



The Hon. Dr David Kemp MP  
Minister for Education, Training and Youth Affairs

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Senator the Hon Margaret Reid  
President of the Senate  
Parliament House  
CANBERRA ACT 2600

The Hon Neil Andrew MP  
Speaker of the House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Madam President and Mr Speaker

### **1999-2000 PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS**

I herewith present to you the 1999-2000 Portfolio Additional Estimates Statements for the Education, Training and Youth Affairs Portfolio.

The statements provide details of the Additional Estimates variations for the Portfolio, including explanation for variations to the Budget figures. They are submitted as part of my Ministerial obligations for accountability to Parliament and, through it, the public.

Yours sincerely

DAVID KEMP

EDUCATION, TRAINING AND YOUTH AFFAIRS PORTFOLIO

**PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS  
1999 - 2000**

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# **PART A**

## **USER GUIDE**

## PART A - USER GUIDE

### PURPOSE OF THE DOCUMENT

The purpose of the Portfolio Additional Estimates Statements (PAES) is to inform Senators and Members of the basis for proposed outlays for the Portfolio with particular emphasis on the provisions in the 1999-2000 Appropriation Bills 3 and 4. The PAES aims to provide sufficient information, explanation and justification to enable Parliament to understand the financial impact of each item proposed in the Appropriation Bills. An important point to note is that Tables 1.2 and 1.3 display funding information relating to Appropriation Bills 3 and 4 only, whereas Maps 2 to 5 display funding information about all funds controlled or administered by the Department.

### STRUCTURE OF THE DOCUMENT

The PAES is divided into three parts.

**Part A - User Guide** provides information to users of the document including information about the purpose of the document and style conventions used within the document.

**Part B - Portfolio Overview** provides an overview of the Portfolio's role and charter including a summary of the outcome framework and a chart of the senior management structure.

**Part C - Agency Additional Estimates Statements** provides a consolidated explanation of the major elements of the Additional Estimates Bills, including a summary of funding by outcome and a table reconciling the appropriation items and outcomes. Part C is divided into the following sections:

Section 1 - Department Overview, Additional Estimates and Other Variations to Outcomes provides an overview of changes in the Department's funding.

Section 2 - Revisions to Outcomes and Outputs provides an overview of Additional Estimate variations for each of the Department's three outcomes and contributing output groups. The information for each outcome includes relevant additional estimates, resources and performance information and a diagram showing the specific outcome, output groups and departmental outputs.

Section 3 - Budgeted Financial Statements including the previous financial years results, the revised Budget estimates and three out years are presented for the Department.

The **Appendices** include a glossary and a list of acronyms used in the PAES.

## **ACCOUNTING CONVENTIONS**

In the past, the Commonwealth has accounted for its financial resources using cash based accounting. The 1999-2000 Budget introduced full accrual based budgeting, in line with the private sector and a number of Australian States. The Commonwealth's financial statements have been prepared on this basis for a number of years, and now represent the way resources are managed by the Commonwealth. This section describes the major implications of the change from cash to accrual and Portfolio specific accounting issues.

### **Cash versus Accrual Accounting**

Cash accounting can be defined as the accounting basis in which revenue is recognised only when money/cash is received and expenses are recognised only when money/cash is paid. In contrast, accrual accounting recognises revenue as revenue is earned, whether cash is actually received or not. Similarly, expenses are recognised and matched with the related revenue over the period whether or not cash is paid. Accrual accounting differs from cash accounting in that it recognises in accounting records and financial reports the financial effects of activities and events in the period they actually occur, rather than when cash is paid or received.

The application of accrual based accounting to budgeting and managing resources recognises the full implications of financial transactions giving rise to assets, liabilities and equity in addition to recognising revenue as it is earned and expenses as they are incurred.

### **Departmental versus Administered Items**

The Portfolio's financial resources are split into two separate categories, Departmental and Administered. The reason resources are split into two, and are reported separately, is due to the different nature of accountability resulting from the varying degrees of control an Agency/Department has over transactions.

Departmental items are those assets, liabilities, revenues and expenses controlled by departments or agencies in providing their goods and services (eg. services such as ministerial briefing and policy advice) for Government. In contrast, Administered items are not controlled by the Agency. These assets, liabilities, revenues and expenses are controlled by the Government and managed by departments or agencies on behalf of the Government. Administration of these items is carried out by an agency through a set of rules, procedures or guidelines that have been established either by statute or by another party such as the Minister or Government. Administered items do not involve the direct production of outputs by Commonwealth agencies. They can involve the production of goods and services by other levels of government, external service providers or recipients.

## Calendar Year Funding

The education sector operates and is funded on a calendar year basis. However, this is not consistent with the financial year recording and reporting timeframe adopted by the Commonwealth and this timing difference, in preparing financial year budgets, creates assets and liabilities that were not previously recognised in cash budgets.

The net impact of this means that at the end of each financial year the Commonwealth will record a liability and corresponding asset (appropriation receivable) for the second half of the calendar year.

## **STAFF YEARS**

The Department uses resources flexibly to meet workload and emerging priorities throughout the year. This means that staff may move between outcomes depending on the workload at the time. For this reason staff years shown in the document for each outcome should be regarded as indicative only.

## **STYLE CONVENTIONS**

The financial tables throughout the document contain estimated expenses for both the 1998-99 and 1999-2000 financial years. While individual amounts shown have been rounded (to the nearest \$'000 in most cases) all "totals" are the rounded additions of unrounded figures and all percentage calculations are also determined on the unrounded figures.

The Appropriation Bills identify Commonwealth outlays. Figures in the Bills and in this document that appear in brackets "()" reduce Commonwealth outlays.

# **PART B**

## **PORTFOLIO OVERVIEW**

## **PART B - PORTFOLIO OVERVIEW**

The Portfolio comprises the Department of Education, Training and Youth Affairs (DETYA), the Australian National Training Authority (ANTA), the Anglo-Australian Telescope Board (AATB), the Australian National University (ANU) and the National Board of Employment, Education and Training (NBEET).

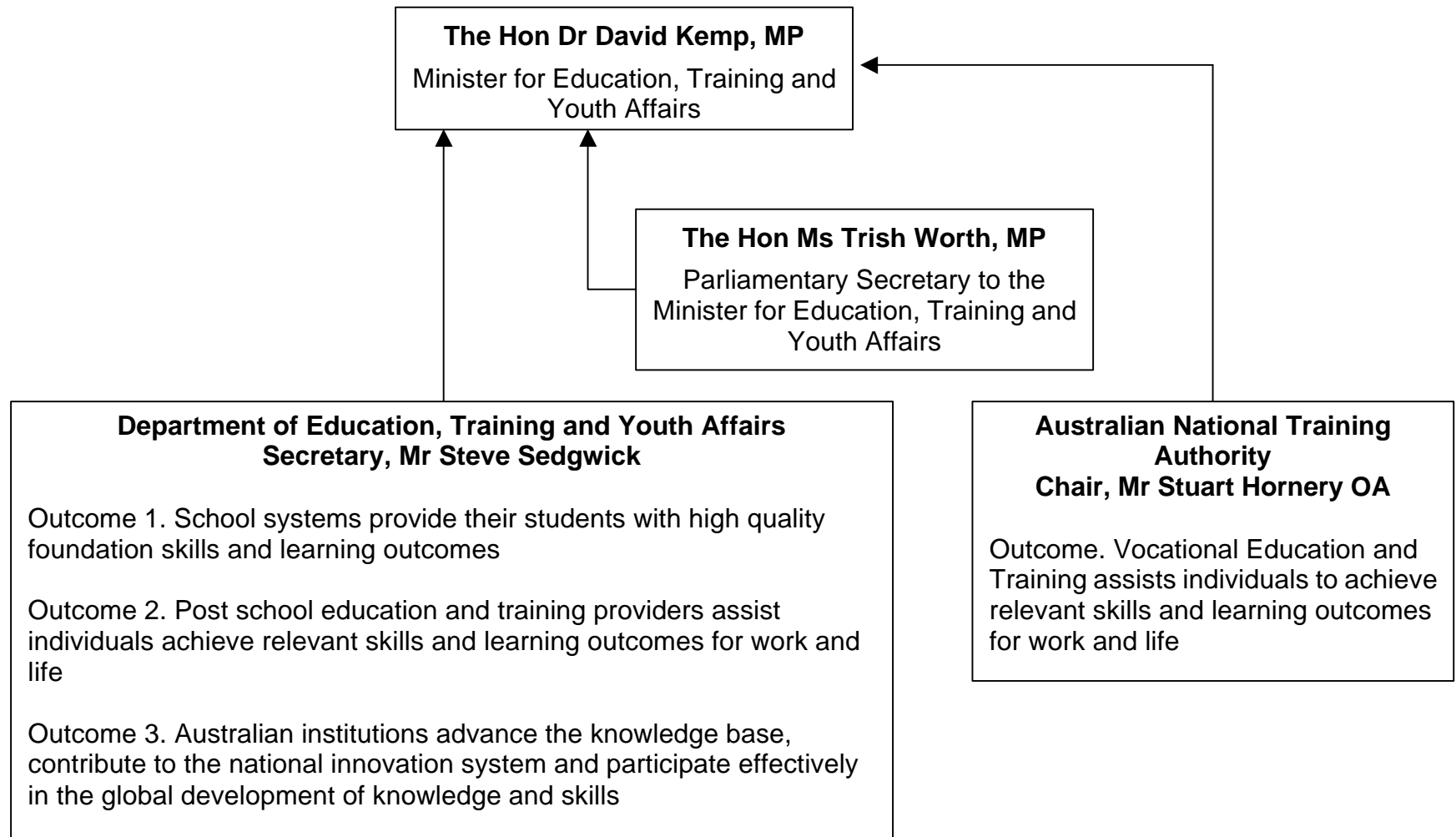
Both DETYA and ANTA are financial entities “controlled” by the Commonwealth, are in the general government sector and are therefore treated as agencies within the Portfolio’s Outcome framework. The ANU, AATB and NBEET are not regarded as agencies for the purposes of the outcome/output framework.

The strategic priorities of the portfolio remain those specified in the Portfolio Budget Statements 1999-2000.

### **ADDITIONAL ESTIMATES AND VARIATIONS – PORTFOLIO LEVEL**

On this occasion Additional Estimates are only being provided to the Department of Education, Training and Youth Affairs. Funding for the Australian National Training Authority will remain unchanged. Information on the changes to funding levels for the Department is summarised at Part C, Section 1 of this document. Detailed explanations for individual variations by Outcome are at Section 2.

