

Chapter 2

Review of annual reports

2.1 This chapter examines selected annual reports in greater detail.

2.2 The following reports under the Employment, Skills, Small and Family Business portfolio are discussed in this chapter:

- Department of Employment, Skills, Small and Family Business (DESSFB);
- Australian Building and Construction Commission (ABCC);
- Fair Work Commission (FWC);

2.3 After that analysis, the following reports under the Education portfolio are discussed:

- Department of Education;
- Australian Institute for Teaching and School Leadership (AITSL); and
- Australian Curriculum, Assessment and Reporting Authority (ACARA).

Employment, Skills, Small and Family Business portfolio

Department of Employment, Skills, Small and Family Business

2.4 During the 2018–19 reporting year, as a result of the May 2019 AAO, the department's name was changed from the Department of Jobs and Small Business to DESSFB.¹ Under these new arrangements, the department gained responsibility for skills and vocational education and training, including apprenticeships functions from the former Department of Education and Training. Responsibility for workplace relations, including work health and safety, rehabilitation and compensation functions, and seven related portfolio agencies moved from the department to the Attorney-General's Department.²

2.5 DESSFB's annual report has been prepared according to the nomination of annual reporting responsibilities by the Department of Finance on 21 June 2019,³ and thus covers workplace relations (including work health and safety, rehabilitation and compensation) functions.⁴

2.6 DESSFB has two outcomes:

1 Administrative Arrangements Order on 29 May 2019, Summary of Changes, <https://www.pmc.gov.au/sites/default/files/publications/aa0-summary-changes-20190529.pdf> (accessed 29 January 2020).

2 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. v.

3 See Chapter 1, paragraph 1.11.

4 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. v.

- Outcome 1—‘Foster a productive and competitive labour market through employment policies and programs that assist participants into work, meet employer needs and increase Australia's workforce participation’;⁵ and
- Outcome 2—‘Facilitate jobs growth through policies and programs that promote fair, productive and safe workplaces, and facilitate the growth of small business’.⁶

2.7 In the department's analysis of its performance against its purpose for the 2018–19 reporting period, it achieved 31 of its 34 performance measures. This is an increase on the 26 of the 34 performance measures that were achieved in the previous 2017–18 period.⁷

2.8 For 2018–19, the jobactive program under Outcome 1 exceeded its target for both overall and Indigenous job seekers. The proportion of job placements that were sustained to at least 26 weeks was 42.9 per cent for overall jobseekers and 34.8 per cent for Indigenous jobseekers. The proportion of participants who remained in employment three months after participating in jobactive was 48.6 per cent for overall jobseekers. These results exceeded the target of 30 per cent of jobs placements converting to 26-week employment for 2018–19 and a 45 per cent target for those employed three months after participation in the jobactive program.⁸

2.9 Of the jobseekers employed three months after participating in jobactive, the employment rates varied. While the employment rates for sole parents and refugee participants improved and remained relatively stable for Indigenous participants, there was a small decline for a number of disadvantaged participant cohorts, including: long-term unemployed participants, culturally and linguistically diverse participants, ex-offenders, homeless participants and people with a disability.⁹

2.10 In 2018–19, DESSFB implemented the Targeted Compliance Framework (TCF). Introduced on 1 July 2018, the TCF applies to jobseekers with mutual obligation requirements who received services in jobactive, Disability Employment Services and ParentsNext.¹⁰ The department reported data collected in the reporting period which indicated that the program was working as intended—‘to deter deliberate and wilful non-compliant behaviour while protecting and providing safeguards for jobseekers through capability review’.¹¹ From 1 July 2018 to 30 June 2019, the department reported an increase in jobseekers' attendance at appointments with

5 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 13.

6 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 73.

7 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 12.

8 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 30.

9 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 32.

10 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 15.

