on commitments	<u>(7,591,420)</u>	<u>(2,429,942)</u>
Total commitments receivable	<u>(7,591,420)</u>	<u>(2,429,942)</u>
Commitments payable		
Other commitments		
Employment programs	7,649,171	10,923,260
Goods and services ¹	312,169	263,296
Grants	549,966	968,934
Legislative obligations ²	112,134,857	14,542,513
Other	<u>85</u>	<u>125,706</u>
Total other commitments	<u>120,646,248</u>	<u>26,823,709</u>
Net commitments by type	<u>113,054,828</u>	<u>24,393,767</u>
BY MATURITY		
Commitments receivable		
One year or less	(1,146,109)	(1,192,128)
From one to five years	(4,569,814)	(1,233,456)
Over five years	<u>(1,875,497)</u>	<u>(4,358)</u>
Total commitments receivable	<u>(7,591,420)</u>	<u>(2,429,942)</u>
Commitments payable		
Other Commitments		
One year or less	15,010,378	13,174,997
From one to five years	72,844,563	13,600,773
Over five years	<u>32,791,306</u>	<u>47,939</u>
Total other commitments	<u>120,646,247</u>	<u>26,823,709</u>
Net commitments by maturity	<u>113,054,827</u>	<u>24,393,767</u>

NB: All commitments are GST inclusive where relevant.

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

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*, *Schools Assistance Act 2008* and the *Indigenous Education (Targeted Assistance) Act 2000*.

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

Department of Education, Employment and Workplace Relations
SCHEDULE OF ADMINISTERED CONTINGENCIES
as at 30 June 2013

	2013	2012
	\$'000	\$'000
Administered contingent assets		
Claims for damages or costs	<u>19,928</u>	<u>15,302</u>
Total administered contingent assets	<u>19,928</u>	<u>15,302</u>
Administered contingent liabilities		
Claims for damages or costs	<u>74,174</u>	<u>66,862</u>
Total administered contingent liabilities	<u>74,174</u>	<u>66,862</u>
<i>Net administered contingent assets (liabilities)</i>	<u>(54,246)</u>	<u>(51,560)</u>

Details of each class of contingent assets and liabilities in the above table are disclosed in Note 23: Administered Contingent Assets and Liabilities, along with information on significant remote contingencies and contingencies that cannot be quantified.

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

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

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

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of DEEWR

The Department of Education, Employment and Workplace Relations (the department) is an Australian Government controlled entity. It is a not-for-profit entity.

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

The department is structured to meet the following outcomes:

Outcome 1: Early Childhood Education and Child Care

Outcome 2: School Education

Outcome 3: Employment

Outcome 4: Workplace Relations

During the comparator 2011-12 financial year the department's structure changed as a result of the Administrative Arrangement Orders (AAOs) issued on 14 December 2011 and 9 February 2012. As a result responsibility for Tertiary Education including Higher Education, Vocational Education and International Education transferred to the former Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE). The 2011-12 financial statements record a proportion of expenses relating to this outcome.

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

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

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2012; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the department or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

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

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 2012-13 financial year the department made the following judgements that had a significant impact on the amounts recorded in the financial statements.

Child Care Fee Assistance

The Child Care Fee Assistance (CCFA) program is aimed at assisting families with the cost of child care. Recipients receive an estimated entitlement fortnightly, either as a fee reduction via the child care provider or in some instances directly. Recipients may also receive certain benefits quarterly or annually. The benefits are paid on the basis of an estimate of taxable income and the subsequent lodgement of their tax return establishes actual income and an adjustment to the recipient's entitlement.

At any point in time there are recipients, entitled to receive CCFA, who have not yet received their full entitlement from the Commonwealth Government. DEEWR estimates a provision for these entitlements. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as at the reporting date, taking into account the risks and uncertainties that surround the events and circumstances that affect the provision as required by AASB 137 – *Provision, Contingent Liabilities and Contingent Assets*, para. 8.1. The provision calculates the current year and earlier years' liability for claims that have yet to be realised. The methodology considers the likely lodgement profiles associated with reconciliation top-ups, lump sum claims, and quarterly and fortnightly payments, including the impact of new measures.

There are also a number of eligible recipients who have received in excess of their entitlement and owe money to DEEWR. DEEWR estimates a receivable for these benefits. The methodology to determine DEEWR's receivable considers historic recipient behaviours adjusted for the impact of new measures. The impairment allowance account for the CCFA receivable has been calculated by the Australian Government Actuary in accordance with the overall requirement of AASB 136 - *Impairment of Assets*, which relies on a profile of past customer behaviour.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

There have been no new standards, amended standards or interpretations that were issued by the Australian Accounting Standards Board prior to the sign off date that are applicable to the current reporting period and have a material impact on DEEWR.

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 13	Fair Value Measurement – December 2012 (Principal) – this will result in an increase level of disclosure for items carried at fair value.
AASB 119	Employee Benefits - September 2011 (Principal) – this will result in an increased level of disclosure.
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB 13
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119

The following new standards, revised standards, interpretations and amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date and apply to the future reporting period, they are not expected to have a financial impact on the department:

AASB 1055	Budgetary Reporting - March 2013 (Principal) – this new requirement will require DEEWR to explain significant variances between budget and actual expenditure
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Department of Education, Employment and Workplace Relations NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

AASB 9	Financial Instruments – may impact on recognition and measurement of financial instruments
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Liabilities (AASB 132) – this is expected to have a minimal impact on DEEWR’s financial statements
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (AASB7 & AASB 132) – this is not expected to have an impact on DEEWR’s statements
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (AASB 132) – this is not expected to have an impact on DEEWR’s statements
Interp. 21	Levies – the potential impact of this interpretation is yet to be assessed

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the department retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the department.

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

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

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

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

Revenue from Government

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

Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources received free of charge

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

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of assets

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

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

1.7 Transactions with the Government as Owner

Equity injections

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

Restructuring of administrative arrangements

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

Other distributions to Owners

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

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of 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 minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

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

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

The liability for long service leave has been determined by reference to work conducted by an actuary in 2011-12. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

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

Superannuation

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

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

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

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

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 risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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

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

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

Lease incentives

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

1.11 Cash

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

- cash on hand;
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;
- cash held by outsiders; and
- cash in special accounts.

1.12 Financial Assets

The department classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future;
- are parts of an identified portfolio of financial instruments that the department manages together and has a recent actual pattern of short-term profit-taking; or
- are derivatives that are not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit or loss for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, these instruments are valued at cost. The department has no such instruments.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

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

- *Financial assets held at amortised cost* - If there is objective evidence that an impairment loss has been incurred for loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.
- *Available-for-sale financial assets* - If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Statement of Comprehensive Income.
- *Financial assets held at cost* - If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon trade date.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or

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

liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Indemnities

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

1.15 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

1.16 Acquisition of Assets

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

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

1.17 Infrastructure, Plant and Equipment including Land and Buildings

Asset recognition threshold

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

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

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

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	2013	2012
Buildings on freehold land	37-51 years	37-51 years
Buildings – leasehold improvements	Lease term	Lease term
Infrastructure, plant and equipment	3-25 years	3-15 years

During 2012-13 as a result a review of useful lives of infrastructure, plant and equipment, there has been a change in the depreciation rates as indicated in the above table.

Impairment

All assets were assessed for impairment at 30 June 2013. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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

Equipment was brought to account as part of infrastructure, plant and equipment for the first time as at 30 June 2013.

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 (2012: 2-15 years).

All software assets were assessed for indications of impairment as at 30 June 2013.

1.19 Taxation

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

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

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

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

1.20 Reporting of Administered Activities

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

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

Administered cash transfers to and from the Official Public Account

Revenue collected by the department for use by the Government rather than the department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the department on behalf of the Government and reported as such in the 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 Student Financial Supplement Scheme (ABSTUDY) are recognised at 30 June each year based on an actuarial assessment of the fair value.

Loans and receivables

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

Administered receivables, including those relating to personal benefit overpayments, represent debts owed to the department by past and present customers. All debts known to be irrecoverable are excluded from the value of administered receivables. Irrecoverable debts comprise amounts written off pursuant to section 1236 of the *Social Security Act 1991* and amounts waived pursuant to section 1237 of the *Social Security Act 1991*. In accordance with departmental guidelines for the operation of waivers under section 1237 of the *Social Security Act 1991*, where a debt is not likely to exceed a threshold amount and it is not cost effective for the Australian Government to recover the debt, the debt is waived.

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

Administered investments

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

Administered investments other than those held for sale are classified as available-for-sale and are measured at their fair value as at 30 June 2013. 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.

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

Under the Federal Financial Framework agreed with Council of Australian Governments (COAG), which came into effect on 1 January 2009, the Department of the Treasury is accountable for the payment of grants under the National Partnership Agreements to the States and Territories. As a result DEEWR reported payments made since the agreement came into effect as nation building transfers (Note 16D) for all payments made through State and Territory Governments.

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* (2012) 288 ALR 410, as they contribute to the larger body of law relevant to the development of Commonwealth programs. 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.

Personal Benefits

The department administers a number of personal benefit programs on behalf of the government that provide income support, family assistance and other entitlements to individuals. Payments are determined in accordance with provisions under social security law and other legislation. Payments made under the *Social Security Act 1991*, *Social Security (Administration) Act 1999*, *A New Tax System (Family Assistance) Act 1999*, *A New Tax System (Family Assistance) (Administration) Act 1999* and *Student Assistance Act 1973* legislation are assessed, determined and paid by officers of the Department of Human Services (DHS) under delegation from the department.

Payments made by DHS appear in the financial statements of the department, which receives appropriations for the payments.

The *Social Security (Administration) Act 1999*, *A New Tax System (Family Assistance) (Administration) Act 1999* and *Student Assistance Act 1973* imposes obligations on payment recipients to disclose to DHS information about financial and personal circumstances that affect entitlement to payment. Unreported changes in circumstances can lead to incorrect payment, even if no deliberate fraud is intended. However, risks associated with relying on voluntary disclosure are mitigated by a risk management strategy which focuses on prevention, detection and deterrence.

In addition, as part of its ongoing administration obligations DHS conducts a comprehensive program of reviews. Compliance reviews of payment recipient's circumstances contribute to the detection of overpayment and benefit fraud. Recipients are generally selected for compliance reviews based on risk categories and inconsistencies in income, assets or other data across DHS systems, or between DHS and data gathered through Job Services Australia, universities, or held by other agencies such as the ATO and financial institutions. DHS also undertake reviews that are triggered by the length of time since a particular event has happened for a recipient. The department oversees a program of random sampling of recipients in order to identify emerging risks to payment accuracy.

Payments to CAC Act bodies

Payments to Comcare from amounts appropriated for that purpose are classified as administered expenses of the relevant portfolio department. The appropriation to the department is disclosed in Table A and Table D of the appropriation note.

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

Note 2: Events After the Reporting Period

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

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

Note 3: Expenses

	2013	2012
	\$'000	\$'000
Note 3A: Employee benefits		
Wages and salaries	287,826	341,969
Superannuation:		
Defined contribution plans	22,857	23,644
Defined benefit plans	44,374	48,587
Leave and other entitlements	64,826	70,004
Separations and redundancies	639	20,188
Other employee expenses	2,706	3,359
Total employee benefits	423,228	507,751
Note 3B: Supplier expenses		
Goods and services		
Consultants	23,148	36,060
Contractors	17,657	15,995
Travel	8,695	12,228
IT services	42,580	51,952
Property	11,402	17,055
Resources received free of charge	1,610	5,041
Other	20,911	31,213
Total goods and services	126,003	169,544
Goods and services are made up of:		
Provision of goods – related entities	52	122
Provision of goods – external parties	2,568	3,283
Rendering of services – related entities	7,948	19,519
Rendering of services – external parties	115,435	146,620
Total goods and services	126,003	169,544
Other supplier expenses		
Operating lease rentals – external parties:		
Minimum lease repayments	51,884	63,389
Contingent rentals	297	1,023
Workers compensation expenses	6,326	3,701
Total other supplier expenses	58,507	68,113
Total supplier expenses	184,510	237,657
Note 3C: Grants		
Public sector:		
Australian Government entities (related entities)	93	2,964
Private sector:		
Non-profit organisations	1,100	1,035
Other	1,720	1,944
Total grants	2,913	5,943

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

	2013	2012
	\$'000	\$'000
<u>Note 3D: Depreciation and amortisation</u>		
Depreciation:		
Infrastructure, plant and equipment	12,336	19,044
Buildings	83	75
Leasehold improvements	18,147	21,136
Total depreciation	30,566	40,255
Amortisation:		
Intangibles:		
Computer software	30,173	31,338
Total amortisation	30,173	31,338
Total depreciation and amortisation	60,739	71,593
<u>Note 3E: Finance costs</u>		
Unwinding of discount on provision for restoration obligations	119	105
Total finance costs	119	105
<u>Note 3F: Write-down and impairment of assets</u>		
Asset write-downs and impairments from:		
Write-off of receivables - goods and services	18	7
Impairment of intangibles	650	662
Impairment of leasehold improvements	-	705
Write-off of non-financial assets – infrastructure, plant and equipment	253	1,282
Write-off of non-financial assets – land and buildings	228	557
Total write-down and impairment of assets	1,149	3,213
<u>Note 3G: Losses from asset sales</u>		
Infrastructure, plant and equipment:		
Proceeds from sale	(26)	(6)
Carrying value of assets sold	314	240
Net loss from infrastructure, plant and equipment	288	234
Total losses from asset sales	288	234

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

Note 4: Income

	2013	2012
	\$'000	\$'000

OWN-SOURCE REVENUE

Note 4A: Sale of goods and rendering of services

Provision of goods - external parties	7	369
Rendering of services - related entities	40,469	18,112
Rendering of services - external parties	4,654	13,869
Total sale of goods and rendering of services	45,130	32,350

GAINS

Note 4B: Sale of Assets

Land and buildings

Proceeds from sale	302	-
Carrying value of assets sold	(256)	-
Net gain from sale of land and buildings	46	-
Net gain from sale of assets	46	-

Note 4C: Reversals of previous asset write-downs and impairment

Reversal of impairment losses	5	341
Total reversals of previous asset write-downs and impairments	5	341

Note 4D: Other gains

Resources received free of charge	1,610	5,041
Gain on write back of restoration provision	1,446	569
First time recognition of assets – property, plant and equipment	56	101
First time recognition of assets – portable and attractive items	3	9
Other	1,435	1,606
Total other gains	4,550	7,326

REVENUE FROM GOVERNMENT

Note 4E: Revenue from Government

Appropriations:		
Departmental appropriation	563,881	712,826
Total revenue from Government	563,881	712,826

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

Note 5: Financial Assets

	2013	2012
	\$'000	\$'000
Note 5A: Cash and cash equivalents		
Cash on hand or on deposit	21,569	2,540
Total cash and cash equivalents	21,569	2,540
Note 5B: Trade and other receivables		
Good and Services:		
Goods and services - related entities	3,575	3,555
Goods and services - external parties	2,636	1,495
Total receivables for goods and services	6,211	5,050
Appropriations receivable:		
For existing programs	84,337	137,886
Total appropriations receivable	84,337	137,886
Other receivables:		
GST receivable from the Australian Taxation Office	3,798	5,279
Total other receivables	3,798	5,279
Total trade and other receivables (gross)	94,346	148,215
Less impairment allowance account:		
Goods and services	-	(5)
Total impairment allowance account	-	(5)
Total trade and other receivables (net)	94,346	148,210
Receivables are expected to be recovered in:		
No more than 12 months	94,346	148,210
More than 12 months	-	-
Total trade and other receivables (net)	94,346	148,210
Receivables are aged as follows:		
Not overdue	93,492	147,067
Overdue by:		
0 to 30 days	152	19
31 to 60 days	81	616
61 to 90 days	53	223
More than 90 days	568	290
Total receivables (gross)	94,346	148,215
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	(5)
Total impairment allowance account	-	(5)

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

Reconciliation of the Impairment Allowance Account:

Movements in relation to 2013	Goods and services \$'000	Total \$'000
Opening balance	(5)	(5)
Amounts written off	(18)	(18)
Amounts recovered and reversed	18	18
Increase/(decrease) recognised in net surplus	5	5
Closing balance	-	-

Movements in relation to 2012	Goods and services \$'000	Total \$'000
Opening balance	(346)	(346)
Amounts written off	(7)	(7)
Amounts recovered and reversed	7	7
Increase/(decrease) recognised in net surplus	341	341
Closing balance	(5)	(5)

Note 5C: Other financial assets

Accrued revenue	<u>14,326</u>	<u>491</u>
Total other financial assets	<u>14,326</u>	<u>491</u>

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

No more than 12 months	14,326	491
More than 12 months	-	-
Total other financial assets	<u>14,326</u>	<u>491</u>

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

Note 6: Non-Financial Assets

	2013 \$'000	2012 \$'000
<u>Note 6A: Land and buildings</u>		
Land		
Freehold land at fair value	<u>1,910</u>	<u>1,960</u>
Total land	<u>1,910</u>	<u>1,960</u>
Buildings on freehold land:		
Fair value	2,020	2,210
Accumulated depreciation	<u>(79)</u>	<u>-</u>
Total buildings on freehold land	<u>1,941</u>	<u>2,210</u>
Leasehold improvements:		
Work in progress	275	1,813
Fair value	97,154	100,255
Accumulated depreciation	<u>(15,122)</u>	<u>(673)</u>
Accumulated impairment losses	<u>(705)</u>	<u>(705)</u>
Total leasehold improvements	<u>81,602</u>	<u>100,690</u>
Total land and buildings	<u>85,453</u>	<u>104,860</u>

There are 3 residential properties to be sold within the next 12 months. The properties have a net book value of \$1,363,752 as at 30 June 2013.

There are 6 leased properties that the department manages which are due to be vacated within the next 12 months that have leasehold improvement assets. The total net book value of the leasehold improvements including restoration for these properties was \$312,116 as at 30 June 2013.

An impairment loss of \$704,536 was recognised for one property associated with surplus lease space.

Note 6B: Infrastructure, plant and equipment

Fair value	45,273	40,469
Accumulated depreciation	<u>(13,983)</u>	<u>(3,527)</u>
Total infrastructure, plant and equipment	<u>31,290</u>	<u>36,942</u>

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.

No revaluation increments for land (2012: \$837,411), buildings on freehold land (2012: \$193,653) and leasehold improvements (2012: \$1,029,929) or decrements for infrastructure, plant and equipment (2012: \$4,530,056) were credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet; no increments/decrements were expensed (2012: nil).

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

Note 6c: Reconciliation of the opening and closing balances of property, plant and equipment (2012-13)

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Total land and buildings \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2012						
Gross book value	1,960	2,210	101,363	105,533	40,469	146,002
Accumulated depreciation and impairment	-	-	(673)	(673)	(3,527)	(4,200)
Net book value 1 July 2012	1,960	2,210	100,690	104,860	36,942	141,802
Additions:						
By purchase	-	-	1,341	1,341	7,196	8,537
By lease incentive	-	-	-	-	-	-
First time recognition	-	-	-	-	56	56
Leasehold Restoration	-	-	780	780	-	780
Reclassification	-	-	-	-	-	-
Revaluations and impairments recognised in other comprehensive income	-	-	-	-	-	-
Impairments recognised in the operating result	-	-	-	-	-	-
Depreciation expense	-	(83)	(18,147)	(18,230)	(12,336)	(30,566)
Other movements:						
Correction of Prior Year Revaluation Error (through ARR)	-	-	(1,039)	(1,039)	-	(1,039)
Disposals:						
From disposal of entities or operations (including restructuring)	-	-	(1,774)	(1,774)	(3)	(1,777)
Other	(50)	(186)	(21)	(257)	(313)	(570)
Write-offs	-	-	(228)	(228)	(253)	(481)
Net book value 30 June 2013	1,910	1,941	81,602	85,453	31,290	116,743
Net book value as of 30 June 2013 represented by:						
Gross book value	1,910	2,020	96,724	100,654	45,273	145,927
Accumulated depreciation and impairment	-	(79)	(15,122)	(15,201)	(13,983)	(29,184)
Net book value 30 June 2013	1,910	1,941	81,602	85,453	31,290	116,743

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

Note 6C: Reconciliation of the opening and closing balances of property, plant and equipment (2011-12)

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Total land and buildings \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2011						
Gross book value	1,123	2,345	100,951	104,419	149,731	254,150
Accumulated depreciation and impairment	-	(255)	(292)	(547)	(98,067)	(98,614)
Net book value 1 July 2011	1,123	2,090	100,659	103,872	51,664	155,536
Additions:						
By purchase	-	-	15,228	15,228	12,276	27,504
By lease incentive	-	-	7,875	7,875	-	7,875
First time recognition	-	-	-	-	101	101
Reclassification	-	1	(27)	(26)	26	-
Revaluations and impairments recognised in other comprehensive income	837	194	1,030	2,061	(4,530)	(2,469)
Impairments recognised in the operating result	-	-	(705)	(705)	-	(705)
Depreciation expense	-	(75)	(21,136)	(21,211)	(19,044)	(40,255)
Disposals:						
From disposal of entities or operations (including restructuring)	-	-	(1,677)	(1,677)	(2,029)	(3,706)
Other	-	-	-	-	(240)	(240)
Write-offs	-	-	(557)	(557)	(1,282)	(1,839)
Net book value 30 June 2012	1,960	2,210	100,690	104,860	36,942	141,802
Net book value as of 30 June 2012 represented by:						
Gross book value	1,960	2,210	101,363	105,533	40,469	146,002
Accumulated depreciation and impairment	-	-	(673)	(673)	(3,527)	(4,200)
Net book value 30 June 2012	1,960	2,210	100,690	104,860	36,942	141,802

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

	2013	2012
	\$'000	\$'000
<u>Note 6D: Intangibles</u>		
Computer software:		
Internally developed – in progress	19,944	24,345
Internally developed – in use	221,132	183,908
Purchased	3,728	3,381
Total computer software (gross)	244,804	211,634
Accumulated amortisation - internally developed	(129,040)	(101,918)
Accumulated amortisation - purchased	(3,402)	(3,333)
Total computer software (net)	112,362	106,383
Total intangibles	112,362	106,383

No indicators of impairment were found for intangible assets.

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

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

Note 6E: Reconciliation of the opening and closing balances of intangibles (2012-13)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2012			
Gross book value	208,253	3,381	211,634
Accumulated amortisation and impairment	(101,918)	(3,333)	(105,251)
Net book value 1 July 2012	106,335	48	106,383
Additions:			
By Purchase	-	347	347
Internally developed	36,455	-	36,455
Revaluations and impairments recognised in other comprehensive income	-	-	-
Impairments recognised in the operating result	(650)	-	(650)
Amortisation	(30,104)	(69)	(30,173)
Disposals:			
From disposal of entities or operations (including restructuring)	-	-	-
Other	-	-	-
Write-offs	-	-	-
Net book value 30 June 2013	112,036	326	112,362
Net book value as of 30 June 2013 represented by:			
Gross book value	241,076	3,728	244,804
Accumulated amortisation and impairment	(129,040)	(3,402)	(132,442)
Net book value 30 June 2013	112,036	326	112,362

In the 2012-13 financial year write offs of \$2.841 million were carried out for internally developed software. There were no write offs of purchased software.