**MAP 1 – Structure of outcomes for the portfolio - Education, Training and Youth Affairs Portfolio**



## EDUCATION, TRAINING AND YOUTH AFFAIRS PORTFOLIO MINISTER

**The Hon Dr David Kemp MP**  
Minister for Education, Training and Youth Affairs

**The Hon Trish Worth MP**  
Parliamentary Secretary to the Minister for  
Education, Training and Youth Affairs

### DEPARTMENT OF EDUCATION, TRAINING AND YOUTH AFFAIRS EXECUTIVE TOP STRUCTURE

**Steve Sedgwick**  
Secretary

**Peter Grant**  
Deputy Secretary

**Tony Greer**  
First Assistant  
Secretary  
Schools

**Colin Walters**  
First Assistant  
Secretary  
Training & Youth

**Mike Gallagher**  
First Assistant  
Secretary  
Higher Education

**Robert Horne**  
First Assistant  
Secretary  
International,  
Analysis and  
Evaluation

**Bill Burmester**  
First Assistant  
Secretary  
Corporate Services

**Tony Kwan**  
Chief Information  
Officer

**Bill Bowron**  
Assistant  
Secretary  
Audit

**Peter Whitney**  
Head  
Future Pathways  
Strategy Group

### EDUCATION, TRAINING AND YOUTH AFFAIRS PORTFOLIO - OTHER BODIES

**Prof R L Davies**  
Chair  
Anglo-Australian  
Telescope Board

**Mr S Hornery AO**  
Chair  
Australian National  
Training Authority

**Prof V Sara**  
Chair  
Australian Research  
Council

**Prof R D Terrell**  
Vice Chancellor  
Australian National  
University

**Prof V Sara**  
Acting Chair  
(Part time)  
National Board of  
Employment, Education  
and Training

As at 22 November 1999

# **PART C**

## **AGENCY ADDITIONAL ESTIMATES STATEMENTS**

## **PART C - AGENCY ADDITIONAL ESTIMATES STATEMENTS**

Part C of this document is divided into three Sections:

**Section 1** provides an explanation of all variations to the Department's funding announced since the Budget. These changes include new measures announced since the Budget (See page 15), changes in other appropriations (Special Appropriations, see Appendix 2), changes and re-allocations in the Department's price of outputs (See table 1.2) as well as changes made through Appropriation Bills 3 and 4 (Additional Estimates, see tables 1.2 and 1.3). A diagram showing the revised resourcing of all Outcomes is presented in Map 2.

**Section 2** details the changes by Outcome contained in Appropriation Bills 3 and 4 (Additional Estimates). Revised performance information is also included where necessary. Maps 3 to 5 provide a diagram showing the revised resourcing for each Outcome.

**Section 3** provides the Budgeted Financial Statements for the Department. Separate Financial Statements are presented for both Departmental and Administered funds.

### **SECTION 1: DEPARTMENT OF EDUCATION, TRAINING AND YOUTH AFFAIRS**

#### **DEPARTMENT OVERVIEW**

The role of the Department and the Department's three outcomes remain those specified in the 1999-2000 Portfolio Budget Statements.

#### **ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES**

As part of the 1999-2000 Additional Estimates process, adjustments have been made to both Departmental and Administered expenses. Map 2 shows the changes across all outcomes for all items. It is important to note that the primary purpose of this document is to explain Appropriation Bills 3 and 4 which are a sub-set of the total changes to the Department's resourcing as shown in Map 2. Detail on the variations contained in Appropriation Bills 3 and 4 (Additional Estimates) are shown by Outcome in Section 2 of this document.

## Departmental

### Price of Output – up \$8.115 million

The price of DETYA's outputs has increased by a total of \$8.115 million. This is reflected by:

- Additional Estimates resulting in an increased Departmental Appropriation of \$2.715 million (Appropriation Bill 3) (see table 1.2) comprising:
  - \$1.378 million to meet commercial lease charges for overseas property which requires additional appropriation; and
  - \$1.337 million which is a return of funds from the Department of Employment, Workplace Relations and Small Business for payment of Centrelink service charges.
- Other Revenue
  - an increase in Revenue from Independent Sources of \$5.400 million which reflects the incorporation of the Reserve Money Fund (previously the Trust Account) items classified in the budget as Administered but now transferred to Departmental, to more accurately reflect their nature. This change effectively increases DETYA's price of output, but does not require additional appropriation and is therefore not reflected in the Appropriation Bills.
- Since the 1999-2000 Budget the Government has created the Youth Pathways Taskforce with its costs being met equally between DETYA and the Department of Family and Community Services.
- Re-attribution of Costs
  - There has also been some re-attribution of costs between Outcomes. There is no change in the overall funding available as a result of the revised attribution. The revision follows a review of the cost attribution model used to estimate the funding split at the time of the 1999-2000 Budget. While the revised estimates are expected to be more accurate than previous estimates, we are continuing to refine our attribution mechanisms and processes. As such, future reports of the Department should provide further refined estimates. The revised attribution of funds has not affected the performance measures applied to each Output.

In addition, the Department will receive an additional appropriation of \$18.987 million for the carryover of Departmental funds from 1998-99, which is reflected in Appropriation Bill 4 (see table 1.3).

## Administered

The Administered Expenses have increased by a total of \$37.303 million. This is reflected by:

- Additional Estimates resulting in an increased Administered Appropriation of \$69.443 million (Appropriation Bill 3), comprising:
  - \$65.650 million for the carryover of Administered funds from 1998-99 (see Section 2 for more detail). The carryover has been reduced by \$3.428 million to reflect the decision to meet the 1999-2000 costs of grandfathering benefits for some ABSTUDY students (Outcome 2);
  - an additional \$3.200 million for an environmental tourism employment and training initiative in Tasmania (Outcome 2);
  - an additional \$0.349 million reflecting an adjustment to a component of the Quality Outcomes programme (Outcome 1);
  - an additional \$0.244 million for the carryover of Administered funds from 1998-99 (Outcome 3).

Other changes of:

- a reduction of \$22.866 million to the estimate for Revenue from Other Sources. A review of the estimate for the Reserved Money Fund (Trust Account) identified the estimate in the Budget was overstated.
- a reduction of \$9.274 million for estimates associated with Special Appropriations. Special Appropriations fluctuate for a number of reasons, the main cause of which relates to movement in estimates for price adjustments. Appendix 2 provides the revised estimates for 1999-2000.

In addition, Administered Capital of \$0.964 million for a payment for a liability which was recognised in 1998-99 for the Advanced English for Migrants Programme is included in Appropriation Bill 4.

## Underlying Outlays – 1998-99

The underlying outlay for 1998-99 for the Department of Education, Training and Youth Affairs was \$10.159 billion.

It should be noted that underlying outlay is a cash concept and as such, is not directly comparable with the other accrual figures in the PAES. This information is being provided in the PAES to give additional information to support the transition from cash based to accrual accounting arrangements.

# DEPARTMENT OF EDUCATION, TRAINING AND YOUTH AFFAIRS – RESOURCING FOR ALL OUTCOMES AND OUTPUT GROUPS (Including changes since Budget)

## MAP 2 – Outcomes and Output Groups for the Department of Education, Training and Youth Affairs

Department of  
Education, Training and Youth Affairs

Total Price of Outputs: \$206.820m (up \$8.115m)  
 Departmental Appropriation: \$197.430m (up \$2.715m)  
 Total Administered Expenses: \$10,843.647m (up \$37.303m)

Outcome 1

**School systems provide their students with high quality foundation skills and learning outcomes**

Total Price of Outputs: \$67.290m (up \$12.896m)  
 Departmental Appropriations: \$66.198m (up \$12.896m)  
 Administered Expenses: \$4,911.602m (down \$ 24.991m)

Output Group 1.1  
 Infrastructure funding for the schools system  
 Price of Output: \$10.896m (down \$1.133m)  
 Administered Expense: \$4,111.474m (down \$20.934m)

Output Group 1.2  
 Assistance for school students with special needs  
 Price of Output: \$44.749m (up \$15.201m)  
 Administered Expense: \$690.940m (down \$4.869m)

Output Group 1.3  
 Enhance the quality of teaching and learning  
 Price of Output: \$11.645m (down \$1.172m)  
 Administered Expense: \$109.189m (up \$0.812m)

Outcome 2

**Post school education and training providers assist individuals achieve relevant skills and learning outcomes for work and life**

Total Price of Outputs: \$93.681m (down \$16.614m)  
 Departmental Appropriations: \$90.068m (down \$18.012m)  
 Administered Expenses: \$5,468.479m (up \$65.008m)

Output Group 2.1  
 Infrastructure funding for the post compulsory education system  
 Price of Output: \$30.393m (down \$16.867m)  
 Administered Expense: \$4,802.262m (up \$18.385m)

Output Group 2.2  
 Apprenticeships and traineeships  
 Price of Output: \$18.093m (down \$0.239m)  
 Administered Expense: \$544.519m (up \$28.583m)

Output Group 2.3  
 Skill development and transition support  
 Price of Output: \$30.161m (up \$0.872m)  
 Administered Expense: \$100.006m (up \$ 18.040m)

Output Group 2.4  
 Opportunities for the active engagement of young people with community activities  
 Price of Output: \$15.034m (down \$0.380m)  
 Administered Expense: \$ 21.692m

Outcome 3

**Australian institutions advance the knowledge base, contribute to the national innovation system and participate effectively in the global development of knowledge and skills**

Total Price of Outputs: \$45.849m (up \$11.833m)  
 Departmental Appropriations: \$41.164m (up \$7.831m)  
 Administered Expenses: \$463.566m (down \$2.714m)

Output Group 3.1  
 Funding higher education research training  
 Price of Output: \$3.358m (up \$0.117m)  
 Administered Expense: \$144.158m (up \$1.719m)

Output Group 3.2  
 Funding higher education research activities  
 Price of Output: \$9.259m (up \$0.445m)  
 Administered Expense: \$301.380m (down \$ 4.677m)

Output Group 3.3  
 Internationalisation of Australian education and training  
 Price of Output: \$33.232m (up \$11.234m)  
 Administered Expense: \$18.028m (up \$ 0.244m)

## MEASURES - DEPARTMENT SUMMARY

Table 1.1 – Summary of Measures since the 1999-2000 Budget

Measure	Outcome	Output Groups Affected	Appropriations (\$'000) 1999-2000			Appropriations (\$'000) 2000-2001			Appropriations (\$'000) 2001-2002			Appropriations (\$'000) 2002-2003		
			Admin Expense	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expense	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Additional funds for higher education staff salaries*	2	2.1	42,450	-	42,450	43,250	-	43,250	43,750	-	43,750	44,100	-	44,100
Grandfathering of benefits for some ABSTUDY students	2	2.1	-	-	-	-	-	-	-	-	-	-	-	-
Tasmanian Environmental Tourism Employment and Training Initiative	2	2.2	3,200	-	3,200	3,100	-	3,100	3,100	-	3,100	-	-	-
Youth Pathways Action Plan Taskforce	2	2.4	-	-	-	-	-	-	-	-	-	-	-	-
Book Industry Assistance Plan#	N/a	N/a	-	-	-	-	-	#	-	-	#	-	-	#

\*Note: the funding associated with this measure was not allocated to the Department at the time of the Mid Year Economic and Fiscal Outlook (MYEFO).