11 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 18.

employment services and a 90 per cent reduction in financial penalties compared to the previous compliance framework.¹²

2.11 In 2018–19, the department reported that many jobseekers found employment following participation in the Work for the Dole program. Over the period from 1 January 2018 to 31 December 2018, 24.8 per cent of participants surveyed who had exited the program were engaged in employment three months later.¹³ Survey respondents provided positive feedback on the program, including 76.4 per cent of participants who reported that they were satisfied with the quality of the activity, while 70.6 per cent of participants reported an improvement in work-related skills.¹⁴

2.12 The Seasonal Work Incentives Trial, which was introduced on 1 July 2017, ceased on 30 June 2019. It offered incentives for eligible jobseekers to undertake short-term seasonal work in the horticulture sector. During the reporting period, only 201 jobseekers participated in the trial. This take-up was lower than expected despite the department's 'considerable effort' to promote the program. An evaluation of the trial is expected to provide insight into the low participation rate.¹⁵

2.13 In 2018–19, the department's financial position remained sound. Although it reported a deficit before depreciation and amortisation of \$7.9 million, this deficit was attributed to technical loss consisting of adjustments in leave provisions and impairment of assets. Excluding this technical loss, the department recorded a surplus of \$0.6 million (0.2 per cent of the department's total expenses).¹⁶

Australian Building and Construction Commission

2.14 The ABCC was established by the *Building and Construction Industry (Improving Productivity) Act 2016* (BCIIP Act) and began its operations on 2 December 2016. It is an agency within the Attorney-General's portfolio. The ABCC is an independent office holder who reports to the Attorney-General and Minister for Industrial Relations, the Hon Christian Porter MP.

2.15 Prior to 29 May 2019, the ABCC was an agency within the Department of Jobs and Small Business and reported to the Minister for Small and Family Business (from 1 July 2018 to 27 August 2018) and the Minister for Jobs and Industrial Relations (from 28 August 2018 to 28 May 2019). The ABCC has reported to the Attorney-General and Minister for Industrial Relations since 29 May 2019.¹⁷

2.16 The ABCC has a single outcome as well as an associated program.¹⁸ The outcome is to 'enforce workplace relations laws in the building and construction

12 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 18.

13 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 20.

14 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 20.

15 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, p. 17.

16 Department of Employment, Skills, Small and Family Business, *Annual Report 2018–19*, pp. 136–137.

17 Australian Building and Construction Commission, *Annual Report 2018–19*, p. 2.

18 Australian Building and Construction Commission, *Annual Report 2018–19*, p. 3.

industry and ensure compliance with those laws by all participants in the building and construction industry through the provision of education, assistance and advice'.¹⁹ The associated program is that of 'education, compliance and enforcement—to educate building industry participants in order to promote compliance with workplace laws'.²⁰

2.17 The ABCC achieved all seven of its performance criteria over the 2018–19 reporting period. Achievements included:

- 100 per cent of surveyed clients indicated that they found the agency's presentations, advice or materials improved their understanding of workplace rights and responsibilities;
- 168 formal presentations delivered to 4,618 stakeholders;
- 1,382 visits to building and construction worksites across Australia;
- 554 building code inspections and audits were undertaken; and
- 98 per cent of surveyed stakeholders reported they were satisfied or highly satisfied with the quality and timeliness of advice and assistance provided.²¹

2.18 Over the 2018–19 reporting period, the ABCC reported a decrease in the number of enquiries received—5,998 enquiries compared to nearly 7,000 during 2017–18. Possible reasons for this decrease included the introduction of the agency's website, which made information more accessible to industry stakeholders so there was less need to contact the ABCC, and the fewer calls received in the lead-up to the federal election.²² A majority of enquiries received by the ABCC related to general code information, code assessment and code advice.²³

2.19 During 2018–19, the ABCC commenced 206 new investigations into suspected breaches of workplace laws. This was an increase from the previous reporting period of 131 investigations.²⁴ New investigations were undertaken into matters including right of entry, unlawful industrial actions, coercions, and wages and entitlements.²⁵

2.20 Since 2 December 2016, the ABCC has had responsibility recovering the unpaid wages of building and construction workers. During the reporting period, the ABCC recovered \$823,724 for 1,376 employees.²⁶