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

Note 6E: Reconciliation of the opening and closing balances of intangibles (2011-12)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2011			
Gross book value	252,273	5,699	257,972
Accumulated amortisation and impairment	(136,820)	(5,586)	(142,406)
Net book value 1 July 2011	115,453	113	115,566
Additions:			
Purchased	-	-	-
Internally developed	50,216	-	50,216
Impairments recognised in the operating result	(661)	(1)	(662)
Amortisation	(31,274)	(64)	(31,338)
Disposals:			
From disposal of entities or operations (including restructuring)	(27,399)	-	(27,399)
Write-offs	-	-	-
Net book value 30 June 2012	106,335	48	106,383
Net book value as of 30 June 2012 represented by:			
Gross book value	208,253	3,381	211,634
Accumulated amortisation and impairment	(101,918)	(3,333)	(105,251)
Net book value 30 June 2012	106,335	48	106,383

In the 2011-12 financial year write offs of \$16.916 million for internally developed software and \$2.317 million for purchased software were carried out on the assets which were fully depreciated, therefore the net book value written off was \$0.

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

	2013 \$'000	2012 \$'000
<u>Note 6F: Other non-financial assets</u>		
Prepayments	<u>23,716</u>	<u>25,370</u>
<i>Total other non-financial assets</i>	<u>23,716</u>	<u>25,370</u>
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	20,614	22,409
More than 12 months	<u>3,102</u>	<u>2,961</u>
<i>Total other non-financial assets</i>	<u>23,716</u>	<u>25,370</u>

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

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

Note 7: Payables

	2013	2012
	\$'000	\$'000
Note 7A: Suppliers		
Trade creditors and accruals	28,140	57,833
Operating lease rentals	9,777	7,968
Total supplier payables	37,917	65,801
Supplier payables expected to be settled within 12 months:		
Related entities	2,195	32,430
External parties	26,172	26,107
Total	28,367	58,537
Supplier payables expected to be settled in greater than 12 months:		
Related entities	-	-
External parties	9,550	7,264
Total	9,550	7,264
Total supplier payables	37,917	65,801

Settlement is usually made within 30 days.

Note 7B: Other payables

Salaries and wages	10,380	10,212
Superannuation	1,779	1,639
Separations and redundancies	280	6,712
Other employee benefits	313	340
Lease incentives	26,325	28,185
Unearned income	717	819
Payable to the Official Public Account	1	1
Accrued expenses	11,102	10,564
Surplus lease space	2,763	2,895
Total other payables	53,660	61,367
Total other payables are expected to be settled in:		
No more than 12 months	31,514	34,176
More than 12 months	22,146	27,191
Total other payables	53,660	61,367

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

Note 8: Provisions

	2013 \$'000	2012 \$'000
Note 8A: Employee provisions		
Leave	<u>131,932</u>	123,639
Total employee provisions	<u>131,932</u>	<u>123,639</u>
Employee provisions are expected to be settled in:		
No more than 12 months	40,046	36,022
More than 12 months	<u>91,886</u>	<u>87,617</u>
Total employee provisions	<u>131,932</u>	<u>123,639</u>
Note 8B: Other provisions		
Provision for restoration obligations	<u>2,058</u>	4,060
Total other provisions	<u>2,058</u>	<u>4,060</u>
Other provisions are expected to be settled in:		
No more than 12 months	186	2,810
More than 12 months	<u>1,872</u>	<u>1,250</u>
Total other provisions	<u>2,058</u>	<u>4,060</u>

	Provision for restoration obligations \$'000	Total \$'000
Carrying amount 1 July 2012	4,060	4,060
Additional provisions made	780	780
Amounts reversed	(1,446)	(1,446)
Amounts used	(1,408)	(1,408)
Unwinding of discount or change in discount rate	119	119
Adjustments to asset revaluation reserve	(47)	(47)
Closing balance 30 June 2013	<u>2,058</u>	<u>2,058</u>

The department currently has 5 (2012: 9) agreements for the leasing of premises which have provisions requiring the department to restore the premises to their original condition at the conclusion of the lease. The department has made a provision to reflect the present value of this obligation.

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

Note 9: Restructuring
 Note 9A: Departmental restructuring

	2013	2012
	Tertiary Education: including Higher Education, Vocational Education and International Education	ASQA: a national VET regulator, responsible for registering training organisations and accrediting courses.
	Department of Industry, Innovation, Science, Research and Tertiary Education ¹	ASQA: a national VET regulator, responsible for registering training organisations and accrediting courses.
	Australian Skills Quality Authority ²	TEQSA: a new national regulatory and quality assurance agency for higher education
	\$'000	\$'000
	-	-
	-	-
	3	-
	-	-
	3	4,443
	1,774	213
FUNCTION RELINQUISHED		
Assets relinquished		
Trade and other receivables	-	2,678
Land and buildings	-	1,482
Property, plant and equipment	3	283
Intangibles	-	-
Total assets relinquished	3	4,443
Liabilities relinquished		
Other payables	-	-
Employee entitlement provisions	-	-
Total liabilities relinquished	-	(132)
Net assets/(liabilities) relinquished	3	4,443
	1,774	81

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

Notes:

1. The tertiary education functions, including higher education, vocational education and international education were relinquished to the former Department of Industry, Innovation, Science, Research and Tertiary Education during 2011-12 due to Administrative Arrangement Order changes on 13 December 2011 and 9 February 2012.
2. Responsibility for registering training organisations and accrediting courses was relinquished to the national VET regulator, the Australian Skills Quality Authority on 1 July 2011. As at 30 June 2012 some assets had not been transferred to the Australian Skills Quality Authority. An additional transfer of land and buildings (\$1.774m) was completed in July 2012.
3. The functions relating to quality assurance for higher education were transferred to the Tertiary Education Quality Standards Agency on 1 July 2011.

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

Note 9B: Administered restructuring		
	2013	2012
	Tertiary Education: including Higher Education, Vocational Education and International Education	Tertiary Education: including Higher Education, Vocational Education and International Education
	Department of Industry, Innovation, Science, Research and Tertiary Education¹	Department of Industry, Innovation, Science, Research and Tertiary Education ¹
	\$'000	\$'000
FUNCTIONS RELINQUISHED		
Assets relinquished		
Trade and other receivables	-	26,358
Advances and loans	-	16,796,794
Other receivables	-	628,192
Investments	-	1,906,457
Total assets relinquished	-	19,357,801
Liabilities relinquished		
Payables	-	(326,536)
Provision for grants	-	(5,147,424)
Total liabilities relinquished	-	(5,473,960)
Net assets/(liabilities) relinquished	-	13,883,841
Expenses		
Recognised by losing entity	960	-
Total expenses	960	-

Notes

1. The tertiary education functions, including higher education, vocational education and international education were relinquished to the former Department of Industry, Innovation, Science, Research and Tertiary Education during 2011-12 due to Administrative Arrangement Order changes on 13 December 2011 and 9 February 2012.
2. The net assets/liabilities relinquished to all entities were nil (2012: \$13,883.841 million).

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

Note 10: Cash Flow Reconciliation

	2013	2012
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	21,569	2,540
Balance sheet	21,569	2,540
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(623,215)	(786,479)
Add revenue from Government	563,881	712,826
Adjustments for non-cash items		
First time recognition of non-financial assets	(56)	(101)
Reversal of impairment losses	(5)	(341)
Other gains	(1,449)	(569)
Depreciation / amortisation	60,739	71,593
Net write-down and impairment of assets	1,149	3,213
Net losses from sale of assets	242	234
Finance costs - unwinding of discount on provision for restoration obligations	119	105
Changes in assets / liabilities		
Decrease / (increase) in net receivables	26,151	21,266
Decrease / (increase) in accrued income	(13,835)	(15)
Decrease / (increase) in prepayments	1,654	3,112
Increase / (decrease) in employee provisions	8,293	(6,802)
Increase / (decrease) in supplier payables	(3,801)	(5,576)
Increase / (decrease) in other provisions	(2,002)	(4,302)
Increase / (decrease) in other payables	835	(11,789)
Net cash from (used by) operating activities	<u>18,700</u>	<u>(3,625)</u>

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

Note 11: Contingent Assets and Liabilities

	Indemnities		Claims for damages or costs			Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	
Contingent assets							
Balance from previous period	-	-	-	24	-	24	
New contingent assets recognised	-	-	-	-	-	-	
Assets recognised	-	-	-	2	-	2	
Expired	-	-	-	(26)	-	(26)	
Total contingent assets	-	-	-	-	-	-	
Contingent liabilities							
Balance from previous period	-	-	3,961	3,413	3,961	3,413	
New contingent liabilities recognised	-	-	19	-	19	-	
Re-measurement	-	-	(1,221)	548	(1,221)	548	
Liabilities recognised	-	-	(2,465)	-	(2,465)	-	
Obligations expired	-	-	-	-	-	-	
Total contingent liabilities	-	-	294	3,961	294	3,961	
Net contingent assets (liabilities)							
					(294)	(3,961)	

Department of Education, Employment and Workplace Relations

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Quantifiable Contingencies

The schedule of contingencies reports contingent liabilities in respect of indemnities and claims for damages of \$0.294 million (2012: \$3.961 million).

The schedule also reports contingent assets in respect of claims for damages of nil (2012: nil).

The amounts included in the schedule represent an estimate of the department's contingent assets and liabilities based on wide ranging legal cases.

Unquantifiable Contingencies

As at 30 June 2013, the department had contingent liabilities likely to be paid in respect of damages and claims that are not quantifiable. There was one open matter in the hands of the department's legal representatives (2012: 1). 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 three (2012: 1) contingent assets where the likelihood of receipt is remote. The value of contingent liabilities where the likelihood of payment is remote is nil (2012: nil). These are not included in the Schedule of Contingencies.

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

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

Note 12: Senior Executive Remuneration

Note 12A: Senior executive remuneration expense for the reporting period

	2013	2012
	\$'000	\$'000
Short-term employee benefits:		
Salary (including annual leave taken)	24,769	26,632
Annual leave accrued	383	298
Other	4,573	4,670
Total short-term employee benefits	29,725	31,600
Post-employment benefits:		
Superannuation	4,749	4,846
Total post-employment benefits	4,749	4,846
Other long-term employee benefits:		
Long-service leave	596	879
Total other long-term benefits	596	879
Termination benefits	302	1,040
Total senior executive remuneration expenses	35,373	38,365

Notes

- Note 12A was prepared on an accrual basis. It excludes acting arrangements and part-year service where total remuneration expensed as a senior executive was less than \$180,000.
- Other includes motor vehicle allowances, other allowances and reportable fringe benefits

**Department of Education, Employment and Workplace Relations
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Note 12B: Average annual reportable remuneration paid to substantive senior executives during the reporting period

Average annual reportable remuneration ¹	2012-13						Total reportable remuneration
	Substantive Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Bonus paid ⁵ \$	\$	
Total reportable remuneration (including part-time arrangements):							
Less than \$180,000	24	74,370	11,837				86,207
\$180,000 to \$209,999	23	171,430	28,618				200,047
\$210,000 to \$239,999	47	191,970	33,651				225,621
\$240,000 to \$269,999	21	212,715	39,057				251,772
\$270,000 to \$299,999	13	248,497	40,095				288,593
\$300,000 to \$329,999	10	268,825	48,461				317,287
\$330,000 to \$359,999	3	295,364	52,974				348,337
\$360,000 to \$389,999	3	318,481	54,511				372,992
\$390,000 to \$419,999	2	352,898	49,247				402,145
\$660,000 to \$689,999	1	574,526	94,093	1,800			670,419
Total number of substantive senior executives	147						

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

2011-12

Average annual reportable remuneration ¹	Substantive Senior Executives					Total reportable remuneration
	No.	Reportable salary ²	Contributed superannuation ³	Reportable allowances ⁴	Bonus paid ⁵	
		\$	\$	\$	\$	\$
Total reportable remuneration (including part-time arrangements):						
Less than \$180,000	73	85,380	13,485		7,590	106,455
\$180,000 to \$209,999	46	167,190	28,221	1,940		197,351
\$210,000 to \$239,999	47	189,623	31,702	238		221,563
\$240,000 to \$269,999	17	215,754	33,332			249,086
\$270,000 to \$299,999	12	243,801	39,492			283,294
\$300,000 to \$329,999	6	262,483	46,992			309,475
\$330,000 to \$359,999	5	296,155	39,960			336,115
\$360,000 to \$389,999	2	302,575	64,556			367,131
\$540,000 to \$569,999	1	468,702	93,309	829		562,840
Total number of substantive senior executives	209					

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax purposes);
 - c) exempt foreign employment income; and
 - d) salary sacrificed benefits.
3. The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. Existing remuneration arrangements for senior executives do not provide for the payment of performance bonus however as at 30 June 2011 there was one employee that was on an AWA and received a bonus.
6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

**Department of Education, Employment and Workplace Relations
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Note 12C: Average annual reportable remuneration paid to other highly paid staff during the reporting period

	2012-13				
Average annual reportable remuneration ¹	Other highly paid staff No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Total reportable remuneration \$
Total reportable remuneration (including part time arrangements):					
\$180,000 to \$209,999	2	174,133	22,601	-	196,734
Total number of other highly paid staff	2				
	2011-12				
Average annual reportable remuneration ¹	Other highly paid staff No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Total reportable remuneration \$
Total reportable remuneration (including part time arrangements):					
\$180,000 to \$209,999	4	170,143	18,682	-	188,825
\$210,000 to \$239,999	3	204,433	20,078	-	224,511
Total number of other highly paid staff	7				

Notes:

1. This table reports staff:
 - a) who were employed by the department during the reporting period;
 - b) whose reportable remuneration was \$180,000 or more for the reporting period; and
 - c) were not required to be disclosed in Tables A or B.

Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:

- a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
- b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax purposes); and
- c) exempt foreign employment income.

3. The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.

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

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid'. Existing remuneration arrangements for non senior executive staff do not provide for the payment of bonuses.
6. Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

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

Note 13: Remuneration of Auditors

	2013 \$'000	2012 \$'000
Financial statement audit services were provided free of charge to the department by the Australian National Audit Office.		
The fair value of the services provided for financial statement audit services was	<u>1,610</u>	<u>1,740</u>
Total fair value of services provided	<u><u>1,610</u></u>	<u><u>1,740</u></u>

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

Note 14: Financial Instruments

Note 14A: Categories of financial instruments

Financial Assets

Loans and receivables:

Cash and cash equivalents	21,569	2,540
Goods and services	6,211	5,050
Accrued revenue	<u>14,326</u>	<u>491</u>
Carrying amount of financial assets	<u><u>42,106</u></u>	<u><u>8,081</u></u>

Financial Liabilities

At amortised cost:

Trade creditors	28,140	57,833
Accrued expenses	<u>11,102</u>	<u>10,564</u>
Carrying amount of financial liabilities	<u><u>39,242</u></u>	<u><u>68,397</u></u>

Note 14B: Net income and expense from financial assets

Loans and receivables

Write off impairment - goods and services	(18)	(7)
Reversal of impairment - goods and services	<u>5</u>	<u>341</u>
Net gain/(loss) from loans and receivables	<u>(13)</u>	<u>334</u>
Net gain/(loss) from financial assets	<u><u>(13)</u></u>	<u><u>334</u></u>

The net income/expenses from financial assets not at fair value through profit and loss is (\$13,000) [2012: \$334,000].

Department of Education, Employment and Workplace Relations
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Note 14C: Fair value of financial instruments

	Carrying amount 2013 \$'000	Fair value 2013 \$'000	Carrying amount 2012 \$'000	Fair value 2012 \$'000
Financial Assets				
Cash and cash equivalents	21,569	21,569	2,540	2,540
Goods and services	6,211	6,211	5,050	5,045
Accrued revenue	14,326	14,326	491	491
Total	42,106	42,106	8,081	8,076
Financial Liabilities				
At amortised cost				
Trade creditors	28,140	28,140	57,833	57,833
Accrued expenses	11,102	11,102	10,564	10,564
Total	39,242	39,242	68,397	68,397

Note 14D. Credit risk

The department is exposed to minimal credit risk as loans and receivables are cash, cash on deposit and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables in 2013: \$6,211,000 (2012: \$5,050,000). The department has assessed the risk of the default on payment and has allocated nil in 2013 (2012: \$5,000) to an impairment allowance for doubtful debts.

The department has no significant exposures to any concentrations of credit risk. All figures for credit risk referred to do not take into account the value of any collateral of other security.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2013 \$'000	2012 \$'000
Financial assets		
Cash and cash equivalents	21,569	2,540
Goods and services	6,211	5,050
Accrued revenue	14,326	491
Total	42,106	8,081

In relation to the department's gross credit risk there is no collateral held however in 2013: 50 (2012: 81) limited indemnities were given in respect of venue hire between the Commonwealth and third parties.

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

	Not past due nor impaired 2013 \$'000	Not past due nor impaired 2012 \$'000	Past due or impaired 2013 \$'000	Past due or impaired 2012 \$'000
Cash and cash equivalents	21,569	2,540	-	-
Goods and services	5,357	3,902	854	1,148
Accrued revenue	14,326	491	-	-
Total	41,252	6,933	854	1,148

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

Ageing of financial assets that were past due but not impaired for 2013

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Goods and services	152	81	53	568	854
Total	152	81	53	568	854

Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Goods and services	19	616	223	285	1,143
Total	19	616	223	285	1,143

The following asset has been individually assessed as impaired

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

Note 14E: Liquidity risk

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

Maturities for non-derivative financial liabilities 2013

	On demand	Within 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	28,140	-	-	-	28,140
Accrued expenses	-	11,102	-	-	-	11,102
Total	-	39,242	-	-	-	39,242

Maturities for non-derivative financial liabilities 2012

	On demand	Within 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	57,833	-	-	-	57,833
Accrued expenses	-	10,564	-	-	-	10,564
Total	-	68,397	-	-	-	68,397

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

Note 14F: Market risk

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

Note 15: Financial Assets Reconciliation

		2013	2012
		\$'000	\$'000
<u>Financial assets</u>	Notes		
<i>Total financial assets as per balance sheet</i>		130,241	151,241
Less: non-financial instrument components			
Appropriation receivable		84,337	137,886
GST receivable from the ATO		3,798	5,279
Impairment allowance account		-	(5)
Total non-financial instrument components		88,135	143,160
<i>Total financial assets as per financial instruments note</i>	14A	42,106	8,081

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

Note 16: Administered Expenses

Note 16A: Suppliers	2013	2012
	\$'000	\$'000
Goods and services		
Labour market assistance to job seekers and industry	1,299,526	1,500,250
Assistance to people with disabilities	777,765	856,682
School education - specific funding	190,560	-
Vocational and industry training ¹	-	198,205
Other	63,957	208,877
Total goods and services	2,331,808	2,764,014
Goods and services are made up of:		
Rendering of services – related entities	172,576	181,847
Rendering of services - external	2,159,232	2,582,167
Total goods and services	2,331,808	2,764,014
Total supplier expenses	2,331,808	2,764,014
Note 16B: Subsidies		
Payable to related entities:		
Industrial relations	172,567	151,584
Payable to external parties:		
Vocational and industry training ¹	-	476,283
Labour market assistance to job seekers and industry	45,031	45,985
School education - specific funding	5,107	5,519
Assistance to people with disabilities	17,522	5,886
Total subsidies	240,227	685,257

¹ Responsibility for the administration of vocational and industry training programs transferred to DIISRTE on 14 December 2011.

Department of Education, Employment and Workplace Relations
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	2013	2012
	\$'000	\$'000
<u>Note 16C: Personal benefits</u>		
Direct:		
Student assistance	263,405	1,765,591
Assistance to families with children	7,287,552	7,521,018
Vocational and industry training ¹	-	118,001
Assistance to the aged	514,722	584,752
Assistance to people with disabilities	144,695	138,954
Assistance to the unemployed	8,517,849	7,447,843
Labour market assistance to job seekers and industry	66,790	66,547
School education - specific funding	1,036	1,140
Indirect:		
Assistance to families with children	3,200,527	2,667,136
Student Assistance	24,903	20,045
Industrial relations	261,645	197,479
Total personal benefits	20,283,124	20,528,506
<u>Note 16D: Grants</u>		
Public sector:		
Australian Government entities (related entities)	468,760	301,893
State and Territory Governments	8,149,954	7,847,655
Nation Building transfers	-	107,331
Private sector:		
Non-profit organisations	493,261	620,508
Multi-jurisdictional sector ¹	-	2,798,854
Other	93,478	173,159
Total grants	9,205,453	11,849,400
<u>Note 16E: Finance costs</u>		
Other interest payments	34	195
Unwinding of discount (concessional loans) ¹	13	-
Total finance costs	47	195
<u>Note 16F: Write-down and impairment of assets</u>		
Asset write-downs and impairments from:		
Impairment of personal benefits receivable	838	70,612
Write-down of other receivables	2,979	10,279
Impairment of goods and services and other receivables	-	517
Total write-down and impairment of assets	3,817	81,408

Department of Education, Employment and Workplace Relations
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	2013	2012
	\$'000	\$'000
<u>Note 16G: Payments to CAC bodies</u>		
Comcare	6,280	21,515
<i>Total payments to CAC bodies</i>	<u>6,280</u>	<u>21,515</u>

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

Note 17: Administered Income	2013	2012
	\$'000	\$'000
OWN-SOURCE REVENUE		
Taxation revenue		
<u>Note 17A: Other taxes</u>		
Levies (other than agricultural)	<u>172,567</u>	151,584
Total other taxes	<u><u>172,567</u></u>	<u>151,584</u>
Non-taxation revenue		
<u>Note 17B: Interest</u>		
Other sources	14	8
Loans	<u>1,513</u>	1,836
Total interest	<u><u>1,527</u></u>	<u>1,844</u>
<u>Note 17C: Commonwealth asset recoveries</u>		
Special Employee Entitlements Scheme for Ansett Group Employees (SEESA) recoveries	-	3,368
General Employee Entitlements and Redundancy Scheme (GEERS) and Fair Entitlement Guarantee (FEG) recoveries	<u>37,230</u>	21,576
Total Commonwealth asset recoveries	<u><u>37,230</u></u>	<u>24,944</u>
<u>Note 17D: Other revenue</u>		
Education investment fund special account ¹	-	74,846
Other	<u>29,022</u>	58,601
Total other revenue	<u><u>29,022</u></u>	<u>133,447</u>
Gains		
<u>Note 17E: Fair value gains from financial instruments</u>		
Actuarial gain on SFSS (ABSTUDY)	<u>29,134</u>	-
Total fair value gains from financial instruments	<u><u>29,134</u></u>	<u>-</u>
<u>Note 17F: Reversals of previous asset write-downs</u>		
Reversals of impairment losses for goods and services receivables	1,941	1,505
Reversal of impairment losses for personal benefits receivables	<u>17,264</u>	-
Total reversals of previous asset write-downs and impairments	<u><u>19,205</u></u>	<u>1,505</u>

¹ Responsibility for the Education Investment Fund special account transferred to DIISRTE on 14 December 2011.