#Note: the funding associated with this measure was not allocated to the Department at the time of the Mid Year Economic and Fiscal Outlook (MYEFO). The Government will provide \$240 million over four years from 2000-01 to 2003-04 to fund a range of initiatives to the book industry. The allocation of funding between portfolios has not been finalised at the time of publication.

## **EXPLANATION OF MEASURES ANNOUNCED SINCE THE 1999-2000 BUDGET**

### **Additional funds for higher education staff salaries**

The Government has decided to provide funding to enable an additional 2 per cent salary increase for university staff, contingent on the achievement of substantial and fundamental workplace reform in individual higher education institutions. This is in addition to funding for salary movements provided through current indexation arrangements. Funding will be available from the 2000 academic year.

The additional 2 per cent salary increase will require \$84.900 million in 1999-2000 and \$262.200 million over the period 2000-01 to 2002-03. The Government has decided that half of this funding requirement is to be absorbed. The increase in funding relates to a Special Appropriation, therefore no Additional Estimates are involved.

To be eligible for additional funding, universities will have to demonstrate improvements to work practices and that their enterprise agreements with staff include flexibilities which will improve the capacity of universities to meet the needs of students and the academic community.

### **Grandfathering of benefits for some ABSTUDY students**

The Government has decided to 'grandfather' the benefits of some ABSTUDY recipients who would have been financially disadvantaged under the new arrangements, which align ABSTUDY benefits with benefits payable to non-indigenous students from 1 January 2000. The cost of 'grandfathering' benefits in 1999-2000 is \$3.428 million and will be met within existing resources currently allocated to the Literacy and Numeracy for the Unemployed Programme. Funding for the period 2000-2003 will be determined in the 2000-2001 Budget context.

The measure will apply only to continuing students aged 21 years and over who are not eligible for mainstream-related entitlements and clients in receipt of the Pensioner Education Supplement. Benefits will be 'grandfathered' at 1999 rates for the duration of continuing students' existing courses.

As ABSTUDY is a special appropriation, the increase does not require Additional Estimates.

### **Tasmanian Environmental Tourism Employment and Training Initiative**

As part of the Telstra Social Bonus Programme, associated with the sale of a further 16.6 per cent of Telstra, the Government has decided to provide funding for an environmental tourism employment and training initiative in Tasmania. The funding will provide for the training and skilling of over 300 people over the next three years in the tourism and hospitality sector, with an emphasis on eco-tourism and the wilderness experience.

Overall objectives of the initiative are growth and sustainability in the eco-tourism sector and the development of a training culture for the sector. This will include:

- development and delivery of training for employment in tourism;
- improving business performance; and
- new apprenticeships for the eco-tourism sector.

Funding for this initiative requires additional appropriation through Appropriation Bill 3 and is subject to Additional Estimates.

### **Youth Pathways Action Plan Taskforce**

The Commonwealth has established a Youth Pathways Action Plan Taskforce to advise on the scope and direction of a proposed Youth Pathways Action Plan. The cost of the Taskforce and Secretariat is \$0.954 million in 1999-2000, and will be absorbed on a shared basis by the Departments of Education, Training and Youth Affairs and Family and Community Services within their existing resources. Therefore no Additional Estimates appropriation is required.

The objectives of the Youth Pathways Action Plan will be to:

- improve support for young people and their families during young peoples' transition to independence; and
- strengthen pathways for those young people who do not, or are not likely to, go straight from school to further education and training or full-time employment and those who are not fully engaged with their community.

The Taskforce will report by March 2000.

### **Book Industry Assistance Plan**

In the context of its tax reform measures, the Government will provide \$240 million over four years from 2000-01 to 2003-04 to fund a range of initiatives related to the book industry. The main objectives of the Book Industry Assistance Plan are to reduce the retail price paid for textbooks by students studying at Australian educational institutions, to provide financial assistance for initiatives by book printers and publishers to revitalise the industry and to provide assistance to Australian creators of books.

The Department of Education, Training and Youth Affairs will administer an 8 per cent Textbook Subsidy to be paid to retailers offering refunds to students and a programme of grants to primary schools for the purpose of upgrading their holdings of Australian books.

The precise allocation of funding was still to be finalised at time of publication.

**BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL**

**Table 1.2 - Appropriation Bill (No 3) 1999 - 2000 – Department of Education, Training and Youth Affairs**

	<b>1998-99 Estimated Expenses \$'000</b>	<b>1999-2000 Budget \$'000</b>	<b>1999-2000 Revised \$'000</b>	<b>Additional Estimates \$'000</b>
<b>ADMINISTERED EXPENSES</b>				
<b>Outcome 1:</b> School systems provide their students with high quality foundation skills and learning outcomes	104,823	118,970	119,319	349
<b>Outcome 2:</b> Post school education and training providers assist individuals achieve relevant skills and learning outcomes for work and life	548,250	638,194	707,044	68,850
<b>Outcome 3:</b> Australian institutions advance the knowledge base, contribute to the national innovation system and participate effectively in the global development of knowledge and skills	14,081	23,761	24,005	244
<b>Total</b>	<b>667,154</b>	<b>780,925</b>	<b>850,368</b>	<b>69,443</b>
<b>DEPARTMENTAL OUTPUTS*</b>				
<b>Outcome 1:</b> School systems provide their students with high quality foundation skills and learning outcomes	50,256	53,302	66,198	12,896
<b>Outcome 2:</b> Post school education and training providers assist individuals achieve relevant skills and learning outcomes for work and life	101,527	108,080	90,068	(18,012)
<b>Outcome 3:</b> Australian institutions advance the knowledge base, contribute to the national innovation system and participate effectively in the global development of knowledge and skills	34,900	33,333	41,164	7,831
<b>Total</b>	<b>186,683</b>	<b>194,715</b>	<b>197,430</b>	<b>2,715</b>
<b>Appropriation Bill 3 (Administered &amp; Departmental) TOTAL</b>	<b>853,837</b>	<b>975,640</b>	<b>1,047,798</b>	<b>72,158</b>

\* For departmental outputs the 1998-99 figures represent the estimated appropriation from Government.

## Breakdown of Additional Estimates by Appropriation Bill

**Table 1.3 - Appropriation Bill (No 4) 1999-2000 - Department of Education, Training and Youth Affairs**

	1998-99 Estimated Expenses \$'000	1999-2000 Budget \$'000	1999-2000 Revised \$'000	Additional Estimates \$'000
<b>SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES</b>				
<b>Outcome 1:</b> School systems provide their students with high quality foundation skills and learning outcomes	5,036	3,070	3,070	-
<b>Outcome 2:</b> Post school education and training providers assist individuals achieve relevant skills and learning outcomes for work and life	5,340	5,420	5,420	-
<b>Outcome 3:</b> Australian institutions advance the knowledge base, contribute to the national innovation system and participate effectively in the global development of knowledge and skills	-	-	-	-
<b>Total</b>	<b>10,376</b>	<b>8,490</b>	<b>8,490</b>	<b>-</b>
<b>OTHER ADMINISTERED EXPENSES</b>				
<b>Outcome 1:</b> School systems provide their students with high quality foundation skills and learning outcomes	253	-	-	-
<b>Outcome 2:</b> Post school education and training providers assist individuals achieve relevant skills and learning outcomes for work and life	-	385	385	-
<b>Outcome 3:</b> Australian institutions advance the knowledge base, contribute to the national innovation system and participate effectively in the global development of knowledge and skills	-	-	-	-
<b>Total</b>	<b>253</b>	<b>385</b>	<b>385</b>	<b>-</b>
<b>EQUITY INJECTIONS AND LOANS</b>				
Equity Injections	-	-	-	-
Loans	-	-	-	-
Carryover from previous years	-	5,000	23,987	18,987
Administered Capital	-	1,172	2,136	964
<b>Total Capital</b>	<b>-</b>	<b>6,172</b>	<b>26,123</b>	<b>19,951</b>
<b>Appropriation Bill No 4 TOTAL</b>	<b>10,629</b>	<b>15,047</b>	<b>34,998</b>	<b>19,951</b>

**Table 1.4 - Staff years (number) - Department of Education, Training and Youth Affairs**

	1999-2000 Budget	1999-2000 Revised	Variation
<b>Outcome 1:</b> School systems provide their students with high quality foundation skills and learning outcomes	376	484	108
<b>Outcome 2:</b> Post school education and training providers assist individuals achieve relevant skills and learning outcomes for work and life	680	534	(146)
<b>Outcome 3:</b> Australian institutions advance the knowledge base, contribute to the national innovation system and participate effectively in the global development of knowledge and skills	247	285	38
<b>Total</b>	<b>1,303</b>	<b>1,303</b>	<b>0</b>

# **SECTION 2**

## **REVISIONS TO OUTCOMES AND OUTPUTS**

## **SECTION 2: REVISIONS TO OUTCOMES AND OUTPUTS**

### **OUTCOMES AND OUTPUT GROUPS**

The Department has a number of funding changes to its Outcomes. These changes are described in detail below, together with relevant performance information.

Variations explained in this Section are only those that are a direct result of Additional Estimates. Further changes not attributable to Additional Estimates have been explained in Section 1 – Additional Estimates and Variations to Outcomes.

### **OUTCOME 1:**

School systems provide their students with high quality foundation skills and learning outcomes

#### **Explanation of Variations**

#### **Departmental Change in Price of Outputs \$12.896m**

The increase of \$12.896 million in the price of outputs in Outcome 1 is a result of the revised attribution of costs between Outcomes within the Department.

There is a nil net impact for Department funding overall due to the revised attribution of costs between outcomes. The revision follows a review of the cost attribution model used to estimate the funding split at Budget and for this outcome largely reflects the transfer of the Indigenous Education Units (IEUs) from Outcome 2 to Outcome 1. The revised attribution of funds has not affected the performance measures applied to each output.