19 Australian Building and Construction Commission, *Annual Report 2018–19*, p. 3.

20 Australian Building and Construction Commission, *Annual Report 2018–19*, p. 3.

21 Australian Building and Construction Commission, *Annual Report 2018–19*, pp. 12–13.

22 Australian Building and Construction Commission, *Annual Report 2018–19*, p. 14.

23 Australian Building and Construction Commission, *Annual Report 2018–19*, p. 15.

24 The 2017–18 figure of 125 investigations was adjusted to 131 investigations in accordance with updated data. Australian Building and Construction Commission, *Annual Report 2018–19*, p. 25.

25 Australian Building and Construction Commission, *Annual Report 2018–19*, pp. 24–25.

26 Australian Building and Construction Commission, *Annual Report 2018–19*, p. 23.

2.21 The total income for the ABCC was \$32.564 million. In 2018–19, it recorded \$32.854 million in total expenses, which is a loss of \$0.290 million. Expenses incurred included employee benefits, legal expenses, and accommodation. Legal costs during this period increased by \$0.632 million compared to 2017–18. The agency noted that the size of its legal expenses was subject to volatility depending on the nature and complexity of legal matters.²⁷

Fair Work Commission

2.22 The FWC is Australia's national workplace relations tribunal. It was established by the *Fair Work Act 2009* and is responsible for administering its provisions.²⁸

2.23 The FWC's performance framework includes one 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 agreement and deal with disputes’.²⁹ The outcome includes an associated program—dispute resolution, minimum wage setting, orders and approval of agreements.³⁰ The FWC met or exceeded all 12 performance criteria set out in this framework during the 2018–19 reporting period.³¹

2.24 Performance criteria measuring the FWC's reputation and standing in the community were all exceeded. For example, 83 per cent of parties in individual matters surveyed following a staff conference or conciliation reported being satisfied that their conference conciliator was even-handed (exceeding the target of 80 per cent).³²

2.25 Similarly, all criteria measuring the FWC's accessibility were met or exceeded:

- 83 per cent of survey respondents in individual matters surveyed following a staff conference or conciliation found that information provided by the FWC was easy to understand (exceeding the target of 80 per cent);³³ and
- 79 per cent of such survey respondents were satisfied with the information provided by the FWC about its processes (exceeding the target of 75 per cent).³⁴

27 Australian Building and Construction Commission, *Annual Report 2018–19*, p. 58.

28 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 13.

29 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 101.

30 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 101.

31 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, pp. 11 and 102–105.

32 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 102.

33 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 103.

34 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 103.

2.26 Criteria measuring the FWC's efficiency, accountability and transparency included:

- An annual wage review which was completed on 30 May 2019, in time for it to become operative on 1 July 2019. This pre-empted the targeted publication date of 30 June 2019 by one month.³⁵
- The median time elapsed from lodging applications to finalising conciliations in unfair dismissal applications was 32 days. This exceeded the target for 2018–19 of 34 days, but was five days longer than the median time for unfair dismissal conciliations in 2017–18.³⁶
- The median agreement approval time for agreements approved without undertakings was 30 days, exceeding the target of 32 days.³⁷ This greatly improved upon the 2017–18 reporting period median of 76 days.³⁸

2.27 The FWC considered that these performance measures indicated that it had overcome the 'timeliness' issues experienced during the preceding reporting period, which it attributed primarily to an increase in applications assessed as non-compliant or incomplete.³⁹ The FWC made significant changes to its operational practices to address this matter, including streamlining communication with parties, increasing resources and providing additional information materials. These measures were beginning to have a positive impact by the end of the previous reporting period.⁴⁰ This trend has continued; there are currently fewer than 550 applications in progress, compared to a peak of 2,063 in January 2019.⁴¹

2.28 Access to justice was a significant focus for the FWC during 2018–19. The Commission launched its national pro bono program, the Workplace Advice Service, on 30 July 2018.⁴² The service provides up to one hour of free legal advice to eligible employees and small business employers with the aim of helping parties to make informed decisions and better understand the implications of pursuing an unpromising claim.⁴³ The service currently operates in New South Wales, Victoria, Western Australia, South Australia and Queensland, with plans for expansion to cover all capital cities and some regional locations.⁴⁴

35 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 104.

