

DEPARTMENT OF EDUCATION AND TRAINING

2018-2019 ANNUAL REPORT



Education
and Training

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The Hon. James Merlino MP
Deputy Premier of Victoria and Minister for Education

The Hon. Gayle Tierney MP
Minister for Higher Education and Minister for Training and Skills

Dear Ministers

In accordance with the *Education and Training Reform Act 2006* and the *Financial Management Act 1994*, I am pleased to present the Department of Education and Training's Annual Report for the year ending 30 June 2019.

Yours sincerely



Jenny Atta

Secretary

17 October 2019

Secretary's letter

Creating a world class education system means equal dedication to delivering excellence and equity. The Department of Education and Training is focused on creating a pathway to lifelong learning for all Victorians, from early childhood, in schools and on to higher education and training. Our focus on delivering the Victorian Government's Education State reforms has seen improvements in outcomes for people in all stages of education and training.

The Education State starts in the early years. That's why the Department is continuing to deliver a suite of early childhood education reforms, to make the system bigger, better and fairer. This year, the Department introduced an Australian-first school readiness funding package, to build a more equitable early childhood education system. Since January, the funding has supported 580 kindergarten services in 25 local government areas, along with all Aboriginal Community Controlled Organisations, to address disadvantage and improve outcomes.

There have been significant improvements in the participation of priority groups of children in kindergarten because of our focused efforts and close collaboration with the early childhood education sector. Aboriginal children's participation in the year before school rose from 1,331 children in 2017 to 1,499 children in 2018. This is now comparable in percentage terms with non-Aboriginal children. The number of three-year-old children enrolled in kindergarten through the Early Start Kindergarten and the Access to Early Learning programs also rose from 1,667 in 2017 to 2,048 in 2018.

The Department has delivered programs to support leadership and practice improvements at kindergartens and schools. Leadership support benefited 155 services in 2018–19 and a further 60 received intensive mentoring and professional development support to boost the effectiveness of their educational programs. This year, we continued implementing the Literacy and Numeracy Strategy Phase 2 – a key pillar for our students to continue their learning in these foundational skills.

This strategy was accompanied by the development and implementation of the Middle Years Literacy and Numeracy Support initiative, which recruited 326 improvement and 29 network teachers to provide schools with extra, specialised support. In addition, 830 schools participated in the Department's Professional Learning Communities program and more than 200 Leading Literacy and Numeracy courses were held to improve teacher and leadership capability.

Student health and wellbeing is another key foundational support for lifelong learning excellence. That's why this year, the Department implemented a new health, wellbeing and inclusion model and trialled the Supporting Student Cohorts Affected by Family Violence initiative. Our new data collection processes more clearly identified those students needing additional support.

We are also well on the way to establishing the Mental Health Practitioners initiative, to provide every government secondary school with a suitably qualified on-campus mental health practitioner.

To further our world class education system, we are building on the successes of our *Skills First* reforms. In 2018–19, we made significant progress towards ensuring students can access quality training leading to real jobs. This included rolling out the Government’s Free TAFE for Priority Courses initiative. This initiative has doubled the number of enrolled students and boosted female participation in training to 59 per cent, from January to March 2019, compared to 51 per cent at the same time in 2018.

We have increased job security for TAFE teachers with a new multi-enterprise agreement that increases the number, scheduling and delivery of teaching hours. We have also strengthened our quality oversight program so contracts are only offered to providers with a demonstrated history of delivering quality training.

The Government’s significant \$4.1 billion education investment in the 2019–20 Victorian State Budget will keep lifting outcomes in our early childhood education services, schools, higher education, and training and skills centres.

The budget delivered the largest investment in school and kindergarten infrastructure in Victoria’s history. It also commits us to the most profound educational reform in our history of early learning—universal, subsidised kindergarten for three-year-olds.

Of course, none of this would be possible without the hard work, commitment, and responsiveness of our dedicated staff, early childhood educators, teachers, school support staff, principals, and Vocational Education and Training providers. I’d also like to extend my gratitude to our many partner agencies and stakeholders for their support, as we achieve outcomes that influence millions of lives.

This is an exciting time for our Department. It is time to keep building on our foundations and deliver the excellence and equity in education that Victorians seek and deserve.

I look forward to leading the Department into our next phase of reform.



Jenny Atta
Secretary

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Year in review

The Department of Education and Training is delivering the Victorian Government's commitment to making Victoria the Education State, providing all Victorians with the best learning and development experience, regardless of their background, postcode or circumstances. Education provides all Victorians with the skills and knowledge they need to actively participate in, and contribute to, our rapidly changing economy and society.

The Statement of Strategic Intent outlined in the *Department's Strategic Plan 2018–22* guides the provision of high-quality education, training, development, and child health and wellbeing services. Following this plan, the Department seeks to meet its objectives, including the Victorian Government's Education State targets.

Statement of Strategic Intent

The Department's Statement of Strategic Intent is:

Together we give every Victorian the best learning and development experience, making our state a smarter, fairer and more prosperous place.

As part of this, our vision is:

- children and young people are confident, optimistic, healthy and resilient
- students reach their potential, regardless of background, place, circumstance or abilities
- Victorians develop knowledge, skills and attributes needed now and for the jobs of the future
- the Department's workforce is high-performing, empowered, valued and supported.

Our objectives in achieving our strategic intent and vision are to:

- ensure Victorians have equitable access to quality education and training
- work with providers and partners to build an integrated birth-to-adulthood education and development system
- support children, young people and adults with well-coordinated universal and targeted services close to where they live
- activate excellence, innovation and economic growth.

In pursuing these objectives, the Department is committed to the Victorian public sector values of:

- responsiveness
- integrity
- impartiality
- accountability
- respect
- leadership
- human rights.

These public sector values underpin the behaviours rightly expected of all public sector employees. Acting consistently with these values strengthens the capacity of the Department to operate effectively and achieve its objectives.

Purpose and functions

The Department is responsible for delivering and regulating statewide learning and development services to at least one-third of all Victorians across the early childhood, school education, and training and skills sectors. The table below outlines the Department's services for 2018–19.

The Department's services by sector in 2018–19

Early childhood	School education	Training and skills
Birth to 8 More than 400,000 children and families	5 to 18 More than 970,000 students	15 to 65+ More than 346,000 participants in government-subsidised vocational education and training (VET)
<ul style="list-style-type: none"> • Maternal and Child Health (MCH) services • Early years learning and development including early childhood education and care (ECEC) services • Early childhood intervention services (ECIS) • Supported playgroups and parenting supports 	<ul style="list-style-type: none"> • Primary education • Secondary education • Special education • Health and wellbeing 	<ul style="list-style-type: none"> • Technical and further education (TAFE) • Universities • Private registered training providers • Learn Locals
<hr/> We have a diverse range of public, private and not-for-profit providers serving Victorians of all ages:		
<ul style="list-style-type: none"> • More than 4,200 approved education and care services providing long day care, kindergarten, outside-school-hours care, and family day care • Approximately 380 licensed children's services providing limited-hour services such as occasional care • 657 MCH service locations 	<ul style="list-style-type: none"> • 1,539 government schools • 715 non-government schools (496 Catholic schools and 219 independent schools) 	<ul style="list-style-type: none"> • 12 TAFE institutes • 8 public universities (four of which also provide vocational training), one specialised university, and campuses of the multi-state Australian Catholic University • 266 community-owned and managed not-for-profit organisations registered with the Adult Community and Further Education (ACFE) Board as Learn Local organisations eligible to deliver pre-accredited training • 321 government-contracted private registered training organisations (RTOs)

Changes to the Department during 2018–19

As part of machinery-of-government changes, effective from 1 January 2019 the MCH services and early parenting services were transferred to the Department of Health and Human Services (DHHS).

Discontinued operations

For the early childhood development output group, three measures relating to MCH services were transferred to DHHS.

Direct costs attributable to machinery of government changes

There were no direct costs attributable to the machinery of government change incurred by the Department or its entities that are consolidated into the Department's annual report pursuant to section 53(1)(b) of the *Financial Management Act 1994* (FM Act).

Achievements

The Education State is providing every Victorian with the knowledge, capabilities and attributes they need to thrive throughout their lives, and with the skills employers expect and industry needs. During 2018–19, the Department continued implementing the Government's statewide Education State reforms across early childhood education, school education, and the higher education and training and skills sectors.

Earlier and more connected support

- An estimated 92.1 per cent of eligible children attended four-year-old kindergarten in the year before starting school in 2018. While slightly lower than previous years this is strong by national standards. The numbers of Aboriginal children participating in four-year-old kindergarten increased from 1,331 children in 2017 to 1,499 in 2018. This is now equitable in percentage terms with non-Aboriginal children.
- Through the Pre-Purchased Places program in 2018, the Department reserved 663 kindergarten places across Victoria for vulnerable and disadvantaged children who may present at services outside normal enrolment periods. Pre-Purchased Places are now a permanent part of kindergarten funding, aimed at addressing systemic barriers to kindergarten enrolment.
- In 2018–19, the Department successfully introduced School Readiness funding. This Australian-first initiative aims to address educational disadvantage and improve outcomes for children in kindergarten. Around 580 kindergartens in 25 Local Government Areas (LGAs) and all Aboriginal Community Controlled Organisations benefited from the funding. Commencing in Term 1, 2019, the funding supports children in three priority areas:
 - communication (language development)
 - wellbeing (social and emotional)
 - access and inclusion.
- The Department's Online Transition Learning and Development Statement is making it easier for kindergarten services to support a child's transition to government schools, by sharing their learning progress information. For the first time the Online Transition Learning and Development Statement can be linked to the individual child's assessment record as they start school, allowing Prep teachers to better understand the child's educational background and to plan an appropriate learning and teaching program.
- The School-wide Positive Behaviour Support initiative helps schools to improve social, emotional, behavioural and academic outcomes for children and young people. The initiative enables teachers and students to establish a clearly defined set of behaviours to develop a positive, safe and supportive learning environment. The initiative is being implemented in 410 schools (27 per cent of all Victorian government schools). This equates to:
 - 23 per cent of all primary schools
 - 29 per cent of all secondary schools
 - 35 per cent of all P-12 schools
 - 58 per cent of all special schools
 - 25 per cent of language schools.

- In 2019, the Department provided 181 accredited community language schools with increased per capita funding (from \$215 to \$245 per student) to support students learning their home or heritage language. An additional 2,272 students were funded to learn a language at a community language school, increasing enrolments to 38,730 in 2019.
- The Department designed and implemented a health, wellbeing and inclusion practice model based on international best practice. It provides guidance and support for area-based health, wellbeing and inclusion workforces to:
 - improve collaboration between schools and area multidisciplinary teams
 - build a common language around health and wellbeing
 - improve the quality of interventions and supports provided to schools.
- The Department established the Mental Health Practitioners initiative. By 2022 this initiative will provide every government secondary school campus with a suitably qualified, school-based mental health practitioner.
- The Department partnered with Headspace and Victoria's primary healthcare networks to provide dedicated access to Headspace counselling for government school students. Students can now access Victoria's 24 Headspace centres and a telephone counselling line.
- The Head Start Apprenticeships and Traineeships initiative was established in more than 100 schools, supported by 54 new Head Start staff embedded in schools. Head Start allows students to spend more time undertaking paid, on-the-job training while completing their Victorian Certificate of Education (VCE) or Victorian Certificate of Applied Learning (VCAL) at school.
- On the tenth anniversary of the 2009 Victorian bushfires, the Department delivered the bushfires funding initiative to provide targeted leadership and learning support to affected students and staff. The initiative sought to ensure students' needs were fully identified and staff had the right tools to support their academic progress.
- The Inclusive Education Equipment Boost for Schools initiative delivered \$13.2 million to Victorian government schools to help students with disabilities and additional needs. Initiatives included:
 - flexible funding of \$7.7 million (\$5,000 to each Victorian government school)
 - \$2.4 million of specialised equipment to over 300 schools
 - \$1.5 million to the Statewide Vision Resource Centre's Blind and Low Vision Technology Library
 - \$200,000 of equipment and technology to support visiting teacher caseloads
 - \$579,000 to the Victorian School Building Authority (VSBA) to purchase and install hearing/amplification equipment and develop resource and best practice guidance for using assistive technologies and hearing equipment.
- The Department delivered a \$42 million suite of initiatives under the Additional Supports for Students with Disabilities package to increase their

participation, achievement and wellbeing. This included specialised equipment, scholarships for teachers and staff and funding to ensure government schools are taking an inclusive approach to students at every level.

- This year, the Department continued to deliver Marrung: Aboriginal Education Plan 2016–2026 to improve outcomes for Koorie learners including:
 - overseeing cultural understanding and safety training for all government school staff
 - administering the Marrung Education Scholarship for high-achieving Koorie students
 - developing an online resource package for teachers of students that speak Koorie English
 - developing options for a revised approach to supporting Koorie learners to engage and participate successfully in VET
 - coordinating the Certificate III in Learning an Endangered Aboriginal Language—the first course of its kind in Victoria.

Innovation and quality

- In another Victorian first, around 160 kindergarten services were selected, through an expression of interest, to deliver the Early Childhood Language Program. The program started in 2019 and helps 5,000 children to learn in another language.
- As part of broader Victorian Government drought relief initiatives, more than 30 funded kindergarten services received financial hardship grants of up to \$10,000. More than 600 families also received support through the Drought Kindergarten Fee Subsidy, enabling free or low cost access to kindergarten programs.
- This year, the Department welcomed over 5,500 international students from over 80 different countries into Victorian government schools and hosted 51 delegations from 20 countries and regions. This included 17 teacher delegations from Jiangsu Province, China, with which Victoria celebrated its 40th year sister state anniversary.
- The Department expanded the award-winning Victorian Young Leaders to China program to include India and Indonesia. Over 1,600 Year 9 students were funded to participate, with 25 per cent of places fully-funded for students from low socio-economic backgrounds. A further 1,000 Victorian government school places were provided to students from low socio-economic backgrounds and regional schools to participate in workshops and activities across Victoria. This included building intercultural capability through the Globally Engaged Learners program that provided funding for students to participate in six international education programs.
- The Department led education initiatives in the Victorian Government's India Strategy, including the Women in School Leadership pilot program, a reciprocal program in Victoria and India that builds the leadership capability of female school leaders. Eleven Victorian Government schools also received \$120,000 to connect with Indian communities.
- The Child Information Sharing (CIS) scheme allows authorised organisations and professionals who work with children, young people and their families to

share information to promote wellbeing and safety. The Department is the Whole of Victorian Government lead for the CIS scheme. In September 2018, the Department commenced and implemented the CIS scheme across several secondary and tertiary professional cohorts.

- The Department also completed the implementation of 10 state-of-the-art tech schools, as part of the Government's \$128 million commitment to expand the reach of tech schools. These innovative science, technology, engineering and mathematics (STEM) community hubs are owned and operated by a Victorian tertiary provider and governed in partnership with local schools, industry and other stakeholders. All 10 are fully operational and delivering cutting edge STEM learning programs to students from partner schools.
- In 2018–19, as part of the Music in Schools initiative, 150 schools received grants of \$5,000 to purchase music-related resources including musical instruments. In addition, 158 teachers across 75 schools participated in the DUET school music mentoring professional learning program. The 2018 State Schools Spectacular brought together more than 3,000 students from over 200 schools to perform to total audiences of more than 560,000 people.
- The Department commenced implementation of a suite of initiatives designed to transform career education in Victorian government schools, including My Career Insights, a new career advisory service providing one-on-one diagnostic assessment and career advice, and rollout of My Career Portfolio to Year 9 students. These initiatives will build the self-awareness and decision making skills of students in Years 7–9, so they can make informed, confident course and career choices in Years 10–12 and beyond.
- More than \$3 million in additional funding has been provided to schools to support the delivery of high-quality VET programs. This includes a new TAFE supplement to enable more schools to purchase high-quality programs from TAFE providers.
- The Department strengthened the eligibility and evaluation criteria for VET providers in its 2018–19 VET funding contracts. It also implemented a rigorous program of monitoring, investigating, and auditing VET provider requirements. This new program ensures that only the highest quality providers are selected to offer government subsidised training and education.
- During 2018–19, the Department continued to strengthen the links between Victoria's VET system and industry demand, to create a pipeline of skilled workers to meet current and future demand. In 2018–19, \$29.2 million was provided in Workforce Training and Innovation Fund grants to encourage industry bodies, businesses, TAFEs, and training organisations to form partnerships and explore new approaches to skills development, training methods and product design.
- The Department also reintroduced trade papers for graduating apprentices, to signal to employers and customers that the holder can apply occupational skills and is job ready.
- The Free TAFE for Priority Courses initiative reflects the Department's commitment to improve access to training that leads to real jobs. Fifty

courses are available and the financial barriers to training have been reduced, supporting students to develop skills that respond to industry demands.

- Free TAFE is bringing more people into the VET system, and attracting people who would not otherwise enrol. In the first quarter of 2019, more than 19,000 students began Free TAFE courses, more than twice the number from the same time last year. Free TAFE has also boosted female enrolments. From January to March 2019, 59 per cent of all Free TAFE students were female compared to 51 per cent at the same time in 2018.

World class facilities

- High-quality education and training services require world class facilities. The Department successfully registered nine new government schools for opening in Term 1, 2019 and completed 149 modernisation projects. The Department also carried out 348 school condition assessments as part of a rolling facilities evaluation program to assess each Victorian government school every five years.
- In November 2018 the Department's online School Maintenance Plan portal started helping schools budget, schedule and manage asset maintenance.
- The Department is implementing the Government's TAFE facilities modernisation program, which provides a prioritised pipeline of refurbishment and development projects. The projects upgrade TAFEs with world-class facilities to enhance the learner experience, reflect the values and culture of the local community, and align with the Government's Greener Government Building initiative. In 2018–19, three key redevelopment projects were funded:
 - Gippsland, Morwell—including a Future Skills Training Centre and a Technical Training Centre of Excellence
 - Gippsland, Port of Sale—consolidating facilities and services into a new educational community and industry hub
 - Bendigo Kangan Institute, Bendigo City Campus—developing a mixed-use education, community, arts and commercial precinct.
- The Government's reopening of Box Hill Institute's Lilydale campus resulted in new facilities and courses, including an integrated child care centre, an on-campus business service providing a key venue for corporate conferences and events, and a new off-site construction technologies diploma-level course.

Leadership and our workforces

- The Early Childhood Scholarships Program was launched on 1 October 2018 to fund people to develop a career in early childhood education. Over 231 scholarships have been delivered and 600 beginning teachers supported with grants to move them from provisional to full teacher registration with the Victorian Institute of Teaching (VIT).
- Early Abilities Based Learning and Education Support (ABLES) is an online tool that supports educators to plan and provide a more personalised learning experience for two to five year olds with disabilities or developmental delays. In 2018–19, 2,173 children were assessed, and professional learning provided to 145 nominated early childhood educator champions. Since 2016,

601 services have utilised the tool, with 51 per cent of services engaging directly in 2018–19.

- The Kindergarten Quality Improvement program supported approximately 155 services in 2018–19 to improve their leadership and management. A further 60 services are also being supported to improve educational programs and practices through intensive mentoring and professional development.
- Ninety leaders from primary schools and kindergartens are participating in the Department's Leading Assessment for Learning and Development—a community of practice approach. This program strengthens local decision making and develops a shared dialogue on assessment and transition practices between kindergartens and school leadership teams. The Changing the Climate conference held in March 2019 brought together 1,008 early childhood education, school and departmental staff to improve the development and sustainability of a positive learning climate.
- The Department implemented the Literacy and Numeracy Strategy Phase 2: Achieving Excellence and Equity in Literacy and Numeracy and released a revised school leaders' guide to improving literacy and numeracy outcomes.
- The Department also developed and implemented the Middle Years Literacy and Numeracy Support (MYLNS) initiative. The \$183 million initiative included:
 - recruiting 459 improvement teachers and 29 network teachers to give students additional teaching support to improve their literacy and numeracy
 - recruiting 19 student achievement managers to support and monitor the work of MYLNS teachers in schools
 - the development of a comprehensive suite of professional teaching and learning resources to support the newly recruited literacy and numeracy improvement and network teachers.
- The Professional Learning Communities (PLC) initiative builds a culture of collaborative teaching and continuous learning, and is currently implemented in 830 schools. To grow and implement the initiative quickly the Department:
 - recruited 17 PLC regional managers
 - established 17 PLC link schools
 - published a range of supporting resources on the Department's website.
- Seventeen area School-wide Positive Behaviour Support coaches facilitated professional learning to 1,243 school staff from 272 schools, including ongoing coaching support.
- The Differentiated Support for School Improvement (DSSI) initiative supported 230 schools to strengthen teaching and leadership practices.
- The Bastow Institute of Educational Leadership professional learning programs continue to engage and support teachers and principals. In the 2018 calendar year, there were:
 - 1,448 principals in leadership programs
 - 999 assistant principals in leadership development
 - 4,981 other staff in leadership development

- 660 staff in leading literacy and mathematics courses.
- By 2019 more than 2,600 pre-service teachers had completed practicum placements in 146 schools as part of a two-year Teaching Academies of Professional Practice agreement between schools and universities.
- The Department supported Victoria and Deakin universities to place 55 high-performing pre-service teachers into Victorian schools as part of the National Exceptional Teachers for Disadvantaged Schools initiative.
- In June 2019, 4,800 school leaders, school improvement teams and learning specialists attended the Education State School Leadership Conference: Leading Learning for Excellence. Participants had access to 19 leadership workshops with high calibre local and international expert practitioners, as well as reflective and interactive plenary sessions.
- Statewide professional development programs and registrations support for casual relief teachers (CRTs) were delivered through partnerships with the Teacher Learning Network and the VIT. Over 2,300 CRTs benefited from accessing professional development programs through the Teacher Learning Network portal or face-to-face professional development workshops in 2018–19.
- The introduction of a minimum Australian Tertiary Admission Rank (ATAR) score of 70 for entry into teaching courses was introduced, effective from January 2019. This was promptly exceeded—the first cohort of university applicants offered places had a minimum ATAR of 76.
- The Department is delivering the Primary Maths and Science Specialist initiative training to 299 government school teachers to support whole school improvement in maths, or science or both.
- The Department's focus on reform also included implementing a new TAFE multi-enterprise agreement in October 2018. The agreement includes significant reforms to the number, scheduling and delivery of teaching hours. The reforms increase job security for TAFE employees, and at the same time improve the student experience through greater flexibility in when, where, and how students learn.

Objectives, indicators and outputs

The Department's progress is reported under the objectives, outputs and indicators set out in the 2018–19 State Budget Paper No. 3 Service Delivery (BP3) as shown in the following table.

Progress and performance reporting

The Department's progress towards the BP3 objectives and indicators, and its performance against the output performance measures, is reported on pages 17–53.

Departmental objectives, indicators and linked outputs (BP3)

Objectives	Indicators	Outputs
Achievement Raise standards of learning and development achieved by Victorians using education, training, development and child health services.	<ul style="list-style-type: none">Children developmentally 'on track' on the Australian Early Development Census (AEDC) in the language and cognitive skills domains¹Proportion of early childhood services meeting or exceeding National Quality Standard Area 1 (NQSA1—educational program and practice)Students meeting the expected standard in national and international literacy and numeracy assessment²Average score in science (Programme for International Student Assessment (PISA) 15-year-olds) in Victoria compared to global top performers²Percentage of positive responses to teacher collaboration within school³Year 12 or equivalent completion rates of young people³VET course completionsCertificate III or above course completionsProportions of graduates with improved employment status after training	<ul style="list-style-type: none">Strategy, review and regulationEarly childhood developmentSchool education—primarySchool education—secondaryTraining, higher education, workforce development and skillsSupport services deliverySupport for students with disabilities

¹ These indicators refer to government and non-government schools.

² This indicator refers to government schools for the national assessments and both government and non-government schools for the international assessments.

³ These indicators refer to government schools.

Objectives	Indicators	Outputs
Engagement⁴ Increase the number of Victorians actively participating in education, training and development.	<ul style="list-style-type: none"> • Participation in a kindergarten service in the year before school • Proportion of ECEC services meeting or exceeding National Quality Standard Area 6 (NQSA6—Collaborative partnerships with families and communities) • Mean number of student absent days per full-time equivalent (FTE) a year³ • Mean number of unapproved student absence days per FTE per year in secondary schools³ • Students with a positive opinion about their school providing a stimulating learning environment³ • VET enrolments by age and gender • VET enrolments by administrative regions • VET enrolments by skills shortage category courses • VET enrolments by specialised category courses • VET participation by learners facing barriers • VET participation by unemployed learners • Proportion of VET students satisfied with the teaching in their course 	<ul style="list-style-type: none"> • Strategy, review and regulation • Early childhood development • School education—primary • School education—secondary • Training, higher education, workforce development and skills • Support services delivery • Support for students with disabilities

⁴ As a result of the November 2018 Machinery of Government changes, accountability for indicators relating exclusively to MCH services sit with DHHS.