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

Note 18: Administered Financial Assets		
	2013	2012
	\$'000	\$'000
Note 18A: Cash and cash equivalents		
Cash on hand or on deposit	<u>58</u>	<u>15</u>
Total cash and cash equivalents	<u>58</u>	<u>15</u>
Note 18B: Receivables		
Taxation receivables:		
Levies receivable from related entities	<u>28,427</u>	<u>26,314</u>
Total taxation receivables	<u>28,427</u>	<u>26,314</u>
Good and services:		
Goods and services - related parties	-	-
Goods and services - external parties	<u>37,393</u>	<u>20,103</u>
Total receivables for goods and services	<u>37,393</u>	<u>20,103</u>
Advances and loans:		
Student Financial Supplement Scheme (ABSTUDY)	<u>54,200</u>	<u>30,667</u>
Personal Benefit advances	<u>91,363</u>	-
Other Loans	<u>13,939</u>	<u>15,260</u>
Total advances and loans	<u>159,502</u>	<u>45,927</u>
Other receivables:		
GST receivable from Australian Taxation Office	<u>37,781</u>	<u>222,613</u>
Personal benefits receivable	<u>1,397,564</u>	<u>1,301,340</u>
Total other receivables	<u>1,435,345</u>	<u>1,523,953</u>
Total trade and other receivables (gross)	<u>1,660,667</u>	<u>1,616,297</u>
Less impairment allowance account:		
Goods and services	<u>(2,605)</u>	<u>(4,547)</u>
Personal benefits	<u>(312,289)</u>	<u>(328,714)</u>
Total impairment allowance account	<u>(314,894)</u>	<u>(333,261)</u>
Total trade and other receivables (net)	<u>1,345,773</u>	<u>1,283,036</u>
Receivables are expected to be recovered in:		
No more than 12 months	<u>559,689</u>	<u>237,181</u>
More than 12 months	<u>786,084</u>	<u>1,045,855</u>
Total trade and other receivables (net)	<u>1,345,773</u>	<u>1,283,036</u>

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

	2013	2012
	\$'000	\$'000
Receivables are aged as follows:		
Not overdue	543,309	469,859
Overdue by:		
0 to 30 days	2,660	3,796
31 to 60 days	2,065	2,354
61 to 90 days	2,123	2,515
More than 90 days	1,110,510	1,137,773
Total receivables (gross)	1,660,667	1,616,297
The impairment allowance account is aged as follows:		
Not overdue	(544)	(1,158)
Overdue by:		
0 to 30 days	(518)	(1,072)
31 to 60 days	(413)	(666)
61 to 90 days	(374)	(721)
More than 90 days	(313,045)	(329,644)
Total impairment allowance account	(314,894)	(333,261)
Goods and services receivables are with entities external to the Australian Government. Credit terms are within 30 days (2012: 30 days).		
Reconciliation of the Impairment Allowance Account:		
Movements in relation to 2013		
	Goods and services	Total
	\$'000	\$'000
Opening balance	(333,261)	(333,261)
Amounts written off	(2,979)	(2,979)
Amounts recovered and reversed	2,979	2,979
Increase/decrease recognised in net surplus	18,367	18,367
Closing balance	(314,894)	(314,894)
Movements in relation to 2012		
	Receivables	Total
	\$'000	\$'000
Opening balance	(1,247,603)	(1,247,603)
Amounts written off	(10,279)	(10,279)
Amounts recovered and reversed	10,279	10,279
Increase/decrease recognised in net surplus	914,342	914,342
Closing balance	(333,261)	(333,261)

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

	2013	2012
	\$'000	\$'000
Note 18C: Other investments		
Other Investments:		
Comcare ¹	-	-
Australian Institute for Teaching and School Leadership ²	4,802	8,769
Australian Curriculum, Assessment and Reporting Authority ³	2,185	1,835
Coal Mining Industry Corporation ⁴	-	33,955
Total other investments	6,987	44,559
Total other investments are expected to be recovered in:		
No more than 12 months	-	-
More than 12 months	6,987	44,559
Total other investments	6,987	44,559

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 *Comcare* – the minimisation of human and financial costs in relation to workplace injury in Commonwealth employment.

² *Australian Institute for Teaching and School Leadership Ltd* – supports and enhances the teaching profession for the benefit of all Australians.

³ *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.

⁴ *Coal Mining Industry Corporation (CMIC)* – is responsible for the administration of the Coal Mining Industry Long Service Leave Fund (The Fund). The Fund has operated since 1949 to provide reimbursement payments to employers paying long service leave to persons employed in the black coal industry in New South Wales, Queensland, Western Australia and Tasmania on the basis of industry employment service.

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

Note 19: Administered Non-Financial Assets		
	2013	2012
	\$'000	\$'000
Note 19A: Other non-financial assets		
Prepayments	3,493	7,388
Total other non-financial assets	3,493	7,388
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	3,493	7,388
More than 12 months	-	-
Total other non-financial assets	3,493	7,388
No indicators of impairment were found for other non-financial assets.		
Note 20: Administered Payables		
Note 20A: Suppliers		
Trade creditors and accruals	145,279	314,800
Total supplier payables	145,279	314,800
Supplier payables expected to be settled within 12 months:		
Related entities	1,083	784
External parties	144,196	314,016
Total supplier payables	145,279	314,800
Settlement was usually made within 30 days.		
Note 20B: Subsidies		
Payable to related entities	28,427	26,314
Payable to external entities	3,922	5,714
Total subsidies	32,349	32,028
Total subsidies are expected to be settled in:		
No more than 12 months	32,349	32,028
More than 12 months	-	-
Total subsidies	32,349	32,028
Note 20C: Personal benefits		
Direct	381,621	315,804
Indirect	96,735	75,710
Total personal benefits	478,356	391,514
Total personal benefits are expected to be settled in:		
No more than 12 months	478,356	391,514
More than 12 months	-	-
Total personal benefits	478,356	391,514

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

	2013	2012
	\$'000	\$'000
Note 20D: Grants		
Public sector:		
Local Governments	-	25
Private sector:		
Non-profit organisations	9,075	35,271
Other	34,009	54,292
Total grants	43,084	89,588
Total grants are expected to be settled in:		
No more than 12 months	43,084	89,588
More than 12 months	-	-
Total grants	43,084	89,588
Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.		
Note 20E: Other payables		
Comcare payable ¹	2,788,163	2,416,520
GST payable	39,677	45,386
Total other payables	2,827,840	2,461,906
Total other payables are expected to be settled in:		
No more than 12 months	192,253	123,837
More than 12 months	2,635,587	2,338,069
Total other payables	2,827,840	2,461,906
¹ The amount payable to Comcare represents amounts payable by the Commonwealth for:		
<ul style="list-style-type: none"> - workers compensation claims resulting from injuries that occurred prior to 1 July 1989, referred to as 'pre-premium' claims; - workers compensation claims resulting from injuries that have occurred since 1 July 1989, referred to as 'premium' claims; and - the management of asbestos related personal injury common law disease claims against the Commonwealth. 		
Full details of the amounts payable may be found in the Comcare annual report.		
Note 21: Administered Provisions		
Note 21A: Provisions for Personal Benefits		
Provisions for personal benefits	742,404	596,569
Total other provisions	742,404	596,569
Other provisions are expected to be settled in:		
No more than 12 months	742,404	596,569
More than 12 months	-	-
Total other provisions	742,404	596,569

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

Reconciliation of movements in other provisions		
	Provisions for personal benefits \$'000	Total \$'000
Carrying amount 1 July 2012	596,569	596,569
Additional provisions made	742,404	742,404
Amounts used	(596,569)	(596,569)
Amounts reversed	-	-
Unwinding of discount or change in discount rate	-	-
Closing balance 30 June 2013	742,404	742,404

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

Note 22: Administered Cash Flow Reconciliation	2013	2012
	\$'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	58	15
Schedule of administered assets and liabilities	58	15
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(31,782,071)	(35,616,971)
Adjustments for non-cash items		
Net write down of non-financial assets	3,817	81,408
Expenses not requiring cash - restructure	-	5,291,417
Other expenses not requiring cash	323,318	152,321
Other revenues not providing cash	(767)	(3,494)
Changes in assets / liabilities		
(Increase) / decrease in net receivables	69,026	(33,404)
(Increase) / decrease in other non-financial assets	3,895	(3,748)
Increase / (decrease) in supplier payables	(172,327)	145,649
Increase / (decrease) in subsidies payable	321	2,735
Increase / (decrease) in personal benefits payable	86,842	36,625
Increase / (decrease) in personal benefits provisions	145,835	-
Increase / (decrease) in grants payable	(46,504)	(5,168,882)
Increase / (decrease) in other payables	(4,400)	-
Net cash from (used by) operating activities	(31,373,015)	(35,116,344)

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

	Indemnities		Claims for damages or costs		Other		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Contingent assets								
Balance from previous period	-	-	15,302	19,480	-	-	15,302	19,480
New contingent assets recognised	-	-	-	-	-	-	-	-
Re-measurement	-	-	41,868	21,151	-	-	41,868	21,151
Assets recognised Expired	-	-	(37,242)	(25,329)	-	-	(37,242)	(25,329)
Total contingent assets	-	-	19,928	15,302	-	-	19,928	15,302
Contingent liabilities								
Balance from previous period	-	-	66,862	33,956	-	-	66,862	33,956
New contingent liabilities recognised	-	-	-	-	-	-	-	-
Re-measurement	-	-	7,312	32,906	-	-	7,312	32,906
Liabilities recognised	-	-	-	-	-	-	-	-
Obligations expired	-	-	-	-	-	-	-	-
Total contingent liabilities	-	-	74,174	66,862	-	-	74,174	66,862
Net contingent assets (liabilities)	-	-	(54,246)	(51,560)	-	-	(54,246)	(51,560)

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

Quantifiable Contingencies

The schedule of administered contingencies reports contingent assets and liabilities in respect of estimated payments and recoveries in relation to the Early Childhood Programs, dividends for General Employee Entitlements and Redundancy Scheme (GEERS) and proceedings in the Dust Disease Tribunal as a result of the department's administration in prior years. The estimated contingent liability is \$74.174 million (2012: \$66.862 million). The estimated contingent asset is \$19.928 million (2012: \$15.302 million).

Unquantifiable Contingencies

At 30 June 2013, the department had a number of legal claims against it. The department has denied liability and is defending the claims. It is not possible to estimate the amounts of any eventual payment that may be required in relation to these claims.

In addition, there are currently a number of cases before both the Administrative Appeals Tribunal (AAT) and the Social Security Appeals Tribunal (SSAT) for which the outcomes are not yet known or able to be quantified.

Relating to the General Employee Entitlements and Redundancy Scheme (GEERS) and the Fair Entitlements Guarantee (FEG), it is known that there are employers with large outstanding employee entitlements that have been placed into liquidation. The amounts are unable to be quantified as no claim forms have been received.

Significant Remote Contingencies

The value of contingent assets where the likelihood of receipt is remote is nil (2012: nil). The value of contingent liabilities where the likelihood of payment is remote is \$460.315 million (2012: \$197.729 million). The majority of the contingent liability represents residual credits from the Job Services - Employment Pathway Fund. These are not included in the schedule of administered contingencies.

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

Note 24: Administered Financial Instruments	2013	2012
	\$'000	\$'000
<u>Note 24A: Categories of financial instruments</u>		
Financial Assets		
Available for sale:		
Investments	<u>6,987</u>	44,559
Total	<u>6,987</u>	<u>44,559</u>
Loans and receivables:		
Cash and cash equivalents	58	15
Taxation receivables	28,427	26,314
Goods and services receivable	<u>34,788</u>	<u>20,103</u>
Total	<u>63,273</u>	<u>46,432</u>
Fair value through profit and loss (designated):		
Student Financial Supplement Scheme (ABSTUDY)	54,200	30,667
Other loans	13,939	15,260
Total	<u>68,139</u>	<u>45,927</u>
Carrying amount of financial assets	<u>138,399</u>	<u>136,918</u>
Financial Liabilities		
At amortised cost:		
Trade creditors	145,279	314,800
Subsidies payable	32,349	32,028
Grants payable	<u>43,084</u>	<u>89,588</u>
Total	<u>220,712</u>	<u>436,416</u>
Carrying amount of financial liabilities	<u>220,712</u>	<u>436,416</u>

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

<u>Note 24B: Net income and expense from financial assets</u>	2013	2012
	\$'000	\$'000
Available for sale		
Gain/loss recognised in equity	(37,572)	29,858
Net gain/(loss) from available for sale	<u>(37,572)</u>	<u>29,858</u>
Loans and receivables		
Interest revenue	14	8
Reversal of impairment - goods and services	1,941	1,505
Write-down and impairment	(2,979)	(10,796)
Net gain/(loss) from loans and receivables	<u>(1,024)</u>	<u>(9,283)</u>
Fair value through profit and loss		
Designated as such:		
Interest revenue	1,513	1,836
Interest expense	-	(147)
Unwinding of discount	(13)	-
Fair value gain/(losses)	29,134	-
Net gain/(loss) at fair value through profit and loss	<u>30,634</u>	<u>1,689</u>
Net gain/(loss) from financial assets	<u>(7,962)</u>	<u>22,264</u>

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

Note 24C: Fair value of financial instruments					
	Carrying amount	Fair value	Carrying amount	Fair value	
	2013	2013	2012	2012	
	\$'000	\$'000	\$'000	\$'000	
Financial Assets					
Available for sale:					
Investments	6,987	6,987	44,559	44,559	
Loans and receivables financial assets:					
Cash at bank and on hand	58	58	15	15	
Taxation receivables	28,427	28,427	26,314	26,314	
Receivables for goods and services	34,788	34,788	20,103	15,556	
Fair value through profit and loss (designated):					
Student Financial Supplement Scheme (ABSTUDY)	54,200	54,200	30,667	30,667	
Other loans	13,939	13,939	15,260	15,260	
Total	138,399	138,399	136,918	132,371	
Financial Liabilities					
At amortised cost:					
Trade creditors	145,279	145,279	314,800	314,800	
Subsidies payable	32,349	32,349	32,028	32,028	
Grants payable	43,084	43,084	89,588	89,588	
Total	220,712	220,712	436,416	436,416	

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

Fair value measurements categorised by fair value hierarchy									
	Level 1: Market Values \$'000		Level 2: Market Inputs \$'000		Level 3: Non Market Inputs \$'000		Total \$'000		
	2013	2012	2013	2012	2013	2012	2013	2012	
Financial assets at fair value									
Investments	-	-	-	-	6,987	44,559	6,987	44,559	
Student Financial Supplement Scheme (ABSTUDY)	-	-	-	-	54,200	30,667	54,200	30,667	
Other loans	-	-	-	-	13,939	15,260	13,939	15,260	
Total	-	-	-	-	75,126	90,486	75,126	90,486	
Reconciliation of Level 3 fair value hierarchy for financial assets									
	Investments \$'000		Loans \$'000		Total \$'000				
	2013	2012	2013	2012	2013	2012			
Financial assets at fair value									
Opening balance	44,559	1,921,157	45,927	16,282,726	90,486	18,203,883			
Restructuring	-	(1,906,457)	-	(16,796,794)	-	(18,703,251)			
Total gains or losses for the period recognised in profit or loss ¹	(37,572)	29,858	29,887	681	(7,685)	30,539			
New loans made during the period	-	-	-	1,805,756	-	1,805,756			
Loan repayments made during the period	-	-	(7,675)	(1,246,442)	(7,675)	(1,246,442)			
Closing Balance	6,987	44,559	68,139	45,927	75,126	90,486			

¹ The gains or losses for the period are presented in the schedule of administered items under Notes 16E Finance Costs, 17E Fair Value Gains, 17B Interest and 18C Investments.

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

Note 24D: 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 following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2013	2012
	\$'000	\$'000
Financial assets		
Available for sale:		
Investments	6,987	44,559
Loan and receivables financial assets:		
Cash at bank and on hand	58	15
Taxation receivables	28,427	26,314
Goods and services receivables	37,393	20,103
Fair value through profit and loss (designated)		
Student Financial Supplement Scheme (ABSTUDY)	54,200	30,667
Other loans	13,939	15,260
Total	141,004	136,918

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 \$2.605 million in 2013 (2012: \$4.547 million).

In relation to the entity's gross credit risk no collateral is held by the department.

Department of Education, Employment and Workplace Relations
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Credit quality of financial instruments not past due or individually determined as impaired					
	Not past due nor impaired 2013 \$'000	Not past due nor impaired 2012 \$'000	Past due or impaired 2013 \$'000	Past due or impaired 2012 \$'000	
Available for sale:					
Investments	6,987	44,559	-	-	
Loans and receivables financial assets:					
Cash at bank and on hand	58	15	-	-	
Taxation receivables	28,427	26,314	-	-	
Goods and services receivables	20,913	15,457	16,480	4,646	
Fair value through profit and loss (designated):					
Student Financial Supplement Scheme (ABSTUDY)	54,200	30,667	-	-	
Other loans	13,939	15,260	-	-	
Total	124,524	132,272	16,480	4,646	
Ageing of financial assets that were past due but not impaired for 2013					
	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Goods and services and other receivables	357	320	507	12,691	13,875
Total	357	320	507	12,691	13,875
Ageing of financial assets that were past due but not impaired for 2012					
	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Goods and services and other receivables	58	32	3	6	99
Total	58	32	3	6	99

Department of Education, Employment and Workplace Relations
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Note 24E: 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.

Maturities for non-derivative financial liabilities 2013

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Financial Liabilities						
At amortised cost:						
Trade creditors	-	145,279	-	-	-	145,279
Subsidies	-	32,349	-	-	-	32,349
Grants payable	-	43,084	-	-	-	43,084
Total	-	220,712	-	-	-	220,712

Maturities for non-derivative financial liabilities 2012

	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Financial Liabilities						
At amortised cost:						
Trade creditors	-	314,800	-	-	-	314,800
Subsidies	-	32,028	-	-	-	32,028
Grants payable	-	89,588	-	-	-	89,588
Total	-	436,416	-	-	-	436,416

The department has no derivative financial liabilities in both current and prior year.

Note 24F: 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'.

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

Note 24G: Concessional loans		
	2013	2012
	\$'000	\$'000
Student Financial Supplement Scheme (ABSTUDY)		
Nominal value	403,047	406,905
Less: Unexpired discount	(9,847)	(39,838)
Less: Impairment	(339,000)	(336,400)
Carrying value	<u>54,200</u>	<u>30,667</u>
Child Care loans		
Nominal value	13,939	15,260
Less: Unexpired discount	-	-
Less: Impairment	-	-
Carrying value	<u>13,939</u>	<u>15,260</u>
Total	<u><u>68,139</u></u>	<u><u>45,927</u></u>

Note 25: Administered Financial Assets Reconciliation		
	2013	2012
	\$'000	\$'000
Financial assets		
Notes		
Total financial assets as per schedule of administered assets and liabilities	1,352,818	1,327,610
Less: non-financial instrument components		
GST receivable from Australian Taxation Office	37,781	222,613
Personal benefits receivable (net)	1,085,275	972,626
Personal Benefits advances	91,363	-
Impairment allowance account	-	(4,547)
Total non-financial instrument components	<u>1,214,419</u>	<u>1,190,692</u>
Total financial assets as per financial instruments note	<u><u>138,399</u></u>	<u><u>136,918</u></u>

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

Note 26: Appropriations
Note 26A: Annual Appropriations (Recoverable GST exclusive)

	2013 Appropriations								Appropriation applied in 2013 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000	Appropriation \$'000	Total appropriation \$'000		
	Annual Appropriation \$'000	Appropriations reduced ¹ \$'000	AFM ² \$'000	Section 30 \$'000	Section 31 \$'000					
DEPARTMENTAL										
Ordinary annual services	616,120	-	-	-	33,827	(5,882)		644,065	647,629	(3,564)
Other services	6,520	-	-	-	-	(913)		5,607	5,607	-
Equity										
Total departmental	622,640	-	-	-	33,827	(6,795)	-	649,672	653,236	(3,564)
ADMINISTERED										
Ordinary annual services										
Administered items	3,862,226	(569,093)	24,117	22,805	-	1,440		3,341,495	3,356,372	(14,877)
Payments to CAC Act bodies	6,300	-	-	-	-	-		6,300	6,279	21
Other services										
States, ACT, NT and Local government	177,058	(31,061)	-	3,000	-	-		148,997	149,809	(812)
Total administered	4,045,584	(600,154)	24,117	25,805	-	1,440	-	3,496,792	3,512,460	(15,668)

Notes:

1. Appropriations reduced under Appropriation Acts (No. 1, 3 & 5) 2012-13: sections 10, 11 and 12 and under Appropriation Acts (No. 2, 4 & 6) 2012-13: 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 in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. On 20 December 2012, the Finance Minister issued a determination to reduce departmental appropriations following a request from the Minister for Education. The amount of the reduction under Appropriation Act (No. 1) 2011-12 was \$1,035,000.

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 Appropriations Acts (Nos 1, 3 & 5) 2012-13 and section 12 of Appropriation Acts (No. 2, 4 & 6) 2012-13, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination which is disallowable by Parliament. In 2012-13 there was no reduction in administered appropriations.

2. Advance to the Finance Minister (AFM) – Appropriation Acts (No. 1, 3 & 5) 2012-13: section 13 and Appropriation Acts (No. 2, 4 & 6) 2012-13: section 15 - AFM Determination (No. 1 of 2012-2013)

3. In 2012-13, there was an adjustment of \$1,263,000 that met the recognition criteria of a formal reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period.

4. Administered and departmental variances are due to the movement in creditor balances between 2012-13 and 2013-14 less section 32 transfers relating to prior year creditors.