36 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 104.

37 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 104.

38 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, pp. 11 and 71.

39 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 6; Fair Work Commission, *Annual Report: Access to Justice 2017–18*, pp. 66–67.

40 Fair Work Commission, *Annual Report: Access to Justice 2017–18*, p. 67.

41 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 6.

42 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 8.

43 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, pp. 8 and 47.

44 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 47.

2.29 Other activities undertaken by the FWC to increase access to justice included a major review of all its correspondence, notices and guidance materials with the aim of ensuring all information provided is 'easy to find and in plain, clear language'.⁴⁵ This measure was prompted by research undertaken by the FWC which revealed that many self-represented employers and employees experienced uncertainty and confusion during the unfair dismissal process.⁴⁶ Over 90 template letters and notices sent in relation to unfair dismissal matters have been reviewed and redrafted to date.⁴⁷ The FWC will next begin revising materials relating to other application types, and work to improve the plain language capabilities of its staff in client-facing roles.⁴⁸

2.30 The FWC's total revenue for 2018–19 was \$77.016 million, comprising \$74.84 million operating revenue from government and \$2.176 million in own-source revenue. It ran a funded deficit of \$1.519 million (excluding depreciation and amortisation). The Commission attributes this to the impact of the movement of bond rates resulting in higher employee provision balances and higher-than-anticipated remuneration costs.⁴⁹

Education portfolio

Department of Education

2.31 As a result of the May 2019 AAO, the department's name was changed from the Department of Education and Training to the Department of Education.⁵⁰ In accordance with the AAO changes, responsibility for vocational education and training, as well as apprenticeships, moved to DESSFB. Responsibility for the Adult Migrant English Program was transferred to the Department of Home Affairs.⁵¹

2.32 The 21 June 2019 nomination by the Department of Finance under subsection 17A(4) of the PGPA Rule assigned responsibility for preparing the annual report and performance statements for the 2018–19 reporting period to the entity with responsibility for functions during the majority of that period.⁵² Therefore, the Department of Education's 2018–19 annual report covers the above-mentioned portfolio responsibilities which have since been transferred to other departments.

45 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 8.

46 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, pp. 8 and 29.

47 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 8.

48 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 31.

49 Fair Work Commission, *Annual Report: Access to Justice 2018–19*, p. 127.

50 Administrative Arrangements Order on 29 May 2019, Summary of Changes, <https://www.pmc.gov.au/sites/default/files/publications/aao-summary-changes-20190529.pdf> (accessed 6 February 2020). See Chapter 1, footnote 1.

51 See Chapter 1, paragraph 1.6.

52 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 12.

2.33 The department has two outcomes:

Outcome 1—Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments; and

Outcome 2—Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.⁵³

2.34 With regard to the first outcome, the department's performance was mixed, achieving or being on track to achieve six of its nine identified targets.⁵⁴ A significant number of these targets related to the July 2018 implementation of the Commonwealth government's new child care package which is designed to increase access to affordable early learning and child care through the new Child Care Subsidy (CCS).⁵⁵ A key goal of the package is the targeting of child care support to vulnerable and disadvantaged families and communities through the Child Care Safety Net (CCSN).⁵⁶ The achievement of targets relating to this goal indicates that the new child care package is reaching those communities and families for which it is intended. One hundred per cent of the CCSN went to support vulnerable and disadvantaged families and communities: a total of \$104 million was allocated to 963 services assessed as eligible, and in the three quarters to March 2019, 40,760 children (27,200 families) had accessed the Additional Child Care Subsidy available under the package.⁵⁷ The target of transitioning at least 90 per cent of families to the CCS was achieved. This achievement also entailed an overall increase in the amount of families using child care: 1.02 million families had performed the necessary steps to access the CCS on 2 July 2018, compared with 882,540 using child care during the June quarter 2018.⁵⁸ These statistics suggest that the introduction of the CCS widened child care access.