#### **Administered Additional Estimate \$0.349m**

This additional estimate is attributed to a movement of a component of the Quality Outcomes Programme (\$0.926 million) from a Special Appropriation to an Annual Appropriation. The adjustment is offset by a corresponding reduction in the estimate for the Special Appropriation. This funding is offset by a revision to a parameter adjustment (-\$0.577 million).

#### **Revised Performance Information and Level of Achievement – 1999-2000**

The performance information for Outcome 1 has not been affected by Additional Estimates. As such, the information presented in the 1999-2000 Portfolio Budget Statements (PBS) is still relevant.

## MAP 3 - Outcome 1 - Changes to outcome/output resourcing

**Outcome 1**  
 School systems provide their students with high quality foundation skills and learning outcomes

Total Price of Outputs: \$67.290m (up \$12.896m)  
 Departmental Appropriation: \$66.196m (up \$12.896m)  
 Administered Expenses: \$4911.602m (down \$24.991m)

**Output Group 1.1**  
 Infrastructure funding for the schools system

Price of Output: \$10.896m (down \$1.133m)  
 Administered Expense: \$4,111.474m (down \$20.934m)

**Output Group 1.2**  
 Assistance for school students with special needs

Price of Output: \$44.749m (up \$15.201m)  
 Administered Expense: \$690.940m (down \$4.869m)

**Output Group 1.3**  
 Enhance the quality of teaching and learning

Price of Output: \$11.645m (down \$1.172m)  
 Administered Expense: \$109.189m (up \$0.812m)

<p><b>Departmental Output 1.1.1</b>          Administration          Total Price: \$6.309m          (down \$0.681m)</p>	<p><b>Departmental Output 1.1.4</b>          Research, Analysis and Evaluation          Total Price: \$1.861m          (down \$0.158m)</p>
<p><b>Departmental Output 1.1.2</b>          Policy Advising          Total Price: \$2.112m          (down \$0.229m)</p>	
<p><b>Departmental Output 1.1.3</b>          Ministerial and Parliamentary Services          Total Price: \$0.614m          (down \$0.065m)</p>	

<p><b>Departmental Output 1.2.1</b>          Administration          Total Price: \$37.220m          (up \$15.646m)</p>	<p><b>Departmental Output 1.2.4</b>          Research, Analysis and Evaluation          Total Price: \$1.162m          (down \$0.094m)</p>
<p><b>Departmental Output 1.2.2</b>          Policy Advising          Total Price: \$2.081m          (down \$0.206m)</p>	<p><b>Departmental Output 1.2.5</b>          Service Delivery          Total Price: \$2.626m</p>
<p><b>Departmental Output 1.2.3</b>          Ministerial and Parliamentary Services          Total Price: \$1.660m          (down \$0.144m)</p>	

<p><b>Departmental Output 1.3.1</b>          Administration          Total Price: \$5.477m          (down \$0.550m)</p>	<p><b>Departmental Output 1.3.4</b>          Research, Analysis and Evaluation          Total Price: \$1.993m          (down \$0.188m)</p>
<p><b>Departmental Output 1.3.2</b>          Policy Advising          Total Price: \$2.417m          (down \$0.256m)</p>	
<p><b>Departmental Output 1.3.3</b>          Ministerial and Parliamentary Services          Total Price: \$1.758m          (down \$0.178m)</p>	

## **OUTCOME 2:**

Post school education and training providers assist individuals achieve relevant skills and learning outcomes for work and life

### **Explanation of Variations**

#### **Departmental** **Change in Price of Outputs \$(16.614)m**

The impact on the price of outputs in Outcome 2 is the combined result of:

- the return of funding for the payment of Centrelink service charges incorrectly transferred to the Department of Employment, Workplace Relations and Small Business at the time of the Administrative Arrangements Orders in 1998 - \$1.337 million;
- the reclassification of some Reserved Money Fund Special Accounts as a Departmental item - \$1.400 million; and
- the revised attribution of costs between Outcomes within the Department - \$(19.351) million. There is a nil net impact for Department funding overall due to the revised attribution of costs between outcomes. The revision follows a review of the cost attribution model used to estimate the funding split at Budget. The change to this outcome largely reflects the transfer of IEUs from Outcome 2 to Outcome 1 as well as the attribution of Corporate Costs to Outcome 3. The revised attribution of funds has not affected the performance measures applied to each output.

#### **Administered Carryover** **\$65.650m**

Additional estimates of \$65.650 million represents the net carryover from 1998-99 to 1999-2000. The majority of the carryover relates to 1998-99 business that will be realised in 1999-2000. Funds provided for the implementation of the New Apprenticeships System will be used to support the continued development of the national training framework, New Apprenticeships and the second tender round of New Apprenticeship Centre (NAC) contracts. Funding for NACs has also been carried over due to processing lags in several States/Territories. This carryover has been reduced by \$3.428 million to reflect the decision to meet the 1999-2000 costs of grandfathering benefits for some ABSTUDY students.

#### **Tasmanian Environmental Tourism Employment and Training Initiative** **\$3.200m**

As part of the Telstra Social Bonus Programme associated with the sale of a further 16.6 per cent of Telstra, the Government has decided to provide funding for an environmental tourism employment and training initiative in Tasmania. The funding will provide for the training and skilling of over 300 people over the next three years in the tourism and hospitality sector, with an emphasis on eco-tourism and the wilderness experience.

Overall objectives of the initiative are growth and sustainability in the eco-tourism sector and the development of a training culture for the sector. This will include:

- development and delivery of training for employment in tourism;
- improving business performance; and
- New Apprenticeships for the eco-tourism sector.

**Revised Performance Information and Level of Achievement – 1999-2000.**

The performance information that is used to assess the level of its achievement against Output Group 2.3 during 1999-2000 has changed from that provided in the 1999-2000 PBS. The revised performance information is shown below:

**Table 2.2 – Performance Information for Outputs Affected by Additional Estimates - Outcome 2**

<b>Output Group</b>	<b>Performance Indicator</b>	<b>1999-2000 Performance - BUDGET</b>	<b>1999-2000 Performance - REVISED</b>
2.3	Number of young people assisted and number of projects funded under the Job Placement, Employment and Training (JPET) programme	10,500 young people assisted 100 JPET projects funded	13,700 young people assisted Approximately 135 JPET projects funded
	Number of eligible young people referred to counseling sessions under the Career Counseling Programme	6,000 referrals	8,000 referrals
	The number of young people provided access to assistance that meets their needs in terms of making the transition from school to work (Jobs Pathway)	The final number is subject to the outcomes of the current tender process but is expected to be in the order of 20,000	Level of business contracted will provide assistance to a maximum of 62,000 eligible participants

## MAP 4 - Outcome 2 - Changes to outcome/output resourcing

### Outcome 2

Post school education and training providers assist individuals achieve relevant skills and learning outcomes for work and life

Total Price of Outputs: \$93.681m (down \$16.614m)  
 Departmental Appropriation: \$90.068m (down \$18.012m)  
 Administered Expenses: \$5,468.479m (up \$65.008m)

Output Group 2.1  
 Infrastructure funding for the post compulsory education system

Price of Output: \$30.393m (down \$16.867m)  
 Administered Expense: \$4,802.262m (up \$18.385m)

Output Group 2.2  
 Apprenticeships and traineeships

Price of Output: \$16.614m (down \$0.239m)  
 Administered Expense: \$544.519m (up \$28.583m)

Output Group 2.3  
 Skill development and transition support

Price of Output: \$30.161m (up \$0.872m)  
 Administered Expense: \$100.006 (up \$18.040m)

Output Group 2.4  
 Opportunities for the active engagement of young people with community activities

Price of Output: \$15.034m (down \$0.380m)  
 Administered Expense: \$21.692m

Departmental Output 2.1.1  
 Administration  
 Total Price: \$7.226m  
 (down \$13.488m)

Departmental Output 2.1.4  
 Research, Analysis and Evaluation  
 Total Price: \$1.606m  
 (down \$4.089m)

Departmental Output 2.1.2  
 Policy Advising  
 Total Price: \$4.817m  
 (down \$1.440m)

Departmental Output 2.1.5  
 Service Delivery  
 Total Price: \$14.335m  
 (up \$2.700m)

Departmental Output 2.1.3  
 Ministerial and Parliamentary Services  
 Total Price: \$2.409  
 (down \$0.550m)

Departmental Output 2.2.1  
 Administration  
 Total Price: \$9.928m  
 (up \$0.110m)

Departmental Output 2.2.4  
 Research, Analysis and Evaluation  
 Total Price: \$2.478m  
 (down \$0.070m)

Departmental Output 2.2.2  
 Policy Advising  
 Total Price: \$3.883m  
 (down \$0.201m)

Departmental Output 2.2.3  
 Ministerial and Parliamentary Services  
 Total Price: \$1.804m  
 (down \$0.077m)

Departmental Output 2.3.1  
 Administration  
 Total Price: \$14.814m  
 (down \$0.112m)

Departmental Output 2.3.4  
 Research, Analysis and Evaluation  
 Total Price: \$2.760m  
 (down \$0.080m)

Departmental Output 2.3.2  
 Policy Advising  
 Total Price: \$4.418m  
 (down \$0.199m)

Departmental Output 2.3.5  
 Service Delivery  
 Total Price: \$6.330m  
 (up \$1.337m)

Departmental Output 2.3.3  
 Ministerial and Parliamentary Services  
 Total Price: \$1.839m  
 (down \$0.075m)

Departmental Output 2.4.1  
 Administration  
 Total Price: \$9.648m  
 (down \$0.252m)

Departmental Output 2.4.4  
 Research, Analysis and Evaluation  
 Total Price: \$1.313m  
 (up \$0.061m)

Departmental Output 2.4.2  
 Policy Advising  
 Total Price: \$2.402m  
 (down \$0.129m)

Departmental Output 2.4.3  
 Ministerial and Parliamentary Services  
 Total Price: \$1.671m  
 (down \$0.060m)

### **OUTCOME 3:**

Australian institutions advance the knowledge base, contribute to the national innovation system and participate effectively in the global development of knowledge and skills

#### **Explanation of Variations**

##### **Departmental**

##### **Change in Price of Outputs \$11.833m**

The impact on the price of outputs in Outcome 3 is the combined result of:

- the supplementation of Departmental funding to meet commercial lease charges by the Overseas Property Group - \$1.378 million;
- the reclassification of some Reserved Money Fund Special Accounts as Departmental items - \$4.000 million; and
- the revised attribution of costs between Outcomes within the Department - \$6.455 million. There is a nil net impact for Department funding overall due to the revised attribution of costs between outcomes. The revision follows a review of the cost attribution model used to estimate the funding split at Budget. The result on this Outcome is largely due to a revised attribution of Corporate Costs from Outcomes 1 and 2 to Outcome 3. The revised attribution of funds has not affected the performance measures applied to each output.