Objectives	Indicators	Outputs
Wellbeing⁴ Increase the contribution education, training, development and child health services make to good health and quality of life for all Victorians, particularly children and young people.	<ul style="list-style-type: none"> • Proportion of children who have no behavioural issues on entry into Prep • Proportion of children who have no general development issues on entry into Prep • Children developmentally 'on track' on the AEDC social competence and emotional maturity domains • Students feeling connected to their school • Students with a positive opinion about their school providing a safe and orderly environment for learning • Level of student satisfaction with VET 	<ul style="list-style-type: none"> • Strategy, review and regulation • Early childhood development • School education—primary • School education—secondary • Training, higher education, workforce development and skills • Support services delivery • Support for students with disabilities
Productivity⁴ Increase the productivity of our services.	<ul style="list-style-type: none"> • \$ per kindergarten student per year (or EICS or MCH) • \$ per primary school student per year • \$ per secondary school student per year • \$ per VET student contact hour 	<ul style="list-style-type: none"> • Strategy, review and regulation • Early childhood development • School education—primary • School education—secondary • Training, higher education, workforce development and skills • Support services delivery • Support for students with disabilities

Progress towards achieving departmental objectives

The Department monitors the progress of children and young people as they move from early childhood into their school years, and then into further education and work. It also monitors progress of adult learners seeking to re-skill and re-engage with the workforce. Progress is measured through four objectives:

- achievement
- engagement
- wellbeing
- productivity.

The Department's suite of performance indicators shows performance against objectives is strong. Most Victorian children are engaging with early childhood services with high-quality engagement results. Victorian students are among the top performers in national literacy and numeracy and have maintained results in international testing at a time when Australia's overall performance failed to improve or declined.

There are, however, areas where achievement, wellbeing, engagement and productivity outcomes can be further improved. That is why the Government is

focused on making Victoria the Education State, providing excellence and equity in education—from early childhood through to school education, higher education, and the training and TAFE sectors.

Objective 1: Achievement

Raise standards of learning and development achieved by Victorians using education, development and child health services.

High-quality ECEC services set children up to achieve in the future. Implementing the Education State Early Childhood Reform Plan and its associated investments is creating a higher quality, more equitable and inclusive early childhood system. In 2018, 97 per cent of services met or exceeded NQSA1 (educational program and practice).

Most Victorian children enter school developmentally on track. Results from the 2018 AEDC show that 85 per cent of Victorian children are ‘on track’ in their language and cognitive development.

Victoria has an integrated system to support school improvement and improve student outcomes. Disadvantaged students and those who need more classroom assistance are being funded so schools can better target improvements according to their students’ needs, the school, and the local community.

Positive teacher collaboration is pivotal in building the Education State. The school staff survey of government school teachers indicates teacher perceptions of collaboration within their school are stable, with around 61 per cent responding positively to questions about it. Practice change across the education system is being supported through PLCs which help teachers to work more collaboratively by focusing on continuous improvement and linking the learning needs of students with the professional learning and practice of teachers.

More support to promote greater achievement, announced in the State Budget in May 2018, includes:

- investments in health and wellbeing reform
- careers education in government schools
- extra primary maths and science specialists to further strengthen STEM
- additional funding for the Navigator program to help disengaged students.

The STEM in the Education State plan provides schools with access to leading-edge resources and excellent teaching. This includes extra investments in primary maths and science specialists through the 2018–19 Budget to help Victorian learners acquire the STEM skills they need.

In June 2018, the Department released the Literacy and Numeracy Strategy Phase 2: Achieving Excellence and Equity in Literacy and Numeracy. Phase 2 included key actions for schools and regions to improve teaching and learning of literacy and numeracy, and information about new resources and professional learning to support schools. The strategy was implemented in collaboration with school leaders and teachers, and literacy and numeracy experts.

Victoria’s national testing performance remains strong. Since 2014, Victoria’s performance above the bottom three bands of the National Assessment Program—Literacy and Numeracy (NAPLAN) has improved for reading and numeracy in all year levels. Excellence in literacy and numeracy is also high with

increases in the proportion of students in the top two bands of reading and numeracy in every year level (except year 7 and 9 reading) since 2014.

Overall, government-funded VET activity in Victoria has decreased since a 2012 peak. Initiatives such as the Quality Assurance review blitz that started in July 2015 have considerably improved previous quality issues, and helped restore certainty and stability in Victoria's training system. The Department cancelled the contracts of several low-quality private training providers thereby reducing training activity numbers. The *Skills First* reforms, (implemented from 2017) continue to maintain a quality benchmark for providers and create stronger links between training and job outcomes.

In 2018, 90,300 students completed a VET course, with most completions (over 80 per cent) at Certificate III and above. This is 4.2 per cent less than the 2017 outcome, reflecting:

- a moderation of the downward trend in commencement
- shifts towards high-quality longer duration courses
- improving student retention rates.

Between 2014–2018, students with improved employment status after training was stable, with around four in ten reporting improvement. This should be interpreted alongside related output performance measures that show more students are achieving their main reason for training, and students and employers are more satisfied with their training.

Departmental indicators against achievement

Indicators	Unit	2014	2015	2016	2017	2018
Early childhood development						
Children developmentally 'on track' on the Australian Early Development Census language and cognitive skills domains						
Proportion of children developmentally 'on track' on the AEDC language and cognitive skills domains ⁵	per cent	–	84.7	–	–	84.6
Proportion of early childhood services meeting or exceeding NQSA1—Educational program and practice						
Proportion of early childhood services meeting or exceeding NQSA1	per cent	85.4	87.0	87.5	88.8	89.4

⁵ The AEDC is held every three years, with the 2018 AEDC data collection being the fourth collection.

Indicators	Unit	2014	2015	2016	2017	2018
School education						
Students meeting the expected standard in national and international literacy and numeracy assessments⁶						
NAPLAN Proportion of students above the bottom three bands:						
Year 3—Literacy	per cent	73.7	76.2	75.6	78.3	79.9
Year 3—Numeracy	per cent	69.1	66.4	67.8	71.7	71.6
Year 5—Literacy	per cent	64.1	62.2	66.2	66.9	70.4
Year 5—Numeracy	per cent	57.6	61.2	61.0	61.8	62.2
Year 7—Literacy	per cent	59.2	59.5	56.9	60.8	59.7
Year 7—Numeracy	per cent	56.4	56.4	62.1	64.2	61.1
Year 9—Literacy	per cent	50.6	50.2	48.9	50.4	53.0
Year 9—Numeracy	per cent	51.5	54.0	51.5	53.6	57.5
NAPLAN Proportion of students in the top two bands:						
Year 3—Literacy	per cent	51.2	53.6	54.1	56.5	58.3
Year 3—Numeracy	per cent	41.1	38.4	40.7	44.3	43.8
Year 5—Literacy	per cent	37.3	36.9	38.3	39.7	43.0
Year 5—Numeracy	per cent	28.7	31.9	31.7	30.6	31.1
Year 7—Literacy	per cent	29.8	30.1	27.4	30.9	28.5
Year 7—Numeracy	per cent	29.2	27.8	32.4	35.0	31.1
Year 9—Literacy	per cent	22.6	22.8	20.7	20.5	21.7
Year 9—Numeracy	per cent	25.3	26.1	23.3	23.8	27.2
Proportion of Year 4 students reaching international benchmarks (PIRLS) ⁷ —Reading	per cent	—	—	86.0	—	—
Proportion of Year 4 students reaching international benchmarks (TIMSS)—Mathematics ⁸	per cent	—	—	75.0	—	—

⁶ Victorian government and non-government schools.

⁷ Source: Progress in International Reading Literacy Study, 2016. Data collected every five years.

⁸ Source: Trends in International Mathematics and Science Study (TIMSS), 2015. Data collected every four years. Source: Thomson, Wernert, N and O'Grady, S (2015). TIMSS 2015: Reporting Australia's Results.

Indicators	Unit	2014	2015	2016	2017	2018
Proportion of Year 8 students reaching international benchmarks (TIMSS)—Mathematics ⁸	per cent	–	–	69.0	–	–
Proportion of 15-year-old students achieving at or above proficient standard (level 3) in PISA reading literacy ⁹	per cent	–	63.0	–	–	–
Proportion of 15-year-old students achieving at or above proficient standard (level 3) in PISA mathematical literacy ⁹	per cent	–	58.0	–	–	–
Average score in science (PISA 15-year-olds) in Victoria compared to global top performers						
Average score in science (PISA 15-year-olds) in Victoria compared to global top performers ¹⁰	mean score	–	-14	–	–	–
Percentage of positive responses to teacher collaboration within school						
Percentage of positive responses to teacher collaboration within school	per cent	62.4	60.9	60.6	61.2	60.9
Higher education and skills						
VET course completions						
VET completions ¹¹	number	–	149,800	107,900	94,300	90,300
Year 12 or equivalent completion rates of young people						
Year 12 or a non-school qualification at Certificate II level or above of young people 20–24 years ¹²	per cent	89.0	89.5	92.6	87.7	90.5

⁹ PISA data collected every three years. In Australia, the national agreed baseline, as agreed in the Measurement Framework for Schooling in Australia (May 2015), is at or above the National Proficient Standard (Level 3).

¹⁰ Top performing PISA jurisdictions are defined as the top 25 per cent of jurisdictions by mean score (both countries and economic areas) undertaking the PISA test in that cycle. Country/economic area rankings may shift over time.

¹¹ Source: Internal Departmental administrative data from the Skills Victoria Training System (SVTS) database. Data are not available for this measure prior to 2015. In addition, this measure should be interpreted with care because completion reported in any particular year relates to training which may have commenced either in that year or in previous years.

¹² Source: ABS Survey of Education and Work (cat.no. 6227.0). These are survey estimates and hence are subject to statistical error. Outcomes reported for 2014–2017 are consistent with previous Annual Reports but differ slightly from those reported in the May 2018 ABS publication, as ABS revises this time series for various reasons, as described at <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6227.0Explanatory%20Notes1May%202018?OpenDocument>.

Indicators	Unit	2014	2015	2016	2017	2018
Certificate III or above completions¹³						
Certificate III or above completions	number	–	120,700	87,100	75,000	72,900
Other	number	–	29,100	20,800	19,400	17,300
All qualifications	number	–	149,800	107,900	94,300	90,300
Proportion of graduates with improved employment status after training						
Proportion of graduates with improved employment status after training ¹⁴	per cent	51.0	50.6	47.1	51.4	50.1

Objective 2: Engagement

Increase the number of Victorians actively participating in education, development and child health services.

The Education State is focused on providing all Victorian children, young people, and adults access to high-quality education and development. Early childhood sector reforms are making early childhood services more accessible and inclusive, and supporting higher-quality education.

Kindergarten programs have well documented long-term academic and social benefits for children. More than 90 per cent of Victoria's children were enrolled in kindergarten in the year before school. Following the Australian Bureau of Statistics (ABS) *Census of Population and Housing* in 2016, population estimates were revised contributing to a decrease in the participation rate in 2017 and 2018¹⁵. Notwithstanding these revisions, enrolment data indicates a small decrease in participation in 2018. The reasons for this small decrease are complex and varied, with some parents choosing not to send their children to kindergarten and others facing barriers to participation.

The Productivity Commission's *Report on Government Services* in 2019 shows that Victoria has a high pre-school (kindergarten) participation rate of 93.9 per cent against a national average of 90.1 per cent¹⁶.

So that all children reap the benefits of kindergarten, the Department is focusing on cohorts most likely to miss out on kindergarten, such as:

- children in out-of-home-care
- newly-arrived immigrants
- refugees
- Aboriginal children and Koorie families

¹³ Source: Internal Departmental administrative data from the SVTS database.

¹⁴ Source: Victorian Student Satisfaction Survey (multiple years). The increase from 2016 to 2017 is partly due to a change in the methodology used to construct the measure in the 2018 Survey. Specifically, respondents were given an extra response option to the question asking about the job-related benefits gained from training. Data for 2014 to 2017 have been revised from those reported in the 2016–17 and 2017–18 Annual Reports to ensure that the indicator includes only students who completed their training in the reporting year. The previous methodology also included students who withdrew without completing their course.

¹⁵ Kindergarten enrolment rates for 2017 and 2018 are not directly comparable with previous years as they are calculated using rebased ABS population estimates following release of the 2016 Census of Population and Housing.

¹⁶ Source: Productivity Commission Report on Government Services 2019, Table 3A.18

- children in long and family day care
- faith schools or language schools without a kindergarten program.

Dedicated efforts in recent years have seen significant improvements in participation by certain cohorts, particularly Aboriginal children and three-year-olds known to Child Protection and eligible for Early Start Kindergarten. The challenge is to replicate this success for other cohorts that may be more difficult to define or reach. This requires further analysis of data, alongside engagement with local communities.

Three-year-old kindergarten reform will see a record investment of \$5 billion over ten years into initiatives to create a high-quality, more equitable and inclusive early childhood system to give Victorian children the best start in life. Along with core subsidies to enable all three-year-old children to access a local, teacher-delivered kindergarten program, this funding will also enable targeted supports to be proportionally scaled up to ensure quality and inclusivity for children who have a disability, developmental delay, or are experiencing vulnerability or disadvantage.

Victoria's ECEC sector continues to provide high levels of care with most service providers performing strongly against national standards. In 2018, 96.9 per cent of Victorian ECEC services met or exceeded NQSA6—collaborative partnerships with families and communities. This high-quality level has remained stable across the past five years.

There is a strong correlation between student attendance and learning outcomes. Improving engagement can reduce absenteeism, and vice versa. Nationally, Victoria is the only jurisdiction where average government school attendance across Years 1 to 10 remains above 90 per cent, at 92.2 per cent.¹⁷ Between 2017 and 2018, the average days absent per full time equivalent student in government schools remained stable. Importantly, unapproved absences for Years 7 to 12 students have decreased since 2014. This is partially attributable to an increased focus on absence within government schools, with anecdotal evidence suggesting better monitoring has increased reporting.

The importance of increasing student engagement is recognised not only through the Education State target to increase the proportion of students staying in education but also through programs like Navigator, LOOKOUT education support centres and the 'positive climate for student learning' priority area of the Framework for Improving Student Outcomes (FISO). Recently announced student health and wellbeing reforms will deliver system-wide improvements to help students get the support they need to stay engaged.

Positive engagement with schooling leads to improved student achievement. Since 2014, secondary students who agree or strongly agree their school provides a stimulating learning environment has increased, though there are improvements to be made in the primary years.

VET enrolments continued to decline between 2017 and 2018, but there is evidence the training system is stabilising as a result of reforms over recent years. The contraction in the Victorian government-funded VET market is attributable to several factors, including:

¹⁷ Source: Productivity Commission Report on Government Services (RoGS) 2019, Table 4A.18

- the *Skills First* reforms, which are among a wide range of actions taken to ensure Victoria has a high-quality training and TAFE system. This includes the \$9 million Quality Assurance review blitz in 2015 which removed low-quality training providers from the government-funded training system. The continuing *Skills First* reforms are explicitly designed to continue this refocusing of the government-funded training system to ensure that training is targeted to job outcomes and the skills needs of Victorian industry
- a deliberate shift to high-quality training providers—for example, 68 per cent of the decline in government-subsidised course enrolments from 2016 to 2017 related to providers that had their funding removed between 2016 and 2017
- stronger targeting to courses linked to government priorities—*Skills First* limits training that does not lead to employment or that exceeds workforce demands
- substitution towards university education—the share of the Victorian population with a university degree continues to increase, from 32.7 per cent in 2016 to 33.9 per cent in 2017 and 34.1 per cent in 2018
- fewer enrolments continuing from previous years—39 per cent of the decline in government-subsidised course enrolments in 2018 related to continuing enrolments (rather than new commencements), up from 29 per cent between 2016 and 2017. This reflects historic declines associated with previous policy settings that reduced subsidies.

Satisfaction with the quality of VET remains high, at 85.2 per cent for 2017, and averaging 84.6 per cent over the last four years. Improvements in training quality over recent years reflect the success of initiatives led by the quality blitz from July 2015 and continuing *Skills First* reforms.

Departmental indicators against engagement

Indicators	Unit	2014	2015	2016	2017	2018
Early childhood development						
Participation in a kindergarten service in the year before school						
Participation in a kindergarten service in the year before school ¹⁸	per cent	96.4	98.1	96.2	93.4	92.1 ¹⁹
Proportion of ECEC services meeting or exceeding NQSA6 –Collaborative partnerships with families and communities						
Proportion of ECEC services meeting or exceeding NQSA6	per cent	96.3	96.8	95.9	96.2	96.9

¹⁸ In 2014, the methodology changed slightly due to an improvement in available data and analysis methods. The method of identifying and excluding second year enrolments has been improved and the participation rate is now based on a child count rather than an enrolment count. In 2016, an improved methodology was developed for estimating the kindergarten participation rate to more accurately reflect the actual age distribution of children enrolled in kindergarten and for alignment with school/kindergarten entry age.

¹⁹ Kindergarten participation is measured as the number of children enrolled in kindergarten divided by an estimated ratio of the number of four and five year old children eligible to enrol in kindergarten in the year before school. This is a function of updates to the estimated residential population following the 2016 ABS Survey of Housing and Population and enhancements to the estimated ratio of four and five year old children likely to be participating in kindergarten.

Indicators	Unit	2014	2015	2016	2017	2018
School education						
Mean number of student absent days per full-time equivalent (FTE) a year²⁰						
Year 5	number	14.1	14.4	15.1	15.5	15.6
Year 6	number	14.6	15.1	15.6	16.3	16.3
Years 7–10	number	19.5	19.3	19.7	20.2	20.4
Years 11–12	number	16.0	16.8	16.6	16.6	16.9
Mean number of unapproved student absence days per FTE per year in secondary schools²¹						
Year 7–12	number	7.7	7.9	8.0	7.8	6.6
Students with a positive opinion about their school providing a stimulating learning environment²²						
Proportion of students who agree or strongly agree that their school provides a stimulating learning environment:						
Years 5–6	per cent	63.5	61.1	59.1	57.7 ²³	56.6
Years 7–10	per cent	21.7	20.9	20.5	21.8	24.9
Years 11–12	per cent	20.0	19.8	18.8	26.5	26.1
Higher education and skills						
VET enrolments by students' age and gender²⁴						
15–19 years	number	85,300	69,900	59,300	53,500	49,900
20–24 years	number	93,100	80,200	69,700	65,200	60,700
25–44 years	number	167,100	141,600	121,500	110,800	100,000
45–64 years	number	87,400	75,100	62,900	56,100	49,500
Under 15, over 64 and not stated	number	10,700	11,000	7,700	6,800	5,900
Female	number	208,100	177,100	153,400	144,600	133,500
Male	number	234,900	199,600	166,900	147,000	131,800

²⁰ Victorian government schools. Data extracted on 11 June 2019.

²¹ Victorian government schools. Data extracted on 11 June 2019. Unapproved categories include unexplained and parent choice unauthorised only.

²² Victorian government schools. Derived from multiple questions. Only students who responded 'agree' or 'strongly agree' on all relevant questions are included. Other students gave mixed or opposing views. Source: Department of Education and Training Attitudes to School Survey.

²³ The introduction of a new survey instrument and delivery mode from 2017 onwards means that time series data may not be directly comparable.

²⁴ Source: Internal Departmental administrative data from the SVTS database.

Indicators	Unit	2014	2015	2016	2017	2018
VET enrolments by administrative region²⁴						
South western	number	230,500	178,600	144,300	129,500	114,000
North western	number	105,400	97,900	82,600	76,300	72,700
North eastern	number	86,100	70,800	64,700	60,600	55,700
South eastern	number	130,900	116,300	92,500	81,300	73,500
VET enrolments by courses by skills shortage category courses²⁴						
Government-subsidised enrolments in skill demand occupations	number	166,600	148,100	124,800	111,500	99,900
VET enrolments by specialised category courses²⁴						
Government-subsidised enrolments in specialist occupations	number	88,900	83,800	74,400	69,800	68,400
VET participation by learners facing barriers²⁵						
Women seeking to return to work (aged 35–64)	number	20,600	19,400	17,600	17,300	15,500
People with no prior Certificate III (aged 20–64)	number	259,800	209,800	169,100	150,200	133,300
Early school leavers (aged 15–19)	number	28,800	23,900	21,400	19,300	18,200
Indigenous people	number	6,200	5,500	5,100	5,000	4,900
People with a disability barrier	number	41,300	38,200	34,400	31,100	29,100
VET participation by unemployed learners²⁵						
VET participation by unemployed learners	number	135,900	113,200	87,900	75,400	62,800
Proportion of VET students satisfied with the teaching in their course						
Proportion of VET students satisfied with the teaching in their course ²⁶	per cent	87.3	83.3	85.6	85.6	n/a ²⁷

²⁵ Source: Internal Departmental administrative data from the SVTS database.

²⁶ Source: National Centre for Vocational Education Research (NCVER) National Student Outcomes survey. From 2017, the survey excludes students aged under 18 years of age. Data from previous years have been revised by NCVER to exclude students aged under 18 years of age to ensure comparability with the survey outcomes from 2017 onward.

²⁷ NCVER National Student Outcomes Survey data for training in 2018 will not be available before December 2019.

Objective 3: Wellbeing

Increase the contribution that education, development and child health services make to Victorians' good health and quality of life, particularly for children and young people.

The Education State agenda prioritises the best possible education system that promotes and nurtures health and wellbeing. Reforms seek to develop happy, healthy and resilient children and young people who are engaged with their learning and development journey, regardless of their social or economic background.

Wellbeing indicators are positive for most Victorian children starting school. As identified by parents through the school entrant health questionnaire, more than 80 per cent of children start with a low risk of behavioural problems, and more than three-quarters are assessed by their teachers as 'on track' against the AEDC social competence or emotional maturity domains (77.7 per cent). School readiness funding in kindergarten programs is improving children's social and emotional wellbeing through a number of programs such as Bridges out of Poverty and Emerging Minds. This funding is supporting children in kindergarten in 25 LGAs and all Aboriginal Community Controlled Kindergarten services in 2019.

Around 46 per cent of children entering Prep had no parent-identified general development issues, up from a low of 44 per cent in 2017. Parent awareness of developmental issues may be a contributor to this result and means more families can discuss developmental concerns with schools and access further support.

Student wellbeing factors, such as feeling safe and connected to school, are important to student happiness and other aspects of school life. Most Victorian government school students feel connected to their school. Over the past five years, the proportion of students who agree or strongly agree that they feel connected remained largely stable at just over 60 per cent of primary school students and 30 per cent of secondary students. The 2018 results were similar to the results in 2017.

The Attitude to Schools survey measures students' perceptions of school safety. In 2017, the survey was revised to characterise perceptions of safety as the absence of bullying. Due to these changes, results prior to 2017 may not be directly comparable. In 2018, the survey showed that approximately 60 per cent of primary and secondary students felt their school was safe. This result was an improvement in comparison to 2017 results.

From 2017, the Attitude to School survey also introduced a more accurate classroom behaviour measure. The 2018 data indicates that nearly all (94 per cent) Years 5–6 students believe their teacher sets clear rules. Just over half of secondary school students believe misbehaving students are managed effectively (55.4 per cent of Years 7–10 and 59.2 per cent of Years 11–12). This is a small improvements since 2017, particularly with secondary school students.

Additional investment in student health and wellbeing, announced in the 2018–19 State Budget, provides additional school nurses, allied health services extra mental health support.

Departmental indicators against wellbeing

Indicators	Unit	2014	2015	2016	2017	2018
Early childhood development						
Proportion of children who have no behavioural issues on entry into Prep						
Proportion of children who have no behavioural issues on entry into Prep	per cent	86.1	83.9	83.9	82.7	80.3
Proportion of children who have no general developmental issues identified by parents on entry into Prep	per cent	48.2	46.9	45.6	43.8	46.0
Children developmentally 'on track' on the Australian Early Development Census social competence and emotional maturity domains						
Social competence domain	per cent	–	77.2	–	–	77.3
Emotional maturity domain	per cent	–	77.5	–	–	77.7
School education²⁸						
Students feeling connected to their school						
Proportion of students who agree or strongly agree that they feel connected to their school						
Years 5–6	per cent	66.6	65.8	64.7	62.6 ²⁹	61.4
Years 7–10	per cent	33.4	34.0	33.2	32.4	32.7
Years 11–12	per cent	26.0	25.4	23.6	31.4	32.6
Students with a positive opinion about their school providing a safe and orderly environment for learning						
Proportion of students who agree or strongly agree that their school is 'safe'						
Years 5–6	per cent	64.1	60.3	60.1	57.0 ³⁰	59.4
Years 7–10	per cent	60.0	58.7	58.1	59.5 ³⁰	61.0

²⁸ These school education measures relate to Victorian government schools and are derived from multiple questions. Only students who responded 'agree' or 'strongly agree' on all relevant questions are included. Other students gave mixed or opposing views. Source: Department of Education and Training, Attitudes to School Survey.