2.35 The department's positive assessment of its implementation of the new child care package⁵⁹ was generally supported by the Australian National Audit Office (ANAO).⁶⁰ The ANAO's audit report found the department's design and governance

53 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, pp. 6 and 13.

54 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, pp. 19–26

55 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, pp. 3 and 14.

56 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, pp. 3 and 19.

57 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 19.

58 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 20.

59 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 14.

60 Australian National Audit Office (ANAO), *Design and Governance of the Child Care Package*, Audit Report No. 10, 2019.

of the package to be 'largely effective'.⁶¹ It commended the department's consideration of impacts on key stakeholders in the package's design, effective engagement strategy, and provision of appropriate advice to the Commonwealth government at key stages of design and implementation, as well as its effective management and oversight of the transition to the new system.⁶²

2.36 However, the ANAO report also identified a lack of focus on key policy objectives. It noted that the department failed to consistently foreground the objectives that were developed at the outset in line with the Commonwealth government's policy objectives.⁶³ This was evident in departmental documents, which did not consistently or accurately state the package's original objectives, the focus on which 'diminished over time'.⁶⁴

2.37 Under both outcomes, the Department of Education noticeably underperformed in respect of targets related to Indigenous children and students. Targets for 'Closing the Gap' between Aboriginal and Torres Strait Islander students and non-Indigenous students in reading, writing and numeracy, and in school attendance were both unmet.⁶⁵ While 'gains were made' in respect to the former target, school achievements for a disproportionate share of Indigenous children remained below the national minimum standards for all subjects measured.⁶⁶ Performance was worse with respect to school attendance, with the gap between Indigenous and non-Indigenous students actually increasing between 2014 (9.7 percentage points) and 2018 (10.2 percentage points).⁶⁷

2.38 Another target for 2018–19 was that 95 per cent of the Indigenous children who are enrolled in early childhood education in the year before commencing full-time school would be enrolled for 600 hours per year. This target was met—however, the overall percentage achieved represented a reduction compared to the previous year (95.6 per cent in 2018 compared to 96.7 per cent in 2017), after a consistent upward trend each year from 2013.⁶⁸ The department did not include this

61 Australian National Audit Office (ANAO), *Design and Governance of the Child Care Package*, Audit Report No. 10, 2019, p. 8.

62 Australian National Audit Office (ANAO), *Design and Governance of the Child Care Package*, Audit Report No. 10, 2019, p. 9.

63 Australian National Audit Office (ANAO), *Design and Governance of the Child Care Package*, Audit Report No. 10, 2019, p. 9.

64 Australian National Audit Office (ANAO), *Design and Governance of the Child Care Package*, Audit Report No. 10, 2019, pp. 8 and 9.

65 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, pp. 24–25.

66 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 24.

67 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 24.

68 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, pp. 21 and 22.

point in its analysis of the performance measure despite the data being adequately ascertainable from the graph provided.⁶⁹

2.39 For Indigenous students at the other end of their schooling, however, the trend is more positive. The department considers its target of halving the gap between Indigenous and non-Indigenous people aged 20 to 24 years in attainment rates of Year 12 or equivalent by 2020 as ‘on track’.⁷⁰ Australian Bureau of Statistics (ABS) data shows the gap has narrowed steadily between 2006 (37.6 percentage points) and 2016 (25 percentage points), giving the department confidence that the 2020 target of 18.8 percentage points is on track to be reached.⁷¹

2.40 Under outcome 2, all targets measuring the performance criterion of improving participation in higher education for students from previously disadvantaged groups were achieved, except that relating to Indigenous people.⁷² However, while targets were met for participation rates for low socioeconomic status students measured by both postcode⁷³ and ABS Statistical Level 1,⁷⁴ in both cases the proportion of these students in higher education decreased in 2018. In contrast, despite falling just short (1.9 per cent) of the target of two per cent of the higher education student population, the Indigenous proportion did actually increase. The department notes that this demonstrates a ‘continuing steady improvement in Indigenous access to higher education in recent years’.⁷⁵ While it refers to the department's Higher Education Statistics Collection as a source for its analysis, the report itself does not provide any statistical evidence for this ‘steady improvement’.