##### **Administered Carryover**

**\$0.244m**

This additional estimate is the result of a carryover from the 1998-99 appropriation to fulfil commitments for payments in relation to the bridging courses for overseas trained professions.

#### **Revised Performance Information and Level of Achievement – 1999-2000**

The performance information for Outcome 3 has not been affected by Additional Estimates. As such, the information presented in the 1999-2000 Portfolio Budget Statements (PBS) is still relevant.

## MAP 5 - Outcome 3 - Changes to outcome/output resourcing

**Outcome 3**  
 Australian institutions advance the knowledge base, contribute to the national innovation system and participate effectively in the global development of knowledge and skills

Total Price of Outputs: \$45.849m (up \$11.833m)  
 Departmental Appropriation: \$41.164m (up \$7.831m)  
 Administered Expenses: \$463.566m (down \$2.714m)

Output Group 3.1  
 Funding higher education research training

Price of Output: \$3.358m (up \$0.155m)  
 Administered Expense: \$144.158m (up \$1.719m)

Output Group 3.2  
 Funding higher education research activities

Price of Output: \$9.259m (up \$0.445m)  
 Administered Expense: \$301.380m (down \$4.677m)

Output Group 3.3  
 Internationalisation of Australian education and training

Price of Output: \$33.232m (up \$11.234m)  
 Administered Expense: \$18.028m (up \$0.244m)

Departmental Output 3.1.1 Administration Total Price: \$2.528m (up \$0.117m)	Departmental Output 3.1.4 Research, Analysis and Evaluation Total Price: \$0.137m (up \$0.007m)
Departmental Output 3.1.2 Policy Advising Total Price: 0.444m (up \$0.020m)	
Departmental Output 3.1.3 Ministerial and Parliamentary Services Total Price: \$0.249m (up \$0.011m)	

Departmental Output 3.2.1 Administration Total Price: \$3.961m (up \$0.173m)	Departmental Output 3.2.4 Research, Analysis and Evaluation Total Price: \$0.219m (up \$0.010m)
Departmental Output 3.2.2 Policy Advising Total Price: \$4.774m (up \$0.250m)	
Departmental Output 3.2.3 Ministerial and Parliamentary Services Total Price: \$0.305m (up \$0.012m)	

Departmental Output 3.3.1 Administration Total Price: \$21.284m (up \$6.771m)	Departmental Output 3.3.4 Research, Analysis and Evaluation Total Price: \$3.659m (up \$1.210m)
Departmental Output 3.3.2 Policy Advising Total Price: \$5.633m (up \$2.269m)	
Departmental Output 3.3.3 Ministerial and Parliamentary Services Total Price: \$2.656m (up \$0.983m)	

# **SECTION 3**

## **BUDGETED FINANCIAL STATEMENTS**



### **SECTION 3:      BUDGETED FINANCIAL STATEMENTS**

The budgeted financial statements for the Department of Education, Training and Youth Affairs are presented in this section. The budgeted financial statements form the basis of the financial statements that will appear in the Department of Education, Training and Youth Affairs 1999-2000 annual report, and form the basis for input into the Whole of Government Accounts.

Separate financial statements are presented for Agency and Administered items. The Administered statements have been shaded to clearly distinguish them from items controlled by the Agency.

#### **Budgeted Statement of Revenues and Expenses (Budgeted Operating Statement)**

This statement provides a picture of the expected financial results for the Department by identifying full accrual expenses and revenues, and highlights whether the Department is operating at a sustainable level in the short run.

#### **Budgeted Statement of Assets and Liabilities (Budgeted Balance Sheet)**

Shows the financial position of the Department. It enables decision-makers to track management of the Department's assets and liabilities.

#### **Budgeted Cash Flow Statement**

Budgeted cash flows, as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

#### **Capital Budget**

Shows all proposed capital expenditure funded either through the Budget as appropriation by equity injections or as loans, and/or appropriations for administered capital, or as funds from internal sources or as funds from other sources.

#### **Non-financial Assets - Summary of Movement**

This statement shows only the Budget year 1999-00.

**Table 3.1.1**  
**Agency Budgeted Statement of Revenues and Expenses**

	Actual 1998-99 \$'000	1999-2000 \$'000	Estimated 2000-01 \$'000	Estimated 2001-02 \$'000	Estimated 2002-03 \$'000
<b>REVENUES</b>					
Revenues from independent sources					
Sales from goods and services	3,238	3,168	2,248	2,283	2,296
Interest and dividends		822	822	822	822
Other sources of non-taxation Revenue	8,547	5,400	5,400	5,400	5,400
Revenue from government					
Ordinary annual appropriations (net appropriations)	230,477	197,430	199,814	201,622	211,036
Resources received free of charge	4,851	*	*	*	*
<b>Total Revenue</b>	<b>247,113</b>	<b>206,820</b>	<b>208,284</b>	<b>210,127</b>	<b>219,554</b>
<b>EXPENSES</b>					
Employees	130,942	93,702	91,146	94,123	95,906
Suppliers	134,002	112,479	100,848	95,520	101,378
Depreciation and amortisation	30,095	14,768	11,406	15,283	17,157
Write down of assets	11,001	-	-	-	-
Net losses from sales of assets	2,312	-	40	361	270
Other goods and services expenses	-	1,537	1,523	1,519	1,522
<b>Total Expenses</b>	<b>308,352</b>	<b>222,486</b>	<b>204,963</b>	<b>206,806</b>	<b>216,233</b>
<b>Operating Result</b>	<b>(61,239)</b>	<b>(15,666)</b>	<b>3,321</b>	<b>3,321</b>	<b>3,321</b>

\*No estimate has been included for this item

**Table 3.1.2**  
**Administered Budgeted Statement of Revenues and Expenses**

	Actual <sup>1</sup> 1998-99 \$'000	1999-2000 \$'000	Estimated 2000-01 \$'000	Estimated 2001-02 \$'000	Estimated 2002-03 \$'000
<b>REVENUES</b>					
Taxation					
Other taxes, fees and fines	710	-	-	-	-
Non-Taxation					
Interest	2,070				
Other sources of non-taxation revenues <sup>2</sup>	125,802	<b>201,383</b>	202,064	235,004	226,908
<b>Total Revenue</b>	<b>128,582</b>	<b>201,383</b>	<b>202,064</b>	<b>235,004</b>	<b>226,908</b>
<b>EXPENSES</b>					
Suppliers	380,046	<b>381,804</b>	273,525	277,769	269,997
Depreciation and amortisation	260	<b>172</b>	-	-	-
Net write-down of assets	324,824	<b>81,423</b>	63,020	43,075	10,716
Subsidies	184,548	<b>331,420</b>	346,133	356,312	356,088
Grants	9,445,992	<b>9,728,504</b>	9,991,082	10,236,621	10,438,029
Personal benefits	203,010	<b>310,953</b>	329,161	336,639	342,735
Interest and other financing costs	8,388	<b>9,371</b>	9,626	9,591	9,591
<b>Total Expenses</b>	<b>10,547,06</b>	<b>10,843,647</b>	<b>11,012,547</b>	<b>11,260,007</b>	<b>11,427,156</b>
Net contribution/cost to government	10,418,48	<b>10,700,683</b>	10,871,618	11,101,360	11,296,083
Abnormal and extraordinary items	120,290	-	-	-	-
Cash to Commonwealth Public Account	(51,109)	<b>(64,617)</b>	(69,427)	(78,976)	(98,792)
Accumulated results after transfers	<b>(171,399)</b>	<b>(6,198)</b>	<b>(8,292)</b>	<b>(2,619)</b>	<b>(2,957)</b>

<sup>1</sup> The 1998-99 Actual revenue and expense figures exclude below the line transfers reported in the 1998-99 Annual Report.

<sup>2</sup> Refer Appendix 1.2 for detailed information on Administered revenue from other sources.

**Table 3.2.1**  
**Agency Budgeted Statement of Assets and Liabilities**

	Actual 1998-99 \$'000	1999-2000 \$'000	Estimated 2000-01 \$'000	Estimated 2001-02 \$'000	Estimated 2002-03 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	267	<b>4,865</b>	6,121	5,641	7,428
Receivables	23,241	<b>532</b>	466	461	457
<b>Total Financial Assets</b>	<b>23,508</b>	<b>5,397</b>	<b>6,587</b>	<b>6,102</b>	<b>7,885</b>
<b>Non-Financial Assets</b>					
Land and buildings	9,632	<b>9,574</b>	10,639	11,276	12,956
Infrastructure, plant and equipment	6,661	<b>4,627</b>	4,689	4,407	2,578
Intangibles	27,443	<b>25,947</b>	24,419	24,758	24,640
Other	16,410	<b>19,745</b>	19,879	20,033	20,146
<b>Total Non-Financial Assets</b>	<b>60,416</b>	<b>59,893</b>	<b>59,626</b>	<b>60,474</b>	<b>60,320</b>
<b>Total Assets</b>	<b>83,654</b>	<b>65,290</b>	<b>66,213</b>	<b>66,576</b>	<b>68,205</b>
<b>LIABILITIES</b>					
Employees	27,778	<b>28,744</b>	29,264	30,057	31,476
Suppliers	5,075	<b>3,604</b>	4,014	3,587	3,797
Other	75	<b>66</b>	59	56	56
<b>Total Liabilities</b>	<b>32,928</b>	<b>32,414</b>	<b>33,337</b>	<b>33,700</b>	<b>35,329</b>
<b>EQUITY</b>					
Accumulated results	23,137	<b>4,150</b>	4,150	4,150	4,150
Reserves	4,739	<b>4,739</b>	4,739	4,739	4,739
Capital	22,850	<b>23,987</b>	23,987	23,987	23,987
<b>Total Equity</b>	<b>50,726</b>	<b>32,876</b>	<b>32,876</b>	<b>32,876</b>	<b>32,876</b>
<b>Total Liabilities and Equity</b>	<b>83,654</b>	<b>65,290</b>	<b>66,213</b>	<b>66,576</b>	<b>68,205</b>