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

	2012 Appropriations							Appropriation applied in 2012 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000			
	Annual Appropriation \$'000	Appropriations reduced ¹ \$'000	AFM ² \$'000	Section 30 \$'000	Section 31 \$'000		Section 32 \$'000		
DEPARTMENTAL									
Ordinary annual services	809,280	-	-	-	34,680	(27,539)	816,421	835,729	(19,308)
Other services	12,132	-	-	-	-	-	12,132	12,132	-
Total departmental	821,412	-	-	-	34,680	(27,539)	828,553	847,861	(19,308)
ADMINISTERED									
Ordinary annual services									
Administered items	5,828,146	(265,975)	47,569	40,683	-	(1,174,482)	4,475,941	4,487,870	(11,929)
Payments to CAC Act bodies	14,403	-	-	-	-	-	14,403	14,403	-
Other services									
States, ACT, NT and Local government	322,134	(56,118)	-	7,277	-	-	273,293	272,370	923
Payments to CAC Act bodies	7,112	-	-	-	-	-	7,112	7,112	-
Total administered	6,171,795	(322,093)	47,569	47,960	-	(1,174,482)	4,770,749	4,781,755	(11,006)

Notes:

- Appropriations reduced under Appropriation Acts (No. 1,3,5) 2011-12: sections 10,11,12 and 15 and under Appropriation Acts (No. 2,4,6) 2011-12: sections 12,13,14 and 17. Departmental appropriations do not lapse at the financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. In 2011-12 there was no reduction in departmental and non-operating departmental appropriations. 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 Appropriations Acts (Nos 1,3, & 5) 2011-12 and section 12 of Appropriation Acts (No. 2,4 & 6) 2011-12, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination which is disallowable by Parliament. In 2011-12 there was no reduction in administered appropriations.
- Advance to the Finance Minister (AFM) – Appropriation Acts (No. 1,3,5) 2011-12: section 13 and Appropriation Acts (No. 2,4,6) 2011-12: section 15. AFM No. 2 and No. 3 of 2011-12)
- Administered and departmental variances are due to the movement in creditor balances between 2011-12 and 2012-13 less section 32 transfers relating to prior year creditors.

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

Note 26B: Departmental and Administered Capital Budgets (Recoverable GST exclusive)

	2013 Capital Budget Appropriations			Capital Budget Appropriations applied in 2013		
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations \$'001	Payments for non-financial assets ³ \$'000	Payments for other purposes \$'000	Total payments \$'000
	Annual Capital Budget \$'000	Appropriations reduced ² \$'000				
DEPARTMENTAL Ordinary annual services Capital Budget ¹	45,094	-	45,094	39,732	-	39,732
						5,362

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. Appropriations reduced under Appropriation Acts (No. 1, 3 & 5) 2012-13: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. 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.

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

	2012 Capital Budget Appropriations			Capital Budget Appropriations applied in 2012			Variance \$'000	
	Appropriation Act		FMA Act	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ³ \$'000	Payments for other purposes \$'000		Total payments \$'000
	Annual Capital Budget \$'000	Appropriations reduced ² \$'000	Section 32 \$'000					
DEPARTMENTAL Ordinary annual services Other services Capital Budget ¹	68,915	-	-	68,915	66,511	-	66,511	2,404

Notes:

- (a) 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.
- (b) Appropriations reduced under Appropriation Acts (No. 1,3 & 5) 2011-12: sections 10,11,12 and 15 or via a determination by the Finance Minister.
- (c) 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.

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

Note 26C: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2013	2012
	\$'000	\$'000
Departmental		
Appropriation Act (No. 1) 2012-13	48,275	-
Appropriation Act (No. 1) 2011-12	58,894	102,166
Appropriation Act (No. 3) 2011-12	-	1,472
Appropriation Act (No. 1) 2010-11	-	34,248
Total	107,169	137,886
Administered		
Appropriation Act (No. 1) 2012-13	688,671	-
Appropriation Act (No. 3) 2012-13	60,694	-
Appropriation Act (No. 2) 2012-13	31,061	-
Appropriation Act (No. 1) 2011-12	-	369,028
Appropriation Act (No. 3) 2011-12	-	79,492
Appropriation Act (No. 2) 2011-12	-	55,555
Appropriation Act (No. 4) 2011-12	-	1,375
Appropriation Act (No. 1) 2010-11	4,471	4,471
Appropriation Act (No. 1) 2009-10 ¹	3,508	3,508
Total	788,405	513,429

¹ These amounts will be formally lapsed in 2013-14 with the commencement of the *Statute Stocktake (Appropriations) Bill 2013*.

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

Note 26D: Special Appropriations (Recoverable GST exclusive)

Authority	Type	Purpose	Appropriation applied	
			2013 \$'000	2012 \$'000
A New Tax System (Family Assistance) (Administration) Act 1999 (Administered)	Unlimited Amount	An Act to enable the payment of family assistance to support families.	4,748,386	4,258,974
Schools Assistance Act 2008 - Section 167 (Administered)	Unlimited Amount	An Act to grant financial assistance to the States for 2005 to 2008 for primary and secondary education, and for related purposes.	7,979,500	7,580,019
Student Assistance Act 1973 - Section 55A (Administered) ¹	Unlimited Amount	An Act to provide certain benefits to certain students and for other purposes.	290,571	289,691
Fair Entitlements Guarantee Act 2012 - Section 50 (Administered)	Unlimited Amount	An Act to provide for financial assistance for workers who have not been fully paid for work done for insolvents or bankrupts, and for related purposes.	34,308	-
Indigenous Education (Targeted Assistance) Act 2000 - Section 13 (Administered) ¹	Unlimited Amount	An Act to provide targeted financial assistance to advance the education of Indigenous persons, and for other related purposes.	-	27,936
Indigenous Education (Targeted Assistance) Act 2000 - Section 14, Administration, Limit for the reporting period and total limit for all reporting periods (Administered)	Limited Amount	An Act to provide targeted financial assistance to advance the education of Indigenous persons, and for other related purposes.	137,830	129,571
Higher Education Support Act 2003 - Section 164-25 (Administered) ¹	Unlimited Amount	An Act to grant financial assistance to support the higher education system for individuals and universities.	-	4,493,188
Social Security Administration Act 1999 - Section 242 (Administered)	Unlimited Amount	An Act to provide income support assistance for individuals.	14,940,551	15,611,502
Coal Mining Industry (Long Service Leave Funding) Act 1992 (Administered)	Unlimited Amount	An Act to manage the long service leave entitlement of the Coal Mining Industry.	170,454	152,423
Safety, Rehabilitation and Compensation Act 1988 (SRC Act) (Administered)	Unlimited Amount	An Act to provide for the payment of workers compensation claims and associated expenses in accordance with the provisions of the SRC Act.	39,661	43,260

¹ Responsibility for the administration of these Acts or elements of these Acts transferred to DISRTE on 14 December 2011 and 9 February 2012.

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

Note 26D: Special Appropriations ('Recoverable GST exclusive') continued

Authority	Type	Purpose	Appropriation applied	
			2013 \$'000	2012 \$'000
Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005 (Administered)	Unlimited Amount	An Act to assign responsibility for the management of certain liabilities relating to asbestos-related claims, and for related purposes.	27,890	23,270
Air Passenger Ticket Levy (Collection) Act 2001, limited to \$500,000,000 (Administered)	Limited Amount	An Act to provide a safety net arrangement for former employees of the Ansett Group of Companies.	-	-
Total			28,369,151	32,609,834

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

Note 26E: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education	Department of Families, Housing, Community Services, and Indigenous Affairs
2013	\$'000	\$'000
Total receipts	918	2,078
Total payments	(918)	(1,835)

	Department of Industry, Innovation, Science, Research and Tertiary Education	Department of Families, Housing, Community Services, and Indigenous Affairs
2012	\$'000	\$'000
Total receipts	9,360,051	600
Total payments	(9,347,599)	(600)

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

Note 26F: Reduction in Administered Items ('Recoverable GST exclusive')

2013	Amount required - by Appropriation Act ³	Total amount required ³	Total amount appropriated ⁴	Total reduction ⁵
	Act (No.1)	Act (No.3)		
Ordinary Annual Services				
Outcome 1	430,119,617.03	61,233,488.22	514,913,000.00	23,559,894.75
Outcome 2	367,310,457.97	-	520,271,000.00	152,960,542.03
Outcome 3	2,224,574,643.45	-	2,590,817,000.00	366,242,356.55
Outcome 4	213,637,000.00	21,814,958.15	261,781,999.97	26,330,041.82
Other services	Act (No.2)	Act (No.4)		
Specific payments to States, ACT, NT and Local government				
Outcome 2	145,996,595.80	-	177,058,000.00	31,061,404.20

Notes:

- Numbers in this section are disclosed to the cent.
- Administered items for 2013 were reduced to these amounts when these financial statements were tabled in Parliament as part of the department's 2013 annual report. This reduction is effective in 2014, but the amounts are reflected in Table A in the 2013 financial statements in the column 'Appropriations reduced' as they are adjustments to 2013 appropriations.
- Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
- Total amount appropriated in 2013.
- Total reduction effective in 2014.

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

2012	Amount required - by Appropriation Act ³			Total amount required ³	Total amount appropriated ⁴	Total reduction ⁵
	Act (No.1)	Act (No.3)	Act (No.5)			
Ordinary Annual Services						
Outcome 1	412,586,421.00	5,015,000.00	-	417,601,421.00	417,601,421.00	-
Outcome 2	381,483,306.61	-	-	381,483,306.61	556,701,000.00	175,217,693.39
Outcome 3	875,877,622.34	-	-	875,877,622.34	886,868,077.22	10,990,454.88
Outcome 4	2,378,047,946.21	176,686,965.95	-	2,554,734,912.16	2,629,524,000.00	74,789,087.84
Outcome 5	111,715,566.45	93,844,981.96	-	205,560,548.41	210,539,000.00	4,978,451.59
Other services		Act (No.2)	Act (No.4)	Act (No.6)		
Specific payments to States, ACT, NT and Local government						
Outcome 2	230,334,492.69	35,681,729.00	-	266,016,221.69	322,134,000.00	56,117,778.31

Notes:

- Numbers in this section are disclosed to the cent.
- Administered items for 2012 were reduced to these amounts when these financial statements were tabled in Parliament as part of the department's 2012 annual report. This reduction is effective in 2013, but the amounts are reflected in Table A in the 2011-12 financial statements in the column 'Appropriations reduced' as they are adjustments to 2012 appropriations.
- Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
- Total amount appropriated in 2012.
- Total reduction effective in 2013.

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

Note 27: Special Accounts

Note 27A: Special Accounts (Recoverable GST exclusive)

	Education Investment Fund ¹		Aboriginal Tutorial Assistance Superannuation ²		National Youth Affairs Research Scheme ³		Services for Other Entities and Trust Moneys ⁴	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Balance brought forward from previous period	-	-	926	879	310	400	590	5,202
Appropriation for reporting period	-	-	-	-	-	-	-	-
Costs recovered	-	-	-	-	-	-	-	-
Realised investments	-	-	-	-	-	-	-	-
Other receipts	-	74,846	34	47	-	-	854	11,775
Total increase	-	74,846	34	47	-	-	854	11,775
Available for payments	-	74,846	960	926	310	400	1,444	16,977
Decreases:								
Departmental								
Transfer to the Official Public Account (OPA)	-	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-	-
Total Departmental decreases	-	-	-	-	-	-	-	-
Administered								
Payments made	-	-	-	-	-	-	(595)	(2,915)
Other payments	-	(74,846)	-	-	(59)	(90)	-	(13,472)
Total Administered decreases	-	(74,846)	-	-	(59)	(90)	(595)	(16,387)
Total decreases	-	(74,846)	-	-	(59)	(90)	(595)	(16,387)
Total balance carried to the next period	-	-	960	926	251	310	849	590

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

¹ Education Investment Fund Special Account

Appropriation: *Financial Management and Accountability Act 1997*; section 21

Establishing Instrument: *Nation-building Funds (Consequential Amendments) Act 2008* on 31 December 2008.

Purpose: To make grants of financial assistance to eligible higher education institutions in relation to capital expenditure and research facilities. Responsibility for EIF transferred to DIISRTE on 14 December 2011.

² Aboriginal Tutorial Assistance Superannuation Special Account

Appropriation: *Financial Management and Accountability Act 1997*; section 20

Establishing Instrument: *Financial Management and Accountability Determination 2003/05*; later varied by determination 2006/43.

Purpose: to provide a source of finance for the liability for the Superannuation Productivity Benefit entitlements owing to tutors contracted under the Aboriginal Tutorial Assistance Scheme (ATAS).

³ National Youth Affairs Research Scheme Special Account

Appropriation: *Financial Management and Accountability Act 1997*; section 20

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 Services for Other Entities and Trust Moneys Special Account

Appropriation: *Financial Management and Accountability Act 1997*; section 20

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 FMA agencies; and to repay amounts where an Act or other law requires or permits the repayment of an amount received. Responsibility for elements of the SOETM special account transferred to DIISRTE on 14 December 2011.

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

Note 28: Compensation and Debt Relief

	2013 \$	2012 \$
Departmental		
No 'Act of Grace' payments were expensed during the reporting period (2012: nil)	<u>-</u>	<u>-</u>
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2012: nil)	<u>-</u>	<u>-</u>
No ex-gratia payments were provided for during the period (2012: nil)	<u>-</u>	<u>-</u>
1 payment was provided under the Compensation for Detriment caused by Defective Administration (CDDA) scheme during the reporting period (2012: 1 payment)	<u>20</u>	<u>5</u>
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period (2012: nil)	<u>-</u>	<u>-</u>

Department of Education, Employment and Workplace Relations
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Administered	2013	2012
	\$'000	\$'000
27 'Act of Grace' payments were expensed during the reporting period (2012: 4 payments)	<u>13</u>	<u>7</u>
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2012: 16 waivers)*	<u>-</u>	<u>208,468</u>
212,068 waivers of amounts owing to the Australian Government were made pursuant to sections 1237, 1237A and 1237AAD of the <i>Social Security Act 1991</i> . (2012: 198,365 waivers)	<u>17,222</u>	<u>17,985</u>
3,299 waivers of amounts owing to the Australian Government were made pursuant to the <i>Student Assistance Act 1973</i> (2012: 4,117 waivers)	<u>584</u>	<u>655</u>
102,520 waivers of amounts owing to the Australian Government were made pursuant to the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> (2012: 104,472 waivers)	<u>2,121</u>	<u>2,215</u>
No ex-gratia payments were provided for during the reporting period. (2012: nil)	<u>-</u>	<u>-</u>
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2012: nil)	<u>-</u>	<u>-</u>
No payments made or outstanding under section 73 of the <i>Public Service Act 1999</i> during the reporting period. (2012: nil)	<u>-</u>	<u>-</u>
No HECS debt waivers of an amount owing to the Commonwealth (Pre 2005) was made under the Higher Education Funding Act 1988 (2012: 1 waiver)	<u>-</u>	<u>3</u>
No HELP debt waivers of amounts owing to the Commonwealth (Post 2004) were made under the <i>Higher Education Support Act 2003</i> (2012: 3,563 waivers)	<u>-</u>	<u>7,161</u>

* The High Court in *Williams v Commonwealth [2012] HCA 23* held that payments made under the National School Chaplaincy program were constitutionally invalid as they were beyond the Executive power of the Commonwealth. Consequently, the payments so made became debts owed to the Commonwealth. However, the Special Minister of State, the Hon Gary Gray, AO MP, after considering all relevant matters waived those debts under s34(1)(a) of the *Financial Management and Accountability Act 1997* (the FMA Act). The Special Minister of State also purported to waive debts that might be owing under the National School Chaplaincy and Student Welfare Program (NSCSWP). The amount waived was \$208.283m.

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

Note 29: Reporting of Outcomes

The department has four outcomes and details of each outcome are provided in the front of the 2012-13 Annual Report. The department uses a cost allocation model to determine the attribution of its shared items. Outcome 5 represents Tertiary Education including Higher Education, Vocational Education and International Education. Responsibility for these functions transferred to the former Department of Industry, Innovation, Science, Research and Tertiary Education on 14 December 2011 and 9 February 2012.

Note 29A: Net cost of outcome delivery

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Departmental								
Expenses	91,730	89,554	148,767	155,201	354,967	362,810	77,482	77,465
Own-source income	5,268	910	8,862	2,200	19,840	4,804	15,761	15,410
Administered								
Expenses	5,245,625	4,643,392	8,918,261	8,641,472	17,015,745	16,670,305	445,650	356,584
Own-source income	10,151	4,593	47,165	9,925	18,571	13,940	212,000	179,144
Net cost/(contribution) of outcome delivery	5,321,936	4,727,443	9,011,001	8,784,548	17,332,301	17,014,371	295,371	239,495

	Outcome 5		Payment to CAC Act Bodies*		Not attributed#		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Departmental								
Expenses	-	141,467	-	-	-	-	672,946	826,497
Own-source income	-	16,692	-	-	-	-	49,731	40,016
Administered								
Expenses	-	5,324,715	445,475	267,485	-	-	32,070,756	35,903,953
Own-source income	-	105,388	-	-	798	334	288,685	313,324
Net cost/(contribution) of outcome delivery	-	5,344,102	445,475	267,485	(798)	(334)	32,405,286	36,377,110

Outcomes 1 to 4 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 X of this annual report for Agency resource statements and resources.

* Payments to CAC Act bodies are not related to outcomes. They are included here so the total agrees to the resourcing table.

Some administered own-source income is not related to programs and outcomes. They are included here so the total agrees to the schedule of comprehensive income.

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

Note 29B: Major classes of departmental expense income assets and liabilities by outcome

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Expenses								
Employee benefits	57,811	57,315	94,477	96,952	222,495	219,139	48,445	45,339
Suppliers	25,203	26,827	41,188	45,379	96,999	102,570	21,120	21,221
Depreciation	8,503	5,012	12,755	12,171	34,622	39,375	4,859	5,012
Grants	-	-	-	20	33	191	2,880	5,576
Other	213	401	347	678	818	1,533	178	317
Total	91,730	89,555	148,767	155,200	354,967	362,808	77,482	77,465
Income								
User charges	4,617	430	7,854	1,267	17,334	2,961	15,325	15,079
Income from government	80,541	83,029	125,088	135,249	302,558	313,731	55,694	56,022
Other	651	481	1,007	933	2,507	1,843	436	330
Total	85,809	83,940	133,949	137,449	322,399	318,535	71,455	71,431
Assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Trade and other receivables	235	398	1,830	1,416	2,441	2,699	1,704	391
Accrued revenue	-	-	-	-	-	-	-	-
Land and buildings	12,216	14,899	18,959	23,567	45,837	56,512	8,441	9,882
Infrastructure, plant and equipment	2,417	2,520	7,565	8,460	19,101	23,449	2,207	2,513
Intangibles	7,550	6,342	23,336	22,273	74,459	71,738	7,017	6,030
Other financial assets	-	-	-	-	-	-	-	-
Total	22,418	24,159	51,690	55,716	141,838	154,398	19,369	18,816
Liabilities								
Suppliers	5,421	9,355	8,412	14,787	20,339	35,456	3,745	6,203
Other payables	7,677	8,725	11,915	13,791	28,764	33,066	5,304	5,785
Employee provisions	18,861	17,578	29,271	27,785	70,768	66,620	13,032	11,656
Other provisions	294	577	456	912	1,105	2,188	203	383
Total	32,253	36,235	50,054	57,275	120,976	137,330	22,284	24,027

**Department of Education, Employment and Workplace Relations
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	Outcome 5		Not attributed*		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Expenses						
Employee benefits	-	89,006	-	-	423,228	507,751
Suppliers	-	41,660	-	-	184,510	237,657
Depreciation	-	10,023	-	-	60,739	71,593
Grants	-	156	-	-	2,913	5,943
Other	-	623	-	-	1,556	3,552
Total	-	141,468	-	-	672,946	826,496
Income						
User charges	-	12,613	-	-	45,130	32,350
Income from government	-	124,795	-	-	563,881	712,826
Other	-	4,080	-	-	4,601	7,667
Total	-	141,488	-	-	613,612	752,843
Assets						
Cash and cash equivalent	-	-	21,569	2,540	21,569	2,540
Trade and other receivables	-	-	88,136	143,306	94,346	148,210
Accrued revenue	-	-	14,326	491	14,326	491
Land and buildings	-	-	-	-	85,453	104,860
Infrastructure, plant and equipment	-	-	-	-	31,290	36,942
Intangibles	-	-	-	-	112,362	106,383
Other financial assets	-	-	23,716	25,370	23,716	25,370
Total	-	-	147,747	171,707	383,062	424,796
Liabilities						
Suppliers	-	-	-	-	37,917	65,801
Other payables	-	-	-	-	53,660	61,367
Employee provisions	-	-	-	-	131,932	123,639
Other provisions	-	-	-	-	2,058	4,060
Total	-	-	-	-	225,567	254,867

Outcomes 1 to 4 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 6 of this annual report for Agency resource statements and resources.

* Assets and liabilities that could not be reliably attributed to outcomes.

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

Note 29C: Major classes of administered expenses, income, assets, and liabilities by outcomes

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Expenses								
Subsidies	-	-	5,107	5,519	62,552	51,871	172,568	151,584
Personal benefits	4,875,490	4,307,453	289,344	286,647	14,856,645	14,118,795	261,645	197,479
Grants	313,499	300,719	8,431,149	8,198,680	18,392	76,917	3,218	400
Suppliers	54,104	26,547	192,211	168,856	2,077,290	2,356,929	8,203	7,112
Other	2,532	8,673	450	8,112	866	65,793	16	9
Total	5,245,625	4,643,392	8,918,261	8,667,814	17,015,745	16,670,305	445,650	356,584
Income								
Taxation	-	-	-	-	-	-	172,567	151,584
Non taxation revenue	3,463	4,593	17,073	10,350	7,012	12,010	39,433	27,560
Gains	6,688	-	30,092	(425)	11,559	1,930	-	-
Total	10,151	4,593	47,165	9,925	18,571	13,940	212,000	179,144
Assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables	328,594	185,641	86,606	53,740	910,817	794,604	19,656	26,439
Investments	-	-	6,987	10,604	-	-	-	33,955
Other non-financial assets	-	3,800	-	-	-	-	3,493	3,588
Total	328,594	189,441	93,593	64,344	910,817	794,604	23,149	63,982
Liabilities								
Suppliers	24,363	16,469	43,523	208,502	77,280	89,605	113	224
Subsidies	-	-	-	-	3,922	5,714	28,427	26,314
Personal benefits	103,014	679,009	7,514	4,702	364,226	302,932	3,602	1,440
Grants	8,721	10,892	33,698	66,199	585	12,497	80	-
Other payables	-	-	-	-	-	-	-	-
Provision for personal benefits	742,404	-	-	-	-	-	-	-
Total	878,502	706,370	84,735	279,403	446,013	410,748	32,222	27,978

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	Outcome 5		Payment to CAC Act bodies		Not attributed*		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Expenses								
Subsidies	-	476,283	-	-	-	-	240,227	685,257
Personal benefits	-	1,618,132	-	-	-	-	20,283,124	20,528,506
Grants	-	3,026,714	439,195	245,970	-	-	9,205,453	11,849,400
Suppliers	-	204,570	-	-	-	-	2,331,808	2,764,014
Other	-	(984)	6,280	21,515	-	-	10,144	103,118
Total	-	5,324,715	445,475	267,485	-	-	32,070,756	35,930,295
Income								
Taxation	-	-	-	-	-	-	172,567	151,584
Non taxation revenue	-	105,388	-	-	798	334	67,779	160,235
Gains	-	-	-	-	-	-	48,339	1,505
Total	-	105,388	-	-	798	334	288,685	313,324
Assets								
Cash and cash equivalents	-	-	-	-	58	15	58	15
Receivables	-	-	-	-	100	222,612	1,345,773	1,283,036
Investments	-	-	-	-	-	-	6,987	44,559
Other non-financial assets	-	-	-	-	-	-	3,493	7,388
Total	-	-	-	-	158	222,627	1,356,311	1,334,998
Liabilities								
Suppliers	-	-	-	-	-	-	145,279	314,800
Subsidies	-	-	-	-	-	-	32,349	32,028
Personal benefits	-	-	-	-	-	-	478,356	988,083
Grants	-	-	-	-	-	-	43,084	89,588
Other payables	-	-	2,788,163	2,416,520	39,677	45,386	2,827,840	2,461,906
Provision for personal benefits	-	-	-	-	-	-	742,404	-
Total	-	-	2,788,163	2,416,520	39,677	45,386	4,269,312	3,886,405

Outcomes 1 to 4 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 6 of this annual report for Agency resource statements and resources.