2.41 An area under outcome 2 in which the department excelled in 2018–19 was in relation to the international education sector. All targets measuring this performance criterion were met or exceeded.⁷⁶ Eighty-nine per cent of international students surveyed reported feeling satisfied or very satisfied with studying and living in Australia, citing the reputation of Australia's teaching and qualifications and confidence in personal safety as reasons for choosing to study in Australia.⁷⁷ The target of an average annual growth rate of 3 to 5 per cent was admirably exceeded, with 16 per cent growth in international education export earnings between 2017 and 2018.⁷⁸

69 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, Figure 2.1, p. 22.

70 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 26.

71 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 26.

72 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, pp. 30–32.

73 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 30.

74 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 31.

75 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 32.

76 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, pp. 36–38.

77 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 36.

78 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 37.

2.42 The Department of Education reported an operating profit of \$2.8 million (adjusting for depreciation and amortisation expense) in 2018–19.⁷⁹ This is an improvement on the \$14 million deficit reported in 2017–18.⁸⁰ The department administered \$39.2 billion in payments, including \$29.5 billion in grants. These were delivered within budget.⁸¹

Australian Institute for Teaching and School Leadership

2.43 AITSL was established in 2010 as a Commonwealth company under the *Corporations Act 2001*. It is wholly owned by the Commonwealth of Australia and is a public company limited by guarantee. Its purpose is to ‘provide national leadership for Commonwealth, state and territory governments in promoting excellence in the profession of teaching and school leadership’.⁸²

2.44 During the 2018–19 reporting period, AITSL achieved all of its agreed milestones within its Work Plan. The agency reported that awareness of its *Australian Professional Standard for Teachers* increased from 91 per cent of respondents in 2016 to 97 per cent in 2019. Awareness among surveyed respondents of the *Australian Professional Standard for Principals and the Leadership Profiles* was steady at 62 per cent.⁸³ There was also an increase in the agreement of surveyed respondents that AITSL's work was strongly evidence-based, with 62 per cent giving a rating of seven or higher out of ten in 2019, compared to 54 per cent in 2016.⁸⁴

2.45 AITSL undertook a number of activities during the reporting period. The following activities are of particular note:

- AITSL's work to strengthen the standards and procedures for accrediting initial teacher training (ITE) programs. Improvements to programs were based on research and consultations with stakeholders undertaken in 2017–18.⁸⁵ This has seen an increase in the number of nationally certified Highly Accomplished and Lead Teachers (HALTs).⁸⁶
- The appointment of a Senior Advisor, Aboriginal and Torres Strait Islander Education, as well as the establishment of the Advisory Group for Aboriginal and Torres Strait Islander Education with the aim of improving the cultural

79 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 52.

80 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 52; Department of Education and Training, *2017–18 Annual Report: Opportunity through Learning*, p. 67.

81 Department of Education, *2018–19 Annual Report: Opportunity through Learning*, p. 52.

82 Australian Institute for Teaching and School Leadership, *Annual Report 2018–2019*, p. 30.

83 Australian Institute for Teaching and School Leadership, *Annual Report 2018–2019*, p. 11.

84 Australian Institute for Teaching and School Leadership, *Annual Report 2018–2019*, p. 11.

85 Australian Institute for Teaching and School Leadership, *Annual Report 2018–2019*, pp. 6, 18 and 20.

86 Australian Institute for Teaching and School Leadership, *Annual Report 2018–2019*, pp. 20–21.

competency of teachers and school leaders. The advisory group has met twice during the reporting period, first in Melbourne and then in Cabbage Tree Island in NSW. Alongside this work, AITSL has also developed its own cultural competency with a number of staff engaged in professional learning. This cultural competency learning is important to supporting the agency's work with Indigenous and non-Indigenous stakeholders.⁸⁷