**Table 3.2.2**  
**Administered Budgeted Statement of Assets and Liabilities**

	Actual 1998-99 \$'000	1999-2000 \$'000	Estimated 2000-01 \$'000	Estimated 2001-02 \$'000	Estimated 2002-03 \$'000
<b>ASSETS</b>					
<b>Financial Assets</b>					
Cash	40,477	<b>36,457</b>	30,442	30,432	30,427
Receivables <sup>3</sup>	9,785,611	<b>10,459,447</b>	10,948,654	11,320,608	11,483,643
Investments	795,264	<b>795,264</b>	795,264	795,264	795,264
<b>Total Financial Assets</b>	<b>10,621,352</b>	<b>11,291,168</b>	<b>11,774,360</b>	<b>12,146,304</b>	<b>12,309,334</b>
<b>Non-Financial Assets</b>					
Intangibles	172	-	-	-	-
Others	737	737	737	737	737
<b>Total Non-Financial Assets</b>	<b>909</b>	<b>737</b>	<b>737</b>	<b>737</b>	<b>737</b>
<b>Total Assets</b>	<b>10,622,260</b>	<b>11,291,905</b>	<b>11,775,097</b>	<b>12,147,041</b>	<b>12,310,071</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Loans	162,485	<b>162,485</b>	162,485	162,485	162,485
<b>Provisions and payables</b>					
Suppliers	4,970	<b>835</b>	808	1,280	1,769
Personal benefits	74,248	<b>75,616</b>	75,033	73,952	72,932
Subsidies	1,497	<b>1,497</b>	1,497	1,497	1,497
Grants	5,086,389	<b>5,396,377</b>	5,522,212	5,654,290	5,791,191
<b>Total Liabilities</b>	<b>5,329,589</b>	<b>5,636,810</b>	<b>5,762,035</b>	<b>5,893,504</b>	<b>6,029,874</b>
<b>EQUITY</b>					
Accumulated results	4,496,270	<b>4,490,074</b>	4,481,781	4,479,159	4,476,201
Reserves	795,264	<b>795,264</b>	795,264	795,264	795,264
Capital	1,137	<b>369,757</b>	736,017	979,114	1,008,732
<b>Total Equity</b>	<b>5,292,671</b>	<b>5,655,095</b>	<b>6,013,062</b>	<b>6,253,537</b>	<b>6,280,197</b>
<b>Total Liabilities and Equity</b>	<b>10,622,260</b>	<b>11,291,905</b>	<b>11,775,097</b>	<b>12,147,041</b>	<b>12,310,071</b>

<sup>3</sup> A change in accounting policy arising from the introduction of accrual budgeting requires recognition of an appropriation receivable in respect of calendar year programs. The appropriation receivable is eliminated on consolidation of General Government Sector financial statements.

**Table 3.3.1**  
**Agency Budgeted Cash Flow Statement**

	Actual 1998-99 \$'000	1999-2000 \$'000	Estimated 2000-01 \$'000	Estimated 2001-02 \$'000	Estimated 2002-03 \$'000
<b>OPERATING ACTIVITIES</b>					
<i><b>Cash received</b></i>					
Sales of goods and services	3,238	<b>3,025</b>	2,315	2,285	2,295
Interest	-	<b>822</b>	822	822	822
Appropriations	274,975	<b>197,430</b>	199,814	201,622	211,036
Other	9,210	<b>5,400</b>	5,400	5,400	5,400
<b>Total Cash received</b>	<b>287,423</b>	<b>206,677</b>	<b>208,351</b>	<b>210,129</b>	<b>219,553</b>
<i><b>Cash used</b></i>					
Employees	139,089	<b>92,737</b>	90,647	93,349	94,599
Suppliers	134,392	<b>117,355</b>	100,658	96,176	100,564
Other	47	<b>1,440</b>	1,365	1,338	1,971
<b>Total cash used</b>	<b>273,528</b>	<b>211,532</b>	<b>192,670</b>	<b>190,863</b>	<b>197,134</b>
<b>Net cash from operating activities</b>	<b>13,895</b>	<b>(4,855)</b>	<b>15,681</b>	<b>19,266</b>	<b>22,419</b>
<b>INVESTING ACTIVITIES</b>					
<i><b>Cash received</b></i>					
Proceeds from sale of land, buildings, property, plant and equipment	6,108	-	10	40	30
<b>Total cash received</b>	<b>6,108</b>	<b>-</b>	<b>10</b>	<b>40</b>	<b>30</b>
<i><b>Cash used</b></i>					
Purchase of property, plant, equipment and intangibles	20,438	<b>11,213</b>	11,114	16,465	17,341
<b>Total cash used</b>	<b>20,438</b>	<b>11,213</b>	<b>11,114</b>	<b>16,465</b>	<b>17,341</b>
<b>Net cash from investing activities</b>	<b>(14,330)</b>	<b>(11,213)</b>	<b>(11,104)</b>	<b>(16,425)</b>	<b>(17,311)</b>
<b>FINANCING ACTIVITIES</b>					
<i><b>Cash received</b></i>					
Capital Injections	-	<b>23,987</b>	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>23,987</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i><b>Cash used</b></i>					
Dividends paid	-	<b>3,321</b>	3,321	3,321	3,321
<b>Total cash used</b>	<b>-</b>	<b>3,321</b>	<b>3,321</b>	<b>3,321</b>	<b>3,321</b>
<b>Net cash from financing activities</b>	<b>-</b>	<b>20,666</b>	<b>(3,321)</b>	<b>(3,321)</b>	<b>(3,321)</b>
<b>Net increase/decrease in Cash Held</b>	<b>(435)</b>	<b>4,598</b>	<b>1,256</b>	<b>(480)</b>	<b>1,787</b>
Add cash at 1 July	702	<b>267</b>	4,865	6,121	5,641
<b>Cash at 30 June</b>	<b>267</b>	<b>4,865</b>	<b>6,121</b>	<b>5,641</b>	<b>7,428</b>

**Table 3.3.2**  
**Administered Budgeted Cash Flow Statement**

	Actual 1998-99 \$'000	1999-2000 \$'000	Estimated 2000-01 \$'000	Estimated 2001-02 \$'000	Estimated 2002-03 \$'000
<b>OPERATING ACTIVITIES</b>					
<i>Cash received</i>					
From appropriations	11,426,546	<b>10,500,695</b>	10,770,758	10,995,660	11,142,198
Other	42,532	<b>897,182</b>	1,095,293	1,323,446	1,611,574
<b>Total cash received</b>	<b>11,469,078</b>	<b>11,397,877</b>	<b>11,866,051</b>	<b>12,319,106</b>	<b>12,753,772</b>
<i>Cash used</i>					
Suppliers	401,019	<b>447,894</b>	337,570	343,051	336,861
Subsidies	274,452	<b>324,781</b>	337,872	346,422	344,584
Personal Benefits	202,849	<b>301,168</b>	322,005	329,640	334,130
Grants	9,910,505	<b>10,225,870</b>	10,762,079	11,177,949	11,596,332
Interest and other financing costs	10,844	<b>39,703</b>	43,113	43,078	43,078
Cash to the consolidated revenue fund	651,409	<b>64,617</b>	69,427	78,976	98,792
<b>Total cash used</b>	<b>11,451,078</b>	<b>11,404,033</b>	<b>11,872,066</b>	<b>12,319,116</b>	<b>12,753,777</b>
<b>Net cash from operating activities</b>	<b>18,000</b>	<b>(6,156)</b>	<b>(6,015)</b>	<b>(10)</b>	<b>(5)</b>
<b>INVESTING ACTIVITIES</b>					
<i>Cash received</i>					
Equity instruments	-	<b>2,136</b>	-	-	-
Consolidated Revenue Fund	-	<b>368,620</b>	366,260	243,097	29,618
<b>Total cash received</b>	<b>-</b>	<b>370,756</b>	<b>366,260</b>	<b>243,097</b>	<b>29,618</b>
<i>Cash used</i>					
Advances made	-	<b>368,620</b>	366,260	243,097	29,618
<b>Total cash used</b>	<b>-</b>	<b>368,620</b>	<b>366,260</b>	<b>243,097</b>	<b>29,618</b>
<b>Net cash from investing activities</b>	<b>-</b>	<b>2,136</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/decrease in Cash Held</b>	<b>18,000</b>	<b>(4,020)</b>	<b>(6,015)</b>	<b>(10)</b>	<b>(5)</b>
Add cash at 1 July	22,477	<b>40,477</b>	36,457	30,442	30,432
<b>Cash at 30 June</b>	<b>40,477</b>	<b>36,457</b>	<b>30,442</b>	<b>30,432</b>	<b>30,427</b>

**Table 3.4.1**  
**Agency Capital Budget Statement**

<b>CAPITAL APPROPRIATION</b>	Actual 1998-99 \$'000	<b>1999-2000</b> \$'000	Estimated 2000-01 \$'000	Estimated 2001-02 \$'000	Estimated 2002-03 \$'000
<b>TOTAL EQUITY INJECTIONS</b>	22,850	-	-	-	-
<b>TOTAL LOANS</b>	-	-	-	-	-
<b>TOTAL CAPITAL APPROPRIATION</b>	-	<b>23,987</b>	-	-	-
<b>Represented by:</b>					
Purchase of non-current assets	-	-	-	-	-
Other	22,850	<b>23,987</b>	-	-	-
<b>TOTAL</b>	<b>22,850</b>	<b>23,987</b>	-	-	-
Funded by Capital Appropriation	-	-	-	-	-
Funded internally by Departmental resources	20,929	<b>11,213</b>	11,114	16,465	17,341
<b>TOTAL</b>	<b>20,929</b>	<b>11,213</b>	<b>11,114</b>	<b>16,465</b>	<b>17,341</b>

**Table 3.4.2**  
**Administered Capital Budget Statement**

<b>CAPITAL APPROPRIATION</b>	<b>1999-2000</b>	Estimated	Estimated	Estimated
	<b>\$'000</b>	2000-01	2001-02	2002-03
		\$'000	\$'000	\$'000
<b>TOTAL EQUITY INJECTIONS</b>	-	-	-	-
<b>TOTAL LOANS</b>	-	-	-	-
<b>TOTAL CAPITAL APPROPRIATION</b>	<b>370,956</b>	366,260	243,097	29,618
<b>Represented by:</b>				
Other	<b>368,820</b>	366,260	243,097	29,618



## APPENDICES

### APPENDIX 1

The following tables detail the changes to both Departmental and Administered Revenue from Other Sources.

#### Appendix 1.1 - Revenue from Other Sources - Departmental

	Estimated Revenue 1998-99 \$'000	Estimated Revenue 1999-00 \$'000	Revised Estimated Revenue 1999-00 \$'000
Reserved Money Fund Revenue	Not included	Not included	5,400
Section 31 Receipts	* 885	3,990	3,990
Resources received free of charge	not estimated	not estimated	not estimated
<b>TOTAL ESTIMATED REVENUE</b>	<b>885</b>	<b>3,990</b>	<b>9,390</b>

Note \*: The accounting treatment for some categories of cash receipts mean they are not classed as revenue in the financial statements.