* Assets, liabilities and income that could not be reliably attributed to outcomes.

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

Note 30: Cost Recovery

	2013	2012
	\$'000	\$'000
<u>Note 30A: Receipts subject to cost recovery policy</u>		
Other cost recovery arrangements		
Trade Recognitions Australia ¹	-	977
Australian Education International ¹	-	868
Total receipts subject to cost recovery policy	-	1,845

Note 30B: Administered receipts subject to cost recovery policy

Other cost recovery arrangements		
Trade Recognitions Australia ¹	-	934
Total receipts subject to cost recovery policy	-	934

1. Responsibility for Trade Recognitions Australia and Australian Education International transferred to the former Department of Industry, Innovation, Science, Research and Tertiary Education during 2011-12.

Note 31: Net Cash Appropriation Arrangements

	2013	2012
	\$'000	\$'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹	1,452	(5,045)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	(60,739)	(71,593)
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	(59,287)	(76,638)

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.

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

Note 32: 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 and Deregulation (Finance) provided information to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts. The possibility of this being an issue for the agency was reported in the notes to the 2010-11 financial statements and the agency completed the risk assessments during 2011-12, in line with the guidance provided by Finance.

During 2012-13 DEEWR continued to monitor its level of compliance with section 83 of the Constitution across all legislation for which it is administratively responsible. The department used the assessment processes identified in Finance's guidance paper to determine the risk of potential section 83 breaches. The process was informed by the results and lessons learned during 2011-12. Gap analysis was employed to identify changes in the target legislation and associated controls, where these have section 83 implications.

The agency identified 12 appropriations involving statutory conditions for payment, comprising:

- 9 special appropriations; and
- 3 special accounts.

The work conducted during the 2012-13 financial year has identified:

- 80 payments totalling \$452,873 were considered a potential breach for the *Schools Assistance Act 2008*; and
- *Social Security Administration Act 1999* and *Student Assistance Act 1973* have 398,984 potential breaches of section 83 based on debts raised for payments made in 2012-13. These total \$105.934 million with the majority relating to the Newstart Allowance. There are mitigating factors that explain the number and amount of potential section 83 breaches. Social Security and Student Assistance legislation requires customers to provide personal information to DHS from which DHS makes assessments and payments to the customer. If the customer fails to notify DHS or provides incorrect information, an overpayment could arise. Section 83 does not distinguish between errors made by DEEWR or those initiated by customer notifications. Amounts recovered for debts raised in 2012-13 total \$4.694 million. Amounts subject to waiver or write-off for debts raised in 2012-13 are \$7.652 million.

Of the total amount paid in potential contravention of section 83 identified above Table A provides a breakdown by appropriation of the amounts paid incorrectly, the amounts recovered or offset against later payment, amounts for which recovery action is in progress and/or amounts subject to waiver or write-off or other resolution.

During 2012-13 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payment for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The department will review its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. The department has determined that there is a low risk of the certain circumstances mentioned in the legal advice applying to the department. The department is not aware of any specific breaches of Section 83 in respect of these items.

DEEWR 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.

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

Table A - Summary

Appropriations identified as subject to conditions	Expenditure in 2012-13 \$000	Review complete? (Yes/No)	Breaches identified to date				Recovered/offset As at date \$000	Potential breaches to date yet to be resolved		Remedial action taken or proposed ^{1,5}
			Number	Total \$000	Incorrect \$000	Yes/No		Indicative extent		
Special Appropriations										
<i>A New Tax System (Family Assistance) Act 1999²</i>	4,748,386	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A	
<i>Schools Assistance Act 2008³</i>	7,979,500	Yes	Nil	Nil	Nil	Nil	Yes	Refer Table B	SP	
<i>Indigenous Education (Targeted Assistance) Act 2000</i>	137,830	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A	
<i>Fair Entitlements Guarantee Act 2012</i>	34,308	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A	
<i>Student Assistance Act 1973</i>	270,571	Yes	Nil	Nil	Nil	Nil	Yes	Refer Table B	N/A	
<i>Social Security Administration Act 1999</i>	14,940,551	Yes	Nil	Nil	Nil	Nil	Yes	Refer Table B	N/A	
<i>Safety, Rehabilitation & Compensation Act 1988</i>	39,661	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A	
<i>Asbestos-related claims (Management of Commonwealth Liabilities) Act 2005</i>	27,890	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A	

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

Appropriations identified as subject to conditions	Expenditure in 2012-13 \$000	Review complete? (Yes/No)	Breaches identified to date				Potential breaches to date yet to be resolved		Remedial action taken or proposed ^{1,5}
			Number	Total \$000	Incorrect \$000	Recovered/offset As at date \$000	Yes/No	Indicative extent	
<i>Coal Mining Industry (Long Service Leave) Administration Act 1992</i>	170,545	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A
Special Accounts									
Services for Other Entities and Trust Moneys	595	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A
National Youth Affairs Research Scheme	59	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A
Aboriginal Tutorial Assistance Superannuation	-	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A

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

Appropriations identified as subject to conditions	Expenditure in 2011-12 \$000	Review complete? (Yes/No)	Breaches identified to date				Potential breaches to date yet to be resolved		Remedial action taken or proposed ^{1,5}
			Number	Total \$000	Incorrect \$000	Recovered/offset As at date \$000	Yes/No	Indicative extent	
Special Appropriation									
A New Tax System (Family Assistance) Act 1999 ²	4,258,974	No	1	0	0	0	Yes	1	N/A
Schools Assistance Act 2008 ³	7,580,019	Yes	Nil	Nil	Nil	Nil	Yes	30	SM
Indigenous Education (Targeted Assistance) Act 2000	157,507	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A
Higher Education Support Act 2003	4,493,188	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A
Student Assistance Act 1973	289,691	Yes	Nil	Nil	Nil	Nil	Yes	Refer Table B	N/A
Social Security Administration Act 1999	15,611,502	Yes	Nil	Nil	Nil	Nil	Yes	Refer Table B	N/A
Safety, Rehabilitation & Compensation Act 1988	43,260	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A
Asbestos-related claims (Management of Commonwealth Liabilities) Act 2005	23,270	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A

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

Appropriations identified as subject to conditions	Expenditure in 2011-12 \$000	Review complete? (Yes/No)	Breaches identified to date				Potential breaches to date yet to be resolved		Remedial action taken or proposed ^{1,5}
			Number	Total \$000	Incorrect \$000	Recovered/offset As at date \$000	Yes/No	Indicative extent	
<i>Coal Mining Industry (Long Service Leave) Administration Act 1992</i>	152,423	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A
Special Accounts									
Education Investment Fund ⁴	74,846	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A
Services for Other Entities and Trust Moneys	2,915	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A
National Youth Affairs Research Scheme	90	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A
Aboriginal Tutorial Assistance Superannuation	-	Yes	Nil	Nil	Nil	Nil	No	Nil	N/A

¹ L= legislative change; S= systems change; P=planned; M=made (eg SM, or LP).

² The value of the incorrect amount of the payment was \$200.

³ 30 instances of potential breaches were identified with a value of \$1,219

⁴ Responsibility for *Social Security Act 1991* including the following programs: Austudy, Youth Allowance (student) and Fares Allowance transferred to the former Department of Industry, Innovation, Science, Research and Tertiary Education following changes to the Administrative Arrangement Orders on 14 December 2011.

⁵ DEEWR will continue to monitor its level of compliance with section 83 of the Constitution across all legislation for which it is administratively responsible. Where possible legislative amendments and system changes will continue to be progressed.

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

Table B – Summary of potential breaches

2012-13					
Act	Value of potential breaches \$	Number of potential breaches	Recovery of 2012-13 potential breaches \$	Potential breaches waived or written off \$	
<i>Schools Assistance Act 2008</i>	452,873	80	-	-	130,820
<i>Student Assistance Act 1973</i>	4,636,215	9,192	318,085		
<i>Social Security Administration Act 1999</i>	101,297,849	389,792	4,376,219		7,521,873
Total	106,386,937	399,064	4,694,304		7,652,693
2011-12					
Act	Value of potential breaches \$	Number of potential breaches	Recovery of 2011-12 potential breaches \$	Potential breaches waived or written off \$	
<i>Student Assistance Act 1973</i>	7,354,250	12,760	397,358	164,448	
<i>Social Security Administration Act 1999</i>	112,930,165	377,270	4,264,694		4,966,746
Total	120,284,415	390,030	4,662,052		5,131,194

PART 6

Appendixes



Appendix 1—Ecologically sustainable development

DEEWR reports under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* on how our activities accord with and contribute to the principles of ecologically sustainable development. We report on the impacts of the department's activities on the environment, how they are mitigated and how they will be further mitigated.

DEEWR's environmental management activities are focused on reducing impacts from energy, water and paper consumption, waste, travel, transport and procurement policies and practices. Information and data on DEEWR's environmental performance can be found in Part 3 of this report.

DEEWR's activities are consistent with the ecologically sustainable development principles (section 3A of the Act) that state 'decision making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations'. More information on the environmentally sustainable development principles can be found at www.environment.gov.au/esd.

We continue to evaluate and improve our operational efficiency to ensure that our activities contribute to successful long-term outcomes and to increase our understanding of sustainability beyond the environmental scope. This year we continued to support the Department of Finance and Deregulation's sustainability reporting pilot by participating in its second phase (see Appendix 3).

ICT Sustainability Plan

The Australian Government's *ICT Sustainability Plan 2010–2015* is a five-year plan that will assist Commonwealth agencies to better align their use of ICT with the government's overall sustainability agenda.

Under this plan, we have targets, actions and reporting obligations for our ICT operations. Information on our ICT sustainability performance is provided in Part 3 of this report and more information on the sustainability plan is available at www.environment.gov.au.

Appendix 2—Social inclusion measurement framework

The social inclusion measurement framework and reporting strategy aims to inform the government and community on social inclusion outcomes.

Agreed by the government in December 2009, the measurement and reporting framework includes high-level headline and supplementary indicators that show progress against priority areas of government action. These indicators are reported in the Australian Social Inclusion Board's 2012 report, *Social inclusion in Australia: how Australia is faring*.

DEEWR reports against six indicators, across three priority areas, that provide information on social inclusion outcomes for which DEEWR has lead responsibility. The framework recognises that in all priority areas, more than one agency or level of government is relevant to achieving outcomes—a well-targeted intervention by one agency can lead to improvements across many areas.

In November 2012 the Australian Social Inclusion Board requested that Commonwealth agencies review the strategic change indicators. Resulting from this process were minor changes to three of DEEWR's strategic change indicators to provide more accurate measures of disadvantage:

- *Indicator 1—The proportion of long term unemployed jobseekers in employment, education or training three months following participation in employment services*—has been refined to provide information on the outcomes of the most disadvantaged job seekers, Job Services Australia Stream 4 job seekers.
- *Indicator 2—The proportion of long term unemployed off benefit 12 months following participation in employment services*—has been refined to provide information on the outcomes of the most disadvantaged job seekers, Job Services Australia Stream 4 job seekers.
- *Indicator 5(i)—The proportion of students at or above the national minimum standard in reading and numeracy for students in schools participating in the Literacy and Numeracy National Partnership in Years 3, 5 and 7*—has been refined to report against Years 3 and 5, providing a more consistent representation of primary school across all states and territories (as only some states include Year 7 in primary school) and aligning more closely with the primary school focus of the Literacy and Numeracy National Partnership reform activity.

DEEWR's reporting against the previous indicators can be found in Appendix 2 of the 2011–12 annual report. Future amendments to strategic change indicators may also be made as new data becomes available.

Priority area 1: Targeting jobless families with children to increase work opportunities, improve parenting and build capacity

Indicator 1—The proportion of Stream 4 jobseekers in employment, education or training three months following participation in employment services

Indicator 2—The proportion of Stream 4 jobseekers off benefit 12 months following participation in employment services

Job Services Australia provides services designed to promote the social inclusion of all job seekers, including those with the highest barriers to employment. Stream 4 job seekers achieved a 39.1 per cent positive outcome rate for 2012–13, with 26.2 per cent being off benefits three months after participation (see Table 30).

Table 30 Outcome indicators for Stream 4 job seekers

Performance indicator	Program	2011–12	2012–13
The proportion of Stream 4 job seekers in employment, education and training three months following participation in employment services	Job Services Australia	44.6%	39.1%
The proportion of Stream 4 job seekers off benefit three months following participation in employment services	Job Services Australia	32.7%	26.2%

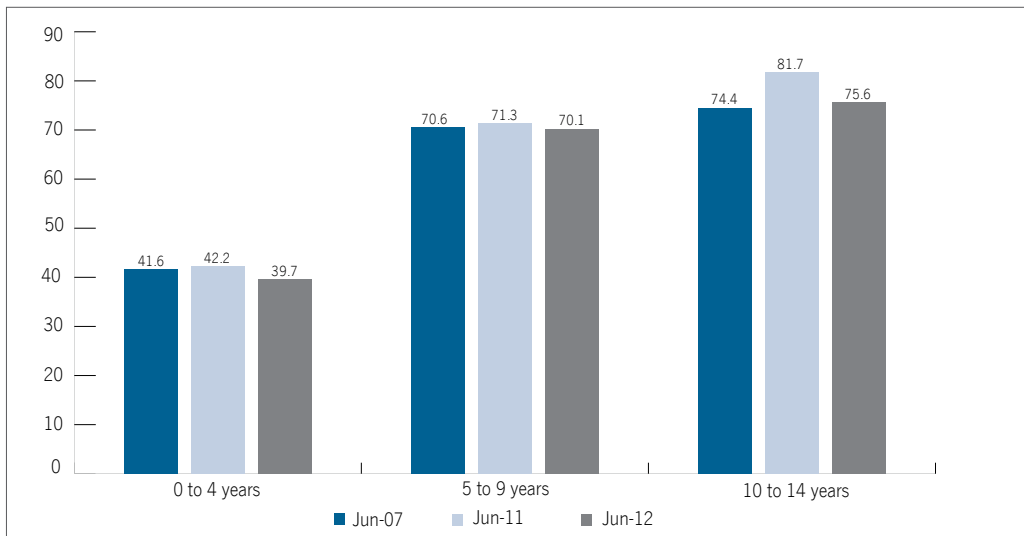
Source: DEEWR internal data.

Indicator 3—Labour force participation of single parents by age group of youngest child (0–4, 5–9, 10–14)

Data from the Australian Bureau of Statistics (ABS) shows that the labour force participation rate of the head of single-parent families varies significantly by age of the youngest child (see Chart 7). In 85.4 per cent of cases, single-parent families are headed by females. In many families, mothers increase their workforce participation as children grow older, particularly after children start school.

For example, as illustrated in Chart 7, where the youngest child was aged between 0 and 4 years, 39.7 per cent of lone parents were participating in the labour market as at June 2012 (latest available data). For lone parents whose youngest child was aged between 5 and 9 years, the participation rate increased to 70.1 per cent, and the participation rate where the youngest child was aged between 10 to 14 years stood at 75.6 per cent. This compares favourably with the overall participation rate for females aged 15 to 64 years, which was 70.4 per cent in June 2012.

Chart 7 Participation rates for single parents with children by age of youngest child



Source: ABS, *Labour force status and other characteristics of families, Australia, June 2012*, cat no. 6224.0.

Priority area 2: Improving the life chances of children at greatest risk of long-term disadvantage

Indicator 4—Proportion of children (aged 3–5) from special needs groups enrolled in state and territory funded or provided preschools

Table 31 displays data on the use of (state and territory funded or provided) preschools by children with special needs. The data is taken from the *Report on government services 2013* and ABS population statistics and relates only to children in government-funded services; it does not capture those who attend a preschool program in a long day care centre or a community sector preschool.

When comparing the participation of children aged 3 to 5 years from special needs groups with all other children participating in preschool, it is worth noting the emphasis of the COAG National Partnership on Early Childhood Education is on the provision of early childhood programs (preschool) for children in the year before full-time school—that is, mainly 4–5-year-olds, rather than 3–5-year-olds.

COAG's 2008 commitment to universal access to quality early childhood education for all children in the year before full-time school, funded under the national partnership, has meant that more children than ever before are accessing preschool education. In 2012, there were 266,000 children in preschool education, an increase of 60,000 children enrolled compared to 2008. Nationally, 89 per cent of children in the year before school were enrolled in preschool in 2012.

Access to preschool by disadvantaged children and Aboriginal and Torres Strait Islander children is identified as an area of focus under both the National Partnership on Early Childhood Education and the new National Partnership on Universal Access to Early Childhood Education which starts on 1 July 2013. Particular efforts are being made to improve access to preschool by vulnerable and disadvantaged children. For example, the Closing the Gap target for all Aboriginal and Torres Strait Islander 4-year-olds living in remote communities to have access to early childhood education by 2013 has been achieved; a new target was set in June 2013 that 90 per cent of Indigenous children will attend a quality early childhood education program.

Table 31 Representation of children from special needs groups in state and territory government child care and preschool services, 2011–12^a

	Unit	NSW ^{b, c, d}	VIC ^e	QLD ^f	WA ^g	SA ^h	TAS	ACT ⁱ	NT ^j	Australia ^k
Children from non-English-speaking backgrounds										
Number of children	no.	8,245	10,229	2,121	na	2,290	na	1,052	na	23,937
Representation in early childhood education and care services	%	12.1	14.1	8.0	na	10.9	na	24.6	na	12.4
Representation in the community, aged 3–5 years	%	23.2	21.6	11.6	15.6	13.5	7.2	16.1	38.7	18.7
Indigenous children										
Number of children	no.	3,552	1,210	1,556	2,250	1,520	481	199	1,471	12,239
Representation in early childhood education and care services	%	5.2	1.7	5.9	6.5	7.3	7.4	4.7	43.0	5.2
Representation in the community, aged 3–5 years	%	4.6	1.2	6.7	5.7	3.6	7.0	2.5	40.9	4.8
Children with a disability^l										
Number of children	no.	4,544	2,806	783	1,249	2,110	na	154	145	11,791
Representation in early childhood education and care services	%	6.7	3.9	3.0	3.6	10.1	na	3.6	4.2	5.1
Representation in the community, aged 3–5 years	%	7.3	3.9	7.3	6.8	5.5	7.2	7.3	np	6.3
Children from regional areas										
Number of children	no.	22,080	18,175	9,272	7,462	5,180	6,433	91	1,655	70,348
Representation in early childhood education and care services	%	32.3	25.1	35.0	21.4	24.8	98.4	2.1	48.4	29.7
Representation in the community, aged 3–5 years	%	28.0	27.5	45.1	24.5	26.2	97.7	0.1	48.2	32.3
Children from remote areas										
Number of children	no.	750	52	1,339	2,602	1,070	103	na	1,765	7,681

	Unit	NSW ^{b, c, d}	VIC ^e	QLD ^f	WA ^g	SA ^h	TAS	ACT ⁱ	NT ⁱ	Australia ^k
Representation in early childhood education and care services	%	1.1	0.1	5.1	7.5	5.1	1.6	..	51.6	3.3
Representation in the community, aged 3–5 years	%	0.7	0.1	4.7	9.0	4.4	2.0	..	53.1	3.2

na = not available; .. = not applicable

- a. Data for representation in the community is estimated from the ABS *Census of population and housing 2006*, except for children with disability and Indigenous children. Data for the representation of children with disability in the community was obtained from the ABS *Survey of disability, ageing and carers 2009*, while Indigenous data is from ABS *Experimental estimates and projections*. Due to the various data sources used in different years, caution should be used when making comparisons.
- b. Data was not collected for 2011–12 on numbers of children in child care services. The 2011–12 value is an estimate based on the compounded annual growth rate from 2007–08. For numbers of children in preschool services, the count is derived from the NSW Department of Education and Communities (DEC) preschool mid-year census for government schools and Children’s Services annual data collection for community-funded schools. For the numbers of children in the year before full-time school, the count is derived from the DEC preschool mid-year census for government preschools and children’s services annual data collection for community funded preschools. Reporting for 2011–12 is different from previous years because community-funded preschools were not included.
- c. Due to the integrated nature of early childhood education and care in New South Wales, many children undertaking a preschool program do so in a long day care setting. In fact, the majority of preschool services in the state are delivered by long day care centres. This report classifies the services provided by long day care centres as ‘childcare services’ as opposed to ‘preschool services’, and also makes a distinction between service providers funded at state and/or Commonwealth level. As a result, there is a significant undercount in the number of NSW children participating in preschool programs in this report, as most preschool services are delivered in long day care centres and are licensed but not funded by the state government. Due to the underrepresentation of NSW preschool service provision in this report, NSW data is not comparable with other jurisdictions and any inter-jurisdictional comparisons should be made with caution.
- d. Data was not collected for 2011–12 on numbers of children in child care services. The 2011–12 value is an estimate based on the compounded annual growth rate from 2007–08. For numbers of children in preschool services, the count is derived from the DEC preschool mid-year census for government preschools and Children’s Services annual data collection for community-funded preschools. For the numbers of children in the year before full-time school, the count is derived from the DEC preschool mid-year census for government preschools and Children’s Services annual data collection for community funded preschools. Reporting for 2011–12 is different from previous years because community-funded preschools were not included.
- e. In Victoria, for 2011–12, the representation of children from special needs groups is based on data collected in April 2012. The number of Indigenous children attending preschool services includes Aboriginal and Torres Strait Islander children who attend kindergarten in the year before school and the 3-year-old Aboriginal and Torres Strait Islander children who are part of the Early Start Kindergarten Initiative.
- f. Queensland child care data is based on an annual voluntary census and response rates are variable by service type and over time. Preschool data includes Indigenous community pre-preparatory services and Creche and Kindergarten Association Limited community kindergarten services. Data on regional and remote areas is for children attending in the census week, based on location of services according to the Australian Standard Geographic Classification.
- g. For Western Australia, it is assumed that the ratio of students with disability in the non-government system is the same as in the government system. Numbers of children from an Aboriginal and Torres Strait Islander background and children with disability in the year before full-time school are apportioned. The numbers of Aboriginal and Torres Strait Islander children and children with disability in preschools are actual numbers for 2011–12. These were previously apportioned.
- h. In South Australia, children in preschool in the year before full time school include 4 and 5-year-old children only.