²⁹ The introduction of a new survey instrument and delivery mode from 2017 onwards means that time series data may not be directly comparable.

³⁰ The introduction of a new survey instrument and delivery mode from 2017 onwards means that time series data may not be directly comparable. For 2017, students who feel safe are those that do not report that they have been bullied, teased, left out of things on purpose/had rumours spread about them or been hit, kicked, hurt or threatened this term.

Indicators	Unit	2014	2015	2016	2017	2018
Years 11–12	per cent	66.3	64.9	64.6	76.4 ³⁰	77.3
Proportion of students who believe their teacher sets clear rules / manages misbehaviour effectively ³¹						
Years 5–6	per cent	–	–	–	93.2	94.0
Years 7–10	per cent	–	–	–	53.3	55.4
Years 11–12	per cent	–	–	–	57.7	59.2
Higher education and skills						
Level of student satisfaction with VET						
Proportion of graduates satisfied with the overall quality of training ³²	per cent	83.7	84.3	85.3	85.2	n/a ³³

Objective 4: Productivity

Increase the economic and social return on expenditure of the Department of Education and Training's services.

In 2017–18, the Victorian Government increased the standard per-capita rate paid in the early childhood sector for kindergarten services.

The unit cost per primary and secondary school student increased between 2014–15 (reported as 2014) and 2016–17 (reported as 2016) with higher unit costs for secondary schools.

The unit cost per VET student contact hour (in 2017 dollars) has increased from \$9.89 an hour in 2014 to \$15.09 an hour in 2017, averaging \$11.98 an hour over this period.

Departmental indicators against productivity

Indicators	Unit	2014	2015	2016	2017	2018
Early childhood development						
Dollar per kindergarten student per financial year in the year prior to school (or ECIS or MCH³⁴)						
Minimum funding available to the majority of children (approximately 93 per cent in 2017) who	\$ per child	2,112.0	2,175.3	2,260.0	2,336.7	2,366.0

³¹ From 2017, the revised Attitude to School survey asks students about the way their teacher manages the classroom and misbehaviour in the classroom. This measure replaces the 'students who are disruptive in class measure'.

³² Source: National Centre for Vocational Education Research (NCVER) National Student Outcomes survey. From 2017, the survey excludes students aged under 18 years. Data from previous years have been revised by NCVER to exclude students aged under 18 years to ensure comparability with the survey outcomes from 2017 onward.

³³ NCVER National Student Outcomes Survey data for training in 2018 will not be available before December 2019.

³⁴ As a result of the November 2018 Machinery of Government changes, accountability for indicators relating exclusively to MCH services sit with DHHS.

Indicators	Unit	2014	2015	2016	2017	2018
access a kindergarten program in the year prior to school ³⁵						
School education—primary and secondary³⁶						
Dollar per primary school student per financial year						
Government real recurrent expenditure (including user cost of capital) per FTE student in primary schools (2016–17 dollars) ³⁷	\$ per FTE student	13,139.3	13,917.7	14,134.1	n/a ³⁸	n/a ³⁸
Dollar per secondary school student per financial year						
Government real recurrent expenditure (including user cost of capital) per FTE student in secondary schools (2016–17 dollars) ³⁷	\$ per FTE student	16,544.2	17,318.6	17,632.2	n/a ³⁸	n/a ³⁸
Higher Education and Skills						
Dollar per VET student contact hour per calendar year³⁹						
Victorian Government real recurrent expenditure per annual hour (2017 dollars)	\$ per hour	9.89	10.69	12.24	15.09	n/a ⁴⁰

³⁵ A small proportion of children who access a kindergarten program in a non-government school (around five per cent) receive less (State Government component between \$368 and \$1,194 in 2016–17). Additional loadings are provided for children based on characteristics including living in a rural area, Aboriginal or Torres Strait Islander status, or being holders of health care or pension cards or refugee or humanitarian visas. Additional resourcing for delivery of the program is provided through parental fees and service fundraising.

³⁶ Victorian government schools. Source: Productivity Commission RoGS 2019, Table 4A.15. 2014–15 data is published under 2014, 2015–16 under 2015, and 2016–17 under 2016.

³⁷ Government expenditure refers to Australian and Victorian government expenditure. Time series financial data are adjusted to 2015–16 dollars using the General Government Final Consumption Expenditure (GGFCE) chain price deflator.

³⁸ RoGS are published in early February each year. There is a time lag in reporting financial data. 2017–18 results will be released in the 2020 RoGS and 2018–19 data will be published in the 2021 RoGS.

³⁹ Source: Productivity Commission RoGS 2019, Table 5A.2. The figures for 2014–2017 have been updated to 2017 dollars and hence do not align with the corresponding time series in the 2016–17 Annual Report (which was denominated in 2016 dollars).

⁴⁰ RoGS is published in early February each year. There is a time lag in reporting financial data. 2018 results will be released in the 2020 RoGS.

Performance against output performance measures

The Department's outputs are reported in seven groups. These are:

- Strategy, review and regulation
- Early childhood development
- School education—primary
- School education—secondary
- Training, higher education and workforce development
- Support services delivery
- Support for students with disabilities.

These output measures refer to the financial year unless indicated.

Strategy, review and regulation

This output group develops, plans and monitors strategic policy settings across all stages of learning. It includes inter-governmental negotiations as well as research, data and performance evaluations. This output group also measures regulation to ensure quality education and training is delivered and contributes to the Department's objectives.

Strategy, review and regulation performance measures

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Quantity					
Number of RTOs quality audits and school reviews undertaken annually	number	102	87	-14.7	■
<i>The 2018–19 actual is lower than the 2018–19 target due to a small number of RTOs scheduled for audit moving to the national regulator or voluntarily cancelling registration after ceasing operations.</i>					
Quality					
Education peak bodies that rate the Victorian Registration and Qualifications Authority (VRQA) effective or highly effective in performing its regulatory function	per cent	90	90	0.0	✓
<i>No footnote required.</i>					
Regulated schools and RTOs that rate the VRQA effective or highly effective in performing its regulatory function	per cent	90	94	4.4	✓
<i>The 2018–19 actual is higher than the 2018–19 target due to schools and RTOs reporting higher satisfaction with the VRQA.</i>					
Percentage of government schools where an enrolment audit is conducted	per cent	32.8	32.7	-0.3	○
<i>This performance measure relates to the calendar year.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Cost					
Total output cost	\$ million	116.8	123.2	5.5	■

The higher 2018–19 actual compared with the 2018–19 target is primarily due to the impact of higher investment in the Department's development, planning and monitoring of strategic policy settings in 2018–19 in order to implement the new operating model in the regions.

Key: ✓ Target achieved or exceeded ○ Target not achieved—less than 5% variance ■ Target not achieved—more than 5% variance

Early childhood development

This output involves the provision of kindergarten and children's services. Services include the monitoring of education and care services and specialist services to improve access to kindergartens for disadvantaged children. This output provides early intervention and parenting support. It also includes a range of services and support for children with a developmental delay or disability and their families. This output group also supports regulation that ensures quality education is delivered and contributes to the Department's objectives of achievement, engagement, wellbeing and productivity.

Early childhood development performance measures

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Timeliness					
Contribution to National Disability Insurance Scheme costs paid on time	per cent	100	100	0.0	✓

This performance measure is proposed to be discontinued as funding associated with State contributions to the NDIS is complete and funding for ongoing support packages is now reflected in the measure 'Total number of children receiving Early Childhood Intervention Services'.

Timely transfer of client data that complies with the agreed schedule and the NDIA data standard to the NDIA	per cent	100	100	0.0	✓
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This performance measure is proposed to be discontinued as all scheduled data transfers have been completed.

Quantity					
Children funded to participate in kindergarten in the year before school	number	78,000	78,406	0.5	✓

This performance measure relates to the calendar year. This performance measure includes first and second year kindergarten participants.

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Aboriginal children funded to participate in kindergarten in the year before school	number	1,300	1,499	15.3	✓
<i>This performance measure relates to the calendar year. This performance measure includes first and second year Aboriginal kindergarten participants. The 2018–19 actual is higher than the 2018–19 target due to a population estimate based on the 2011 census. This population estimate will be updated in mid-2019, rebased using data collected in the 2016 Census.</i>					
Kindergarten participation rate in the year before school	per cent	96.0	92.1	-4.1	○
<i>This performance measure relates to the calendar year and excludes children who participate in a second year of the four-year-old kindergarten program. The 2018–19 actual is lower than the 2018–19 target due to increased population estimates following the 2016 Census and a small drop in the number of first year enrolments in 2018.</i>					
Kindergarten participation rate for Aboriginal children in the year before school	per cent	90.0	92.4	2.7	✓
<i>This performance measure relates to the calendar year. This performance measure excludes children who participate in a second year of the four-year-old kindergarten program. The 2018–19 actual is higher than the 2018–19 target, and as forecast at the time, representing an update of the 2018–19 actual from 100 per cent as published in State Budget Paper 3. This update reflects the rebased population estimates from the 2016 ABS census and will be footnoted in the forthcoming 2020–21 State Budget Paper 3.</i>					
Children funded to participate in kindergarten in the two years before school	number	1,500	1,922	28.1	✓
<i>This performance measure relates to the calendar year. The 2018–19 actual is higher than the 2018–19 target due to the sustained focus on initiatives designed to improving early learning participation, such as the Early Years Compact, Koorie Kids Shine at Kindergarten, and the Early Childhood Agreement for Children in Out-of-Home Care. This performance measure includes first and second year Aboriginal kindergarten participants.</i>					
Total number of children receiving Early Childhood Intervention Services	number	4,300	5,700	32.6	✓
<i>This performance measure relates to the calendar year. This relates to an initiative to reduce the statewide waiting list until full scheme implementation of the National Disability Insurance Scheme (NDIS). The 2018–19 actual is higher than the 2018–19 target due to the slower transition of children into the NDIS than expected.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Quality					
Education and care services offering a funded kindergarten program assessed as exceeding the National Quality Standard	per cent	45	46	2.2	✓
<i>This performance measure relates to the calendar year.</i>					
Education and care services offering a funded kindergarten program assessed as meeting or exceeding the National Quality Standard	per cent	91	90	-1.1	○
<i>This performance measure relates to the calendar year.</i>					
Families who are satisfied with the Early Childhood Intervention Services provided	per cent	90	90	0.0	✓
<i>This performance measure includes internal and external providers.</i>					
Parent satisfaction with kindergarten services	per cent	85	93	9.4	✓
<i>This performance measure relates to the calendar year. The performance measure includes funded kindergarten providers. The 2018–19 actual is higher than the 2018–19 target consistent with recent trend outperformance.</i>					
Cost					
Total output cost	\$ million	544.4	650.1	19.4	■
<i>The higher 2018–19 actual compared with the 2018–19 target primarily reflects the extension of the Commonwealth Funding for Universal Access, Machinery of Government changes and new funding decisions during 2018–19. This is offset by carryover into 2019–20 which was not budgeted for in the 2018–19 target.</i>					
Key: ✓ Target achieved or exceeded ○ Target not achieved—less than 5% variance ■ Target not achieved—more than 5% variance					

School education

The school education output group comprises two outputs:

- i. the school education—primary output provides services to develop essential skills and learning experiences to engage young minds in the primary sector
- ii. the school education—secondary output consolidates literacy and numeracy competencies including creative and critical thinking, as well as physical, social, emotional and intellectual development in adolescence. It also provides education services as well as varied pathways and support for transition to further study.

This output group contributes to providing and improving services that support all the Department's objectives of achievement, engagement, wellbeing and productivity.

The Government sets high aspirations for all students. These are reflected in BP3 NAPLAN measures, introduced in 2015, which shift the focus from national minimum standards. The specific BP3 targets for Koorie students at Years 3, 5, 7 and 9 measures the percentage of Aboriginal students above the bottom three NAPLAN bands in reading and numeracy. NAPLAN results for Victorian Koorie students are above the national Aboriginal cohort across most domains and year levels.

School education—primary

The School education—primary output includes education and other associated services designed to improve the quality of learning of students in Prep to Year 6 in government and non-government schools. This output group also supports regulation that ensures quality education is delivered and contributes to all the Department's objectives of achievement, engagement, wellbeing and productivity.

School education—primary performance measures

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Quantity					
Average days lost due to absence at Year 5	number	14.1	15.6	-10.6	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is higher than the 2018–19 target due to a continuing emphasis on reporting to identify student absence and identified reasons for absence reflecting parent choice. A lower figure is more desirable, as it indicates that students are having fewer days away from school. The attendance rate covers all absences, including those due to illness and approved family holidays.</i>					
Average days lost due to absence at Year 6	number	14.5	16.3	-12.4	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is higher than the 2018–19 target due to a continuing emphasis on reporting to identify student absence. A lower figure is more desirable, as it indicates that students are having fewer days away from school. The attendance rate covers all absences, including those due to illness and approved family holidays.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Average days lost due to absence for Aboriginal students in Years Prep to 6	number	24.0	24.6	-2.5	○
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The attendance rate covers all absences, including those due to illness and approved family holidays. This cohort is small in number and data is subject to volatility.</i>					
Investment in non-government schools (primary)	\$ million	409.0	399.2	-2.4	○
<i>No footnote required.</i>					
Percentage of government primary school students receiving equity funding	per cent	28	26	-7.1	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is lower than the 2018–19 target as the demographic profile of Victorian parents improved, making fewer students eligible, while preserving total expenditure.</i>					
Number of teachers completed professional development as mathematics and science specialists	number	100	91	-9.0	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is lower than the 2018–19 target due partly to teacher attrition over the course of the professional learning.</i>					
Number of assistant principals participating in leadership development programs, including the Aspiring Principals program	number	500	640	28.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is higher than the 2018–19 target due to the Bastow Institute delivering new courses: the 'Data Literacy for School Leaders' and 'Leading Literacy for Networks' courses since 2018.</i>					
Number of principals participating in statewide, centrally funded leadership development programs, including the Expert Leaders of Education program	number	850	1,100	29.4	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is higher than the 2018–19 target due to the Bastow Institute delivering new courses: the 'Data Literacy for School Leaders' and 'Leading Literacy for Networks' courses since 2018.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Number of school staff who are not principals or assistant principals participating in leadership development programs, including the Aspiring Principals program and the Local Leaders program	number	2 600	4,000	53.8	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. This performance measure includes all school staff (teaching and education support). The 2018–19 actual is higher than the 2018–19 target due to the Bastow Institute delivering new courses: the 'Data Literacy for School Leaders' and 'Leading Literacy for Networks' courses since 2018.</i>					
Number of teachers completing mentoring training	number	950	895	-5.8	■
<i>The performance measure relates to the calendar year. This performance measure reflects training provided to government and non-government schools and early childhood teachers. The 2018–19 actual is lower than the 2018–19 target due to the demand impact exceeding training levels in the previous year's training.</i>					
Number of Victorian schools participating as a lead school for the Respectful Relationships initiative	number	151	151	0.0	✓
<i>This performance measure relates to Victorian primary and secondary schools.</i>					
Number of school-based staff who have participated in whole-school Respectful Relationships professional learning initiative	number	20,000	20,000	0.0	✓
<i>This performance measure relates to the calendar year. This performance measure includes all school staff (teaching and education support). This performance measure relates to Victorian primary and secondary (government and non-government) schools.</i>					
Number of schools able to access the Digital Assessment Library	number	2,413	n/a	-	-
<i>This performance measure relates to the calendar year. This measure refers to both government and non-government schools. The 2018–19 outcome was not measured due to longer than anticipated project initiation, procurement, item development and assessment validation.</i>					
Number of Digital Assessment Library items developed	number	1,590	n/a	-	-
<i>This performance measure relates to the calendar year. This measure refers to both government and non-government schools. The 2018–19 outcome was not measured due to longer than anticipated project initiation and procurement.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Number of schools supported with strategic business and financial support	number	300	404	34.7	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools. The 2018–19 actual is higher than the 2018–19 target as the uptake of expanded support services by schools was greater than anticipated.</i>					
Number of school staff attending strategic business and financial support training	number	2,250	2,485	10.4	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools. The 2018–19 actual is higher than the 2018–19 target as the uptake of expanded support services by schools was greater than anticipated.</i>					
Quality					
Parent satisfaction with primary schooling on a 100-point scale	100-point scale	83	81	-2.4	○
<i>This performance measure relates to the calendar year. This performance measure refers to government schools.</i>					
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 3 (NAPLAN testing)	per cent	44.0	44.9	2.0	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 2.99 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 5 (NAPLAN testing)	per cent	33.4	31.8	4.9	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. The 2018–19 outcome is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 3.24 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of Aboriginal students above the bottom three bands for reading in Year 3 (NAPLAN testing)	per cent	53.3	56.1	5.3	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 3.67 percentage points which is specific to the 2018 assessment year.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Percentage of Aboriginal students above the bottom three bands for reading in Year 5 (NAPLAN testing)	per cent	40.0	41.3	3.3	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 3.48 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students above the bottom three bands for numeracy in Year 3 (NAPLAN testing)	per cent	73.1	71.6	-2.1	○
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 0.95 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students above the bottom three bands for numeracy in Year 5 (NAPLAN testing)	per cent	63.2	62.2	0.1	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. The 2018–19 outcome is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.06 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students above the bottom three bands for reading in Year 3 (NAPLAN testing)	per cent	79.7	79.9	0.3	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 0.77 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students above the bottom three bands for reading in Year 5 (NAPLAN testing)	per cent	68.3	70.4	3.1	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 0.97 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students in the top two bands for numeracy in Year 3 (NAPLAN testing)	per cent	45.7	43.8	-4.2	○
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.07 percentage points which is specific to the 2018 assessment year.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Percentage of students in the top two bands for numeracy in Year 5 (NAPLAN testing)	per cent	32.9	31.1	-5.5	■
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.02 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students in the top two bands for reading in Year 3 (NAPLAN testing)	per cent	57.9	58.3	0.7	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.04 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students in the top two bands for reading in Year 5 (NAPLAN testing)	per cent	41.1	43.0	4.6	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.11 percentage points which is specific to the 2018 assessment year.</i>					
Years 5–6 students' opinion of their connectedness with the school	5-point scale	4.4	4.2	-4.5	○
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Proportion of identified schools that subsequently improved their performance	per cent	54.0	65.0	20.4	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools (only) identified to receive support to improve performance in 2017. It renames the performance measure 'Schools that underwent a priority review increase the proportion of School Improvement Measure threshold standards met' for increased clarity, but reports on a comparable cohort of schools as the previous measure. The 2018–19 actual is higher than the 2018–19 target due to significant performance improvement across both primary and secondary school education.</i>					
Cost					
Total output cost	\$ million	5,697.1	5,614.1	-1.5	✓
<i>No footnote required.</i>					
Key:	✓ Target achieved or exceeded ○ Target not achieved—less than 5% variance ■ Target not achieved—more than 5% variance				

School education—secondary

The School education—secondary output involves provision of education and support services designed to improve student learning, development and wellbeing in Years 7 to 12 in government and non-government schools. It covers the provision of services to improve pathways to further education, training and employment. This output group also supports regulation that ensures quality education is delivered and contributes to all the Department's objectives of achievement, engagement, wellbeing and productivity.

School education—secondary performance measures

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Quantity					
Investment in non-government schools (secondary)	\$ million	419.2	409.0	-2.4	✓
<i>No footnote required.</i>					
Number of school students enrolled in VCAL	number	20,000	20,316	1.6	✓
<i>The performance measure relates to the calendar year. This performance measure includes government and non-government schools. The 2018–19 actual is higher than the 2018–19 target due to an increasing proportion of students undertaking VCAL at Intermediate and Senior levels, and as VCAL becomes more established as an alternative qualification to the VCE.</i>					
Number of school students participating in accredited vocational programs	number	47,000	47,622	1.3	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. The 2018–19 actual is higher than the 2018–19 target due to an increasing proportion of students undertaking VET as part of their VCAL or VCE.</i>					
Number of school-based apprentices/trainees	number	3,638	2,946	-19.0	■
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. The 2018–19 actual is lower than the 2018–19 target due to volatility in apprenticeship commencement patterns and variable school SBAT data reporting practices reducing DET's capacity to accurately set annual targets. In 2018 DET implemented a strategy to improve data accuracy.</i>					
Proportion of all secondary schools offering vocational options to students as part of their secondary school certificate	per cent	95.0	94.6	-0.4	○
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools.</i>					
Number of students for which government secondary schools are funded to 'catch up'	number	11,100	11,026	-0.7	○
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Percentage of government secondary school students receiving equity funding	per cent	35	32	-8.6	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is lower than the 2018–19 target as the demographic profile of Victorian parents improved, making fewer students eligible, while preserving total expenditure.</i>					
Number of students participating in the Victorian Young Leaders program	per cent	230	201	-12.6	■
<i>The 2018–19 actual is lower than the 2018–19 target due to the recruitment of a lower number of students due to two selected schools being late withdrawals from the program leaving insufficient time to recruit other schools onto the program.</i>					
Quality					
Average days lost due to absence in Years 11 and 12	number	16.1	16.8	-4.3	○
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is higher than the 2018–19 target due to a continuing emphasis on reporting to identify student absence. A lower figure is more desirable, as it indicates that students are having fewer days away from school. Average days lost covers all student absences, including those due to illness, approved family holidays and unapproved absences.</i>					
Average days lost due to absence in Years 7–10	number	19.0	20.4	-7.4	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is higher than the 2018–19 target due to a continuing emphasis on reporting to identify student absence. A lower figure is more desirable, as it indicates that students are having fewer days away from school. Average days lost covers all student absences, including those due to illness, approved family holidays and unapproved absences.</i>					
Average days lost due to absence for Aboriginal students in Years 7 to 12	number	35.0	36.1	-3.1	○
<i>This performance measure refers to government schools only. The 2018–19 actual is higher than the 2018–19 target due to a continuing emphasis on reporting to identify student absence. Average days lost covers all student absences, including those due to illness, approved family holidays and unapproved absences. This cohort is small in number and data is subject to volatility.</i>					
Median VCE study score	number	29	29	0.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Parent satisfaction with secondary schooling on a 100-point scale	100-point scale	76	80	5.3	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is higher than the 2018–19 target but consistent with recent trend performance.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 7 (NAPLAN testing)	per cent	29.7	25.5	-14.1	■
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 3.14 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 9 (NAPLAN testing)	per cent	25.2	27.5	9.1	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 3.49 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of Aboriginal students above the bottom three bands for reading in Year 7 (NAPLAN testing)	per cent	29.2	26.1	1.0	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. The 2018–19 actual is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 3.38 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of Aboriginal students above the bottom three bands for reading in Year 9 (NAPLAN testing)	per cent	26.3	25.1	7.8	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. The 2018–19 actual is within the margin of error associated with this cohort. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 3.26 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of school leavers completing a VCE VET program in a school progressing to further education, training or work	per cent	95.0	96.0	1.1	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. The 2018–19 actual is higher than the 2018–19 target due to more students completing VCAL. Data for the 2018–19 outcome is derived from the 2019 'On-track' survey of 2018 senior secondary school completers' conducted in May.</i>					
Percentage of school leavers completing an intermediate or senior Victorian Certificate of Applied Learning in a school progressing to further education, training or work	per cent	85.0	86.0	1.2	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Percentage of students above the bottom three bands for numeracy in Year 7 (NAPLAN testing)	per cent	64.6	61.1	-5.4	■
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.66 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students above the bottom three bands for numeracy in Year 9 (NAPLAN testing)	per cent	54.3	57.5	5.9	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.83 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students above the bottom three bands for reading in Year 7 (NAPLAN testing)	per cent	61.1	59.7	0.4	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. The 2018–19 actual is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.63 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students above the bottom three bands for reading in Year 9 (NAPLAN testing)	per cent	50.7	53.0	4.5	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.77 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students in the top two bands for numeracy in Year 7 (NAPLAN testing)	per cent	35.4	31.1	-12.1	■
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.64 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students in the top two bands for numeracy in Year 9 (NAPLAN testing)	per cent	26.4	27.2	3.0	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.89 percentage points which is specific to the 2018 assessment year.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Percentage of students in the top two bands for reading in Year 7 (NAPLAN testing)	per cent	31.2	28.5	-8.7	■
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.48 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students in the top two bands for reading in Year 9 (NAPLAN testing)	per cent	23.0	21.7	1.0	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. The 2018–19 actual is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results are subject to a small margin of error, common to any assessment program, reflected in a confidence interval of ± 1.54 percentage points which is specific to the 2018 assessment year.</i>					
Percentage of students who remain at school from Year 7 to Year 12	per cent	93.0	92.5	-0.5	○
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools.</i>					
Percentage of VCAL certificates satisfactorily completed by school students	per cent	76.9	76.5	-0.5	○
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools.</i>					
Years 7–9 students' opinion of their connectedness with the school	5-point scale	3.7	3.5	-5.4	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is lower than the 2018–19 target but consistent with recent trend performance. Data are drawn from the Attitudes to School Survey, where a higher score represents a higher level of connectedness (that is, students feel they belong and enjoy attending school).</i>					
Percentage of students in out of home care receiving targeted supports in school (LOOKOUT education support centres)	per cent	75.0	82.0	9.3	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government and non-government schools. The 2018–19 actual is higher than the 2018–19 target due to increased capacity building in schools (through staff training and engagement strategies) in addition to automated data collection techniques.</i>					
Proportion of Navigator program participants re-engaged in schooling	per cent	70.0	68.0	-2.9	○

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
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This performance measure relates to the calendar year. This performance measure refers to government and non-government schools. Participants of the Navigator program are generally re-engaged in education over the course of 18 months. The 2018–19 actual is lower than the 2018–19 target but represents a cumulative improvement on the 2017–18 actual, signifying stable progress towards the 2018–19 and 2019–20 targets.