#### Appendix 1.2 - Revenue from Other Sources - Administered

	Estimated Revenue 1998-99 \$'000	Estimated Revenue 1999-00 \$'000	Revised Estimated Revenue 1999-00 \$'000
Indexation from HECs receivable and ABSTUDY loan	78,739	143,714	143,738
Miscellaneous Revenue	7,555	7,754	7,846
State Grants General Receipts Act	48,504	49,258	49,258
Reserved Money Fund Revenue	33,348	21,600	542
<b>TOTAL ESTIMATED REVENUE</b>	<b>168,146</b>	<b>222,326</b>	<b>201,383</b>

### APPENDIX 2

Estimates of Expenses from Special Appropriations

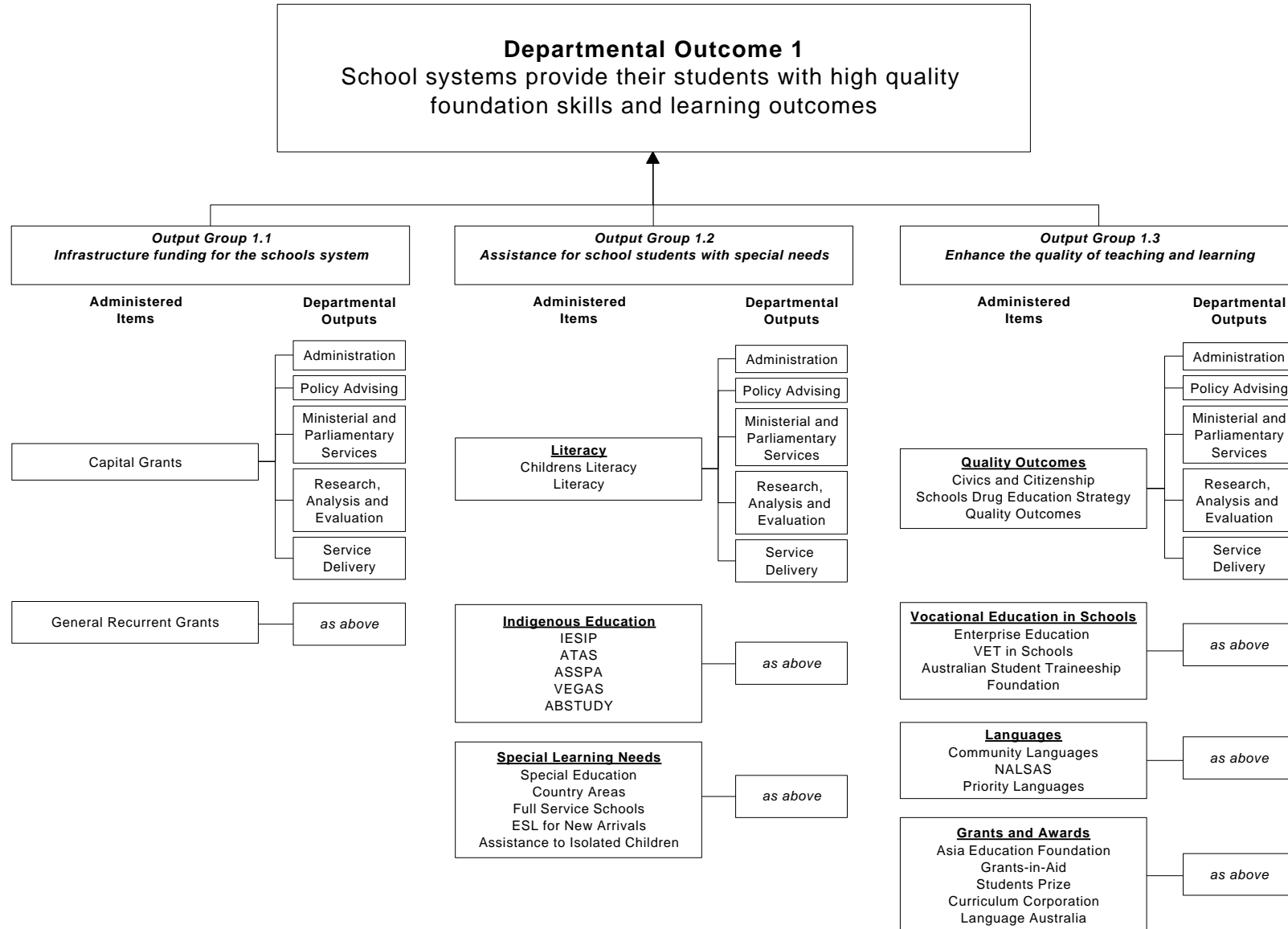
	Estimated Revenue 1998-99 \$'000	Estimated Revenue 1999-00 \$'000	Revised Estimated Revenue 1999-00 \$'000
Higher Education Funding Act 1988	4,386,379	4,166,190	4,167,159
States Grants (Primary and Secondary Education Assistance) Act 1992 and 1996	4,237,577	4,583,426	4,562,757
Indigenous Education (Supplementary Assistance) Act 1989	124,249	129,911	130,343
Student and Youth Assistance Act 1973	202,770	184,332	186,123
Vocational Education and Training Funding Act 1992	918,559	925,256	933,459
<b>TOTAL ESTIMATED EXPENSE</b>	<b>9,869,535</b>	<b>9,989,115</b>	<b>9,979,841</b>

### **APPENDIX 3**

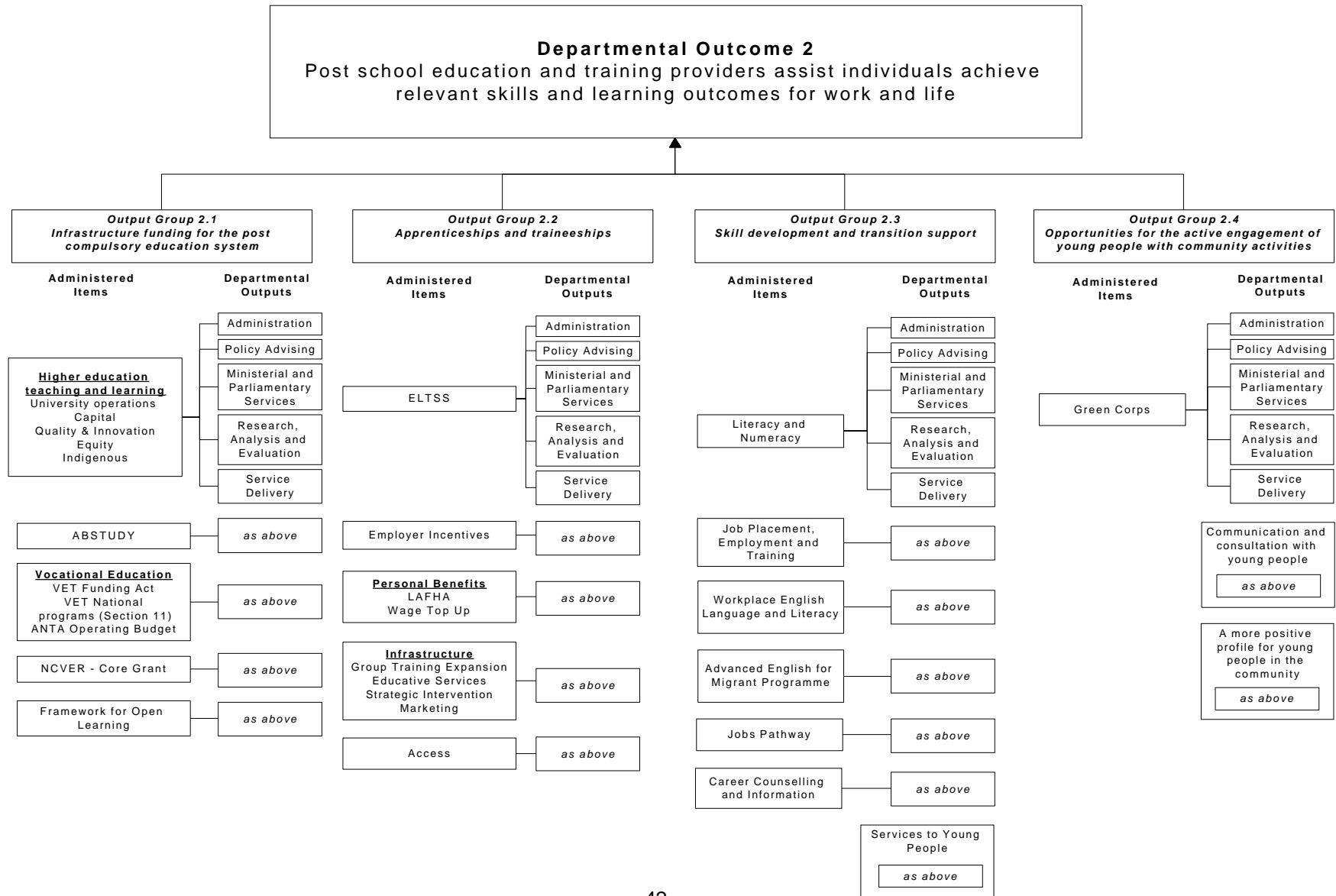
The following diagrams provide the detail of the Department's Outcome structure. The structure is based around three outcomes. Each outcome is then divided into an output group. An output group can be described as a collection of outputs, both departmental and administered that are homogenous in nature and directed towards a similar goal or objective.

Each output group is then divided into the various programs, outputs or activities that contribute towards it. Using this diagram enables a reader to identify where the activities of the department sit within the new arrangements.