- i. In the Australian Capital Territory, there are no regions classified as remote. Preschool students may be counted in more than one special needs group.
- j. Data includes remote Catholic preschools funded by the Northern Territory Government. All other non-government preschools are excluded. Data on children from non-English-speaking backgrounds is of a quality too poor to report. Aboriginal and Torres Strait Islander children and children with a disability in preschools include 3-year-old children. Aboriginal and Torres Strait Islander children aged 4 years in preschool are a proxy for children in preschool in the year before full-time school. Children with disability aged 4 and 5 years in preschool are a proxy for children in preschool in the year before full-time school.
- k. Data for Australia for children in services is the total of the sum of the states and territories for which data is available, and should not be interpreted as national data.
- l. Data is not directly comparable between jurisdictions because there is no national definition or standard on children with disability. Victorian data was collected in a disaggregated form for the first time in 2010–11. Therefore this may result in data quality issues. In Queensland, the definition of disability refers to a diagnosed disability.

Sources: State and territory governments, unpublished data; ABS, (unpublished) *2006 census of population and housing*, cat. no. 2031.0, *Survey of disability, ageing and carers 2009*, cat. no. 4430.0, and *Experimental estimates and projections of the Aboriginal and Torres Strait Islander population, 1991 to 2009 (series B)*, cat. no. 3238.0.

Indicator 5(i)—Proportion of students above the national minimum standard in reading and numeracy for students in schools participating in the Literacy and Numeracy National Partnership in Years 3 and 5

The Smarter Schools National Partnership on Literacy and Numeracy (LNNP), an agreement among the Australian, state and territory governments, aimed to deliver sustained improvement in literacy and numeracy outcomes for all students, especially those falling behind. It also had as a priority delivering accelerated improvement in literacy and numeracy outcomes for Aboriginal and Torres Strait Islander students.

Reforms in each state and territory were implemented from 2009 to 2012 in around 1200 schools, both government and non-government. This included approximately 500,000 students, or 12 per cent of Australia's student population; and approximately 28,000 Aboriginal and Torres Strait Islander students, or 18 per cent of Australia's Aboriginal and Torres Strait Islander student population.

The LNNP was implemented in different ways in each state and territory. Funding was provided to support evidence-based reforms to improve literacy and numeracy teaching and learning. The intent of the LNNP was to target investment, particularly for students at or below national minimum standards, to improve student literacy and numeracy outcomes. LNNP schools could target their investment in literacy or numeracy or both.

Performance under the LNNP agreement was assessed by the COAG Reform Council. The council's role was to assess the extent to which targets negotiated between each jurisdiction and the Commonwealth had been met. It found that from 2008 to 2011, schools participating in the LNNP generally improved their results in reading and numeracy. For all states, the council assessed 83.8 per cent of agreed NAPLAN targets and 76.1 per cent of local measure targets as fully or partially met. Of the 31 agreed Indigenous-specific targets, 28 (90.3 per cent) showed improvement across all states. The council's reports are available at www.coagreformcouncil.gov.au.

From 2008 to 2012, LNNP schools were more successful in increasing the percentage of students above the NAPLAN national minimum standard, and showed a greater improvement in their average NAPLAN scores compared to all schools in Australia across all years and domains analysed (that is, Years 3 and 5 reading and numeracy) (see Table 32). LNNP schools showed the greatest improvement in Year 3 reading, both in increasing the percentage of students above the national minimum standard and in closing the performance gap against all Australian schools.

Information regarding schools funding and the National Education Reform Agreement can be found in Outcome 2 of this report.

Table 32 Analysis of NAPLAN data, 2008 to 2012

Year and domain	National proportions of students above the national minimum standard in LNNP schools (2008 to 2012)
Year 3 reading	The percentage of students above the national minimum standard for Year 3 reading increased in LNNP schools by 9 percentage points from 68% in 2008 to 77% in 2012
Year 3 numeracy	The percentage of students above the national minimum standard for Year 3 numeracy in LNNP schools remained stable at 77% from 2008 to 2012
Year 5 reading	The percentage of students above the national minimum standard for Year 5 reading increased in LNNP schools by 6 percentage points from 68% in 2008 to 74% in 2012
Year 5 numeracy	The percentage of students above the national minimum standard for Year 5 numeracy increased in LNNP schools by 8 percentage points from 65% in 2008 to 73% in 2012

Source: Derived from My School data as at 4 March 2013.

Indicator 5(ii)—Proportion of students at or above the national minimum standard in reading and numeracy for Indigenous students in Years 3, 5, 7 and 9

Nationally in 2012, across reading and numeracy, an average of 71.5 per cent of Aboriginal and Torres Strait Islander students were at or above the national minimum standard compared to 94.4 per cent for non-Indigenous students. This equates to an average gap of 22.9 percentage points. In 2012 the percentage of Aboriginal and Torres Strait Islander students at or above the national minimum standard in reading and numeracy ranged from 75.4 per cent for Year 7 reading to 64.7 per cent for Year 5 reading. The percentages for reading and numeracy are shown in Charts 7 and 8.

2012 compared to 2011

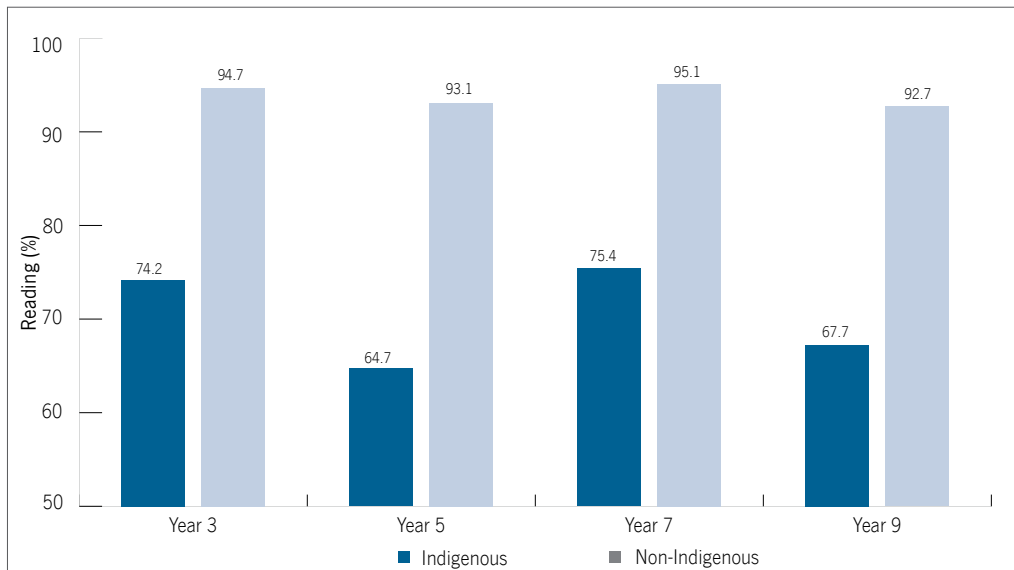
The only improvement over the 2011 results in the percentage of Aboriginal and Torres Strait Islander students at or above the national minimum standard was in Year 9 numeracy (by 2.2 percentage points). This resulted in a narrowing of the gap between Aboriginal and Torres Strait Islander and non-Indigenous students of 1.6 percentage points. The gap widened in all other year levels for reading and numeracy.

Longer-term trends

Since 2008 the gap has decreased in Years 3, 5 and 7 reading and Year 9 numeracy. Some decreases of the gap have been noteworthy—Year 3 reading (4.7 percentage points) and Year 7 reading (3.8 percentage points). However, the other decreases were relatively small—Year 9 numeracy (1.8 percentage points) and Year 5 reading (0.8 percentage points).

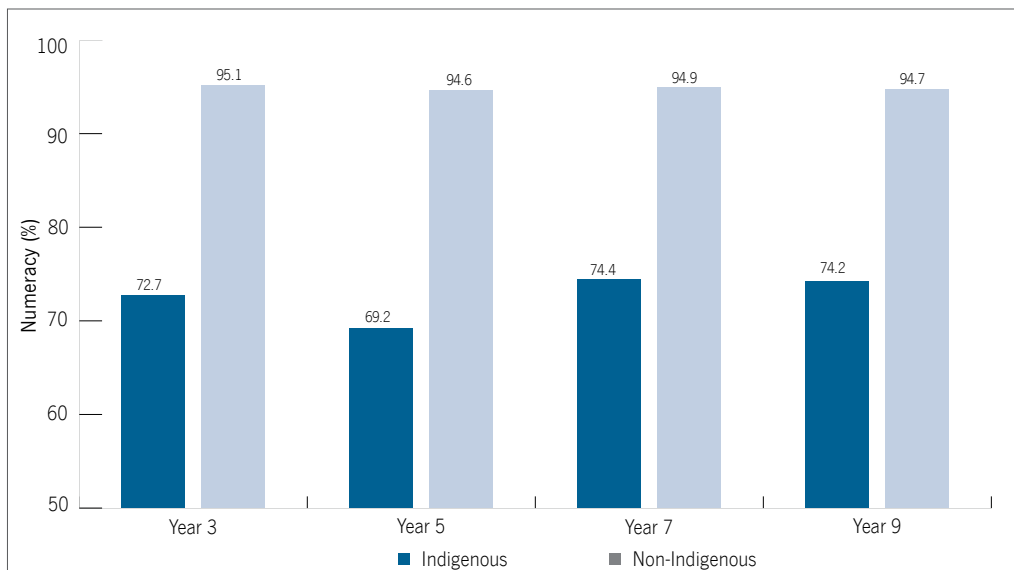
The 2012 cohort is substantially the same as that tested in 2010, and comparing the progress in reading and numeracy over the two assessment periods reveals improvements in outcomes for Aboriginal and Torres Strait Islander students in Year 9 reading and numeracy of 3.0 and 3.8 percentage points respectively, and decreases in the gap of 2.5 and 3.4 percentage points respectively.

Chart 8 Students at or above national minimum standards for reading, 2012



Source: Australian Curriculum, Assessment and Reporting Authority 2012, *NAPLAN achievement in reading, persuasive writing, language conventions and numeracy: national report for 2012*.

Chart 9 Students at or above national minimum standards for numeracy, 2012

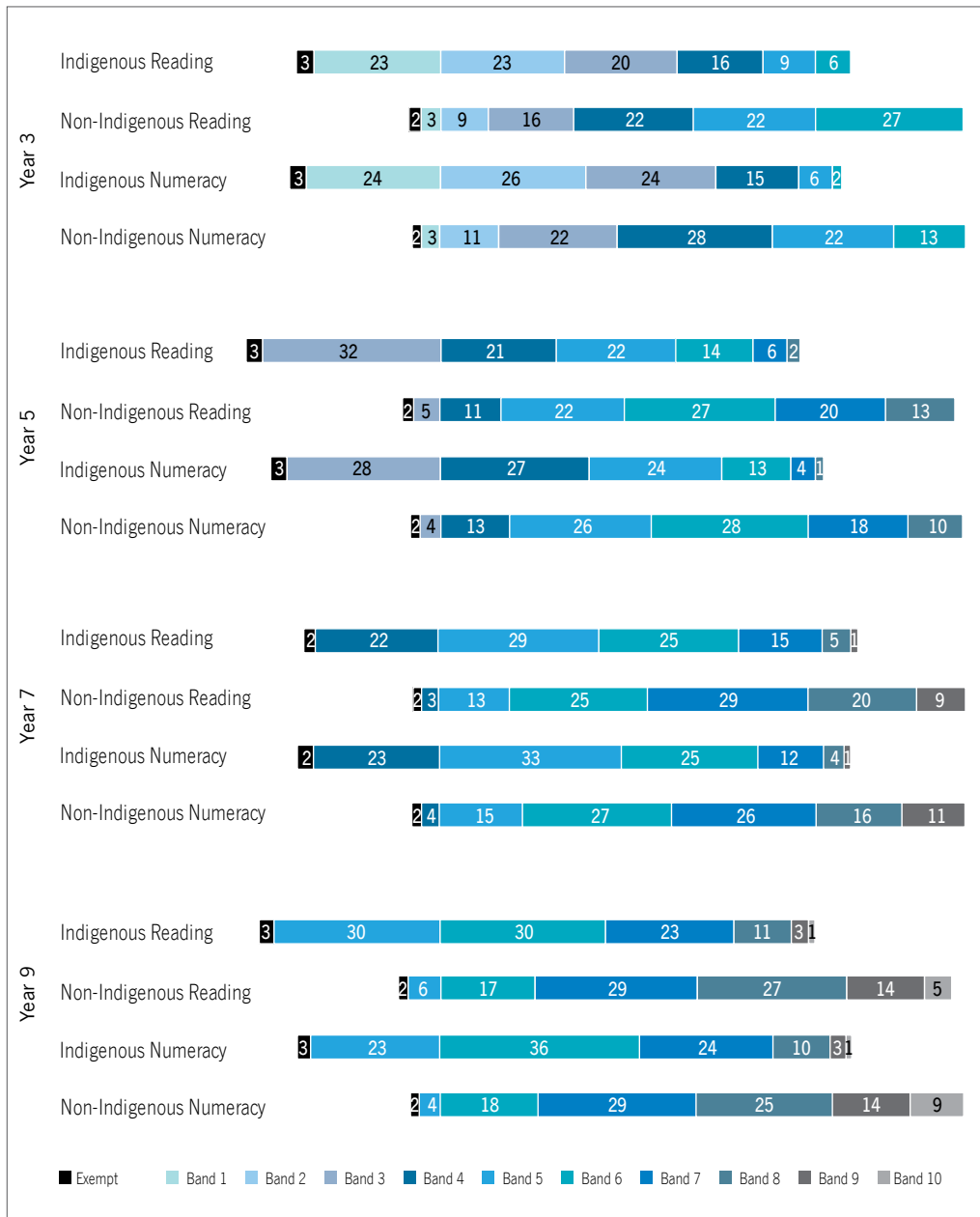


Source: Australian Curriculum, Assessment and Reporting Authority 2012, *NAPLAN achievement in reading, persuasive writing, language conventions and numeracy: national report for 2012*.

Since 2011, the gap between the percentages of Indigenous and non-Indigenous students at or above the national minimum standard decreased for Year 9 numeracy, and increased for all other year levels and domains.

Chart 10 shows the percentage distribution of Indigenous students across the achievement bands for all domains compared to the percentage distribution of non-Indigenous students for 2012. The chart highlights the comparison of percentages of Indigenous and non-Indigenous students below the national minimum standard. Band 2 is the national minimum standard for Year 3, band 4 is the minimum standard for Year 5, band 5 is the minimum standard for Year 7 and band 6 is the minimum standard for Year 9.

Chart 10 Percentage distribution of students across the NAPLAN achievement bands, 2012



Source: Australian Curriculum, Assessment and Reporting Authority 2012, *NAPLAN achievement in reading, persuasive writing, language conventions and numeracy: national report for 2012*.

Student cohort gain

A further measure is student cohort gain, which is the increase in achievement (in mean scale scores) for the same cohort of students (for example, Year 3 in 2008 and Year 5 in 2010).

Table 33 shows that in the Year 3 to 5 cohort, the average gains for Aboriginal and Torres Strait Islander students in reading and numeracy were less than the average gains for non-Indigenous students.

In the Year 5 to 7 cohort, the gains for Aboriginal and Torres Strait Islander students in reading exceeded those for non-Indigenous students by 11.6 mean scale score.

In the Year 7 to 9 cohort, the gains for Aboriginal and Torres Strait Islander students in reading and numeracy exceeded those for non-Indigenous students by 4.4 and 4.6 mean scale score respectively.

Table 33 Cohort gain by Indigenous students and non-Indigenous students, 2010 to 2012

Cohort year	Domain	Average gain Indigenous students	Average gain non-Indigenous students	Difference Indigenous and non-Indigenous students
Year 3 to 5	Reading	78.2	79.4	-1.2
	Numeracy	88.7	93.6	-4.9
Year 5 to 7	Reading	65.2	53.6	11.6
	Numeracy	52.5	49.2	3.3
Year 7 to 9	Reading	32.8	28.4	4.4
	Numeracy	40.7	36.1	4.6

Source: Australian Curriculum, Assessment and Reporting Authority 2012, *NAPLAN achievement in reading, persuasive writing, language conventions and numeracy: national report for 2012*.

Priority area 3: Improving outcomes for people living with disability

Indicator 6—Proportion of job seekers with disability in employment, education and training three months after participation in employment services

For job seekers with a disability who participate in Job Services Australia or Disability Employment Services, 45.6 per cent achieved a positive outcome, despite tougher conditions in the labour market (see Table 34).

Table 34 Proportion of job seekers with disability in employment, education and training three months after participation in employment services

Indicator	Program	2011–12	2012–13
Proportion of job seekers with disability in employment, education and training three months after participation in employment services	Job Services Australia/ Disability Employment Services	48.8%	45.6%

Source: DEEWR internal data.

Appendix 3—Global Reporting Initiative indicators

Sustainability reporting helps organisations to set goals, measure performance and manage change in order to make their operations more sustainable. A sustainability report provides information on the impacts of an organisation, positive or negative, on the environment, society and economy.

The Global Reporting Initiative was founded in 1997 and aims to fulfil the need for open, transparent communication about sustainability issues by providing a consistent and credible framework for organisations to report on their economic, environmental and social impacts. As part of the effort to develop sustainability reporting strategies across Australian Government agencies, DEEWR participated in the first phase of the Department of Finance and Deregulation's sustainability reporting pilot for the 2011–12 annual report.

In 2012–13 DEEWR is continuing its participation in the sustainability reporting pilot using the Global Reporting Initiative sustainability reporting guidelines as a base. A review of the guidelines, started in August 2011, led to the release of the updated G4 guidelines in May 2013. G4 increases the emphasis on topics that are material to the business of an organisation, ensuring that sustainability reports will be focused on matters central to achieving organisational goals and managing organisational impacts on society.

For the purposes of the pilot and to ensure relevance to the operations of Australian government agencies, a reduced set of indicators have been used for reporting (see Table 35) that includes those GRI aspects (relevant topics) that have been identified as applicable by the Department of Finance and Deregulation. The boundary of GRI reporting is defined as those impacts occurring within or outside the organisation—except for environmental, DEEWR impacts measured are deemed as occurring within the organisation. There are no specific limitations on the scope or boundary of the report except those indicators which are not applicable or able to be measured.

Note that some indicators are only partially reported, primarily because data is unavailable or the indicator is not fully applicable to DEEWR. This is noted where relevant.

For the purposes of continuity, Table 35 includes the corresponding G3 and G4 indicator references.

Table 35 Global Reporting Initiative indicators applicable to Australian Government agencies

GRI 4 indicator	GRI 3.1 indicator	Description	Location in report	Level of disclosure
<i>Strategy and analysis</i>				
G4.1	1.1	Statement from the most senior decision maker of the organisation about the relevance of sustainability to the organisation and its strategy	Appendix 1, page 254	Full
<i>Organisational profile</i>				
G4.3	2.1	Name of organisation	Part 1, page 2	Full
G4.4	2.2	Primary brands, products or services	Part 1, page 2	Full

GRI 4 indicator	GRI 3.1 indicator	Description	Location in report	Level of disclosure
G4.17	2.3	Operational structure of the organisation	Part 1, page 6–7	Full
G4.5	2.4	Location of organisation’s headquarters	Part 3, page 114	Full
G4.6	2.5	Locations of operations	Part 3, page 110	Full
G4.9	2.8	Scale of organisation	Part 3, page 108	Full
G4.10	LA1	Report the total number of employees by employment contract and gender, total number of permanent employees by employment type and gender, total workforce by employees and supervised workers and by gender, total workforce by region and gender, whether a substantial portion of the organisation’s work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors, significant variations in employment numbers	Appendix 8, page 290-92	Partial (not applicable)
G4.11	LA4	Percentage of employees covered by collective bargaining agreements	Part 3, page 107	Full
G14.13	2.9	Significant changes during the reporting period regarding size and structure		Not applicable
Report profile				
G4.28	3.1	Reporting period	Part 1, page iii	Full
G4.29		Date of most recent previous report	Part 6, page 297	Full
G4.30	3.3	Reporting cycle	Part 1, page iv	Full
G4.31	3.4	Contact point for questions regarding the report or its contents	Part 1, page ii	Full
Report scope and boundary				
G4.18	3.5	Process for defining report content and aspect boundaries	Appendix 3, page 265	Full
G4.20 G4.21	3.6	Boundary of the report	Appendix 3, page 265	Full
G4.20 G4.21	3.7	State any specific limitations on the scope or boundary of the report	Appendix 3, page 265	Full
GRI content index				
G4.32	3.12	Table identifying the location of the standard disclosures in report	Appendix 3, page 265	Full
Governance				
G4.34	4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks	Part 4, page 134	Full

GRI 4 indicator	GRI 3.1 indicator	Description	Location in report	Level of disclosure
G4.40	4.7	Process for determining composition, qualifications and expertise of highest governance body	Part 4, page 134	Full
G4.45 and G4.47	4.9	Procedures for highest governance body for overseeing the organisation's identification and management of sustainability performance	Part 4, page 134	Full
G4.44	4.10	Processes for evaluating the highest governing body's own performance	Part 4, page 134	Full
<i>Ethics and integrity</i>				
G4.56	4.8	Mission or value statements, codes of conduct, and principles relevant to sustainability performance and the status of their implementation	Appendix 3, page 265	Full
G4.57		Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines	Part 4, page 139	Full
G4.58		Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Part 4, page 139	Full
<i>Economic performance</i>				
G4.EC1	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments	Part 5, page 147–252	Full
G4.EC4	EC4	Coverage of an organisation's defined benefit plan obligations	Part 3, page 107	Full
<i>Human rights reporting</i>				
G4.HR2	HR3	Total hours of employees training on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained	Part 3, page 116	Partial; training available to all employees; uptake not measured
<i>Employment</i>				
G4.10	LA1	Total workforce by employment type, employment contract and region, broken down by gender	Appendix 8, page 290–293	Full

GRI 4 indicator	GRI 3.1 indicator	Description	Location in report	Level of disclosure
G4.LA1	LA2	Total number and rate of new employee hires and turnover by age, gender and region	Appendix 8, page 290	Partial; number only
Labour/management relations				
G4.11	LA4	Percentage of employees covered by collective bargaining agreements	Part 3, page 107, Appendix 8, page 290	Full
Occupational health and safety				
G4.LA5	LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advice on work health and safety programs	Part 3, page 109	Full
G4.LA6	LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region and gender	Part 3, page 110 Appendix 8, page 290–293	Partial; number only
Training and education				
G4.LA9	LA10	Average hours of training per year per employee by gender and employment category	Part 3, page 106	Partial; available to all employees but update not measured
G4.LA10	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them to manage career endings	Part 3, page 106	Full
G4.LA11	LA12	Percentage of employees receiving regular performance and career development reviews by gender	Part 3, page 106	Partial
Diversity and equal opportunity				
G4.LA12	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	Part 3, page 109	Partial
Corruption				
G4.S03	S02	Percentage and total number of business units analysed for risks related to corruption	Part 4, page 138	Partial; completed as required
G4.S04	S03	Percentage of employees trained in organisation’s anti-corruption policies and procedures	Part 4, page 139	Partial; available to all employees; uptake not measured

GRI 4 indicator	GRI 3.1 indicator	Description	Location in report	Level of disclosure
Materials^a				
G4.EN1	EN1	Materials used by weight or volume	Part 3, page 113	Full
G4.EN2	EN2	Percentage of materials used that have recycled input	Part 3, page 113	Full
Energy				
G4.EN3	EN4	Indirect energy consumption by primary source	Part 3, page 114	Full
G4.EN6	EN5 EN7	Energy saved due to conservation and efficiency improvements and initiatives to reduce indirect energy consumption and reductions achieved	Part 3, page 114	Full
Water				
G4.EN8	EN8	Total water withdrawal by source	Part 3, page 115	Not reported
Emissions, effluent and waste				
G4.EN15 G4.EN16	EN16	Total direct and indirect greenhouse gas emissions by weight	Part 3, page 113	Partial; National office building only
G4.EN19	EN18	Initiatives to reduce indirect greenhouse emissions and reductions achieved	Part 3, page 114–115	Full
G4.EN23	EN22	Total weight of waste by type and disposal method	Part 3, page 113–115	Partial; National office tenancies only
Transport				
G4.EN30	EN29	Significant environmental impacts of transporting products and other goods, and transporting members of the workforce	Part 3, page 113–115	Full

a Refers to office paper

Appendix 4—Carer Recognition Act report

The *Carer Recognition Act 2010* supports the important principle that carers should have the same rights, choices and opportunities as other Australians. The Act also sets up reporting and consultation obligations for certain Australian Public Service agencies.