- AITSL developed the sixth edition of the *Initial Teacher Education (ITE) Data Report*, which provides key insights into the future of teaching. The report is ‘the only comprehensive publication that brings together aggregate, national data on ITE’, and provides data on the characteristics and study of undergraduate and postgraduate ITE students.⁸⁸ The 2019 edition will be released in late 2019.⁸⁹

2.46 AITSL reported an operating surplus of \$4.0 million for the reporting period. The total income of about \$20.7 million for 2018–19 increased from \$15.7 million in 2017–18.⁹⁰ Total expenses increased from \$14.0 million in 2017–18 to \$16.7 million in 2018–19. The majority of expenses comprised of employee benefits, and administration and program costs.⁹¹

Australian Curriculum, Assessment and Reporting Authority

2.47 ACARA is an independent statutory authority and corporate Commonwealth entity established under the *Australian Curriculum, Assessment and Reporting Authority Act* on 8 December 2008.⁹² It has been operational since 28 May 2009.⁹³ ACARA's purposes are set by its charter or further determined by the Council of Australian Government (COAG) Education Council, and relate to their functions of providing curriculum, assessment, data and reporting, and collaboration and leadership at the national level.⁹⁴

2.48 Performance during the reporting period was measured against criteria according to these purposes. The agency assessed all but one of the performance

87 Australian Institute for Teaching and School Leadership, *Annual Report 2018–2019*, p. 21.

88 Australian Institute for Teaching and School Leadership, *Annual Report 2018–2019*, p. 24.

89 Australian Institute for Teaching and School Leadership, *Annual Report 2018–2019*, p. 24.

90 Australian Institute for Teaching and School Leadership, *Annual Report 2018–2019*, pp. 44 and 52.

91 Australian Institute for Teaching and School Leadership, *Annual Report 2018–2019*, p. 52.

92 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, pp. 9 and 46.

93 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 9.

94 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, pp. 13 and 32.

criteria as either achieved or partially achieved.⁹⁵ Those performance criteria that were achieved consisted largely of ACARA's ongoing and regular assessment and reporting functions. In 2018–19, the agency published several reports, including:

- the *Monitoring the Effectiveness of the Foundation – Year 10 Australian Curriculum 2017–18* report, published in January 2019. Feedback from departmental, school and curriculum authorities in most states and territories indicated ‘broad satisfaction’ with the Australian Curriculum. However, further clarification, advice and support materials in several areas, such as the Digital Technologies curriculum and ICT capability, as well as literacy and numeracy ‘would be welcomed by teachers and schools’;⁹⁶
- a report of key findings from international comparative studies conducted by ACARA, published in February 2019. These findings inform ACARA's provision of evidence-based advice to the Australian Education Senior Officials Committee (AESOC) on refinements to the Australian Curriculum;⁹⁷ and
- the *National Report on Schooling in Australia 2017*.⁹⁸

2.49 New projects, reviews or expansions of ongoing functions, undertaken during the reporting period were assessed as partially achieved. The agency aimed to publish portfolios of work samples for the published curriculum by the end of 2018–19. Work samples demonstrate student knowledge, skills and understandings in relation to the achievement standards of the Australian Curriculum. This was partially achieved, with work samples for some languages and the revision and replacement of existing samples for English, Mathematics, History and Science, yet to be completed.⁹⁹

2.50 A planned review of National Assessment Program – Literacy and Numeracy (NAPLAN) Online processes, with the aim of identifying enhancements for future implementation, was also partially achieved.¹⁰⁰ Enhancements to NAPLAN Online that were implemented during the reporting period included improved access for students with audio and/or visual disabilities.¹⁰¹ Those aspects of the review which were not completed so as to render an assessment of 'partially achieved' are not made readily apparent from the agency's report.

2.51 ACARA also undertook a review of the Measurement Framework for Schooling in Australia. The aim of defining the scope of revisions required to be made

95 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, pp. 14–26.

96 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 16.

97 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 16.