Percentage of Year 9 students with a Careers e-Portfolio	per cent	n/a	20	-	-
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This performance measure relates to the calendar year. This measure refers to government schools only. The 2018–19 outcome was not measured due to re-phased program implementation resulting in the program now having an effective commencement date of calendar year 2019.

Cost					
Total output cost	\$ million	4,546.8	4,453.1	-2.1	✓

No footnote required.

Key: ✓ Target achieved or exceeded ○ Target not achieved—less than 5% variance ■ Target not achieved—more than 5% variance

Training, higher education and workforce development

This output helps Victorians gain the skills and capabilities essential for success in employment and further training or study. The Victorian Government expects the TAFE and training sector to deliver quality training that:

- strongly supports industry to meet the evolving needs of the economy
- provides Victorians with the skills needed for initial and continuing employment
- promotes equity and addresses disadvantage
- aligns with government priorities, with an emphasis on economic growth sectors
- implementing *Ending Family Violence: Victoria's Plan for Change* and the National Disability Insurance Scheme.

An innovative, dynamic, sustainable and stable TAFE and training system that works effectively with other education sectors is critical to achieving the Government's vision of establishing Victoria as the Education State.

Except where indicated, these performance measures relate to the 2018 calendar year rather than the 2018–19 financial year.

Training, higher education and workforce development performance measures

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Quantity					
Number of government subsidised course enrolments	number	390,000	316,512	-18.8	■
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to lower enrolments resulting from more rigorous contract allocation, targeting of training to Government priorities and substitution to university education.</i>					
Number of students enrolled in government subsidised courses	number	322,000	265,974	-17.4	■
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to the continuing effects of lower training commencements in previous years impacting on continuing enrolments.</i>					
Number of government subsidised enrolments in the TAFE Network	number	142,600	139,177	-2.4	○
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to the continuing effects of lower training commencements in previous years impacting on continuing enrolments.</i>					
Number of students enrolled in government subsidised courses in the TAFE Network	number	126,000	124,729	-1.0	○
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to the continuing effects of lower training commencements in previous years impacting on continuing enrolments.</i>					
Number of government subsidised pre-accredited module enrolments funded through the ACFE Board	number	45,000	50,926	13.2	✓
<i>This performance measure relates to the calendar year. The 2018–19 actual is higher than the 2018–19 target due to additional investment by ACFE funded providers from their own resources.</i>					
Number of students without Year 12, Certificate II or above enrolled in foundation courses	number	14,700	11,527	-21.6	■
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to the continuing effects of lower training commencements in previous years impacting on continuing enrolments.</i>					
Grants to support workforce development, skills sector reform, structural adjustment and job creation initiatives	number	10	10	0.0	✓
<i>No footnote required.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Participation rate of 15–24-year-olds in government subsidised training and further education in Victoria	per cent	15.9	12.7	-20.1	■
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to the continuing effects of lower training commencements in previous years impacting on continuing enrolments.</i>					
Participation rate of 25–64-year-olds in government subsidised training and further education in Victoria	per cent	5.6	4.3	-23.2	■
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to the continuing effects of lower training commencements in previous years impacting on continuing enrolments.</i>					
Number of government subsidised apprenticeship course enrolments	number	49,900	48,604	-2.6	○
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to the continuing effects of lower training commencements in previous years impacting on continuing enrolments.</i>					
Proportion of government subsidised enrolments related to qualifications that will lead to jobs and economic growth	per cent	83.0	81.0	-2.4	○
<i>This performance measure relates to the calendar year.</i>					
Number of government subsidised enrolments by students living in regional Victoria	number	104,000	81,106	-22.0	■
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to lower enrolments resulting from more rigorous contract allocation, targeting of training to Government priorities and substitution to university education.</i>					
Number of students without Year 12, or Certificate II or above, enrolled in a government subsidised course at Certificate III or above	number	80,000	58,052	-27.5	■
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to lower enrolments resulting from more rigorous contract allocation, targeting of training to Government priorities and substitution to university education.</i>					
Proportion of government subsidised course enrolments by students eligible for fee concession	per cent	21.3	22.4	5.2	✓

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
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This performance measure relates to the calendar year. The 2018–19 actual is higher than the 2018–19 target due to the benefits of the Skills First reforms flowing through to improved targeting of the Victorian training system.

Quality					
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Proportion of employers of apprentices and trainees who are satisfied with training

per cent

76.5

77.6

1.4

✓

This performance measure relates to the calendar year. Data for 2018–19 outcomes relate to the 2018 Victorian Employer Satisfaction Survey of 2017 training experiences.

Proportion of VET completers who are satisfied with their training

per cent

83.7

84.6

1.1

✓

This performance measure relates to the calendar year. Data for 2018–19 outcomes relate to the 2018 Victorian Student Satisfaction Survey of 2017 training experiences.

Proportion of VET completers with an improved employment status after training

per cent

51.8

51.4

-0.8

○

This performance measure relates to the calendar year. Data for 2018–19 outcomes relate to the 2018 Victorian Student Satisfaction Survey of 2017 training experiences.

Proportion of VET completers who achieved their main reason for training

per cent

78.7

83.4

6.0

✓

This performance measure relates to the calendar year. Data for 2018–19 relate to the 2018 Victorian Student Satisfaction Survey of 2017 training experiences. The 2018–19 actual is higher than the 2018–19 target due to the benefits of the Skills First reforms flowing through to further strengthening in the quality of the Victorian training market.

Number of government subsidised course completions

number

108,000

90,267

-16.4

■

This performance measure relates to the calendar year. Data for 2018–19 outcomes relate to the completions reported in the 2018 calendar year. The 2018–19 actual is lower than the 2018–19 target due to the continuing effects of lower training activity in previous years.

Cost					
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Total output cost

\$ million

2,448.1

2,195.7

-10.3

✓

The lower 2018–19 actual compared with the 2018–19 target primarily reflects lower third party revenue and budget re-phasing into out-years.

Key: ✓ Target achieved or exceeded ○ Target not achieved—less than 5% variance ■ Target not achieved—more than 5% variance

Support services delivery

The support services delivery output group primarily covers the Department's Regional Services group (RS). It provides student welfare and support, student transport (excluding transport for special needs students) and health services. This output group contributes to providing and improving services that support the Department's objectives of achievement, engagement, wellbeing and productivity.

Except where indicated, these performance measures relate to the 2018 calendar year rather than the 2018–19 financial year.

Support services delivery performance measures

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Quantity					
Eligible primary school students in receipt of camps, sports and excursions fund	number	134,200	132,827	-1.0	○
<i>This performance measure relates to the calendar year.</i>					
Eligible secondary school students in receipt of camps, sports and excursions fund	number	85,800	90,047	4.9	✓
<i>This performance measure relates to the calendar year. The 2018–19 actual is higher than the 2018–19 target due to a higher number of applications from eligible families of secondary school students (holders of a concession card).</i>					
Investment in student welfare and support	\$ million	321.4	344.6	7.2	■
<i>The higher 2018–19 actual compared with the 2018–19 target primarily reflects new funding decisions during 2018–19 and higher carryover from 2017–18 into 2018–19 than budgeted.</i>					
Investment in travelling allowances and transport support (excluding special needs students)	\$ million	47.4	43.1	-9.1	✓
<i>This performance measure includes government and non-government schools.</i>					
Health assessments of Prep aged students by school nurses	number	62,000	63,842	3.0	✓
<i>This performance measure relates to the calendar year. This performance measure includes government and non-government schools. This performance measure replaces the former measure 'Prep-aged students assessed by school nurses' but reports the same activity.</i>					
School students (government) supported by conveyance allowance	number	8,972	8,698	-3.1	○
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to a lower number of applications from students within the revised metropolitan conveyance allowance boundary.</i>					

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
School students (non-government) supported by conveyance allowance	number	28,315	28,396	0.3	✓
<i>This performance measure relates to the calendar year.</i>					
Schools allocated a nurse through the secondary school nursing program	number	193	198	2.6	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Schools funded for primary welfare officers	number	803	799	-0.5	○
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Quality					
School satisfaction with student support services	per cent	85.0	71.3	-16.1	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is lower than the 2018–19 target and reflects strong enrolment growth placing pressure on the Student Support Services (SSS) workforce. To address this, 50 new FTE positions will be added to the workforce from 2018–19 to improve the ability of SSS to provide services to schools. In addition, a statewide practice model is being implemented in 2019 to ensure SSS provide support to students who need it most.</i>					
Cost					
Total output cost	\$ million	368.8	387.7	5.1	■
<i>The higher 2018–19 actual compared with the 2018–19 target primarily reflects new funding decisions during 2018–19 and higher carryover from 2017–18 into 2018–19 than budgeted.</i>					
Key: ✓ Target achieved or exceeded ○ Target not achieved—less than 5% variance ■ Target not achieved—more than 5% variance					

Support for students with disabilities

The support for students with disabilities output group oversees the program for students with disabilities, as well as transport, welfare and support services for students with special needs. This output group improves services that support the Department's objectives of achievement, engagement, wellbeing and productivity.

Except where indicated, these performance measures relate to the 2018 calendar year rather than the 2018–19 financial year. These performance measures relate to government schools.

Support for students with disabilities performance measures

Performance measures	Unit of measure	2018–19 target	2018–19 actual	Performance variation (%)	Result
Quantity					
Eligible special school students provided with appropriate travel	number	9,000	8,812	-2.1	○
<i>This performance measure relates to the calendar year. The 2018–19 actual is lower than the 2018–19 target due to a continued slower than anticipated growth rate in enrolments at specialist schools.</i>					
Students funded under the disabilities program in government schools as a proportion of the total student population	per cent	4.3	4.4	2.3	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2018–19 actual is higher than the 2018–19 target and 2017–18 actual due to annual growth in the proportion of students funded under the disabilities program.</i>					
Quality					
Parent satisfaction with special education on a 100-point scale	100 point scale	85	85	0.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Cost					
Total output cost	\$ million	1,106.9	1,092.7	-1.3	✓
<i>No footnote required.</i>					
Key: ✓ Target achieved or exceeded ○ Target not achieved—less than 5% variance ■ Target not achieved—more than 5% variance					

Discontinued measures for 2018–19

There were no discontinued performance measures in 2018–19.

Five-year financial summary

The financial statements presented in this annual report relate to the controlled operations of the Department, including government schools.

Other agencies within the portfolio report separately and therefore their results are not included within the controlled financial transactions of the Department. These entities include the ACFE Board, Adult Multicultural Education Services (AMES), the Victorian Curriculum and Assessment Authority (VCAA), VIT, VRQA, and TAFE institutes.

The following table provides information on the Department's financial results for the financial year just completed and comparative information for the previous four years.

Five-year financial summary

Five-year financial summary	2018–19	2017–18	2016–17	2015–16	2014–15
	\$m	\$m	\$m	\$m	\$m
Operating revenue					
Revenue from State Government	13,815.7	12,816.0	12,197.3	11,194.0	10,683.5
Other revenue	927.6	834.7	751.1	776.9	777.2
Total income from transactions	14,743.3	13,650.7	12,948.4	11,970.9	11,460.7
Total expenses from transactions	14,073.5	13,328.5	12,626.2	11,740.0	11,280.3
Net results from transactions	669.8	322.2	322.2	230.9	180.5
Total other economic flows	(98.1)	(10.3)	86	(48.4)	(21.7)
Net results for period	571.7	311.9	408.2	182.5	158.8
Net cash flow from operating activities	1,047.4	790.0	638.5	455.4	187.8
Total assets	27,846.8	27,771.7	23,818.6	22,955.5	19,608.5
Total liabilities	3,022.0	2,809.3	2,607.1	2,166.9	1,940.8
Net assets	24,824.8	24,962.4	21,211.5	20,788.6	17,667.7

Current year financial summary

Financial performance

The Department's net result from transactions for financial year ended 30 June 2019 is a surplus of \$669.8 million, compared with a surplus of \$322.2 million in 2018. With the inclusion of other economic flows of a \$98.1 million loss, the net result for the financial year is a surplus of \$571.7 million, compared to a surplus of \$311.9 million in 2018.

The growth in revenue primarily reflects increased government funding for delivery of output initiatives on its behalf and investment in government schools including grant revenue from the Growth Areas Infrastructure Contribution fund to buy land for new schools and general inflation-related indexation.

The Department's growth in expenditure mainly reflects increased employee benefits expenditure flowing from the employment of additional teachers and allied health staff in schools and regional offices, together with increases under the Victorian Government Schools Agreement 2017. Other increases in expenditure include:

- additional depreciation and capital asset charge due to the revaluation of the Department's assets and the completion of new schools in 2018
- additional support for schools.

Balance sheet

The Department's net asset base as at 30 June 2019 was \$24.8 billion, comprising total assets of \$27.8 billion and total liabilities of \$3.0 billion.

The major assets of the Department are schools' property, plant and equipment. These represent 87 per cent (\$24.1 billion) of total assets. In 2019, the value of the Department's property, plant and equipment decreased by \$319 million, due to formal managerial revaluation of the Department's land holdings offset by the Government's continued investment in schools as part of its commitment to make Victoria the Education State. The Department's assets include an increase in cash and deposits, largely reflecting the reclassification of term deposits from Other Financial Assets due to the implementation of the Whole of Victorian Government Central Banking System.

Liabilities totalling \$3.0 billion mainly consist of payables, borrowings and employee benefit provisions. The \$212.7 million increase in 2019 reflects increased payables and operating accruals, due to the timing of payments and increases in employee entitlements such as long service leave.

Cash flows

The increase in net cash flows from operations is mainly due to increased Government receipts and changes in receivables, payables and provisions, arising from the timing of cash payments and receipts against these items.

Disclosure of grants and transfer payments

Appendix 5 outlines the Department's assistance to certain companies and organisations in 2018–19.

Capital projects

The Department and its related portfolio entities manage a range of capital projects to deliver government services.

Budget Paper No. 4 State Capital Program—available at www.dtf.vic.gov.au/State-Budget/2017-18-State-Budget/State-Capital-Program—outlines new and existing capital projects for departments and the broader Victorian public sector.

During 2018–19, the Department completed several capital projects with a \$10 million or greater Total Estimated Investment (TEI). The details of these projects are detailed below.

Capital projects with a TEI of \$10 million or greater completed during the financial year ended 30 June 2019

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget \$M	Latest approved TEI budget \$M	Actual TEI cost \$M	Variation between actual cost and latest approved TEI budget	Reason for variance from latest approved TEI budget
Aitken Hill Primary School 2017–18 (Craigieburn)	qtr 1 2019–20	qtr 1 2019–20	qtr 1 2019–20	N/A	13.806	13.806	13.806	0.000	N/A
Brunswick Secondary College 2015–16 (Brunswick)	qtr 2 2017–18	qtr 2 2018–19	qtr 2 2018–19	Initial scope agreement was extended to consider site constraints.	10.000	10.062	10.046	0.016	Project was completed in FY 18–19, but contingency expenditure is expected in future years.
Burnside Primary School 2017–18 (Burnside)	qtr 4 2018–19	qtr 4 2018–19	qtr 4 2018–19	N/A	13.806	13.806	13.806	0.000	N/A
Essendon East Keilor District College 2015–16 (Keilor East)	qtr 2 2017–18	qtr 2 2018–19	qtr 2 2018–19	The contracted builder for the project was placed into voluntary administration, delaying completion.	10.000	10.390	10.390	0.000	N/A
Keysborough Secondary College 2016–17 (Springvale South)	qtr 1 2018–19	qtr 1 2018–19	qtr 1 2018–19	N/A	10.000	13.251	13.251	0.000	N/A
Maroondah Education Plan 2015–16 (Croydon/Ringwood)	qtr 4 2017–18	qtr 4 2018–19	qtr 4 2018–19	N/A	10.000	11.641	10.525	1.116	Project was completed in FY 18–19, but underspend is contributing to next stage of works.
Maroondah Education Plan 2016–17 (Croydon/Ringwood)	qtr 2 2018–19	qtr 2 2018–19	qtr 2 2018–19	N/A	17.900	18.023	17.680	0.343	Project was completed in FY 18–19, but contingency expenditure is expected in future years.

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget \$M	Latest approved TEI budget \$M	Actual TEI cost \$M	Variation between actual cost and latest approved TEI budget	Reason for variance from latest approved TEI budget
Montmorency Secondary College 2016–17 (Montmorency)	qtr 2 2017–18	qtr 1 2018–19	qtr 1 2018–19	Construction was delivered in three stages to accommodate the end design and to minimise disruption to the school.	12.600	12.600	12.436	0.164	Project was completed in FY 18–19, but underspend is contributing to next stage of works.
Pakenham North East Primary School 2017–18 (Pakenham)	qtr 4 2018–19	qtr 4 2018–19	qtr 4 2018–19	N/A	13.806	13.806	13.806	0.000	N/A
Phoenix P-12 Community College 2015–16 (Sebastopol)	qtr 1 2017–18	qtr 1 2018–19	qtr 1 2018–19	Scope change to include competition grade gym was accommodated. Construction was delivered in stages to maintain school operations.	10.000	11.156	11.102	0.054	Project was completed in FY 18–19, but contingency expenditure is expected in future years.
Prahran High School 2017–18 (Prahran)	qtr 3 2018–19	qtr 3 2018–19	qtr 3 2018–19	N/A	37.206	36.824	34.554	2.270	Project was completed in FY 18–19, but contingency expenditure is expected in future years.
Richmond High School 2016–17 (Richmond)	qtr 2 2018–19	qtr 2 2018–19	qtr 2 2018–19	N/A	42.000	41.461	41.461	0.000	N/A

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget \$M	Latest approved TEI budget \$M	Actual TEI cost \$M	Variation between actual cost and latest approved TEI budget	Reason for variance from latest approved TEI budget
Sanctuary Lakes South P9 2017–18 (Point Cook)	qtr 4 2018–19	qtr 4 2018–19	qtr 4 2018–19	N/A	13.806	13.806	13.806	0.000	N/A
South Melbourne Park Primary School 2017–18 (Albert Park)	qtr 3 2018–19	qtr 3 2018–19	qtr 3 2018–19	N/A	21.686	21.607	21.607	0.000	N/A
Sunshine College 2016–17 (Sunshine)	qtr 4 2017–18	qtr 4 2018–19	qtr 4 2018–19	The planning phase was extended to accommodate consultation across four campuses.	9.900	10.370	10.370	0.000	N/A
Tarneit Senior Secondary College 2016–17 – Stage 2 (Tarneit)	qtr 4 2017–18	qtr 2 2018–19	qtr 2 2018–19	Construction was delivered in stages to maintain school operations.	11.600	12.131	11.952	0.179	Project was completed in FY 18–19, but contingency expenditure is expected in future years.
Truganina East P9 2017–18 (Tarneit)	qtr 4 2018–19	qtr 4 2018–19	qtr 4 2018–19	N/A	13.806	13.806	13.806	0.000	N/A
Viewbank College 2015–16 (Rosanna)	qtr 2 2017–18	qtr 2 2018–19	qtr 2 2018–19	Construction was delivered in three stages to maintain school operations.	11.500	12.050	11.960	0.090	Project was completed in FY 18–19, but contingency expenditure is expected in future years.

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget \$M	Latest approved TEI budget \$M	Actual TEI cost \$M	Variation between actual cost and latest approved TEI budget	Reason for variance from latest approved TEI budget
William Ruthven Secondary College 2015–16 (Reservoir)	qtr 1 2017–18	qtr 1 2018–19	qtr 1 2018–19	The tender phase was delayed allowing locally funded works to be consolidated into a single package.	10.000	11.212	10.340	0.872	Project was completed in FY 18–19, but contingency expenditure is expected in future years.
Yarrambat Park Primary School 2017–18 (Yarrambat)	qtr 4 2018–19	qtr 4 2018–19	qtr 4 2018–19	N/A	13.806	13.806	13.031	0.775	Project was completed in FY 18–19, but contingency expenditure is expected in future years.

Governance and organisational structure

The Department's ministers

The Department supports two ministers: the Hon. James Merlino MP, Deputy Premier and Minister for Education; and the Hon. Gayle Tierney MP, Minister for Higher Education and Minister for Training and Skills.

Deputy Premier and Minister for Education – The Hon. James Merlino MP

James Merlino MP is the Deputy Premier of Victoria and Minister for Education. As Minister for Education, Minister Merlino is behind the drive to make Victoria the Education State, providing 970,000 Victorian students with access to a great school and the opportunity to thrive.

The Education State reforms are designed to lift outcomes in a number of key areas, including literacy, numeracy, science and the arts, as well as student wellbeing and engagement. This starts with early childhood education and continues throughout childhood by including funding to address disadvantage and help primary and secondary students who have fallen behind.

Minister Merlino is also responsible for record levels of investment in early childhood education and school infrastructure and has introduced programs to extend kinder to all three-year-olds by 2020, raise the quality of teaching, provide more local support to schools, and help make all schools inclusive.

Minister for Higher Education and Minister for Training and Skills – The Hon. Gayle Tierney MP

Gayle Tierney MP is the Minister for Higher Education and Minister for Training and Skills. Minister Tierney is responsible for overseeing and implementing significant vocational training system reforms, ensuring Victoria's VET system is of the highest quality, meets the needs of individuals, industry and employers, and gets more Victorians into work. This includes rebuilding TAFEs to strengthen their reputation and give industry a real voice in the training and skills sector.

The vocational training system reforms are also bringing innovation to training curriculum and delivery, and providing support for training in regional areas, niche industries, and to high-needs learners.

Minister Tierney is committed to ensuring all Victorians have access to quality training that equips them with the skills they need to obtain and keep a job, and that industry has the skills required to boost productivity and help grow the Victorian economy.

The Department's senior executives

Secretary – Ms Jenny Atta

Jenny Atta has been Secretary of the Department of Education and Training since March 2019. Prior to this, Jenny was Acting Secretary from November 2018.

Jenny is directly responsible for the management of the Department and for ensuring the education and training portfolio Ministers are supported in the management and administration of their portfolios.

Jenny joined the Department in December 2015 as Deputy Secretary, Infrastructure and Finance Services Group. In this role, she was responsible for the management and oversight of the Department's financial, procurement and information technology services, along with strategic advice and planning for State Budget processes, and infrastructure policy and delivery.

This followed a range of senior roles in the Victorian Public Service (VPS), including with the Department of Treasury and Finance (DTF) and the Department of Human Services.

Jenny holds a Bachelor degree in Applied Science and a Masters of Public Policy.

Deputy Secretary, Financial Policy and Information Services – Mr Tony Bates

Tony Bates joined the Department of Education and Training in April 2019 as Deputy Secretary – Financial Policy and Information Services (FPIS).

Prior to joining the Department, Tony worked at the Department of Jobs, Precincts and Regions (DJPR), the Department of Premier and Cabinet (DPC), DTF and Victoria Police.

Tony has a breadth of experience leading significant strategic reforms to public sector governance, corporate services, fiscal strategy, and performance measurement.

Tony holds a Bachelor of Science (Honours) and Master of Science degree from the University of Melbourne, is a Member of the Australian Institute of Company Directors (AICD) and an alumni of the Australia and New Zealand School of Government (ANZSOG) Executive Fellows program. Tony was awarded a Public Service Medal in January 2016 for outstanding public service to fiscal management in Victoria.

Deputy Secretary, People and Executive Services – Ms Kate Rattigan

Kate Rattigan commenced as Deputy Secretary, People and Executive Services (PES) in October 2015.