DEEWR is required to report on four key elements:

- awareness and understanding of the Statement for Australia's Carers
- human resource policies
- reflecting the principles in the Statement for Australia's Carers
- consultation with carers.

Awareness and understanding of the Statement for Australia's Carers

The department provides information on carers for the general public on its website, including information on the Australian Government's commitment to social inclusion, the National School Chaplaincy and Student Welfare Program and the National Carer Recognition Framework, including the Act and the National Carer Strategy.

The National Carer Strategy ensures that carers are valued and respected by society and that they have rights, choices, opportunities and capabilities to participate in economic, social and community life.

DEEWR actively supports staff with caring responsibilities. Information on the Act and the statement is available on a dedicated parenting and carers' portal on the department's intranet. The portal also provides information about internal resources, external resources and articles and publications that can assist carers and managers. It provides links to the Act, the 10 key principles contained in the statement, the Carers Australia website and the *Healthinsite* Caring for Others website. The page also provides direct access to the Employee Assistance Program.

The department displays posters and uses a variety of media to promote understanding of carers and the statement around the workplace. The department also promotes Carers Week to employees, which is the national awareness raising week held annually in the third week of October. Activities in 2012–13 included:

- promotion of services and information for carers of people with mental health issues
- promotion of flexible working arrangements including leave provisions, and internal and external services
- promotion of both the Employee Assistance Program and Families at Work through the intranet.

Human resource policies

When developing human resource policies, the department considers and complies with the principles contained in the statement.

The department has incorporated special carers leave entitlements provisions within the DEEWR Enterprise Agreement 2012–2014, and provides carers' rooms to cater for employees' unforeseen caring responsibilities. Information for employees about conditions applying to carers in the enterprise agreement and the leave guide is available on the intranet.

The DEEWR Diversity Team works with managers, employees and service providers to advocate for employees with a caring role, disability or cultural difference in the department. Departmental human resources practitioners regularly have conversations with employees with caring responsibilities to assist them to access respite and counselling services through the Employee Assistance Program.

Reflecting the principles in the Statement for Australia's Carers

The terms and conditions in the department's standard funding agreement include the obligation for funding recipients to comply with relevant laws and any Commonwealth policies, and to comply with any code of ethics, regulation or other industry standards relevant to the activity.

In December 2011 DEEWR began research and analysis on expanding the right to request flexible working arrangements under the *Fair Work Act 2009* to include eligible employees with elder care responsibilities, care responsibilities for those with a serious long-term illness or disability and care responsibilities for children under 16. Expanding the right to request flexible working arrangements was also considered through the Fair Work Act Review. The review panel recommended that the right to request flexible working arrangements be extended to a wider range of caring and other circumstances.

The right to request flexible working arrangements was extended in June 2013 through the *Fair Work Amendment Act 2013* to include all carers, as defined in the Carer Recognition Act, as well as to a number of other new categories of employee.

Consultation with carers

DEEWR facilitated extensive consultations with carer stakeholders, as well as employer organisations, unions, and state and territory governments, on flexible working arrangements for eligible employees with carer responsibilities under the Fair Work Act. These processes concluded in May 2012, and gave stakeholders the opportunity to provide feedback on the proposed expansion, any anticipated impact on employers and how the government could work with employers and employees to address those impacts.

Outside of the Fair Work Act consultations, the department is a joint funding partner in a research project with the University of New South Wales aimed at understanding the impacts of social inclusion on carers. In 2012–13, the department met with research partners and other interested stakeholders through the project advisory committee on two occasions and provided policy expertise on the research conducted to date.

Officers in the department participated in the Commonwealth Carers Forum, led by the Department of Families, Housing, Community Services and Indigenous Affairs, and assisted in the development of the National Carer Strategy Implementation Plan, the *National Carer Strategy Action Plan (2011–2014)* and the *National Carer Strategy progress report 2011–2012*, which were released publicly in October 2012. The department also participated in the National Carer Strategy Implementation Reference Group and has worked with the Department of Families, Housing, Community Services and Indigenous Affairs to ensure the needs of carers are considered in our policy development and program administration work.

The department also contributed to the development of the Australian Human Rights Commission research report *Investing in care: recognising and valuing those who care*. DEEWR representatives met with the Sex Discrimination Commissioner in August 2012 and later provided comment on the research findings and recommendations prior to the public release of the report and workplace toolkit in January 2013.

Appendix 5—Advertising and market research

Details of payments made to advertising, market research, polling, media advertising and direct mail organisations by the department in 2012–13 are listed in the following tables. Where the total paid is less than \$12,100 (inclusive of GST) details have not been included. This is consistent with section 311A of the *Commonwealth Electoral Act 1918*.

Table 36 Advertising agencies

Procurement reference number	Contract number	Organisation	Service provided	Total \$ paid 2012–13
28876	86049	McCann Worldgroup Pty Ltd	Development and production of creative material for the National Plan for School Improvement Communication campaign	2,912,988.43
28645	85888	Spinach Advertising Pty Ltd	Development of creative concepts to support the delivery of the Experience+ programs to help and support mature age workers and employers	110,000.00
28850	86019	Vinten Browning	Amendments of creative concepts from the 2011 Child Care Assistance Campaign for an advertising campaign to further communicate the child care rebate payment	126,822.30
Total				3,149,810.73

Table 37 Market research and polling organisations

Procurement reference number	Contract number	Organisation	Service provided	Total \$ paid 2012–13
28682	85943	Hall & Partners Open Mind Pty Ltd	Services to deliver benchmarking, tracking and evaluation research for the Experience+ communication campaign	76,890.00
28413	85524	ORIMA Research Pty Ltd	Research into target audience awareness and key messages for the Australian Government's response to the review of funding for schooling	98,340.20
28581	85701	ORIMA Research Pty Ltd	Quantitative Research to Inform the Australian Government's response to the review for schooling	107,250.00
28810	85966	ORIMA Research Pty Ltd	Qualitative research is required to test the creative concepts submitted by creative agencies tendering for the creative contract for the National Plan for School Improvement Communication campaign	475,909.77
28890	86224	Taylor Nelson Sofres Australia Pty Limited	National Plan for School Improvement Communication campaign—benchmarking, tracking and evaluation research	158,400.00
28631	85844	Wallis Consulting Group Pty Ltd	Undertake creative concept testing research with employers and mature age job seekers/workers	87,853.70
Total				1,004,643.67

Table 38 Media advertising organisations

Procurement reference number	Contract number	Organisation	Service provided	Total \$ paid 2012–13
28204	85472	Adcorp Australia Limited	Newspaper and radio advertising for Remote Jobs and Communities Program information sessions	85,040.24
28624	85747	Adcorp Australia Limited	Remote Jobs and Communities Program Radio Advertising	44,647.56

Procurement reference number	Contract number	Organisation	Service provided	Total \$ paid 2012–13
28551	85694	Adcorp Australia Limited	Advertising for Budget Based Funding Program Review consultation process	30,061.70
28665	85766	Adcorp Australia Limited	Advertising process Home Interaction Program for Parents and Youngsters	43,585.95
28689	85863	Adcorp Australia Limited	Advertising process Home Interaction Program for Parents and Youngsters	39,263.86
28811	85996	Adcorp Australia Limited	Advertising RFT Release for Mature Age Participation—Job Seeker Assistance Program	22,978.27
28906	86133	Adcorp Australia Limited	Provision of Advertising for the National Youth Awards and establish knowledge to the target audience via social media	52,609.85
29106	86335	Adcorp Australia Limited	Remote Jobs and Communities Program newspaper advertising	23,159.00
29107	86339	Adcorp Australia Limited	Remote Jobs and Communities Program radio advertising	55,170.28
28389	85568	Sensis Pty Ltd	Provision of Department's Yellow Pages online listing and associated online services for the Child Care Access Hotline and MyChild website	144,711.60
28803	86060	Universal McCann	Media booking for the Australian Government's Experience+ Mature Age Communication Campaign	914,944.63
28921	86190	Universal McCann	Media booking for the Australian Government's Child Care Assistance campaign	8,098,154.90
28973	86128	Universal McCann	Digital advertising for the 2013 Positive Body Image Awards	26,195.15
29024	86329	Universal McCann	Advertising services for the National Plan for School Improvement Communication campaign	15,653,651.17
Total				25,234,174.16

Table 39 **Direct mail organisations**

Procurement reference number	Contract number	Organisation	Service provided	Total \$ paid 2012–13
28015	85028	Bluestar	Distribution and printing of Child Care Assistance campaign brochure	95,213.33
28039	85062	Fuji Xerox Businessforce Pty Limited	Printing and Mail services for the Post Program Monitoring survey	268,016.96
28537	85716	Fuji Xerox Businessforce Pty Limited	Provide DES-ESS Transition 2012–13 mail out services	68,021.19
27305	84208	Salmat Businessforce Pty Limited	Distribution and printing of surveys for participants in employment services	19,650.77
Total				450,902.25

Appendix 6—Agency resource statements and resources for Outcomes

Agency Resource Statement—2012–13	Actual available appropriations for 2012–13	Payments made 2012–13	Balance remaining
	\$000	\$000	\$000
Ordinary Annual Services			
<i>Departmental appropriation</i>			
Prior year departmental appropriation	144,639	85,745	58,894
Departmental appropriation	610,238	561,963	48,275
S.31 Relevant agency receipts	33,827	33,827	-
Total	788,704	681,535	107,169
<i>Administered expenses</i>			
Outcome 1	511,994	479,510	
Outcome 2	456,862	387,099	
Outcome 3	2,324,495	2,245,737	
Outcome 4	244,461	244,026	
Payments to CAC Act Bodies	6,279	6,279	
Total	3,544,091	3,362,651	
Total ordinary annual services	4,332,795	4,044,186	
Other services			
<i>Administered expenses</i>			
<i>Specific payments to States, ACT, NT and local government</i>			
Outcome 2	149,809	149,809	
Total	149,809	149,809	
<i>Departmental non-operating</i>			
Equity injections	5,607	5,607	-
Total	5,607	5,607	-
Total other services	155,416	155,416	
Total available annual appropriations	4,488,211	4,199,602	

Agency Resource Statement—2012–13	Actual available appropriations for 2012–13	Payments made 2012–13	Balance remaining
	\$000	\$000	\$000

Special appropriations

Special appropriations limited by criteria/entitlement

A New Tax System (Family Assistance) (Administration) Act 1999		4,748,386	
Schools Assistance Act 2008		7,979,500	
Indigenous Education (Targeted Assistance) Act 2000		137,830	
Fair Work Entitlement Guarantee Act 2012		34,308	
Student Assistance Act 1973		290,571	
Social Security (Administration) Act 1999		14,940,551	
Coal Mining Industry (LSL) Funding Act 1992		170,454	
Safety, Rehabilitation and Compensation Act 1988		39,661	
Asbestos-related Claims (Management of Commonwealth Liabilities Act) 2005		27,890	
Total special appropriations		28,369,151	

Special Accounts

Opening Balance	1,826		
Appropriation receipts	-		
Appropriation receipts—other agencies	-		
Non-appropriation receipts to Special Accounts	888		
Payments made		654	
Closing Balance			2,060
Total resourcing and payments	4,488,211	32,568,753	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	6,279	6,279	
Total net resourcing and payments for DEEWR	4,481,932	32,562,474	

Outcome 1	Budget (2012–13)	Actual expenses (2012–13)	Variation (2012–13)
	\$'000	\$'000	\$'000
	A	B	A-B
Administered expenses			
Program 1.1: Support for the Child Care System			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Child Care Services Support	393,922	364,550	29,372
Jobs, Education and Training Child Care Fee Assistance (JETCCFA)	110,900	108,906	1,994
Total for Program 1.1	504,822	473,456	31,366
Program 1.2: Child Care Fee Assistance			
<i>Special Appropriations</i>			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>			
Child Care Benefit	2,529,842	2,589,308	-59,466
Child Care Rebate	2,131,165	2,179,853	-48,688
Total for Program 1.2	4,661,007	4,769,161	-108,154
Program 1.3: Early Childhood Education			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Early Childhood Education- Universal Access	3,000	2,889	111
Special Account Expenses			
Services for Other Entities and Trust Moneys	-	121	-121
Total for Program 1.3	3,000	3,010	-10
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	507,822	476,345	31,477
Special Appropriations	4,661,007	4,769,161	-108,154
Special Accounts	-	121	-121
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	80,783	78,384	2,399
Revenues from independent sources (Section 31)	-	4,617	-4,617
Expenses not requiring appropriation in the Budget year	216	8,729	- 8,513
Total for Outcome 1	5,249,828	5,337,357	-87,529
Average staffing level (number)	521	541	-20

Outcome 2	Budget (2012–13)	Actual expenses (2012–13)	Variation (2012–13)
	\$'000	\$'000	\$'000
	A	B	A-B

Administered expenses

Program 2.2: Non-government Schools National Support

Special Appropriations

Schools Assistance Act 2008	7,965,080	7,980,627	-15,547
Indigenous Education (Targeted Assistance) Act 2000	130,297	135,541	-5,244
Total for Program 2.2	8,095,377	8,116,168	-20,791

Program 2.3: Schools Support

Ordinary Annual Services (Appropriation Bill No 1)

National Plan for School Improvement	17,650	17,553	97
Teach Next	838	543	295
Grants and Awards	3,847	3,814	33
Quality Outcomes	50,570	55,198	-4,628
Helping Children with Autism	5,434	5,434	-
Indigenous Ranger Cadetships	1,325	1,206	119
National Trade Cadetship	3,600	3,097	503
Framework for Open Learning	2,584	2,582	2
Online Diagnostic Tools	10,238	10,242	-4
National School Chaplaincy Program	74,000	59,891	14,109
National Asian Languages in Schools	461	713	-252
NBN Enabled Education	7,875	7,875	-
ABC Digital Education	1,287	1,287	-
Review of School Funding	4,793	3,742	1,051
Maths and Science Participation	3,100	3,100	-
Indigenous Education	40,822	38,098	2,724
Endeavour Language Teacher Fellowships	1,440	1,352	88
Total for Program 2.3	229,864	215,727	14,137

Program 2.4: Trade Training

Other Services (Appropriation Bill No 2)

Trade Training Centres (Non-government)	51,887	51,887	-
Total for Program 2.4	51,887	51,887	-

Outcome 2	Budget (2012–13)	Actual expenses (2012–13)	Variation (2012–13)
	\$'000	\$'000	\$'000
	A	B	A-B
Program 2.5: Digital Education Revolution			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Digital Education Revolution Project Pool	6,000	5,973	27
<i>Other Services (Appropriation Bill No 2)</i>			
Digital Education Revolution (Non-government)	74,000	73,998	2
Total for Program 2.5	80,000	79,971	29
Program 2.6: Smarter Schools—Improving Teacher Quality National Partnership			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Teacher Quality National Partnership (Non government)	17,787	16,914	873
Total for Program 2.6	17,787	16,914	873
Program 2.7: More Support for Students with Disabilities			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Students with Disabilities	554	690	-136
<i>Other Services (Appropriation Bill No 2)</i>			
Students with Disabilities (Non Government)	17,066	17,066	-
<i>Special Account Expenses</i>			
Services for Other Entities and Trust Moneys	-	574	-574
Total for Program 2.7	17,620	18,330	-710
Program 2.8: Youth Support			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Youth Attainment and Transitions NP	114,360	114,986	-626
Youth Engagement	11,418	11,242	176
<i>Special Account Expenses</i>			
National Youth Affairs Research Scheme	240	-	240
Total for Program 2.8	126,018	126,228	-210
Program 2.9: Student Assistance			
<i>Special Appropriations</i>			
Student Assistance Act 1973	-	-	-
ABSTUDY—Secondary	139,803	142,246	-2,443
ABSTUDY—Tertiary	84,044	85,986	-1,942
Assistance for Isolated Children	64,969	60,082	4,887

Outcome 2	Budget (2012–13)	Actual expenses (2012–13)	Variation (2012–13)
	\$'000	\$'000	\$'000
	A	B	A-B
Student Financial Services Scheme		13	-13
Special Account Expenses			
Superannuation Payments for ATAS Tutors	5	-	5
Total for Program 2.9	288,821	288,327	494
Program 2.10: National Action Plan on Literacy and Numeracy			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
National Action Plan on Literacy and Numeracy	1,141	1,240	-99
Total for Program 2.10	1,141	1,240	-99
Program 2.13: Rewards for School Improvement			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Rewards for School Improvement	600	422	178
Total for Program 2.13	600	422	178
Program 2.14: National Rewards for Great Teachers			
<i>Other Services (Appropriation Bill No 2)</i>			
National Rewards for Great Teachers	1,759	3,046	-1,287
Total for Program 2.14	1,759	3,046	-1,287
Outcome 2 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	381,724	367,194	14,530
Other services (Appropriation Bill No. 2)	144,712	145,997	-1,285
Special Appropriations	8,384,193	8,404,495	-20,302
Special Accounts	245	574	-329
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	157,462	127,808	29,654
Revenues from independent sources (Section 31)	-	7,854	-7,854
Expenses not requiring appropriation in the Budget year	18,728	13,105	5,623
Total for Outcome 2	9,087,064	9,067,027	20,037
Average staffing level (number)	868	840	28

Outcome 3	Budget (2012–13)	Actual expenses (2012–13)	Variation (2012–13)
	\$'000	\$'000	\$'000
	A	B	A-B
Administered expenses			
Program 3.1: Employment Services			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Job Services Australia	1,276,830	1,258,137	18,693
Pacific Seasonal Workers Program	1,148	23	1,125
Productivity Education and Training Fund	10,000	10,000	-
Regional Education, Skills and Job Plans	442	436	6
Mature Age Employment	6,063	3,246	2,817
Productive Ageing Package	4,319	1,747	2,572
Total for Program 3.1	1,298,802	1,273,589	25,213
Program 3.2: Indigenous Employment			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Indigenous Employment Program	172,576	155,400	17,176
Total for Program 3.2	172,576	155,400	17,176
Program 3.3: Disability Employment Services			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Disability Employment Services	750,397	764,188	-13,791
Employment Assistance and Other Services	37,963	31,853	6,110
Total for Program 3.3	788,360	796,041	-7,681
Program 3.4: Remote Jobs and Communities Program			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Remote Participation and Employment Services	168	150	18
Total for Program 3.4	168	150	18
Program 3.5 Working Age Payments			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Compensation and Debt Relief	198	-	198
Total for Program 3.5	198	-	198
Special Appropriations			
<i>Social Security (Administration) Act 1999</i>			
Mobility Allowance	147,590	144,695	2,895

Outcome 3	Budget (2012–13)	Actual expenses (2012–13)	Variation (2012–13)
	\$'000	\$'000	\$'000
	A	B	A-B
Newstart Allowance	7,609,410	7,492,413	116,997
Parenting Payment Single	4,488,882	4,504,234	-15,352
Parenting Payment Partnered	1,004,203	1,027,354	-23,151
Partner Allowance Benefit	12,432	12,885	-453
Partner Allowance Pension	118,428	120,590	-2,162
Pensioner Education Supplement	81,735	81,013	722
Sickness Allowance	97,925	98,658	-733
Utilities Allowance	18,274	17,588	686
Widow Allowance	373,450	376,546	-3,096
Youth Allowance (other)	836,478	914,590	-78,112
Total for Program 3.4	14,789,005	14,790,566	-1,561
Outcome 3 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	2,260,104	2,225,180	34,924
Special Appropriations	14,788,807	14,790,566	-1,759
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	311,611	302,129	9,482
Revenues from independent sources (Section 31)	-	17,334	-17,334
Expenses not requiring appropriation in the Budget year	44,603	35,504	9,099
Total for Outcome 3	17,405,125	17,370,713	34,412
Average staffing level (number)	2,028	2,030	-2

Outcome 4	Budget (2012–13)	Actual expenses (2012–13)	Variation (2012–13)
	\$'000	\$'000	\$'000
	A	B	A-B
Administered expenses			
Program 4.1: Employee Assistance			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
General Employee Entitlements and Redundancy Scheme	248,399	224,010	24,389
Special Appropriations			
Coal Mining Industry (LSL) Funding Act 1992	169,326	172,567	-3,241
Fair Entitlements Guarantee Act 2012	55,633	37,642	17,991
<i>Special Account Expenses</i>			
Services for Other Entities and Trust Moneys	-	9	-9
Total for Program 4.1	473,358	434,228	39,130
Program 4.2: Workplace Assistance			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Award Modernisation	1,000	909	91
Protected Action Ballots Scheme	1,600	1,122	478
International Labour Organisation— Subscription	8,323	7,081	1,242
Social and Community Workers Education and Information Program	800	800	-
Centre for Workplace Leadership	1,660	1,509	151
Total for Program 4.2	13,383	11,421	1,962
Program 4.3: Workers compensation payments			
<i>Ordinary Annual Services (Appropriation Bill No 1)</i>			
Comcare	6,279	6,279	-
Special Appropriations			
Asbestos related claims Act 200 - S8(2)	20,428	27,890	-7,462
Safety, Rehabilitation & Compensation Act— S90D	45,573	411,305	-365,732
Total for Program 4.3	72,280	445,474	-373,194

Outcome 4	Budget (2012–13)	Actual expenses (2012–13)	Variation (2012–13)
	\$'000	\$'000	\$'000
	A	B	A-B
Outcome 4 Totals by appropriation type			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No 1)	268,061	241,710	26,351
Special Appropriations	290,960	649,404	-358,444
Special Accounts	-	9	-9
Departmental expenses			
Ordinary Annual Services (Appropriation Bill No 1)	66,939	57,146	9,793
Revenues from independent sources (Section 31)	-	15,325	-15,325
Expenses not requiring appropriation in the Budget year	8,771	5,011	3,760
Total for Outcome 4	634,731	968,605	-333,874
Average staffing level (number)	373	374	-1

Appendix 7—Spatial Reporting framework

The Spatial Reporting framework has been established to improve reporting of regional expenditure. Spatial reporting involves reporting actual expenditure, broken down by program between regional and non-regional Australia, for expenditure that is a grant or transfer, or expenditure that is not a grant or transfer payment but is relevant to what the Government is doing in regional Australia.