98 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 22.

99 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 16.

100 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 20.

101 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 20.

to the Framework in accordance with agreed national measures was partially achieved. While a revised draft Measurement Framework was endorsed by the ACARA Board and submitted to AESOC in May 2019, AESOC deferred submitting the draft to the Education Council, 'pending decisions on related matters'.¹⁰²

2.52 The National Assessment Program (NAP) was delivered, with NAPLAN tests administered in both paper and online modes in May 2019.¹⁰³ During 2019 there was significant progress in the transition of NAPLAN from paper to online delivery. Approximately 50 per cent of students (670,000) participated online, compared to 15 per cent in 2018, and the Northern Territory and Tasmania participated in NAPLAN Online for the first time.¹⁰⁴ However, the decision taken during the reporting period to extend the transition period from 2020¹⁰⁵ to 2021¹⁰⁶ was not noted by the agency in its report. Nor did it note that this was a further extension of the original transition end date of 2019.¹⁰⁷ Under the PGPA Rule, ACARA is required to ensure that information included in its annual report is balanced, and should include 'any additional matters as appropriate'.¹⁰⁸ Such a decision taken during the reporting period has a necessary impact on the context and interpretation of performance measures relating to the progress of the NAPLAN Online transition, and as such is likely to be an additional matter that is appropriate to include, and thereby ensure the provision of 'balanced' information.

2.53 The Education Council has commissioned an investigation into the cause of technical disruptions affecting the online writing test on the first day of testing in 2019 so that they may be addressed before future assessments.¹⁰⁹ These technical problems were apparently a reason for the decision to extend the transition period for NAPLAN Online, though the agency does not note this in its report.¹¹⁰

2.54 A performance criterion that was not achieved was in relation to ACARA's operational capability: the agency failed to achieve a staff turnover rate consistent

102 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 23.

103 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 18.

104 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 18.

105 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2017–18*, p. 2.

106 Justin Hendry, 'Transition to NAPLAN online delayed by a year', *IT News*, 28 June 2019 <https://www.itnews.com.au/news/schools-get-another-year-to-transition-to-naplan-online-527439>.

107 Justin Hendry, 'NAPLAN Online transition could be pushed back by a year', *IT News*, 19 October 2017 <<https://www.itnews.com.au/news/naplan-online-transition-could-be-pushed-back-by-a-year-475740>> (accessed 11 February 2020).

108 *Public Governance, Performance and Accountability Rule 2014*, cl 17BD.

109 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 18.

110 Justin Hendry, 'Transition to NAPLAN online delayed by a year', *IT News*, 28 June 2019, <https://www.itnews.com.au/news/schools-get-another-year-to-transition-to-naplan-online-527439> (accessed 11 February 2020).

with turnover and retention benchmarks.¹¹¹ ACARA experienced a high level of turnover of ongoing staff during the reporting period—20.83 per cent (amounting to ten officers) of its ongoing staff departed in 2018–19. This is more than twice the turnover benchmark set according to the overall Australian Public Service rate of 9.5 per cent.¹¹² The agency ruled out any particular event as a cause, and does not consider it a cause of concern based on exit surveys.¹¹³ It noted that the departure of a high number of senior leadership personnel during the reporting period had a 'cascading effect' within the affected units of the organisation.¹¹⁴ ACARA also failed to meet the staff turnover and retention benchmarks over the 2017–18 reporting period, when it reported a staff turnover rate of 14.58 per cent.¹¹⁵

2.55 ACARA reported a deficit of \$0.61 million for the 2018–19 financial year.¹¹⁶ The agency notes that this reflects additional costs associated with the NAPLAN 2019 paper test development, due to the extended implementation of the transition to NAPLAN Online, and that the deficit is accommodated by savings generated from the unused NAPLAN Online writing marking funds in 2017–18.¹¹⁷

Senator the Hon James McGrath Chair

111 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 30.

112 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 30.

113 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 30.

114 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 30.

115 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2017–18*, p. 29.

116 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 46.

117 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2018–19*, p. 46.