Kate oversees a range of functions including legal services, human resources, people and culture, workplace safety, operational policy reform, communications and media, integrity reform, cabinet and ministerial support, executive services, knowledge and records management, freedom of information (FOI), privacy, and audit and assurance.

Kate has worked in various departmental capacities providing strategic oversight over complex operational matters including specialist and technical advice to ministers, the Secretary, executives, managers, regional directors, school principals, and school councils.

Kate is currently the Secretary's nominee on the VRQA Board.

Kate holds a Bachelor of Law (with Honours), a Bachelor of Arts, and a Masters in Employment and Labour Relations Law, each from the University of Melbourne.

Deputy Secretary, Policy, Strategy and Performance – Ms Katherine Whetton

Katherine Whetton is the Deputy Secretary, Policy, Strategy and Performance (PSP). The group supports the Department to maintain its intensive focus on delivery, performance and engagement to achieve the Education State reform agenda and the Department's strategic intent.

Before joining the Department, Katherine worked at DPC for more than 10 years, most recently as Executive Director, Economic Strategy, and as Director, Health and Human Services. She has extensive central agency policy development and advisory experience across social and economic policy areas, working across portfolios and intergovernmental contexts.

Katherine holds a Bachelor of Arts (with Honours) from the University of Melbourne and an Executive Master in Public Administration from ANZSOG. She is also a graduate of AICD.

Deputy Secretary, Early Childhood Education – Ms Kim Little

Kim leads the Education State Early Childhood Reform Plan, Ready for kinder, Ready for school, Ready for life, and on delivery of the landmark Government commitment to introduce funded kindergarten programs for three-year-olds. Kim's group is home to the critical work of the ECEC regulator, and the Whole Of Government effort on better information sharing to promote the safety and wellbeing of children and young people.

The Early Childhood Education (ECE) group plays a key role in policy development, service program design and commissioning to ensure a child and family centred, outcomes focused and integrated early childhood and education system. Together with other groups, the ECE group works to ensure that every child has the best start in life.

Working with partners across Government, Kim and her team also work on the delivery of CIS scheme and Child Link.

Prior to this appointment, Kim was the Assistant Deputy Secretary, Early Childhood Portfolio in Early Childhood and School Education Group. She has also worked in the Higher Education and Skills (HES) Group with a focus on tertiary education policy matters, including market design and intervention. Before joining the Department, Kim worked in DPC on education and social policy issues. Kim has also worked as a philosopher at Monash University and as a corporate lawyer.

Deputy Secretary, Higher Education and Skills – Mr Simon Hollingsworth

Simon Hollingsworth joined the Department of Education and Training in January 2019 as Deputy Secretary for the HES Group. This role is responsible for overseeing the effectiveness and sustainability of tertiary education, including VET, higher education, adult education and lifelong learning.

Prior to joining the Department, Simon was Deputy Secretary Budget and Finance in the Department of Treasury and Finance. From 2011–2016, Simon was the Chief Executive Officer (CEO) of the Australian Sports Commission, the Australian Government's peak sporting agency which included oversight of the Australian Institute of Sport. Between 2002–2010 Simon worked in various senior roles in DPC including as Executive Director Economic, Resources, Infrastructure and Planning. He also worked extensively on inter-governmental reform in education. In 2005 he worked on secondment with the UK Department of Education and Skills as a strategy advisor. Prior to joining government, Simon worked as a consultant with the Boston Consulting Group and as a solicitor at Minter Ellison.

Simon has a Bachelor of Commerce and Laws (with Honours) from the University of Tasmania and a Masters of Arts from the University of Oxford, where he studied as a Rhodes Scholar.

Deputy Secretary, School Education Programs and Support – Ms Katy Haire

Katy Haire was appointed as a Deputy Secretary of the Department of Education and Training in September 2015 and has been the Deputy Secretary, School Education Programs and Support (SEPS) since April 2019.

The Deputy Secretary, SEPS is responsible for designing a learning, development and wellbeing system that provides every student with the knowledge, capabilities and attributes that will see them thrive throughout their lives.

Before joining the Department, Katy held senior management and executive roles in the Victorian public sector, including Deputy Secretary of Service Design and Operations at DHHS, and Director of Social Policy in DPC.

Katy holds a Graduate Diploma of Education (Secondary) from Monash University, a Bachelor of Arts (with Honours) in political science and history and a Master of Arts in the history of education both from the University of Melbourne. She also holds an Executive Master of Public Administration from the University of Melbourne, is a Senior Executive Fellow of the Harvard Kennedy School and a graduate of the AICD.

Acting Deputy Secretary, Regional Services – Mr Stephen Gniel

Stephen's career spans more than 20 years in the Australian Capital Territory and Victorian public education sectors as a teacher, principal and department executive.

As Acting Deputy Secretary, Regional Services (RS), Stephen leads key Education State reforms, and the implementation of FISO, the Learning Places model, school workforce reform, and performance improvements to lift student outcomes.

The group is the face of the Department across Victoria with regional and area teams leading place-based approaches to service delivery through Victorian government schools and early childhood providers. It ensures that policy intent and outcomes are delivered on the ground.

Stephen holds a Bachelor of Education and Masters of Business Administration and has undertaken further study through Harvard University, the ANZSOG Executive Fellowship Program and AICD. He is currently president of the Australian Council for Educational Leaders.

CEO, Victorian School Building Authority – Mr Chris Keating

Chris Keating is the CEO of the VSBA, which was established in August 2016. Chris leads the planning and delivery of Victoria's record investment in schools and early childhood centres. In 2019, Chris oversaw the delivery and opening of nine new state-of-the-art schools, with a further 23 due for completion in the next 12 months.

Before being appointed CEO of the VSBA soon after its establishment, Chris led the Department's Infrastructure and Sustainability Division, and has more than 10 years' experience delivering public school building projects in Victoria.

Chris holds a Bachelor of Arts and a Masters in Computer Science.

Assistant Deputy Secretary, Quality and Implementation – Ms Lee Watts

Lee Watts joined the Department of Education and Training as the Executive Director of Training Market Operations, HES. Lee was appointed to the role of the Assistant Deputy Secretary, HES in 2016.

Focusing on quality and implementation, Lee is responsible for the overarching key government initiatives and coordinated delivery of priority projects within the training and skills and higher education portfolios.

Lee has extensive experience in the skills and higher education portfolios including VET contract and program management, information system design, and provider quality. She has responsibility for the design and implementation of a more managed, stable and competitive training system.

Prior to joining the Department, Lee was a senior consultant at a consulting firm. She has held senior teaching and research positions at several Australian universities, with a focus on workplace relations, alternative dispute resolution and change management.

Lee holds a Master of Arts and a Bachelor of Arts (with Honours) from the University of Melbourne and has authored several books.

Assistant Deputy Secretary, Schools – Ms Sharyn Donald

Sharyn Donald was appointed Assistant Deputy Secretary, Schools in February 2018 and has oversight of learning, teaching and pathways, international education, literacy and numeracy, and the Principal Medical Advisor. The Assistant Deputy Secretary also supports the work of the parliamentary secretaries.

Sharyn was previously with the Queensland Department of Education and Training as Lead Teaching and Learning Auditor and as the Regional Director South East Queensland, before taking on the role of Regional Director, South West Victoria at the Department.

Sharyn has been a teacher, principal and senior public servant across many communities and is passionate about ensuring a high-quality education for all children and young people regardless of circumstances.

Sharyn holds a Bachelor of Human Movement Studies (Education) from the University of Queensland and a Masters of Education from the Queensland University of Technology.

Assistant Deputy Secretary, Regional Services – Mr Chris Thompson

Chris Thompson is Assistant Deputy Secretary, RS. The position is responsible for supporting the strategy and operations of Victoria's government school and early childhood systems, including coordinating the Department's four regions.

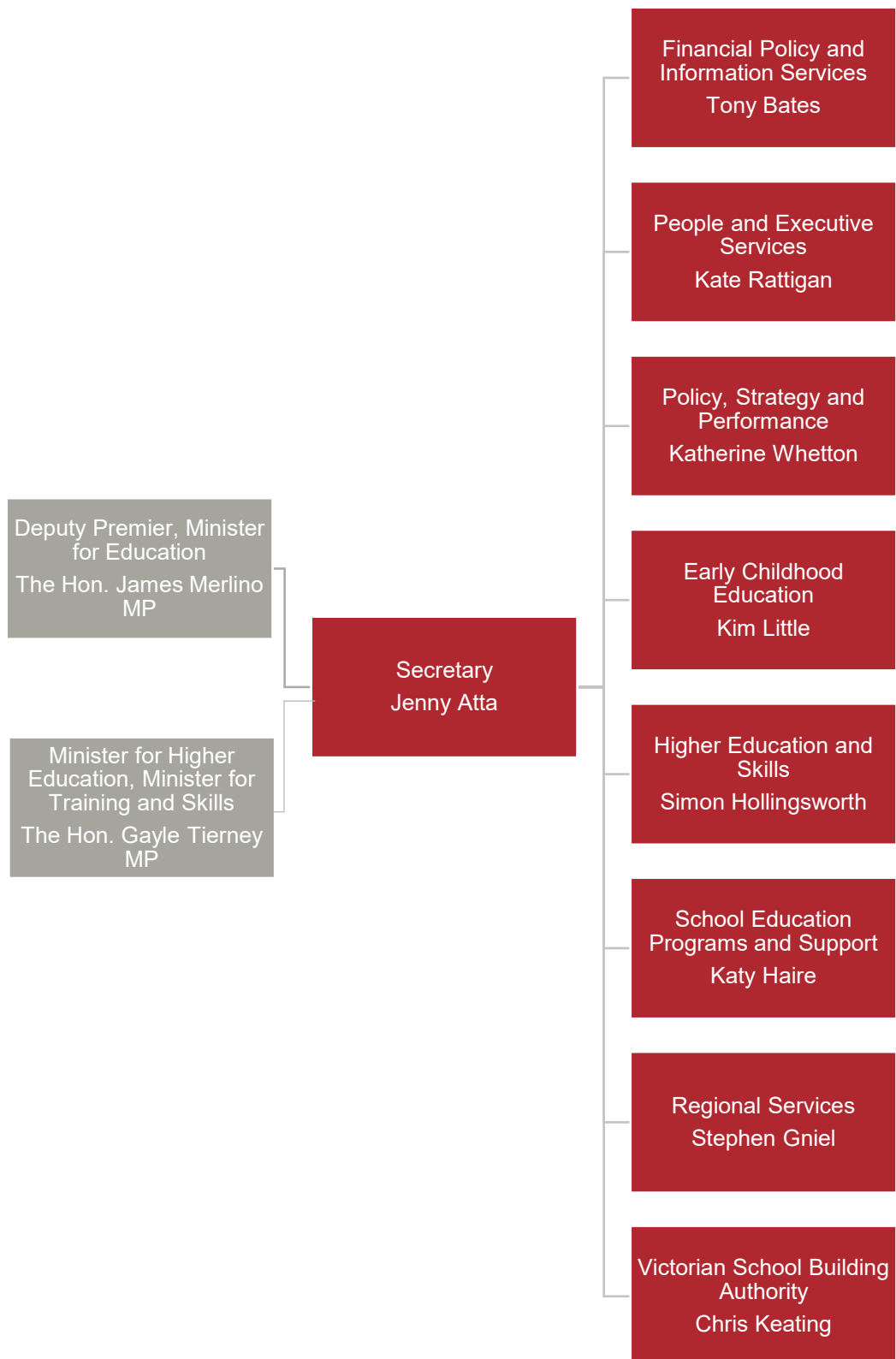
Previously, Chris was the Executive Director for North East Melbourne Area, one of Victoria's 17 education areas. He led a large multidisciplinary team responsible for supporting the operations and improvement of 130 government schools and approximately 350 early childhood services. This followed a period acting as the Deputy Regional Director for North-Western Victoria Region.

Chris previously held executive roles in the Department's Office of the Secretary, the Policy and Strategy Group and as the Director of Priority Cohorts, responsible for education policy relating to languages and sport, and multicultural, Koorie, and rural students. He has also worked at DPC, Department of Planning and Community Development and Department of Human Services.

Chris holds a Bachelor of Laws and a Bachelor of Arts (with Honours) from Monash University and an Executive Masters of Public Administration from ANZSOG.

Organisational structure

Organisational structure at 30 June 2019



Financial Policy and Information Services

FPIS is a crucial corporate service delivery arm of the Department. Its primary purpose is to provide strategic and technical advice in finance and resourcing, information technology and procurement. It plays a key role in financial management, oversight and reporting across the education and training portfolios.

People and Executive Services

PES provides specialist advice and expertise to lead and shape the Department's direction and to enhance our culture and people capabilities. PES provides critical support to the corporate and schools workforce including legal services, people services, health and safety, operational policy reform, communications and media, Cabinet, ministerial support, knowledge and records management, privacy, FOI, integrity, audit and assurance.

Policy, Strategy and Performance

PSP supports the Department to maintain its intensive focus on delivery, performance and engagement to achieve the Education State reform agenda and the Department's strategic intent. It aligns policy leadership with strategy, planning, risk, governance and performance to enable evidence-informed decisions that drive current and future system-wide reforms and improve outcomes for all Victorians.

Early Childhood Education

ECE has lead responsibility for the Education State Early Childhood Reform Plan, Ready for kinder, Ready for school, Ready for life, and major early childhood reform commitments, such as the progressive implementation of kindergarten for three-year-olds, school readiness funding, and the kindergarten quality improvement program. ECE group provides oversight of the early childhood service system, regulates early childhood services (as required by the Education and *Care Services National Law Act 2010* and the *Children's Services Act 1996*) and leads implementation of relevant legislative reforms such as Child Link and the CIS scheme.

Higher Education and Skills

HES oversees tertiary education in Victoria, including VET, higher education, adult education, and lifelong learning.

HES contributes to the Victorian Government's Education State objectives by ensuring Victorians have equitable access to high-quality and relevant post-school education and training, enabling individuals to develop deep knowledge, skills and attributes needed now and for the jobs of the future.

School Education Programs and Support

SEPS has a lead responsibility to shape the Education State to ensure that we build a system that provides every student with the knowledge, capabilities and attributes that will see them thrive throughout their lives. Its four key roles are as policy lead, system architect, commissioner, and program designer. This ensures better outcomes for all students regardless of their start in life and promotes excellence and equity.

Regional Services

RS provides central, regional, and local expertise, as well as critical support to driving improved learning and development outcomes. With a functionally and geographically diverse workforce, RS delivers better outcomes where education, health and development professionals directly interact with children and young people.

RS has four regions that includes 17 areas, supported by four divisions in central office, all working together to deliver better outcomes for early childhood services, schools, communities, learners and other stakeholders, and delivering on the Education State commitments. The 17 areas align with DHHS' regional and area structure.

The four regions provide an interface between the Department's central office, schools and service providers, ensuring that learners move seamlessly through the education system, achieve better outcomes, and meet the Department's ambitious Education State targets.

Regions also inform policy and program design and implementation. Each region has a School Improvement Division and an Early Childhood and School Support Division which provide region-wide expertise in school improvement and early childhood. These divisions work with area-based teams to support local interventions, practice and implementation.

The 17 areas provide a deeper understanding of the trends and issues of local communities. Their input into policy and program development is pivotal in ensuring new initiatives 'hit the ground running'. At a local level, areas are responsible for driving child and learner outcomes across all services and programs.

Victorian School Building Authority

The VSBA helps to deliver the Victorian Government's vision of building a world-class education system and transforming Victoria into the Education State. It designs and builds new schools and early childhood centres to cater for Victoria's rapidly growing student population. It also maintains and upgrades existing facilities to be positive learning environments, allocates resources, and manages educational infrastructure assets.

Governance structure

The Department is led by the Secretary who reports to the Minister for Education, the Minister for Higher Education and the Minister for Training and Skills.

Executive Board

The Department is managed by the Executive Board, chaired by the Secretary. It provides stewardship by giving the Secretary a whole-of-organisation perspective. It is responsible for support to ministers and government, together with oversight of departmental committees.

The Executive Board plays a central coordinating and authorising role for whole-of-department issues, prioritises organisational resources, and monitors performance. It assists the Secretary with strategic leadership of the Department and its agencies and portfolios. It also:

- oversees the portfolio's financial and operational performance
- monitors delivery of key priorities
- ensures integration and alignment across groups and agencies
- drives strong leadership and a high-performing culture across the Department's portfolios.

The Executive Board comprises the heads of the Department's seven groups, the CEOs of VSBA and VCAA, and an assistant deputy secretary on a rotational basis.

Education State Board

The Education State Board is the Department's key advisory body for progressing the Education State agenda. It is chaired by the Secretary and comprises the head of each of the Department's seven groups, the CEO of the VSBA, all assistant deputy secretaries and the Department's four regional directors. It shapes the policies and implementation of the Education State reform agenda and oversees:

- Education State priority reform areas and related stakeholder engagement
- key election commitments
- reform design, business case development, and work program implementation and monitoring
- departmental continuous improvement that has material impact on the design and delivery of reform directions.

Committee structure

Three committees report to the Secretary:

- the Integrity Committee (IC)
- the Audit and Risk Committee (ARC)
- the Executive Development and Remuneration Committee (EDRC).

Six committees report to the Executive Board:

- the Budget and Financial Management Committee (BFMC)
- the Information Management and Technology Committee (IMTC)
- the Policy and Implementation Committee (PIC)
- the Performance and Evaluation Committee (PEC)
- the Procurement and Probity Committee (PPC)
- the Workforce Development and Culture Committee (WDCC).

Integrity Committee

The IC provides assurance to the Secretary that the Department has a robust framework for managing integrity risks and lifting integrity performance. It does this by approving and overseeing the development and delivery of integrity reforms which strengthen the Department's three lines of defence for risk management. The IC leads the Department's efforts to support all corporate and school staff to strive for the highest standards of integrity and public trust.

In relation to portfolio statutory entities (the TAFE sector and funded services), the committee undertakes a stewardship role that reflects the Department's governance responsibilities and operational relationships.

Independent member – Ms Fiona Bennett

Fiona Bennett is a director of a number of entities including Hills Limited, BWX Limited and Select Harvests Limited. She is also the Chairperson of the Victorian Legal Services Board.

She is a chartered accountant with extensive experience in commercial and financial management, governance, risk management and audit. She has held senior executive positions at BHP Ltd and Coles Group Ltd, and has been Chief Financial Officer (CFO) of several organisations in the health sector.

Fiona is a Fellow of the Institute of Chartered Accountants and the AICD.

Independent member – Professor Robert Wood

Professor Wood is a distinguished professor, and Director of the Futures Academy at the University of Technology Sydney, Honorary Professor at the Florey Institute of Neuroscience and Mental Health and former Director of the Centre for Ethical Leadership. In this latter capacity, Professor Wood has been involved in the Vincent Fairfax Fellowship, which develops the ethical leadership capabilities of senior executive leaders in the public and private sectors. Professor Wood has advised many Australian and overseas corporations, including the Australian Defence Forces, Westpac Institutional Bank, and Santos.

Independent member – Ms Maria Peters

Maria Peters is the Chair of the ACFE Board, and a member of the VRQA Board. Ms Peters has extensive experience in the vocational and tertiary sector, working in management, leadership and governance roles for more than 30 years, including as CEO of Chisholm Institute of TAFE from 2010–17. In 2017, Ms Peters received the Lynne Kosky Lifetime Achievement Award for leading significant educational innovation within the VET sector, and was awarded an Honorary Doctor of Education from Swinburne University in 2018.

Audit and Risk Committee

The ARC assists the Secretary to fulfil governance responsibilities and obligations under the FM Act.

The ARC was established in 2003 to meet the Standing Directions of the Minister for Finance under the FM Act, which require 'each public sector agency to appoint an audit committee to oversee and advise the public sector agency on matters of accountability and internal control affecting the operations of the agency'.

The ARC directly advises the Secretary on governance, risk management, audit and control assurance activities. Its four independent members are appointed by the Secretary and there are two executive officers from the Department. The Chief Finance Officer and Chief Audit Executive also attend all committee meetings.

Independent member – Ms Fiona Bennett, Chair

3 December 2013 – 31 December 2019

Independent member – Mr Stuart Alford, Deputy Chair

9 July 2015 – 31 July 2021

Stuart Alford previously had 40 years in professional practice with Ernst & Young, including 27 as a partner. He is a non-executive director with extensive experience in governance, risk management and auditing.

Stuart currently serves on the boards of Eastern Health Foundation, and AMES Australia. He also has audit, risk and finance committee roles with a number of organisations, including the VCAA, the Office of the Australian Accounting Standards Board, the Office of the Auditing and Assurance Standards Board and the Metropolitan Fire and Emergency Services Board. Stuart is also the independent chair of the Network Audit Review Panel for Pitcher Partners.

Stuart is a Fellow of the Institute of Chartered Accountants in Australia and an Associate member of the AICD.

Independent member – Ms Kerrie Parker

1 December 2015 – 30 June 2019

Kerrie Parker has held CEO, CFO and executive leadership roles in fast moving consumer goods, agriculture, manufacturing, financial services and state government. With more than thirty years' experience, Kerrie has led through growth, turnaround and crisis situations. Kerrie has strong financial and

operational experience in driving improvements by process optimisation, business improvements and structural change.

She has been involved in several successful business transformations and gained experience in the Australian Securities Exchange publically listed, multinational and private equity companies, state government bodies and the higher education sector.

Kerrie also spent time within the Victorian Government, managing large scale change projects during a time of transformation and reform, focused on adding value through strong and proper financial management practices, and innovative business solutions.

She is currently CFO at Deakin University and is also a company director, a Fellow of Certified Practising Accountants Australia and a Graduate of the AICD.

Independent member – Ms Helen Thornton

1 March 2017– 28 February 2020

Helen Thornton is an experienced non-executive director and is currently on the boards of Treasury Corporation Victoria, ISPT Pty Ltd, Ansvar Insurance Pty Ltd, Yarra Valley Water, Austin Health and the Legal Practitioners Liability Committee.

Helen is also an independent member of the Audit and Risk Committees for the Department of Environment, Land, Water and Planning and DHHS.

She is a Chartered Accountant with extensive experience in finance, risk management, governance and both internal and external auditing. Helen was the Vice President Risk Management at BlueScope Steel Ltd and has held senior positions at BHP Billiton Ltd, KPMG and Deloitte.

Helen is a member of the Institute of Chartered Accountants and the AICD.

Department executive members

Ms Kate Rattigan, Deputy Secretary, PES
8 December 2015 – 31 December 2021

Ms Lee Watts, Assistant Deputy Secretary, HES
1 March 2017 – 28 February 2020

Executive Development and Remuneration Committee

The EDRC ensures a consistent and rigorous approach to setting and adjusting executive officer remuneration as well as addressing their individual development needs.

Independent member – Ms Pam White

Pam has had more than 30 years' experience in VPS senior management and leadership positions in both policy development and operations. She has worked in child protection, disability, housing, youth justice and emergency management. For two years, she led the State Services Authority (now the Victorian Public Sector Commission), the body responsible for public sector administration, governance, service delivery, and workforce management and development.

In 2012, Pam was awarded the Public Service Medal for her work improving services for vulnerable children and emergency management recovery services.

Pam appreciates and understands the roles and workings of all government levels, including the importance of good governance in delivering effective and integrated public services.

Budget and Financial Management Committee

The BFMC advises the Secretary on budget priorities and oversees effective strategic development and coordination of departmental finances and physical assets.

The BFMC leads the Department's drive to improve financial sustainability and ensures effective oversight and allocation of financial resources in alignment with the Department's objectives.

Independent member – Mr Peter Fuhrmann

Peter has more than 32 years' experience in budget and financial management with the VPS, mostly as an executive officer, encompassing all facets of financial and public account management and budgeting.

Peter came to the VPS following an extensive period in the banking industry, including six years as Budget Manager, State Bank of Victoria.

From 2006 to 2012, he was the Treasurer's representative on the Finance Committee and the Audit Committee of the Cancer Council of Victoria. The committees were responsible for the Council's substantial investment program during the global financial crisis, and for developing and monitoring its operating budget, accommodation, risk management, fund raising strategies and statutory reporting. Peter is a Fellow of Certified Practising Accountants and, in 2010, was awarded the Australian Public Service Medal.

Information Management and Technology Committee

The IMTC oversees the Department's information management and technology functions, priorities and systems, including information security. All departmental information management and technology initiatives must be presented to IMTC for endorsement prior to submission to the PPC, or BFMC, or the Executive Board for approval. The IMTC comprises 12 members and is chaired by a deputy secretary.

Policy and Implementation Committee

The PIC oversees the development and implementation of strategically significant policy initiatives to strengthen Victoria's education services and assets. It draws on the expertise of all groups to bring a whole-of-lifecycle approach to policy development and execution. The PIC comprises 12 members and is chaired by a deputy secretary.