Program	Category	Budget Estimate 2012–13	Actual Expenses 2012–13	Variation
EEWR Transfer Payment Programs				
Program 1.1 Support for the Child Care System				
Sub-program Jobs Education and Training	Regional	24	17	7
Child Care Fee Assistance ^a	Non-regional	58	92	-34
	Non-specific	-	-	-
Program 1.2 Child Care Fee Assistance				
Sub-program: Child Care Benefit	Regional	723	671	52
	Non-regional	1,721	1,918	-197
	Non-specific	-	-	-
Sub-program: Child Care Rebate	Regional	413	425	-12
	Non-regional	1,580	1,755	-175
	Non-specific	-	-	-
Program 2.12 Student Assistance				
Sub-program: ABSTUDY—Secondary	Regional	85	99	-14
	Non-regional	49	42	7
	Non-specific	-	2	-2
Sub-program: ABSTUDY—Tertiary	Regional	53	46	7
	Non-regional	30	40	-10
	Non-specific	-	-	-
Sub-program: Assistance for Isolated Children	Regional	61	53	8
	Non-regional	3	6	-3
	Non-specific	-	1	-1
Program 3.2 Indigenous Employment^b				
	Regional	112	49	63
	Non-regional	60	106	-46
	Non-specific	-	-	-

Program	Category	Budget Estimate 2012–13	Actual Expenses 2012–13	Variation
Program 3.5 Working Age Payments				
Sub-program: Mobility Allowance	Regional	49	50	-1
	Non-regional	95	97	-2
	Non-specific	-	-	-
Sub-program: Parenting Payment Single ^c	Regional	1,666	1,831	-165
	Non-regional	2,573	2,677	-104
	Non-specific	8	14	-6
Sub-program: Parenting Payment Partnered	Regional	362	369	-7
	Non-regional	652	659	-7
	Non-specific	3	4	-1
Sub-program: Pensioner Education Supplement	Regional	26	29	-3
	Non-regional	47	52	-5
	Non-specific	-	-	-
Sub-program: Widow Allowance	Regional	116	119	-3
	Non-regional	250	256	-6
	Non-specific	2	2	-
Sub-program: Partner Allowance Pension	Regional	41	50	-9
	Non-regional	58	71	-13
	Non-specific	1	-	1
Sub-program: Newstart Allowance ^d	Regional	2,853	2,743	110
	Non-regional	4,897	4,776	121
	Non-specific	17	27	-10
Sub-program: Sickness Allowance	Regional	32	36	-4
	Non-regional	60	63	-3
	Non-specific	-	-	-
Sub-program: Youth Allowance—Other	Regional	409	397	12
	Non-regional	512	526	-14
	Non-specific	2	3	-1
Portfolio Agency—Comcare				
Program 1.1 Comcare				
Total Transfer/Subsidy Payments	Regional	7,051	7,014	-37
	Non-regional	12,687	13,183	496
	Non-specific	33	54	21

Program	Category	Budget Estimate 2012–13	Actual Expenses 2012–13	Variation
EEWR Reportable Grants Program				
Program 1.1 Support for the Child Care System				
Sub-program: Child Care Services Support ^e	Regional	123	125	-2
	Non-regional	172	175	-3
	Non-specific	12	13	-
Program 2.2 Non Government Schools National Support^f				
	Regional	86	89	-3
	Non-regional	44	46	-2
	Non-specific	-	-	-
Program 2.3 Schools Support^e				
	Regional	42	40	2
	Non-regional	30	29	1
	Non-specific	85	82	4
Program 2.11 Youth Support				
	Regional	3	4	-1
	Non-regional	2	-	2
	Non-specific	5	7	-2
Total Grants Program	Regional	254	258	-4
	Non-regional	249	250	-1
	Non-specific	103	101	2
Portfolio Grand Total	Regional	7,306	7,272	33
	Non-regional	12,936	13,433	-497
	Non-specific	136	155	-19

Explanatory Notes

- Actual expenditure compared to budget shows strong growth in the provision of child care services, particularly in non-regional areas.
- The Indigenous Employment Program (IEP) assists employers to improve Aboriginal and Torres Strait Islander employment opportunities and supports Indigenous business. IEP does not have set expenditure targets for regional and remote areas and expenditure in these areas can vary considerably from year to year depending on funding opportunities and demand.
- Actual expenditure compared to budget shows higher than anticipated uptake of new recipients particularly in regional areas. The increase in expenditure identified as 'non-specific' reflects an increase to unallocated addresses.
- Actual expenditure compared to budget shows lower than anticipated uptake of new recipients across both the regional and non-regional categories. The increase in expenditure identified as 'non-specific' reflects an increase to unallocated addresses.
- The Budget estimate for 2012–13 has been adjusted to remove non grant related payments.
- The Budget estimate for 2012–13 has been adjusted to remove payments made under the *Schools Assistance Act 2008*. This is not considered a grant for the purposes of spatial reporting.

Appendix 8—Workforce statistics

The tables below relate to the discussion on our people in Part 3 of this report. Figures in brackets are from the 2011–12 annual report.

Table 40 Employment agreement statistics at 30 June 2013

Classification	Section 24(1) determinations	Enterprise agreement	Total
SES	140	0	140
Non-SES	0	4,011	4,011
Total	140	4,011	4,151

Note: The Secretary is not included in these figures.

Table 41 Salary ranges at 30 June 2013

Classification	Salary range (\$)
APS Level 1	26,164 – 47,680
APS Level 2	51,218 – 54,579
APS Level 3	57,198 – 59,576
APS Level 4	62,220 – 66,541
APS Level 5	68,697 – 73,444
APS Level 6	77,230 – 84,927
Executive Level 1	94,968 – 115,456
Executive Level 2	111,753 – 134,146
Government Lawyer	59,576 – 84,927
Senior Government Lawyer	94,968 – 116,335
Principal Government Lawyer	127,492 – 137,500
SES Band 1	140,080 – 230,857
SES Band 2	200,000 – 264,169
SES Band 3	275,307 – 311,144

Note: The Secretary is not included in these figures as remuneration arrangements for departmental secretaries are set out under a separate instrument.

Table 42 Ongoing and non-ongoing full-time and part-time employees self-identifying in DEEWR's human resources information system as Indigenous and non-Indigenous at 30 June 2013

Identification	Ongoing full-time	Ongoing part-time	Non-ongoing full-time	Non-ongoing part-time	Total
Indigenous	212 (200)	24 (21)	2 (7)	0 (0)	238 (228)
Non-Indigenous	3,290 (3,340)	553 (505)	55 (93)	16 (33)	3,914 (3,971)
Total	3,502 (3,540)	577 (526)	57 (100)	16 (33)	4,152 (4,199)

Table 43 Employees by classification at 30 June 2013

Classification	Female	Male	Total
Cadets	4 (3)	6 (8)	10 (11)
Apprentices/Trainees	2 (1)	2 (0)	4 (1)
Indigenous Australian Government Development Program Trainees	10 (0)	15 (0)	25 (0)
Graduates	40 (37)	18 (32)	58 (69)
APS Level 1	5 (6)	0 (4)	5 (10)
APS Level 2	6 (12)	7 (9)	13 (21)
APS Level 3	66 (59)	39 (53)	105 (112)
APS Level 4	289 (298)	144 (129)	433 (427)
APS Level 5	413 (440)	227 (252)	640 (692)
APS Level 6	654 (649)	403 (413)	1,057 (1,062)
Executive Level 1	664 (646)	527 (523)	1,191 (1,169)
Executive Level 2	219 (233)	170 (171)	389 (404)
Government Lawyer	9 (10)	10 (7)	19 (17)
Senior Government Lawyer	23 (24)	5 (5)	28 (29)
Principal Government Lawyer	26 (22)	8 (8)	34 (30)
SES Band 1	51 (56)	46 (49)	97 (105)
SES Band 2	27 (24)	10 (9)	37 (33)
SES Band 3	2 (2)	4 (4)	6 (6)
Secretary	1 (1)	0 (0)	1 (1)
Total	2,511 (2,523)	1,641 (1,676)	4,152 (4,199)

Table 44 Employees by employment status at 30 June 2013

Classification	Female	Male	Total
Ongoing			
Full-time	1,959 (1,979)	1,543 (1,561)	3,502 (3,540)
Part-time	503 (463)	74 (63)	577 (526)
Subtotal	2,462 (2,442)	1,617 (1,624)	4,079 (4,066)
Non-ongoing			
Full-time	38 (64)	19 (36)	57 (100)
Part-time	11 (17)	5 (16)	16 (33)
Subtotal	49 (81)	24 (52)	73 (133)
Total	2,511 (2,523)	1,641 (1,676)	4,152 (4,199)

Table 45 Employees by location at 30 June 2013

Location	Female	Male	Total
New South Wales	130 (126)	91 (85)	221 (211)
Victoria	92 (92)	45 (45)	137 (137)
Queensland	123 (124)	46 (47)	169 (171)
Western Australia	78 (79)	22 (27)	100 (106)
South Australia	79 (78)	26 (30)	105 (108)
Tasmania	25 (25)	15 (16)	40 (41)
Australian Capital Territory	1,918 (1,932)	1,382 (1,412)	3,300 (3,344)
Northern Territory	64 (66)	13 (12)	77 (78)
Overseas	2 (1)	1 (2)	3 (3)
Total	2,511 (2,523)	1,641 (1,676)	4,152 (4,199)

Table 46 Employee separations, 2012–13

Classification	Number
Cadets	0 (2)
Indigenous Australian Government Development Program Trainees	0 (2)
Graduates	4 (19)
APS Level 1	2 (3)
APS Level 2	10 (22)
APS Level 3	29 (80)
APS Level 4	57 (214)
APS Level 5	67 (333)
APS Level 6	106 (447)
Executive Level 1	84 (556)
Executive Level 2	25 (215)
Government Lawyer	2 (8)
Senior Government Lawyer	3 (18)
Principal Government Lawyer	3 (11)
SES Band 1	8 (47)
SES Band 2	0 (11)
SES Band 3	0 (5)
Total	400 (1,993)

Note: Further detail on separations is outlined in Part 3—Our operations.

Table 47 **Reported work health and safety incidents by type, 2012–13**

Mechanism of incident	Incidents (%)
Falls, slips and trips	20
Body stressing	16
Hazards reported (nil injury; nil time lost)	12
Being hit by moving objects	9
Biological factors	8
Vehicle accidents (includes travel to and from work)	7
Hitting objects with the body	7
Chemicals and other substances	6
Heat, electricity and other environmental factors	5
Unspecified mechanism of injury	4
Mental stress	3
Other and multiple mechanisms of injury	3

Note: Further detail on work health and safety incidents is outlined in Part 3—Our operations.

Appendix 9—Commonwealth involvement in proceedings before courts and tribunals

During the year DEEWR was involved in the following matters before courts and administrative tribunals.

Fair Work Commission

Transitional review of modern awards

The Fair Work Commission's two-year review of modern awards started in 2011–12. The review covers the following common issues: public holidays; penalty rates; award flexibility; annual leave; apprentices, trainees and juniors; work health and safety, outworkers; and transitional provisions. In 2012–13 the Australian Government was involved in proceedings relating to five of the common issues.

On 17 September 2012, the government filed submissions opposing applications to reduce public holiday protections in modern awards and applications to vary penalty rate provisions in the retail, hospitality, fast food, restaurant and hair and beauty awards. The government submitted that reducing the penalty rates specified in these awards would result in a disproportionate decrease in the remuneration paid to low-paid and award-reliant Australian employees and would undermine the longstanding principle of compensation for working unsociable or irregular hours.

Officials from DEEWR attended hearings on these matters on 19 and 20 December 2012 to outline the government's position. Following this appearance, DEEWR provided two additional submissions to the commission (on 19 December 2012 and 7 January 2013), clarifying the government's position on important aspects of the penalty rates matter. On 18 March 2013, the commission issued its decision on the penalty rates matter, ultimately deciding that penalty rates will not be varied in modern awards. On 12 April 2013, the commission issued its decision rejecting all but a limited number of proposed variations to public holiday terms in modern awards.

On 15 November 2012, the government filed a submission in relation to Master Builders Australia's application to vary the Building and Construction General On-site Award 2010. As part of the application, Master Builders Australia submitted that provisions which purport to regulate work health and safety matters are not lawful and should not be included in modern awards. The government submitted that these terms are capable of inclusion in modern awards, and on 30 November 2012, officials from DEEWR attended the Full Bench hearing of this matter. On 12 December 2012, the commission issued a decision that the matters are allowable.

On 27 February 2013, the government filed a submission relating to applications to vary the Textile, Clothing, Footwear and Associated Industries Award 2010. The commission started hearing applications on 7 March 2013 and the matter is ongoing.

In 2012–13, the government continued its involvement in the apprentices, trainees and juniors tranche of the review. The applications and submissions in this matter have focused on the wages and conditions of apprentices across a broad range of industries. The government made a number of written and oral submissions in relation to this matter, culminating in a closing oral submission delivered over 3 and 8 May 2013. The government submitted support for a suitable increase to junior apprentice minimum wages and other reforms designed to increase apprenticeship commencements and completions. The commission has concluded hearings for this matter and will publish a decision in due course.

The Full Bench that is considering applications in relation to apprentice provisions in modern awards is also considering an application by the Shop, Distributive and Allied Employees' Association to vary the General Retail Industry Award 2010. The application seeks to vary the award to provide that employees who are 20 years of age are paid 100 per cent of the adult rate from 1 July 2013—currently under this award, 20-year-olds receive 90 per cent of the adult rate. The government filed a submission on 17 May 2013 in support of the application. The commission has started hearing applications and the matter is ongoing.

Annual Wage Review 2012–13

On 28 March 2013, the Australian Government lodged its submission to the Fair Work Commission's Annual Wage Review 2012–13. The government's submission recommended that the commission provide an appropriate increase in the national minimum wage and award wages in 2013, reflecting changes in living costs and other changes in the economic environment since the last minimum wage rise in 2012. The government also recommended the commission take into account the impacts of the increase in the superannuation guarantee from 9 to 9.25 per cent on 1 July 2013.

On 18 May 2013, the government lodged a post-budget submission which updated the Minimum Wage Panel with the government's 2013–14 Budget macroeconomic forecasts as well as relevant budget measures and other data released since the initial submission was lodged. The panel held consultation hearings with stakeholders on 21–22 May 2013. Officials from DEEWR and the Treasury attended the consultation hearings on 21 May 2013 to outline the government's position.

On 3 June 2013, the panel released its decision to increase the national minimum wage and award wages by 2.6 per cent. This decision increases the national minimum wage by \$15.80 a week to \$622.20 per week, or \$16.37 per hour, with effect from the first full pay period on or after 1 July 2013. The decision takes into account the increase in the superannuation guarantee, consistent with the government's position.

High Court

Board of Bendigo Regional Institute of Technical and Further Education v Barclay and Anor (M128/2011)

On 2 September 2011, the High Court of Australia granted the Board of Bendigo Regional Institute of Technical and Further Education special leave to appeal the decision of a Full Court of the Federal Court in *Barclay v Board of Bendigo Regional Institute of Technical and Further Education* [2011] FCAFC 14. A majority of the Full Federal Court held that in relation to the operation of the general protections provisions of the *Fair Work Act 2009*, while a person's subjective reason for taking adverse action against a person is centrally important, it is not necessarily determinative. The majority held that a search for the 'real reason' (which may include conscious or unconscious reasons) actuating adverse action is required, and that it was not open to a decision-maker to ignore the objective connection between the decision he or she is making and the protected attribute or activity of the employee in question.

On 29 March 2012 the High Court heard the appeal. The Minister for Tertiary Education, Skills, Jobs and Workplace Relations intervened in the appeal to make submissions in support of the Federal Court majority decision. On 7 September 2012, the High Court unanimously overturned the majority decision of the Full Court of the Federal Court. The High Court rejected either a purely objective or subjective test, and indicated that in determining whether action is taken for a prohibited reason, the focus of the inquiry is to identify the intention of the person who takes the action as disclosed in their evidence, taking into account all other relevant evidence as to the circumstances.

Appendix 10—Errors in the 2011–12 annual report

Outcome 3, on page 77 under program performance, the paragraph should read ‘In 2011–12, the Indigenous Employment Program delivered a total of 35,591 commencements into employment, training and other assistance (a 25.5 per cent increase on the target of 28,350). Of this total, 16,690 were commencements into employment (a 7 per cent increase on the target of 15,600). Total commencements increased by 4138 (11.6 per cent) and employment commencements increased by 2282 (13.7 per cent) compared to 2010–11’.

On page 78, in Table 28: Key performance indicators for program 3.2, the actual figure for the second indicator should be 16,690.

Acronyms

ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
AEDI	Australian Early Development Index
APS	Australian Public Service
COAG	Council of Australian Governments
DEEWR	Department of Education, Employment and Workplace Relations
DHS	Department of Human Services
FEG	Fair Entitlements Guarantee
GEERS	General Employee Entitlements and Redundancy Scheme
HECS	Higher Education Contribution Scheme
HELP	Higher Education Loan Program
HIPPY	Home Interaction Program for Parents and Youngsters
ICT	information and communication technology
ILO	International Labour Organization
INES	International Indicators of Education Systems
JETCCFA	Jobs, Education and Training Child Care Fee Assistance
LNNP	Literacy and Numeracy National Partnership
Low SES NP	Low Socio-economic Status School Communities National Partnership
NAPLAN	National Assessment Program—Literacy and Numeracy
NP	national partnership
OECD	Organisation for Economic Co-operation and Development
PACER	Parliament and Civics Education Rebate
PIAAC	Programme for the International Assessment of Adult Competencies
RAP	Reconciliation Action Plan
SEAM	School Enrolment and Attendance Measure

Glossary

Administered item	Revenues, expenses, assets and liabilities that the Government controls, but which an agency or authority manages on the Commonwealth's behalf.
Appropriation	An amount of public moneys 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.
Budget measure	A decision by Cabinet or Ministers and has resulted in a cost or savings to outlays.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Performance indicators	These are 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.
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
Portfolio Budget Statements	Budget-related paper detailing Budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.
Programs	Government programs 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.
Social inclusion	The Government's social inclusion agenda aims to make sure every Australian has the capability, opportunity and resources to participate in the economy and play an active role in their community while taking responsibility for shaping their own lives.
Strategic change indicators	As part of the Government's national social inclusion measurement framework, these indicators measure progress in relevant areas of government policy and service delivery towards improving social inclusion outcomes.
Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

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These annual report requirements are prepared pursuant to subsections 63(2) and 70(2) of the *Public Service Act 1999* and were approved by the Joint Committee of Public Accounts and Audit on 19 June 2013. Requirements are reviewed annually to take account of changes to reporting requirements prescribed in legislation, arising from new policy, or recommendations in Parliamentary, Australian National Audit Office or other reports.

Table 48 Annual report requirements

Part of Report	Description	Requirement	Page
	Letter of transmittal	Mandatory	iii
	Table of contents	Mandatory	v
	Index	Mandatory	305
	Glossary	Mandatory	299
	Contact officer	Mandatory	ii
	Internet home page address and Internet address for report	Mandatory	ii
Review by secretary			
	Review by departmental secretary	Mandatory	2
	Summary of significant issues and developments	Suggested	2
	Overview of department's performance and financial results	Suggested	2
	Outlook for following year	Suggested	na
	Significant issues and developments—portfolio	Suggested	2
Departmental overview			
	Role and functions	Mandatory	4
	Organisational structure	Mandatory	6–7
	Outcome and program structure	Mandatory	8
	Where outcome and program structures differ from Portfolio Budget Statements, Portfolio Additional Estimates Statements or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	na
	Portfolio structure	Mandatory	9
Report on performance			
	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	11–103
	Actual performance in relation to deliverables and KPIs set out in Portfolio Budget Statements, Portfolio Additional Estimates Statements or other portfolio statements	Mandatory	11–103

Part of Report	Description	Requirement	Page
	Where performance targets differ from the Portfolio Budget Statements or Portfolio Additional Estimates Statements, details of both former and new targets, and reasons for the change	Mandatory	11–103
	Narrative discussion and analysis of performance	Mandatory	11–103
	Trend information	Mandatory	11–103
	Significant changes in nature of principal functions and services	Suggested	na
	Performance of purchaser/provider arrangements	Suggested	142
	Factors, events or trends influencing departmental performance	Suggested	11–103
	Contribution of risk management in achieving objectives	Suggested	135
	Social inclusion outcomes	Mandatory	255–264
	Performance against service charter customer service standards, complaints data, and the department's response to complaints	Mandatory	82–83, 142
	Discussion and analysis of the department's financial performance	Mandatory	142, 147–252
	Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations.	Mandatory	na
	Agency resource statement and summary resource tables by outcomes	Mandatory	147–252
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	Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines.	Mandatory	iii
	Statement of the main corporate governance practices in place	Mandatory	134
	Names of the senior executive and their responsibilities	Suggested	5
	Senior management committees and their roles	Suggested	134
	Corporate and operational planning and associated performance reporting and review	Suggested	134
	Approach adopted to identifying areas of significant financial or operational risk	Suggested	135
	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	139
	How nature and amount of remuneration for SES officers is determined	Suggested	107

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	Impact and features of enterprise or collective agreements, individual flexibility arrangements, determinations, common law contracts and AWAs	Suggested	107
	Training and development undertaken and its impact	Suggested	106
	Work health and safety performance	Suggested	109
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	Statistics on staffing	Mandatory	290
	Enterprise or collective agreements, individual flexibility arrangements, determinations, common law contracts and AWAs	Mandatory	107
	Performance pay	Mandatory	107
Asset management			
	Assessment of effectiveness of asset management	Mandatory	142
Purchasing			
	Assessment of purchasing against core policies and principles	Mandatory	142
Consultants			
	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website	Mandatory	143
Australian National Audit Office access clauses			
	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	Nil to report

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