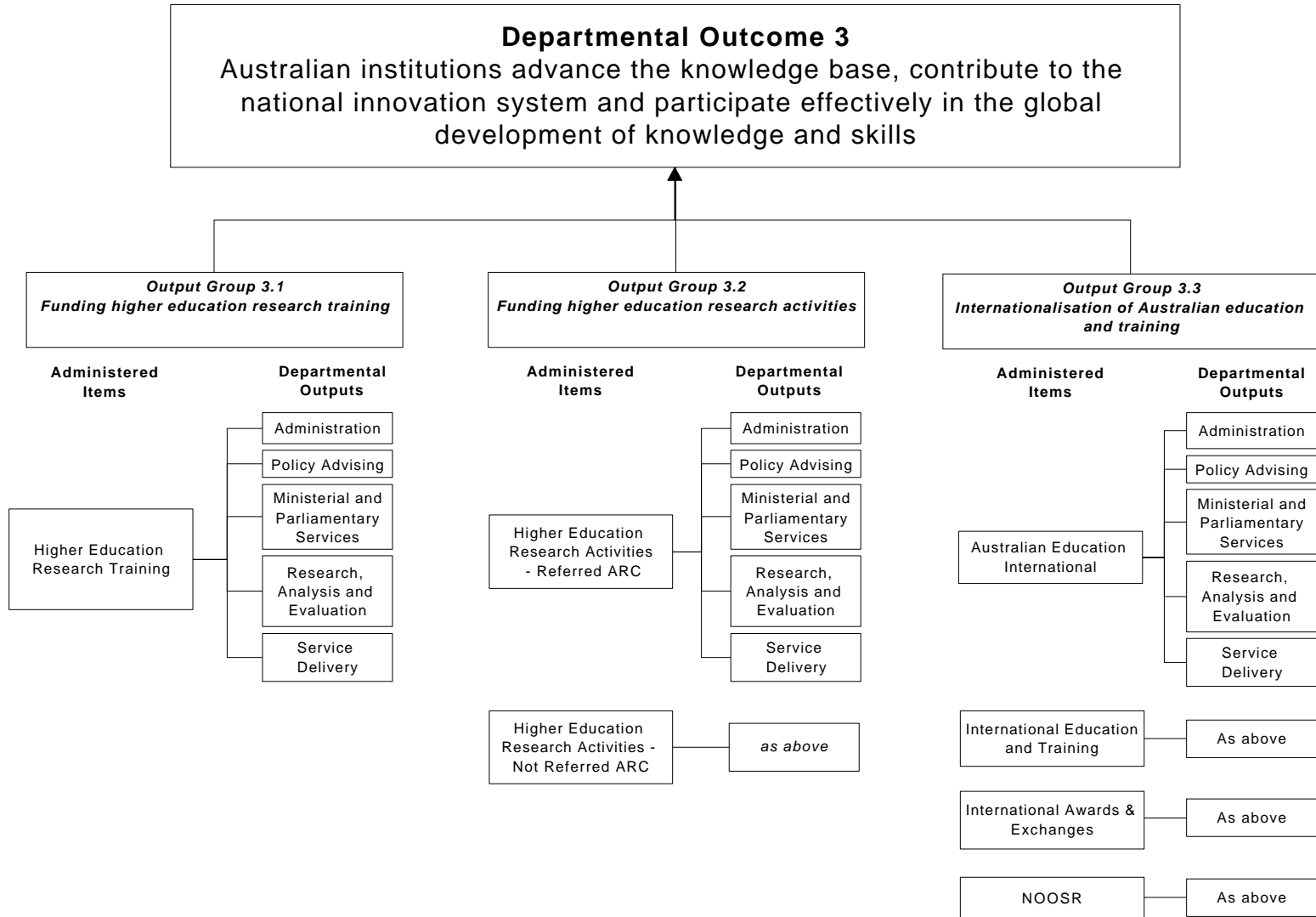
Appendix 3.1 – OUTCOME 1



Appendix 3.2 – OUTCOME 2



Appendix 3.3 – OUTCOME 3



## GLOSSARY OF TERMS

**Additional Estimates** - Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the **Additional Estimates Acts**. This is the Additional Estimates process.

**Additional Estimates Bills or Acts** - These are appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments [Appropriations (Parliamentary Departments) Bill (No 2)]. These Bills are introduced into Parliament sometime after the Budget Bills.

**Administered Items** - Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.

**Appropriation** - An authorisation by Parliament to spend monies from the Consolidated Revenue Fund.

**Annual Appropriation** - Two appropriation bills are introduced into Parliament in May and comprise the Budget. Further bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.

**Assets** - Assets are physical objects and legal rights it is expected will provide benefits in the future or alternatively items of value owned by an Agency.

**Budget 1999-2000** - For each item, this is the estimated expense for the 1999-2000 financial year. Annual Appropriations will be reported in Appropriation Bill numbers 1 and 2 (details available in Budget Paper 4). Special Appropriations and Revenue are also reported in Budget Paper 4.

**Budget Measure** - A decision by the Cabinet or Ministers that has been finalised since the 1998-99 Additional Estimates and has resulted in a cost or saving to outlays in the years 1999-00 to 2002-03.

**Commercial Activities Fund (CAF)** - Accounts for various activities of agencies which should be accounted for as if they were genuinely commercial. Components of the CAF specifying the nature of receipts that may be credited to, and payments that may be made from, each component, may be established by the Finance Minister under section 21 of the *FMA Act*. The criteria applied to establishing components of the CAF are:

- the purpose of the activity to be financed via the CAF involves the provision of goods and services;
- the organisation undertaking the activity has a management structure that is discreet within the agency and that costs of that management structure are segregated from the costs of the other activities and outcomes of the agency;
- the activities are funded predominantly from revenue raised from users or purchasers and that there is a “profit-making” objective; or

- the organisation is, or potentially will be, competing in a commercially contestable environment.

**Cross Portfolio Budget Measure** - This is a **budget measure** which affects outcomes in a number of portfolios.

**Expenses** - Expenses are costs incurred by the Agency in the process of earning revenue, ie. producing outputs. Generally expenses are measured by the costs of assets consumed or services used during an accounting period.

**Financial Management and Accountability (FMA) Act 1997** - The principal legislation governing the proper use and management of public money and public property and other Commonwealth resources. FMA Regulations and FMA Orders are made pursuant to the Act.

**Financing Transactions** - The Government funds shortfalls in revenue over outlays by borrowing from financial markets or running down financial assets. Such activities are regarded as financing transactions. If a surplus of revenue over outlays is recorded then financing transactions will show how the surplus is used.

**Forward Estimates** - A system of rolling three year financial estimates. After the Budget is passed, the first year of the forward estimates becomes the base for the next year's Budget bid, and another outyear is added to the forward estimates.

**Liabilities** - Liabilities represent amounts owing on goods or services that have been received but not yet paid for. A liability shows the future commitment of the Agencies' assets.

**Loan Fund** - Established by the *FMA Act 1997*, the Loan Fund contains all monies raised by loan on the public credit of the Commonwealth. Expenditure from the Loan Fund is limited to the purpose for which the moneys were raised.

**Net Annotated Appropriation (Section 31 receipts)** – Section 31 receipts, also called net annotated appropriations, are a form of appropriation which allows a department access to certain money it receives in payment of services. These monies are known as Section 31 receipts, reflecting their authority under Section 31 of the financial Management and Accountability Act 1997. See also Section 9, Appropriation Act (No 1) 1998-99.

**Outcome** - Results, impacts or consequences of actions by the Commonwealth on the Australian community. Planned outcomes are the results or impacts that the Government wishes to achieve. Actual outcomes are the results or impacts actually achieved.

**Output** - The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs include goods and services produced for other areas of government external to the agency.

**Output Group** - The aggregation based on homogeneity, type of product or beneficiary target group, of outputs. Aggregation may also be needed for the

provision of adequate information for performance monitoring; or based on a materiality test.

**Portfolio Budget Statements** - Statements prepared by portfolios to explain the Budget appropriations in terms of **outcomes**.

**Receipts** - The total or gross amount received by the Commonwealth. Each receipt item is either **revenue**, an **offset within outlays**, or **financing transactions**. Receipts include taxes, interest, charges for goods and services, borrowings and GBE dividends received.

**Reserved Money Fund (RMF)** - Accounts for money which the Commonwealth holds on trust for, or otherwise for the benefit of, a person other than the Commonwealth and monies which are “reserved” for future Commonwealth purposes. Components of the RMF, specifying the nature of receipts that may be credited to, and payments that may be made from, each component, may be established by the Finance Minister under section 20 of the *FMA Act*, or by specific legislation. The transfer of receipts from the CRF to, and payment from, components of the RMF are authorised by standing appropriations in section 20 of the *FMA Act*.

**Revenue** - is the price a producer/organisation receives for its outputs – that is goods and services. In terms of the public sector application of revenue it is the appropriation an Agency receives from Government and any fees/charges it receives from other sources.

**Section 31 receipts** – see annotated appropriation.

**Special appropriations** - Moneys appropriated by Parliament in an Act separate to an annual Appropriation Act, where the payment is for a specified amount. Special appropriations are not subject to Parliament’s annual budget control, unlike the **annual appropriations**.

**Staff years** - An aggregate measure of employment based on the hours worked by employees over the period of one year. It is the unit of measurement for staff resource use.

**Standing appropriations** - These are very similar to **special appropriations**, except that instead of an amount being specified in the appropriation, the act provides for an automatic payment of funds where an entitlement exists, such as age pensions, or for the Minister for Finance to determine an amount in accordance with specified criteria. The terms special and standing are often used interchangeably.

## ACRONYMS

Use of acronyms and abbreviations has been kept to a minimum in this report. However, the following are in common use in the Department.

AAO	Administrative Arrangements Order
AATB	Anglo-Australian Telescope Board
ACER	Australian Council for Educational Research
AEI	Australian Education International
AEMP	Advanced English for Migrants Programme
AIC	Assistance for Isolated Children
ANAO	Australian National Audit Office
ANR	Annual National Report on Schooling in Australia
ANTA	Australian National Training Authority
ANU	Australian National University
APEC	Asia Pacific Economic Cooperation
ARC	Australian Research Council
ASTF	Australian Student Traineeship Foundation
ATAS	Aboriginal Tutorial Assistance Scheme
DEWRSB	Department of Employment, Workplace Relations and Small Business
DIS	DETYA International Services
DoFA	Department of Finance and Administration
ELICOS	English Language Intensive Courses for Overseas Students
ESL	English as a Second Language
EFTSU	Equivalent Full Time Student Unit
FMA	Financial Management and Accountability
HECS	Higher Education Contribution Scheme
IEDA	Indigenous Education Direct Assistance
IESIP	Indigenous Education Strategic Initiatives Programme
JPET	Job Placement, Employment and Training
KPI	Key Performance Indicator
NACS	New Apprenticeships Centres
NBEET	National Board of Employment, Education and Training
NOOSR	National Office of Overseas Skills Recognition
OECD	Organisation for Economic Cooperation and Development
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PISA	Programme for International Student Assessment
RMF	Reserved Money Fund
SEAMEO	South East Asian Ministers of Education Organisation
SPIRT	Strategic Partnerships with Industry - Research and Training
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VET	Vocational Education and Training
WELL	Workplace English Language and Literacy