Performance and Evaluation Committee

The PEC provides oversight and assurance of performance monitoring, reporting and evaluation activities across the Department, monitors the implementation of these activities and identifies appropriate responses that help in the application of findings. It comprises 12 members and is chaired by a deputy secretary.

Independent member – Ms Fiona Dowsley

Fiona Dowsley is the founding Chief Statistician of the Crime Statistics Agency at the Department of Justice and Community Safety. Established in 2014, the Crime Statistics Agency is responsible for processing, analysing and publishing Victorian crime statistics, independent of Victoria Police. It conducts research into crime and criminal justice trends and undertakes evaluation activities.

Fiona is also a Director of the Victorian Sentencing Advisory Council, an independent statutory body which aims to bridge the gap between the community, the courts and government by informing, educating and advising on sentencing issues.

Fiona previously worked at the Australian Bureau of Statistics in various roles. As Director, Social and Progress Reporting, Fiona led the Measures of Australia's Progress and Australian Social Trends flagship programs. At the National Centre for Crime and Justice Statistics, Fiona was a member of the Victorian Office Executive team and project managed a consultancy to identify a 5–10 year vision for the crime and justice sector to drive and coordinate investment and evidence development to support future policy.

Procurement and Probity Committee

The PPC oversees procurement activities within the Department to ensure appropriate rigour is exercised in accordance with procurement policies. In doing so, it supports the Secretary's obligations in accordance with Victorian Government Purchasing Board policy, as set out by the FM Act. The PPC considers procurement of goods and services in statutory authorities (VCAA, VRQA and the Merit Protection Board). It does not consider procurement related to construction or property. The PPC comprises 13 members and is chaired by a deputy secretary.

Workforce Development and Culture Committee

The WDCC monitors and oversees the development, implementation and evaluation of strategies and activities to promote exceptional organisational culture and capability across all head office, regional, statutory authority activities, and the teaching workforce. The WDCC comprises nine members and is chaired by a deputy secretary.

Statutory authorities and boards

The Department works in conjunction with the following statutory authorities and boards:

- ACFE Board
- AMES Australia
- Centre for Adult Education
- Children's Services Coordination Board
- Disciplinary Appeals Board
- Independent Office for School Dispute Resolution
- Merit Protection Board
- TAFE institutes
- VCAA
- Victorian Children's Council
- VIT
- VRQA.

Statutory authorities and boards produce their own annual reports for financial years (1 July–30 June) or calendar years (1 January–31 December).

The statutory authorities and boards that produce financial year reports (1 July 2018–30 June 2019) are:

- ACFE Board
- AMES Australia
- VCAA
- VIT
- VRQA.

The statutory authorities and boards that produce calendar year reports (1 January 2019–31 December 2019)

- Centre for Adult Education
- TAFE institutes.

Reports of the Children's Services Coordination Board, Disciplinary Appeals Board, Independent Office for School Dispute Resolution, Merit Protection Board and Victorian Children's Council are included as Appendix 3 of this report.

Workforce data

Public sector values and employment principles

The Department adopts the public sector values set out in the Code of Conduct for Victorian Public Sector Employees. The Department's values underpin how we interact with colleagues, learners and families, members of the community, suppliers and Government.

When employees act in accordance with the Department's values, the Department is more effective, achieves outcomes and ensures the public has trust and confidence in the education system. It also builds trust between employees and leaders, with everyone operating from the same principles, and confident they are doing the right thing.

A suite of materials developed for use across the Department ensures consistent interpretation, strong engagement and connection with the values. These materials inform, educate and guide people on what each of the seven values means in the Department's context, and how employees can demonstrate them every day through their actions and decisions.

Occupational health and safety

The Department communicates its commitment to Health, Safety and Wellbeing (HSW) to all employees as part of its HSW policy, which was endorsed by the Secretary in January 2018. The HSW policy communicates the Department's commitment to continuously improving HSW, recognising legal and moral commitments, and enhancing workplace culture.

As Victoria's largest employer, with approximately 80,000 staff, the Department needs to continually adapt to its environment, and build on existing policies and support systems to address psychological and physical health and safety risks.

The Safe and Well in Education Strategy 2019–2024 (the SWE strategy) and Safe and Well in Education Framework (the SWE framework) build on the success of the Principal Health and Wellbeing Strategy 2018–2021 (PHW Strategy).

The SWE strategy outlines the Department's systematic and sustainable approach to improving health, safety and wellbeing. It starts a five-year journey towards embedding health, safety and wellbeing in everything we do through five key focus areas. The SWE strategy brings together existing systems and supports with the employee wellbeing and operational policy reforms to provide a clear roadmap of initiatives to further strengthen departmental supports for all school and corporate employees.

The SWE framework will help employees understand their health, safety and wellbeing accountabilities and responsibilities, and the supports available to acquit those, to ultimately improve the performance of Victorian government schools. The SWE strategy and framework provide an opportunity to improve employee wellbeing outcomes and build the desired safety culture with smarter systems and stronger structures of support that reduce administrative burden.

The Department is investing \$51 million over four years (2019–2022) and \$16 million in ongoing funding to reform employee HSW and operational policy in line with the Education State agenda to:

- reform how occupational health and safety (OHS) and workers' compensation operates in Victorian schools to address the administrative burden faced by school leaders in meeting OHS requirements by creating clarity, increasing support and streamlining systems
- embed and expand the successful Principal Health and Wellbeing services
- reduce 'red tape' through a new Operational Policy Framework and a policy library which will deliver a one-stop shop for all policy guidance and supporting materials for schools and corporate employees.

The Department continues to implement and develop its OHS management system (OHSMS) through local action plans to enhance safety performance and maintain safe systems of work. Schools are provided with advisory support to implement the OHSMS and are periodically audited against its requirements. The audit and other indicators, are reviewed locally and centrally with corrective actions identified, closed and reported. The Department's OHSMS is available to corporate workplaces, including regional and central offices, and there are plans to promote its implementation and audit these areas.

HSW consultation forums and mechanisms are established at school and corporate locations. Schools are encouraged and expected to establish their own OHS committees, headed by principal and management OHS nominees. The Department has established consultative forums chaired by senior leaders and attended by key stakeholders including the Employee HSW Reference Group, the Occupational Health and Safety Baseline Evaluation Reference Group, the Student Support Services OHS State-Wide Committee and the Victorian School Building Authority (VSBA).

During 2018–19, the Department:

- completed 468 scheduled OHS school audits
- continued the Regional OHS Engagement Model, to support schools' preparation for an OHS audit and completion of audit corrective actions
- provided support and advice on implementing and maintaining the OHSMS in Department schools and workplaces, including 9,416 phone and email communications and 1,155 site visits
- supported 160 participants to complete the Bastow Institute's *Safety Management for School Leaders* training program
- provided access to an online health and wellbeing portal for all employees, receiving 4,784 hits from 922 site visitors
- enabled employees to access 7,454 hours of sessional Employee Assistance Program counselling, manager assist contacts, and critical incident response counselling services
- enabled department workplaces to access 1,008 hours of conflict resolution services including mediation, conflict coaching and team facilitations
- conducted extensive OHS stakeholder consultation via forums including the Employee Health Safety and Wellbeing Stakeholder Reference Group, and the School Support Services OHS Statewide Committee
- provided \$1.64 million (up to \$20,000 per school) for resources, tools and equipment in selected categories to support the health, safety and wellbeing of staff at specialist schools as part of the Safety for Specialist Schools Initiative Agreement.

The Department has developed and implemented multiple programs and initiatives in line with the Mental Health and Wellbeing Charter:

- developed and delivered 15 *Building a Mentally Healthy and Respectful Workplace* training sessions for VPS managers and human resources staff, attended by over 251 managers and human resources staff
- delivered Mental Health and Wellbeing training to 82 per cent of executive staff.

Principal health and wellbeing strategy

The PHW Strategy defines an integrated framework of supports and services, both proactive and reactive, that work together to promote and sustain the health and wellbeing of school leaders. Several services, such as the Complex Matter Support Team, relieve workload pressure for principals, while others such as Principal Health Checks directly support wellbeing.

As at June 2019, the:

- school policy templates portal had over 300,000 page views, helping to reduce workload by providing clear policy templates and guidelines
- principal health checks had been accessed by 464 principals to proactively identify potential physical or mental health risks
- Complex Matter Support team had supported almost 250 matters, reducing stress and workload associated with managing complex matters involving parents and advocates
- Early Intervention Program had over 434 principal referrals to identify and support early signs of health and wellbeing issues through psychological services, physical therapy and dietetics
- proactive wellbeing supervision program had a 42 per cent uptake (across four pilot school networks) to allow reflective practice through psychological debrief sessions
- Principal Mentor Program matched 105 mentees with 60 trained mentors to provide operational support and reduce isolation
- regional capability development program trained almost 150 regional department leaders to support principals and cultivate a culture of care.

The PHW Strategy was a finalist in the Australian Psychological Society's Workplace Excellence Awards as a leading example of a strategic health and wellbeing initiative.

An independent evaluation of the PHW Strategy and pilot initiatives for 2018 found it had been well-received. The evaluation also noted that the PHW Strategy:

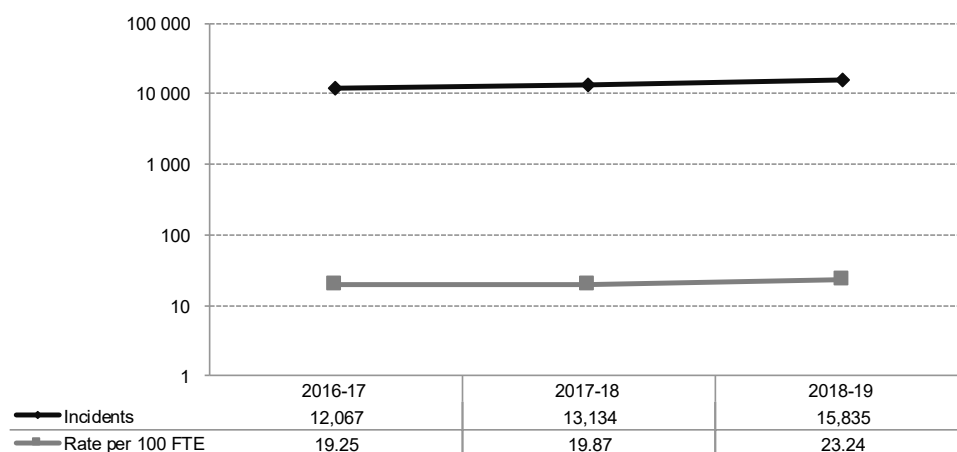
- shows a strong commitment by the Department to the health and wellbeing of principals
- is supporting new and aspiring principals through several initiatives
- has been widely endorsed, based on utilisation.

Funding provided for the employee wellbeing and operational policy reforms will ensure continuity of the PHW Strategy's services and allow a statewide expansion of the proactive wellbeing supervision service from Term 3, 2019.

Incident management

Incidents, including injuries and other hazard-related outcomes, increased from 19.87 per 100 FTE in 2017–18 to 23.24 per 100 FTE in 2018–19. This equates to an additional 2,701 reported incidents, totalling 15,835 in 2018–19 compared with 13,134 in 2017–18.

Number of incidents and rate per 100 FTE 2016–17 to 2018–19



Workers' compensation

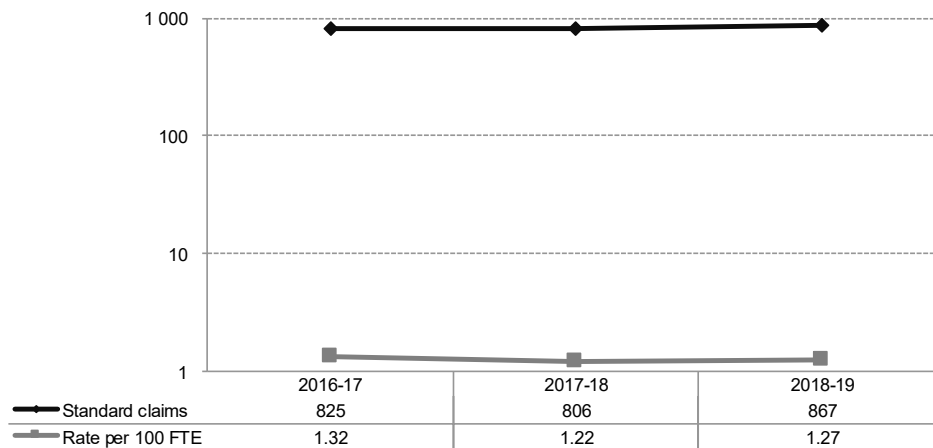
The Department has been working to improve the return-to-work process for injured employees, resulting in less time away. The Department continues to reduce the human and financial costs of workplace injuries, provide support and sound advice to workplace managers and injured workers, build the organisation's capability to effectively manage workers' compensation and return-to-work responsibilities, and comply with legislation.

The main activities during 2018–19 were:

- launching the return to work portal with guides, templates and resources to support managers to develop safe and sustainable return-to-work programs for injured employees
- supporting claims administration for schools through a team of experienced business managers
- delivering statewide face-to-face workers' compensation training to return-to-work coordinators and workplace managers
- improving the Department's workers' compensation management through employee and stakeholder consultation
- reviewing existing workers' compensation claims data and processes for improvement opportunities
- implementing improved reconciliation processes and procedures
- supporting and advising offices and schools through the Workers' Compensation Unit's dedicated team of specialist subject matter experts dedicated to each region
- supporting departmental workplaces and external stakeholders in dispute resolution matters including conciliation and workers' compensation legal proceedings
- managing the Department's Medical Advisory Service provider.

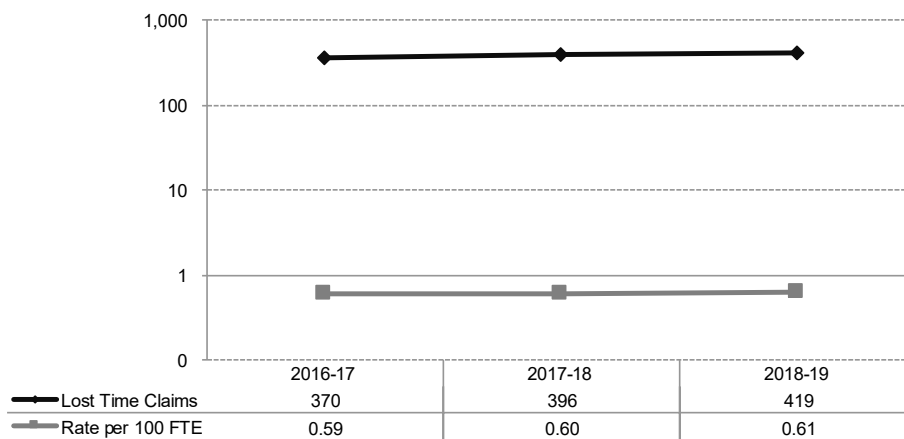
There were 867 standard workers' compensation claims in 2018–19, compared with 806 in 2017–18. The rate per 100 FTE increased from 1.22 per 100 in 2017–18 to 1.27 in 2018–19.

Number of standard claims and rate per 100 FTE 2016–17 to 2018–19



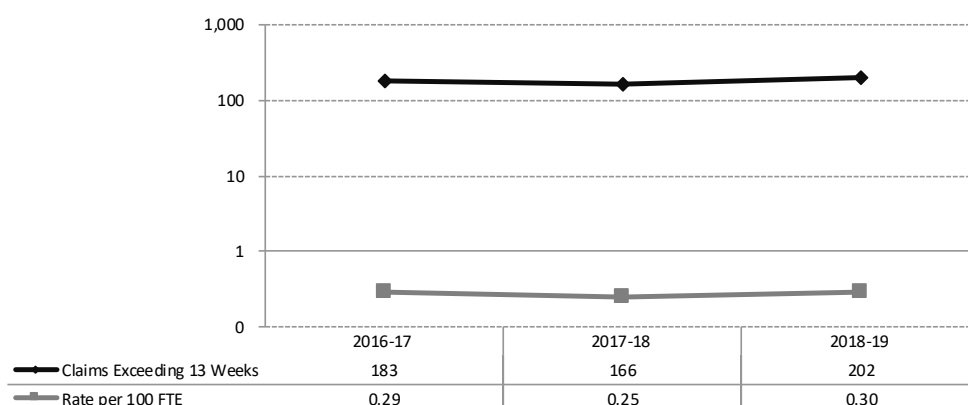
The number of lost time claims increased to 419 in 2018–19 compared with 396 in 2017–18.

Lost time claims and rate per 100 FTE 2016–17 to 2018–19



The number of claims exceeding 13 weeks increased to 202 in 2018–19 compared with 166 in 2017–18.

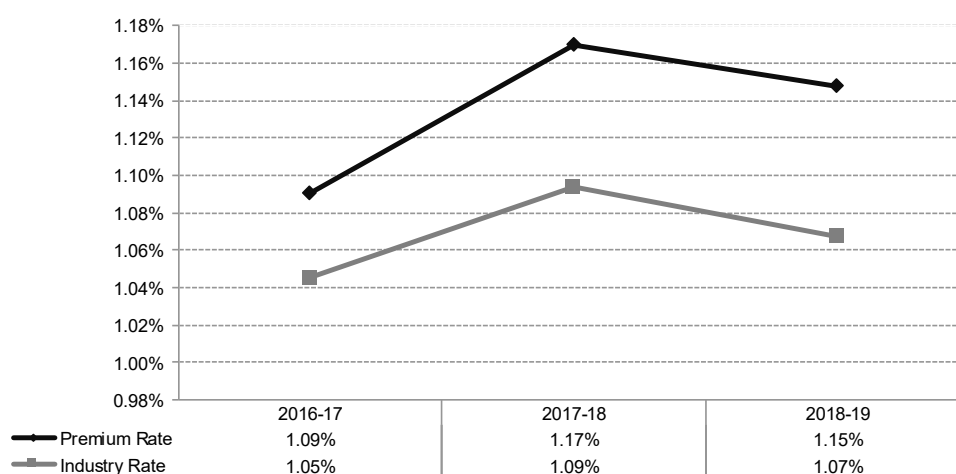
Claims exceeding 13 weeks and rate per 100 FTE 2016–17 to 2018–19



The Department's workers' compensation premium is a function of the premium rate as calculated by WorkSafe and the Department's remuneration. Further, the Department's premium rate is determined by adjusting the industry's premium rate with the Employer's Performance Rating (EPR). The EPR is a measure of the Department's claims cost relative to the industry's claims costs.

The Department's premium increased from \$69.18 million (excluding GST) in 2017–18 to \$71.87 million (excluding GST) in 2018–19. This increase was the net effect of an increase in the Department's remuneration. Its impact was partially offset by a reduction in the premium rate from 1.17 per cent in 2017–18 to 1.15 per cent in 2018–19. The reduction in the Department's premium rate was driven by a reduction in the industry's premium rate from 1.09 per cent in 2017–18 to 1.07 per cent in 2018–19.

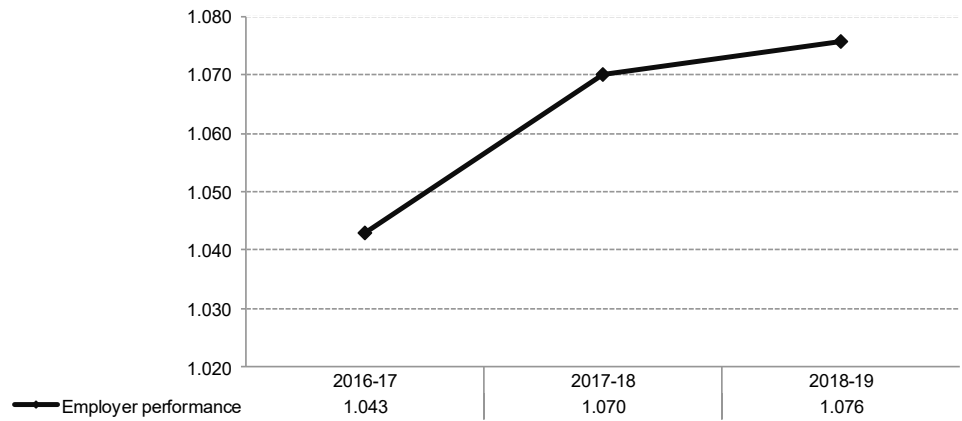
Premium rate 2016–17 to 2018–19



The Department's EPR reflects the employer's claim experience compared to employers across the industry. An EPR greater than one reflects higher claim costs experience when compared to the employer's industry. The EPR has very

slightly increased from 1.070 in 2017–18 to 1.076 in 2018–19 and did not contribute to the year-on-year premium rate reduction.

Employer performance 2016–17 to 2018–19



Performance against OHS and workers' compensation management measures

Measure	Key performance indicator	2016–17	2017–18	2018–19
Incidents	Number of incidents ⁴¹	11,359	12,382	14,923
	Rate per 100 FTE ⁴²	18.12	18.73	21.90
	Number of incidents requiring first aid and/or medical treatment	5,073	5,712	6,346
Hazards	Total number of hazards reported	708	752	912
	Rate per 100 FTE	1.13	1.14	1.34
Claims	Number of standard claims	825	806	867
	Rate per 100 FTE ⁴²	1.32	1.22	1.27
	Number of lost time claims	371	396	419
	Rate per 100 FTE ⁴²	0.590	0.599	0.615
	Number of claims exceeding 13 weeks	183	166	202
	Rate per 100 FTE ⁴²	0.292	0.251	0.296
Fatalities	Fatality claims	0	0	0
Claim costs	Average cost per standard claim (\$)	63,212	66,810	73,124
Return to work (RTW) ⁴³	Per cent of claims with RTW plan <30 days	N/A	N/A	N/A
OHSMS development and implementation/ review and improvement	Number of policies, procedures, guidelines and templates reviewed and/or updated	-	-	309
	School audits completed	390	405	468
	Average OHSMS audit score (schools)	74	70	78

⁴¹ In the 2017–18 annual report, the number of incidents for 2016–17 included hazards while the number of incidents for 2017–18 excluded hazards. To ensure consistency for all three years, in this report, the number of incidents for 2016–17 excludes hazards. The number of hazards have now been provided separately in the table above.

⁴² The FTE figure used in the 2017–18 annual report to calculate rates per 100 FTE for the 2017–18 year was incorrect. These figures have been restated in this report using the correct FTE in their calculation.

⁴³ The Department is unable to report on this indicator because RTW plans are developed locally and the data is not collected centrally. The Department will determine the processes required to report on this measure as part of its EWOP reforms, with an initial plan to report in 2020–21.

Measure	Key performance indicator	2016–17	2017–18	2018–19
	Per cent of corrective actions completed – Incident reports	43	55	58
Management commitment	Evidence of OHS policy statement, objectives, regular reporting to senior management and plans (signed by CEO or equivalent)	Complete	Complete	Complete
	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	Complete	Complete	Complete
	Management engagement in audits ⁴⁴	N/A	N/A	N/A
	Senior management commitment – OHSMS review ⁴⁵	-	-	Yes
Consultation and participation	Evidence of agreed structure of designated workgroups, health and safety representatives, and issue resolution procedures	Complete	Complete	Complete
	Per cent of schools who were reported to have health and safety representatives and OHS committees based on audit results	92	66	68
	Senior management involvement in consultation and communication ⁴⁶	N/A	N/A	N/A
	Compliance with agreed structure of above	Completed	Completed	Completed
Risk management	Per cent of internal audits/inspections conducted as planned	100	100	100

⁴⁴ School principals engage with OHS auditors and take the lead for addressing any corrective actions. Currently, data is not collected centrally for the Department to report on this measure. The Department will consider how to report on this measure with an initial plan to begin reporting in 2021.

⁴⁵ Senior management review the OHSMS, its performance and relevant development actions periodically, as part of the OHS Baseline Evaluation Reference Group and the Workforce Development and Culture Committee.

⁴⁶ Senior executives, executives, principals and management OHS nominees attend periodic OHS committees.

Currently, the data needed to determine the percentage of participation is not centrally captured. The Department will consider how to report on this indicator with an initial plan to begin reporting in 2021.

Measure	Key performance indicator	2016–17	2017–18	2018–19
	Per cent of reported incidents investigated	-	-	59
	Number of Improvement notices issued by WorkSafe inspector	-	-	105
	Per cent of issues actioned as part of the total issues identified in:			
	• internal audits ⁴⁷	100	64	69
	• health and safety representatives Provisional Improvement Notices ⁴⁸	N/A	N/A	N/A
	• WorkSafe notices	-	-	100
Training	Per cent of managers and staff that have received OHS training:			
	• induction	70	67	72
	• management training (OHS for principals)	-	-	70
	• contractors and temps ⁴⁹	N/A	N/A	N/A
	Per cent of health and safety representatives trained:			
	• acceptance of role (initial training)	86	73	75
	• re-training (annual refresher)	50	37	53

⁴⁷ 2017–18 data is not comparable to previous years because the measure changed. A new OHS audit program was established in July 2016, which provides more accurate data and enables improved monitoring and verification of action items for all internal audits (including schools). In this program, schools have up to nine months to complete their corrective actions and this is the first financial year where new data is available.

⁴⁸ The Department is unable to report on this indicator in 2019 because data relating to Provisional Improvement Notices are not collected centrally. The Department will determine the processes needed to report on this indicator as part of its EWOP reforms with an intention to report in 2020–21.

⁴⁹ Currently, the Department does not maintain contractor training records centrally to be able to report on this measure. The Department will consider how to report on this indicator with an initial plan to begin reporting in 2021.

Measure	Key performance indicator	2016–17	2017–18	2018–19
	<ul style="list-style-type: none"> Total number of mental health training sessions 	-	-	15 people managers and human resources staff 3 executives
Absenteeism	<ul style="list-style-type: none"> Total number of days of absence due to injury or illness Rate per 100 FTE 	590,519 941	605,155 916	639,518 939
People Matter survey results	<ul style="list-style-type: none"> Response rate (%) Per cent of respondents who think the Department provides a safe work environment 	71 83	79 83	79 81
Prosecutions	<ul style="list-style-type: none"> Total number of prosecutions 	-	-	0
Mental health and wellbeing	<ul style="list-style-type: none"> Mental health audit⁵⁰ Calendar of mental health and wellbeing activities⁵¹ 	N/A N/A	N/A N/A	N/A N/A

⁵⁰ The Department has updated the mental health and wellbeing procedure and guide, which is a step towards planning for future mental health audits in the workplace.

⁵¹ Mental health and wellbeing activities have been organised centrally such as the promotion of R U OK? Day in the Departments all staff forum. Other wellbeing workshops were delivered to corporate staff (Thriving at work). Also, other activities which are independently organised include wellbeing activities such as celebrating harmony day

Comparative workforce data

The following tables disclose the headcount and FTE of all active public service employees of the Department ^{52 53 54 55 56}

VPS staff employment levels June 2018 and 2019

		June 2019							June 2018						
		All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
		Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
Demographic data	Gender														
	Women	3,147	2,812.8	1,612	789	2,138.3	746	674.5	3,031	2,676.2	1,568	807	2,094.5	656	581.7
	Men	1,028	998.9	728	55	765.5	245	233.5	951	922.4	701	54	737.8	196	184.6
	Self-described	9	9.0	8	-	8.0	1	1.0	2	2.0	1	-	1.0	1	1.0
	Age														
	Under 25	82	72.7	41	3	42.9	38	29.8	81	75.4	32	1	32.5	48	42.9
	25-34	959	900.1	554	100	617.6	305	282.5	881	821.7	460	94	518.8	327	302.9
	35-44	1,205	1,070.6	567	330	786.7	308	283.9	1,110	976.7	548	329	766.6	233	210.1
	45-54	947	880.0	560	186	690.5	201	189.6	912	840.6	603	178	724.4	131	116.2
	55-64	823	752.2	529	166	639.1	128	113.1	847	758.3	542	202	669.4	103	89.0
	65+	168	145.1	97	59	135.1	12	10.0	153	127.9	85	57	121.7	11	6.2

⁵² This table includes employees of the VCAA and the VRQA who are also reported in those authorities' annual reports

⁵³ 'Headcount' refers to the number of people employed where each person counts as an employee regardless of the number of hours engaged to work

⁵⁴ 'Casual' means a person who is subject to clause 25, casual employees—loading of the VPS Agreement 2006, or similar clauses in other relevant agreements. It includes a person employed on a seasonal basis where such provision is made under an applicable industrial agreement.

⁵⁵ Age of staff is calculated as at 30 June each year.

⁵⁶ The category VPSG2 includes graduate recruits.

		June 2019							June 2018						
		All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
		Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
Classification data	VPS 1–6 grades	3,192	3,002.9	1,886	429	2,188.9	877	814.0	2,960	2,777.3	1,853	418	2,144.7	689	632.6
	VPS 1	14	13.8	1	-	1.0	13	12.8	7	7.0	-	-	-	7	7.0
	VPS 2	141	118.8	83	22	98.1	36	20.7	135	117.3	82	25	98.0	28	19.3
	VPS 3	438	406.5	268	72	317.3	98	89.2	413	375.2	248	65	290.2	100	85.0
	VPS 4	625	595.3	394	63	435.9	168	159.4	597	569.4	370	66	416.3	161	153.1
	VPS 5	1,317	1,237.3	712	196	849.4	409	387.8	1,233	1,156.2	763	189	894.5	281	261.7
	VPS 6	657	631.2	428	76	487.2	153	144.0	575	552.1	390	73	445.5	112	106.6
	Senior employees	114	112.2	100	10	108.3	4	3.9	118	115.8	105	10	112.8	3	3.0
	STS	26	25.0	17	5	21.1	4	3.9	26	25.3	19	4	22.3	3	3.0
	Executive Officers ⁵⁷	88	87.2	83	5	87.2	-	-	92	90.5	86	6	90.5	-	-
	SMA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	878	705.6	362	405	614.6	111	91.1	906	707.6	312	433	575.9	161	131.7
	Allied health	644	531.2	293	265	457.6	86	73.6	645	522.4	239	267	407.5	139	114.9
	Nurses	234	174.5	69	140	157.0	25	17.5	261	185.2	73	166	168.4	22	16.8
Total employees		4,184	3,820.7	2,348	844	2,911.8	992	908.9	3,984	3,600.6	2,270	861	2,833.4	853	767.3

⁵⁷ Executive officers includes EO1–3 and the Secretary.

Government Teaching Service staff employment levels in June 2018 and 2019

		June 2019							June 2018						
		All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
		Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
Demographic data	Gender														
	Women	57,841	48,387.3	25,609	21,898	39,611.1	10,334	8,776.3	56,141	46,993.7	25,563	21,378	39,184.7	9,200	7,809.1
	Men	17,145	15,907.3	11,300	2,623	13,046.2	3,222	2,861.1	16,690	15,501.6	11,333	2,481	12,979.8	2,876	2,521.8
	Self-described	24	20.5	11	7	15.9	6	4.6	2	2.0	1	-	1.0	1	1.0
	Age														
	Under 25	3,369	3,016.8	725	518	1,075.0	2,126	1,941.8	3,414	3,075.3	831	510	1,170.7	2,073	1,904.6
	25-34	19,933	18,353.7	11,369	2,896	13,127.7	5,668	5,226.0	19,153	17,653.3	11,439	2,791	13,122.2	4,923	4,531.1
	35-44	17,716	14,661.1	8,345	6,659	12,510.3	2,712	2,150.8	16,759	13,883.9	8,085	6,281	11,990.9	2,393	1,892.9
	45-54	17,564	14,768.4	8,519	7,064	13,222.3	1,981	1,546.0	17,206	14,446.4	8,482	7,033	13,147.0	1,691	1,299.4
	55-64	14,092	11,762.2	7,036	6,141	11,076.3	915	685.9	14,155	11,828.1	7,212	6,095	11,207.5	848	620.6
	65+	2,336	1,752.8	926	1,250	1,661.5	160	91.4	2,146	1,610.5	848	1,149	1,527.1	149	83.4
Classification data	Executive class	150	148.6	104	2	105.4	44	43.2	141	139.9	128	3	129.9	10	10.0
	Principal class ⁵⁸	3,230	3,200.7	3,127	103	3,200.7	-	-	3,135	3,108.6	3,044	91	3,108.6	-	-
	Teacher class ⁵⁹	48,345	43,483.0	27,642	10,823	34,426.5	9,880	9,056.5	47,445	42,686.8	27,860	10,629	34,490.0	8,956	8,196.8
	Education support class	23,285	17,482.8	6,047	13,600	14,940.5	3,638	2,542.2	22,112	16,562.1	5,865	13,136	14,437.0	3,111	2,125.1
	Total employees	75,010	64,315.0	36,920	24,528	52,673.1	13,562	11,641.9	72,833	62,497.3	36,897	23,859	52,165.4	12,077	10,331.9

⁵⁸ Principal class includes principals, assistant principals and liaison principals.

⁵⁹ Teacher class includes classroom teachers and paraprofessionals.

The following table discloses the annualised total salary for Department senior employees, categorised by classification. The salary amount is reported as the full-time annualised salary excluding superannuation.

Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160,000						
\$160,000 – \$179,999	2 ⁶⁰	10 ⁶¹				
\$180,000 – \$199,999	32 ⁶²	10 ⁶³				
\$200,000 – \$219,999	6 ⁶⁴	6 ⁶⁵				
\$220,000 – \$239,999	14					
\$240,000 – \$259,999	6					
\$260,000 – \$279,999	6					
\$280,000 – \$299,999	11					
\$300,000 – \$319,999	3					
\$320,000 – \$339,999	3					
\$340,000 – \$359,999						
\$360,000 – \$379,999	1					
\$380,000 – \$399,999	2					
\$400,000 – \$419,999						
\$420,000 – \$439,999						
\$440,000 – \$459,999	1					
\$460,000 – \$479,999						
\$480,000 – \$499,999						
Total	87	26				

⁶⁰ This band includes one employee at 44/52 employment mode.

⁶¹ This band includes one employee on a part-time basis at a 0.8 FTE rate and one employee at 51/52 employment mode.

⁶² This band includes two employees on a part-time basis at a 0.8 FTE rate, two employees at a 0.9 FTE rate and one employee at 44/52 employment mode.

⁶³ This band includes one employee on a part-time basis at a 0.7 FTE rate, one employee at a 0.8 FTE rate and one employee at a 0.9 FTE rate.

⁶⁴ This band includes one employee on a part-time basis at a 0.8 FTE rate.

⁶⁵ This band includes two employees on a part-time basis at a 0.9 FTE rate.

Workforce diversity and inclusion

The Department is working to create safe, inclusive and respectful workplaces, where staff are valued and supported. The Department's policies and practices encourage people of all backgrounds to pursue challenging and rewarding public sector careers at all levels.

Government employment targets are one way to ensure that the Victorian community is represented in the workforce. The Department's corporate workforce targets include:

- 50 per cent women and 50 per cent men on the executives' gender profile by 2019
- two per cent Aboriginal and/or Torres Strait Islander employees
- six per cent people with disability by 2020, and 12 per cent by 2025.

Department's progress against gender targets

Workforce inclusion initiative	Target	Actual progress in 2018–2019	Actual progress in 2017–2018
Gender profile at executive levels ⁶⁶	50 per cent women; 50 per cent men by 2019	53.1 per cent women; 46.9 per cent men	52.6 per cent women; 47.4 per cent men

The Department is reducing barriers for underrepresented groups and promoting safe and inclusive workplaces by raising awareness and improving workplace culture. It is doing this through the implementation of the Department's cultural change strategies and by refreshing the Department's [diversity and inclusion](#) policies for employees.

The focus this year has been on setting strong foundations around diversity and inclusion so that future initiatives are underpinned by strong policies and processes that support cultural change. This involved making inclusion central to workforce actions in the Department's Cultural Diversity Plan, Wirnalung Ganai (the Aboriginal Inclusion Plan), and the Disability Action Plan. The Department maintains a respectful workplaces program, strong policies around flexible work and sexual harassment, and fosters awareness of gender equality.

In addition, the Department supported inclusion through staff networks including the Koorie Staff Network, the DET Pride Network and the DET Enablers Network.

The Department's work continues to build a workplace culture grounded in respect, that fosters inclusion, promotes diversity and embraces everyone's unique skills and qualities. This is supported by evidence-based actions to raise awareness, provide guidance and support, and build skills and capabilities to address specific workforce challenges and achieve safe and inclusive workplaces.

⁶⁶ The self-described category is nil for this entry

Industrial relations

Department employees, other than executive officers, are covered by industrial agreements. Industrial action is not permitted on matters within industrial agreements prior to their nominal expiry dates.

The Victorian government schools Agreement 2017 commenced on 22 August 2017 with a nominal expiry date of 30 April 2021. This agreement applies to the Government teaching service, including executives, principals, teachers, paraprofessionals and education support staff.

The Victorian Public Service Agreement 2016 came into effect on 18 May 2016 and expires on 31 December 2019.

The Nurses (Department of Education and Training) Agreement came into effect on 28 December 2016 and expires on 31 December 2019.

No time was lost due to industrial action during 2018–19.

Executive officer data

The following tables disclose the executive officers of the Department and its portfolio agencies for 30 June 2019.

Total number of executive officers (FTE) for the Department by gender

Class	All		Men		Women		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
EO-1	7.0	+3.0	3.0	+1.0	4.0	+2.0	-	-
EO-2	41.6	-2.4	20.0	-1.9	21.6	-0.5	-	-
EO-3	37.6	+1.1	17.9	+1.9	19.7	-0.8	-	-
Total	86.2	+1.7	40.9	+1.0	45.3	+0.7	-	-

Reconciliation of executive officer numbers (headcount) excluding statutory authorities

	2019	2018
Executives	91	94
Accountable officer (Secretary)	1	1
Less separations ⁶⁷	(11)	(8)
Total executive officer numbers at 30 June 2019	81	87

Number of executive officers (FTE) for the Department's statutory authorities

Class	All		Men		Women		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
VCAA	5.0	+2.0	2.0	-	3.0	+2.0	-	-
VRQA	2.0	-	1.0	-	1.0	-	-	-
Total	7.0	+2.0	3.0	-	4.0	+2.0	-	-

⁶⁷ Includes all executive officers separating from the Department including those transferring to another government department.

Number of executive officers for the Department's portfolio entities as at 30 June 2019

Portfolio agency	2019				2018				Change			
	Female	Male	Self-described	Total	Female	Male	Self-described	Total	Female	Male	Self-described	Total
AMES Australia	5	3	0	8	5	3	0	8	0	0	0	0
Bendigo Kangan Institute	5	6	0	11	6	6	0	12	-1	0	0	-1
Box Hill Institute	9	6	0	15	9	6	0	15	0	0	0	0
Chisholm Institute	6	3	0	9	8	9	0	17	-2	-6	0	-8
Gordon Institute of TAFE	0	1	0	1	5	4	0	9	-5	-3	0	-8
Goulburn Ovens Institute of TAFE	1	1	0	2	6	2	0	8	-5	-1	0	-6
Holmesglen Institute	9	4	0	13	11	8	0	19	-2	-4	0	-6
Melbourne Polytechnic	9	11	0	20	10	13	0	23	-1	-2	0	-3
South West Institute of TAFE	0	1	0	1	1	3	0	4	-1	-2	0	-3
Sunraysia Institute of TAFE	0	1	0	1	0	1	0	1	0	0	0	0
TAFE Gippsland	0	3	0	3	0	1	0	1	0	2	0	2
VET Development Centre	0	1	0	1	0	1	0	1	0	0	0	0
Victorian Institute of Teaching	0	1	0	1	0	1	0	1	0	0	0	0
William Angliss Institute of TAFE	1	2	0	3	0	4	0	4	1	-2	0	-1
Wodonga Institute of TAFE	0	2	0	2	2	4	0	6	-2	-2	0	-4
Total	45	46	0	91	63	66	0	129	-18	-20	0	-38

For the purposes of this table, executive officers are employees who have significant management responsibility with a total remuneration package of \$182,070 or more. Employees on leave without pay or absent on secondment, external contracts, consultants and temporary staff employed by employment agencies are excluded. The Centre for Adult Education is now part of Box Hill Institute.

Pecuniary interests

All relevant officers have completed declarations of pecuniary interests.

Shares held by senior officers

No shares are held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.

Other disclosures

Victoria's social procurement framework

The Department implemented its Social Procurement Strategy in February 2019. It prioritises the social procurement objectives of:

- opportunities for Victorian Aboriginal people
- women's equality and safety
- opportunities for disadvantaged Victorians
- supporting safe and fair workplaces
- environmentally sustainable outputs.

The Department's corporate procurement procedure and documentation now align all procurements with these social procurement requirements. Similar updates for construction works procurement are expected to be completed in October 2019. A capability development plan is being drafted to establish a pathway for the maturing of social procurement capability over three years.

Local jobs first

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy, which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy to all metropolitan Melbourne and statewide projects valued at \$3 million or more, or \$1 million or more in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more. The MPSG guidelines and VIPP guidelines continue to apply to MPSG applicable and VIPP applicable projects respectively, where contracts have been entered prior to 15 August 2018.

Projects commenced – Local jobs first standard

During 2018–19, the Department commenced 46 Local Jobs First standard projects valued at \$336 million. The projects based in metropolitan Victoria averaged 87 per cent local content. The projects based in regional Victoria averaged 88 per cent local content.

The expected outcomes from the implementation of Local Jobs First, based on the reported and extrapolated information are as follows:

- an average of 87 per cent local content
- an estimated total of 284 positions were created
- an estimated 84 new apprenticeships and traineeships were created
- an estimated 200 existing apprenticeships and traineeships were retained.

MPSG projects provided an estimated total of 95,000 hours to 38 apprentices, trainees, and cadets.

Projects completed – Local jobs first standard

During 2018–19, the Department completed 87 Local Jobs First Standard Projects, valued at \$555 million. The projects based in metropolitan Victoria

averaged 87 per cent local content. The projects based in regional Victoria averaged 86 per cent local content.

The expected outcomes from the implementation of Local Jobs First, based on the reported and extrapolated information are as follows:

- an average of 86 per cent local content
- an estimated total of 945 positions were created
- an estimated 260 new apprenticeships and traineeships were created
- an estimated 764 existing apprenticeships and traineeships were retained.

MPSG projects provided an estimated total of 289,000 hours to 121 apprentices, trainees, and cadets.

Projects commenced – Local jobs first strategic

During 2018–19, the Department commenced three Local Jobs First Strategic Projects, valued at \$92 million. The projects based in metropolitan Victoria averaged 89 per cent local content. The projects based in regional Victoria averaged 86 per cent local content.

The expected outcomes from the implementation of Local Jobs First, based on the reported and extrapolated information are as follows:

- an average of 88 per cent local content
- an estimated total of 22 positions were created
- an estimated 7 new apprenticeships and traineeships were created
- an estimated 23 existing apprenticeships and traineeships were retained.

MPSG projects provided an estimated total of 52,000 hours to 16 apprentices, trainees, and cadets.

Projects completed – Local jobs first strategic

During 2018–19, the Department completed six Local Jobs First Strategic Projects, valued at \$118 million. The projects based in metropolitan Victoria averaged 89 per cent local content.

The expected outcomes from the implementation of Local Jobs First, based on the reported and extrapolated information are as follows:

- an average of 89 per cent local content
- an estimated total of 36 positions were created
- an estimated 12 new apprenticeships and traineeships were created
- an estimated 42 existing apprenticeships and traineeships were retained.

MPSG projects provided an estimated total of 24,000 hours to 14 apprentices, trainees, and cadets.

Reporting requirements – all projects

During 2018–19, there were 4,031 small to medium businesses engaged through the supply chain on these projects.

Reporting requirements – grants

No grants provided during 2018-19 required a conversation with the Industry Capability Network (Victoria) Ltd.

Government advertising expenditure

Campaigns with a media spend of \$100,000 or greater 2018–19 (excluding GST)

Campaign	Summary	Start/end	Advertising (media)	Creative and campaign development	Research and evaluation	Print and collateral	Other	Total
Never Leave Kids in Cars	<p>Raised awareness of the dangers of leaving children unattended in cars on hot days, and the speed at which temperature doubles inside a parked car.</p> <p>Campaign was delivered in partnership with DHHS, Ambulance Victoria and KidSafe.</p>	2 December 2018 to 28 February 2019	\$188,312	-	-	-	\$16,363	\$204,675
Public School. Our School.	This promoted Victorian government schools as great places to study and work, aimed at parents and carers and those interested in a teaching career.	27 August 2018 to 30 June 2019	\$2,358,349	\$749,934	\$20,000	\$43,826	\$125,114	\$3,297,223
Our Fair Share	Raised Victorian public awareness and understanding of a Commonwealth funding deal which meant Victorian public schools would miss out on \$500 million in federal funding every year.	24 February to 25 June 2019	\$427,874	\$169,311	-	-	\$4,190	\$601,375
Tech schools	<p>Victoria's 10 tech schools opened their doors to the community during Education Week 2019.</p> <p>The campaign aimed to inform the public about tech schools and encourage people to attend their open days.</p>	13 to 31 May 2019	\$139,000	-	-	\$10,000	\$30,000	\$179,000

Campaign	Summary	Start/end	Advertising (media)	Creative and campaign development	Research and evaluation	Print and collateral	Other	Total
TAFE Will Take You There	Promote the state's TAFE network under one united brand. Increase public confidence in TAFEs. Promote TAFE Victoria as a provider of courses that help Victorians get real jobs.	4 Nov 2018 to 16 Dec 2018 and 30 Dec 2018 to 24 Feb 2019	\$940,402	-	-	-	-	\$940,402
Free TAFE	A marketing campaign to motivate and encourage prospective students to enrol in free TAFE courses. Continue to build the TAFE Victoria brand. Communicate breadth and depth of TAFE offering.	29 July 2018 to 21 Oct 2018 and 14 April 2019 to 30 June 2019	\$2,269,422	\$129,731	\$16,500	\$13,363	\$122,322	\$2,551,338

Consultancy expenditure

Details of consultancies valued at \$10,000 or greater

In 2018–19, there were 44 consultancies where the total fees were \$10,000 or greater. During 2018–19 these totalled \$5.84 million (excluding GST). Consultancies of \$10,000 or greater are listed in the *Department of Education and Training Annual Report 2018–19 Additional Information*, available at www.education.vic.gov.au.

Details of consultancies valued at less than \$10,000

In 2018–19, there were two consultancies where the consultant's total fees were less than \$10,000. The total expenditure incurred during 2018–19 in relation to these consultancies was \$7,546.

Information and communication technology expenditure

In accordance with the VPS information and communication technology (ICT) reporting standard, the Department's ICT expenditure is reported below.

ICT expenditure

Measure	\$m
Business as Usual (BAU) ICT expenditure	352.966
Non-Business as Usual (non-BAU) ICT expenditure	
• Operating expenditure	4.258
• Capital expenditure	33.601
Total ICT non-BAU expenditure	37.859
Total ICT expenditure	390.825

Disclosure of major contracts

The Department disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million entered into during the year ended 30 June 2019. Details of contracts disclosed in the Victorian Government contracts' publishing system can be viewed on the internet at www.procurement.vic.gov.au.

Contractual details have not been disclosed for contracts exempted under the *Freedom of Information Act 1982* (the FOI Act), and/or government guidelines.

Freedom of information

The FOI Act allows the public a right to access documents held by the Department. The purpose of the FOI Act is to extend as far as possible the community's right to access information held by government departments, local councils, ministers and other bodies.

People can apply to access documents both created by the Department or supplied to it. They may also get access to maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the Department is available at www.education.vic.gov.au/about/working/Pages/foi.aspx.

Under the FOI Act a department can refuse access to certain documents or information, either fully or partially. Examples of documents that may not be accessed include:

- cabinet documents
- some internal working documents
- law enforcement documents
- documents covered by legal professional privilege, such as legal advice; personal information about other people
- information provided to the Department in confidence.

Under section 49A of the FOI Act, applicants not satisfied by a decision made by the Department can seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

FOI Statistics

During 2018–19, the Department received 479 applications. Of these:

- 382 were from individuals seeking access to their own records
- 15 were requests from members of parliament
- 30 from media organisations
- 52 from members of the public seeking policy-related and other miscellaneous documents.

Mostly, the Department provided full or partial access to the requested documents. OVIC were asked to review 27 applications, and 13 went on appeal to the Victorian Civil and Administrative Tribunal.

This report contains the information required to be published pursuant to section 7 of the FOI Act. Further information is available at: www.education.vic.gov.au/about/working/Pages/foi.aspx.

Making a request

Access to documents is via written request to the Department's Freedom of Information unit as detailed in section 17 of the FOI Act. In summary, a request must:

- be in writing
- identify as clearly as possible the document(s) being requested
- be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Freedom of information contacts

Agency	Postal address	Email	Telephone
Department of Education and Training	Manager, Freedom of Information Department of Education and Training GPO Box 4367 Melbourne 3001	foi@edumail.vic.gov.au	(03) 7022 0078
Victorian Curriculum and Assessment Authority	Level 7 2 Lonsdale Street Melbourne 3000	vcaa.foi@edumail.vic.gov.au	(03) 9032 1700
Victorian Registration and Qualifications Authority	Level 4 2 Lonsdale Street Melbourne 3000	vrqa@edumail.vic.gov.au	(03) 9032 1554
Merit Protection Boards	Level 4 2 Lonsdale Street Melbourne 3000	meritboards@edumail.vic.gov.au	(03) 9032 1701
Victorian Institute of Teaching	PO Box 531 Collins Street West Victoria 8007	vit@vit.vic.edu.au	(03) 8601 6100
Disciplinary Appeals Boards	Level 4 2 Lonsdale Street Melbourne 3000	dab@edumail.vic.gov.au	(03) 9032 1701
Office of the Victorian Skills Commissioner	PO Box 354 Flinders Lane 8009	enquiries@vsc.vic.gov.au	(03) 8892 1602

Further information regarding freedom of information can be found at www.foi.vic.gov.au.

Access charges may apply once documents have been processed and a decision made on access; for example, for photocopying, and search and retrieval charges.

Compliance with DataVic access policy

Consistent with the DataVic Access policy issued by the Victorian Government in 2012, the Department made 16 data sets available on the DataVic website in 2018–19. The information listed below, and in this Annual Report, will be available at www.data.vic.gov.au in electronic readable format:

- progress towards achieving departmental objectives
- performance against output performance measures
- five-year financial summary
- performance management of OHS and workers compensation management measures
- comparative workforce data
- executive officers' data
- government advertising expenditure
- financial statements (key financial information)
- Appendix 2 Budget portfolio outcomes.

Compliance with the Building Act 1993

Mechanisms to ensure that buildings conform to the building standards

The Department complies with the *Building Act 1993*, the National Construction Code and other statutory obligations related to constructing and modernising educational facilities. The school modernisation and building compliance programs progressively ensure that existing buildings comply with relevant legislative requirements.

Major works projects (greater than \$50,000)

For details of all such projects, see the 2018–19 Budget Paper No. 4: State Capital Program.

During 2018–19, major works (greater than \$50,000) not subject to certification of plans, mandatory inspections of works, and issue of occupancy permits or certificates of final inspection, were undertaken at the following schools.

Major works projects

School ⁶⁸	School	School	School
Albany Rise PS	Deans Marsh PS	Lara Lake PS	Sandringham PS
Albert Park PS	Deepdene PS	Lara PS	Sassafras PS
Albion North PS	Derinya PS	Lara SC	Seabrook PS
Albion PS	Diggers Rest PS	Lardner and District PS	Seaford PS
Aldercourt PS	Don Valley PS	Launching Place PS	Seaholme PS
Alfredton PS	Donburn PS	Lemnos PS	Seaspray PS
Altona Greens PS	Donvale PS	Lilydale PS	Selby PS
Altona P-9 College	Doreen PS	Lilydale West PS	Seville PS
Altona PS	Dromana SC	Lindenow PS	Silvan PS
Anakie PS	Dunkeld CS	Little Bendigo PS	Silverton PS
Andersons Creek PS	Eaglehawk SC	Lockington CS	Skye PS
Apollo Bay P-12 College	East Bentleigh PS	Lockwood South PS	Somers PS
Apsley PS	East Doncaster SC	Longford PS	Somerville PS
Ardmona PS	East Loddon P-12 College	Lorne P-12 College	South Oakley SC
Arthurs Creek PS	Echuca PS	Macarthur St PS	Specimen Hill PS
Ashby PS	Ellinbank PS	Macclesfield PS	Springvale Rise PS

⁶⁸ PS – Primary School, SC – Secondary College, CS – Consolidated School, SS – Specialist School

School ⁶⁸	School	School	School
Auburn South PS	Elmore PS	Maffra SC	St Albans Meadows PS
Axedale PS	Elsternwick PS	Mansfield PS	St Kilda Park PS
Baden Powell P-9 College (Tarneit Campus)	Emerald SC	McKinnon PS	St Kilda PS
Bairnsdale PS	Epsom PS	Meadow Heights PS	Strathewen PS
Bairnsdale SC	Euroa SC	Melrose PS	Strathfieldsaye PS
Ballam Park PS	Findon PS	Merino CS	Sunbury Heights PS
Ballarat PS (Dana Street)	Fish Creek and District PS	Merrijig PS	Sunnycliffs PS
Ballarat SC - BLX Campus	Fitzroy North PS	Mickleham PS	Sunshine PS
Balwyn PS	Footscray West PS	Mildura Senior College	Swan Hill College
Bandiana PS	Frankston East PS	Mill Park SC	Swifts Creek P-12
Banyan Fields PS	Frankston Heights PS	Millwarra PS	Tallygaroopna PS
Banyule PS	Furlong Park School for Deaf Children	Monbulk College	Tanjil South PS
Bayles Regional PS	Gardenvale PS	Monmia PS	Taradale PS
Bayswater South PS	Geelong East PS	Mont Albert PS	Tarneit Rise PS
Bealiba PS	Geelong South PS	Moolap PS	Tarwin Lower PS
Beaumaris North PS	George Street PS	Moonambel PS	Tate Street PS
Beechworth PS	Girgarre PS	Moonee Ponds PS	Tatura PS
Belle Vue PS	Gisborne SC	Mooroopna Park PS	Tawonga PS
Belmont High School	Glen Waverley South PS	Morang South PS	Tecoma PS
Belmont PS	Glendal PS	Moreland PS	Templestowe Valley PS
Bendigo South East 7-10 SC	Glengarry PS	Mornington Park PS	Templeton PS
Bendigo Special Developmental School	Goongerah Tubbut P-8 College	Mount Egerton PS	Tempy PS
Berwick SC	Goornong PS	Mount Waverley Heights PS	The Grange P-12 College

School ⁶⁸	School	School	School
Beulah PS	Gowrie St PS	Mount Waverley North PS	The Lake PS
Billanook PS	Grahamvale PS	Mount Waverley SC	Thornbury High School
Black Rock PS	Greensborough PS	Moyhu PS	Timor PS
Blackburn High School	Grey St PS (Traralgon)	Mullum PS	Toolangi PS
Boisdale CS	Gunbower PS	Nangiloc Colignan and District PS	Toongabbie PS
Bolinda PS	Hamilton North PS	Nanneella Estate PS	Torquay P-6 College
Boort District P-12 School	Hamlyn Banks PS	Naranga SS	Traralgon College
Bourchier Street PS	Hampton PS	Natimuk PS	Trentham District PS
Brentwood SC	Harcourt Valley PS	Neerim District SC	Tungamah PS
Broadford PS	Harrietville PS	Newcomb Park PS	Tyres PS
Brunswick North PS	Harston PS	Newcomb SC	Tyrrell College
Buchan PS	Hartwell PS	Newstead PS	Undera PS
Bundoora PS	Hawkesdale P-12 College	Newtown PS	Underbool PS
Burwood East PS	Hazelwood North PS	Niddrie PS	University Park PS
Burwood Heights PS	Healesville PS	Nilma PS	Upper Plenty PS
Camberwell South PS	Heatherhill PS	Noble Park PS	Urquhart Park PS
Campbellfield Heights PS	Heywood CS	Numurkah PS	Valkstone PS
Camperdown College	Heywood District SC	Nyora PS	Wandin North PS
Cardross PS	Highton PS	Oatlands PS	Wandin Yallock PS
Carrisbrook PS	Highvale PS	Oberon HS	Wantima PS
Carwatha College	Hoddles Creek PS	Oberon PS	Wantima South PS
Ceres PS	Invergordon PS	Oberon South PS	Warragul and District SS
Chatham PS	Inverleigh PS	Orbost North PS	Warrnambool College
Cheltenham East PS	Irymple South PS	Orbost PS	Warrnambool East PS
Cheltenham PS	Jamieson PS	Orbost SC	Wedge Park PS

School ⁶⁸	School	School	School
Chewton PS	John Fawkner SC	Orrvale PS	Weeroona College Bendigo
Chilwell PS	Kallista PS	Osborne PS	Wesburn PS
Chirnside Park PS	Kaniva College	Overport PS	Western English Language School
Clarinda PS	Karoo PS	Pascoe Vale Girls SC	Westgrove PS
Clayton North PS	Kerrimuir PS	Penshurst PS	Whealers Hill PS
Clayton South PS	Kew PS	Perseverance PS	Whitfield District PS
Clyde PS	Kialla Central PS	Pinewood PS	Williamstown High School Pasco Campus
Cobains PS	Kialla West PS	Plenty Parklands PS	Wilmot Road PS
Cobden PS	Kilmore PS	Pomonal PS	Winchelsea PS
Cobden Technical School	Kinglake PS	Preston West PS	Wodonga Middle Years College
Coimadai PS	Kinglake West PS	Princes Hill PS	Wodonga Senior SC
Colac SS	Kingston Heath PS	Queenscliff PS	Wonga Park PS
Colbinabbin PS	Knox Gardens PS	Rangeview PS	Wonthaggi PS
Copperfield College	Kongwak PS	Reservoir PS	Woori Yallock PS
Cranbourne PS	Koo Wee Rup PS	Richmond PS	Wurruk PS
Cranbourne South PS	Koonung SC	Riddells Creek PS	Wycheproof P-12 College
Cranbourne West PS	Korumburra PS	Ripponlea PS	Yaapeet PS
Creswick PS	Kurnai College	River Gum PS	Yallourn North PS
Croxton SS	Kyabram P-12 College	Romsey PS	Yarra Glen PS
Croydon PS	Lalor North SC	Rosanna PS	Yarra Hills SC
Currawa PS	Lalor PS	Rowellyn Park PS	Yarra PS
Dandenong PS	Lang Lang PS	Rowville SC	Yarraville West PS
Dandenong South PS	Langley PS	Sale SS	Yea PS
Darraweit Guim PS	Langwarrin Park PS	San Remo PS	

Number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by the department or entity

During 2018–19 the Department had 180 building permits, 166 occupancy permits, and 117 certificates of final inspection issued.

Mechanisms for inspection, reporting, scheduling and carrying out of maintenance works on existing buildings

The Department engages compliance program managers to carry out inspections, reporting, scheduling, and rectification works to ensure existing buildings comply with current building regulations. Compliance programs cover areas such as asbestos removal, fire service upgrades, integration (disability access), environmental (such as the removal of underground petroleum storage systems) and works aimed at preventing falls. The Department also operates an emergency maintenance program to respond to any unforeseen issues that pose an immediate and serious health and safety risk.

Number of emergency orders and building orders issued in relation to buildings

No emergency orders or building orders were issued in 2018–19.

Number of buildings that have been brought into conformity with building standards during the reporting period

During 2018–19, no buildings were required to be brought into conformity with building standards.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure, where services compete or potentially compete with the private sector, that any advantage arising solely from being government owned is removed if that advantage is not in the public interest. Government businesses must cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and helps government businesses make better resource allocation decisions. This policy does not override other policy objectives of government, and focuses on efficient service provision.

The Department continues to comply with the National Competition Policy. All new legislation and regulations enacted within the portfolio during 2018–19 were subject to a regulatory burden assessment, which included consideration of the National Competition Policy principles, including competitive neutrality.

Compliance with the Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. It protects people who make disclosures in accordance with the Act and establishes a system for investigation and rectification.

Improper employee conduct is not tolerated, nor are reprisals against those who disclose such conduct. The Department is committed to ensuring transparency and accountability in administrative and management practices and supports

disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Department takes all reasonable steps to protect people who make disclosures from reprisals. It also affords natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by the Department or any of its employees may be made to the Department's:

- Secretary
- Protected Disclosure Coordinator or Protected Disclosure Officers
- manager or supervisor of the discloser
- manager or supervisor of the person who is the subject of the disclosure.

Alternatively, disclosures can also be made directly to the Independent Broad-based Anti-corruption Commission (IBAC):

Level 1, North Tower, 459 Collins Street
Melbourne Vic 3000

Phone: 1300 735 135

Internet: www.ibac.vic.gov.au

Email: (See the website above for the secure email disclosure process, which also provides for anonymous disclosures).

Further information

The Department has published guidelines regarding the procedures it has instituted to comply with the Protected Disclosures Act at www.education.vic.gov.au/about/contact/Pages/reportingfraud.aspx

Disclosures under the Protected Disclosure Act 2012

Disclosures under the Protected Disclosure Act 2012	2018–19	2017–18	2016–17	2015–16
The number of disclosures made by an individual to the Department and notified to IBAC—assessable disclosures.	18	9	6	3

Compliance with Disability Act 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises this requires support across government and community.

The Disability Act requires that public sector bodies (including all government departments) prepare a disability action plan and report on its implementation in their annual report.

A disability action plan is a strategy to remove barriers preventing people with a disability from using the organisation's goods, services and facilities, and from gaining and keeping employment. Disability action planning also strives to

promote inclusion and participation in the community and achieve changes in attitudes and practices that may result in discrimination.

The Department's Disability Action Plan 2018–2021 highlights how the Department supports the Victorian Government's vision of an inclusive Victoria. It outlines the actions the Department takes to support people with a disability to use departmental services, engage with, or work for the Department.

Over time the Government will consider ways to align disability action plans to the State plan. Absolutely everyone: State disability plan for 2017–2020 is the Victorian Government's framework for enabling people with a disability to participate in and contribute to, the social, economic and civic life of their community.

Reducing barriers to accessing goods, services and facilities

Every year the Department delivers and regulates statewide learning and development services for at least one-third of all Victorians. The Department is building an inclusive education system that allows all students to learn and thrive on the same basis as their peers. In 2018–19 the Department continued to develop resources and deliver professional training across a range of areas including inclusive education practices, learning difficulties, and disability awareness. The accessible buildings program improved access to school buildings for students, staff and community members with disabilities. The Department's revised Building Quality Standard Handbook ensures that all school facilities for the inclusion of students with disabilities.

Reducing barriers to persons with a disability obtaining and maintaining employment

The Department, in conjunction with staff, developed a Disability Employment Plan 2019–2022. This asserts the Department's commitment to boosting employment opportunities and career experiences for people with disability. Its range of actions will ensure a strong foundation through policy and removing barriers for increased inclusion.

Promoting inclusion and participation in the community

The Department's Disability Action Plan identifies priorities and actions to build inclusive education for people with disability across Victoria – in early childhood centres, schools, and higher education settings. The inclusive schools fund helps Victorian government schools implement innovative projects that increase participation and strengthen inclusive learning environments. The inclusive kindergarten facilities program is upgrading early childhood infrastructure and equipment, including playgrounds for the inclusion of children with disability or additional needs.

Achieving tangible changes in attitudes and practices that discriminate against people with a disability

The Department's disability champion, the Deputy Secretary, PES continues to champion disability inclusion across the organisation. This included completing and releasing the Department's Disability Action Plan and Disability Employment Plan. Over the coming years these plans will reduce barriers to access and inclusion across all departmental work and workplaces.

Compliance with Carers Recognition Act 2012

The Department ensures that the rights and interests articulated in the *Carers Recognition Act 2012* are considered when delivering its services to clients in a care relationship. The Department has taken all practical measures to comply with its obligations under the Act.

Office-based environmental impacts

The Department's environmental management system provides a structured approach to planning and implementing environment protection measures across the Departments' offices. In line with government directives, the Department reports on

- energy and water consumption
- transportation
- waste generation
- paper purchasing
- green procurement
- greenhouse gas emissions for non-school office sites with at least 10 FTE.

The environmental management system objectives include:

- reducing greenhouse gas emissions
- reducing the amount of waste and maximising the amount of reused and recycled resources
- ensuring new capital works incorporate environmentally sustainable principles
- making environmentally sound purchasing decisions for capital items and consumables
- encouraging staff to reduce environmental impacts
- regularly reporting on environmental performance
- adopting an environmental management system based on ISO14001 to drive continual environment improvement across the Department.

Unless otherwise stated, all consumption data is for 1 April 2018–31 March 2019 to allow for a full reporting year and provide greater accuracy for the annual report.

Energy

The data below was collected through energy retailer billing information and represents 99 per cent of FTE staff and 99 per cent of office accommodation for electricity and 43 per cent of FTE and 44 per cent of office accommodation for gas, including all buildings in the Treasury Place Precinct.

Energy consumption

Indicator	2018–19	2017–18	2016–17
Total energy usage segmented by primary source (MJ)	31,530,055	34,468,860	29,717,864
Electricity (MJ) – excluding Green Power ⁶⁹	25,006,672	22,059,165	21,900,076
Natural gas (MJ)	6,523,383	12,409,695	7,817,788
Green Power (MJ)	0	0	0
LPG (MJ)	0	0	0
Total greenhouse gas emissions from energy consumption (tonnes CO₂-e)	8,453	7,918	7,672
Electricity (tonnes CO ₂ -e) – excluding green power	8,091	7,231	7,239
Natural gas (tonnes CO ₂ -e)	362	688	433
LPG (tonnes CO ₂ -e)	0	0	0
Percentage of electricity purchased as green power	0	0	0
Units of office energy used per FTE (MJ/FTE)	7,121	8,848	11,011
Units of office energy used per office area (MJ/m²)	444	704	709

Actions undertaken

Lighting in new office fit outs have improved energy efficiency functionality as standard. Standard computer settings include automatic computer and monitor shut-down.

Target

Reduce energy consumption per square metre by 15 per cent of 2013–14 levels by 31 March 2024, averaging an incremental reduction of 1.5 per cent each year for 10 years.

⁶⁹ The Department of Treasury and Finance shared services contractor manages government owned and leased properties. The shared services provider has established an online energy and sustainability platform for monitoring and reporting on energy consumption and emissions. This has resulted in more accurate data. Based on this more accurate data, 2017–18 natural gas consumption should have been 5,944,655 MJ.

Explanatory notes

Increased office space contributed to a 13 per cent increase in electricity consumption and resulting greenhouse gas emissions. However, more energy efficient new office space since 2017–18 has assisted in reducing emissions per square metre and per FTE.

Waste and recycling

The Department continues to address waste generation through a variety of re-use and recycling methods. The data below is based on collections at the central office at 2 Treasury Place, East Melbourne. This represents about 32 per cent of all reportable FTE. This data cannot be compared to previous years due to changed waste collection and measurement.

Waste and recycling

Indicator	2018–19	2017–18	2016–17
Total units of waste disposed of by destination (kg/yr)	88,343	151,531	113,714
Landfill (kg)	38,752	62,908	24,489
Comingled recycling (kg)	16,552	10,945	9,755
Paper and card (kg)	19,666	42,833	67,565
Secure documents (kg)	-	-	-
Organics (kg)	13,373	34,846	11,905
Total units of waste disposed of per FTE (kg/FTE)	51	117	85
Landfill (kg/FTE)	22	48	18
Comingled recycling (kg/FTE)	9	8	7
Paper and card (kg/FTE)	11	33	51
Secure documents (kg/FTE)	-	-	-
Organics (kg/FTE)	8	27	9
Recycling rate (%)	56	59	79

Note: The total units of waste figure for 2017–18 has been revised from that previously published

Actions undertaken

The Department has established three stream (landfill, recycling and organic) waste management practices in all new office accommodation.

Target

Increase recycling rate to a minimum of 75 per cent by 31 March 2024.

Explanatory notes

The recycling rate fell from 59 per cent of total waste in 2017–18 to 56 per cent in 2018–19.

A new shared services cleaning contract resulted in a change in waste measurement. The figures for 2018–19 are derived from two five-day audits of the Treasury Precinct. Regional sites previously included in 2017–18 were not included in the 2018–19 audits. Paper and card consumption was not included in the audit.

Paper

The data below was collected through the current Victorian Government mandated State Purchase Contract stationery supplier and represents 100 per cent of the Department's (non-school) office sites and 100 per cent of FTE staff.

Paper purchasing and usage

Indicator	2018–19	2017–18	2016–17
Total units of A4 equivalent copy paper used (reams)	42,025	42,722	35,175
Units of A4 equivalent copy paper used per FTE (reams/FTE)	11	10.7	13
Percentage of 75–100% recycled content copy paper purchased (%)	61	98	67
Percentage of 50–74% recycled content copy paper purchased (%)	0	2	0
Percentage of 0–49% recycled content copy paper purchased (%)	39	0	33

Target

Reduce copy paper usage to 10 A4 reams per FTE by 31 March 2020.

Increase the amount of copy paper purchased with 75–100 per cent recycled content to a minimum of 75 per cent by 31 March 2020.

Explanatory notes

Total copy paper usage in 2018–19 saw a slight reduction of 1.6 per cent on 2017–18 levels. However, copy paper used per FTE in 2018–19 increased slightly on 2017–18 levels from 10.7 to 11 reams per FTE.

The proportion of copy paper purchased with the highest recycled content decreased to 61 per cent in 2018–19 compared to 98 per cent in 2017–18.

Water

The data below is based on water meter readings at 47 per cent of office sites covering about 56 per cent of FTEs.

Water consumption

Indicator	2018–19	2017–18	2016–17
Total water consumption (kilolitres)	18,420	19,706	18,556
Units of office water used per FTE (kilolitres/FTE)	5.7	5.18	7.74
Units of office water used per office area (kilolitres/m ²)	0.42	0.43	0.53

Actions undertaken

New office fit outs and upgrades include water saving systems to reduce usage.

Target

Reduce water consumed per FTE by 15 per cent of 2013–14 levels by 31 March 2024, averaging an incremental 1.5 per cent reduction each year for 10 years.

Explanatory notes

Total water consumption has reduced by 0.7 percent from 2016–17 despite an increase in 2017–18. Consumption per FTE has reduced by 26 percent from the 2016–17 and 46 percent from the 2013–14 level. More efficient water usage systems in new offices have contributed to a decrease in water usage per FTE and per square metre.

Transport

Of the Department-owned operational fleet of 431 vehicles:

- 28.8 per cent are hybrid electric vehicles
- 0.2 per cent are LPG-fuelled
- 58 per cent are petrol-fuelled
- 0.5 per cent are diesel-fuelled.

The data below measures the kilometres, energy consumption and associated emissions for work-related travel by corporate employees, segmented by transport type, excluding public transport. This excludes executive vehicles.

Energy consumption of operational vehicles

Indicator	2018–19	2017–18	2016–17
Total energy usage consumption by fleet vehicles (MJ)	14,185,486	14,320,217	11,306,399
Diesel	187,516	352,974	460,986
LPG	14,641	10,427	251,198
Unleaded	10,804,335	9,780,106	8,146,226
Hybrid	3,178,994	4,176,710	2,447,989

Indicator	2018–19	2017–18	2016–17
Total distance travelled by fleet vehicles (km)	6,661,279	6,018,632	4,607,490
Diesel	57,257	102,737	155,821
LPG	5,148	4,503	80,490
Unleaded	4,832,091	3,870,641	2,994,667
Hybrid	1,766,783	2,040,751	1,376,512
Total greenhouse gas emissions from fleet vehicles (tonnes CO₂-e)	1,011	1,022	804
Diesel	14	27	34
LPG	1	1	16
Unleaded	769	696	580
Hybrid	226	298	174
Greenhouse gas emissions from fleet vehicles per 1,000km (tonnes CO₂-e)			
Diesel	0.50	0.52	0.22
LPG	0.18	0.35	0.20
Unleaded	0.34	0.37	0.19
Hybrid	0.24	0.27	0.13
Total distance travelled by air (km)	2,627,309	2,820,429	1,308,613
Percentage of staff using sustainable transport to get to and from work by locality			
CBD	92	96	95
Regional	26	30	80
Voluntary Indicators			
Number of petrol hybrid, electric and plug-in hybrid electric vehicles	124	166	-

Actions undertaken

The Department leases environmentally friendly operational vehicles (e.g. four cylinder, hybrids) through the Approved Vehicle List from Vic Fleet, when they are available and suitable for use. This has reduced the use of diesel-fuelled vehicles by 67 per cent.

The Department also uses pool vehicles where suitable. This minimises fleet expansion.

Target

Meets the cost reduction and environmental sustainability targets set by the Victorian Government (as per Whole of Government Standard Motor Vehicle Policy).

Explanatory notes

Total kilometres travelled by the operational vehicle fleet increased 11 per cent from 2017–18. This led to a corresponding rise in the energy consumed and a commensurate net emissions decrease of 1 per cent from 2017–18 levels.

The Department increased its personnel in regional locations in order to support the delivery of key front line services. This required 15 additional operational vehicles (up 3.6 per cent from 2017–18) and increase in the kilometres travelled.

The relative decrease in hybrid vehicles in the operational fleet was due to their limited supply when required.

Greenhouse gas emissions

The emissions disclosed in the section below are taken from the previous sections and combined to show the Department's greenhouse footprint.

Department emissions

Indicator	2018–19	2017–18	2016–17
Total greenhouse gas emissions from energy use (tonnes CO ₂ -e)	8,453	8,908	7,673
Total greenhouse gas emissions from vehicle fleet (tonnes CO ₂ -e)	837	840	805
Total greenhouse gas emissions from air travel (tonnes CO ₂ -e) ⁷⁰	538	645	284
Total greenhouse gas emissions from waste disposal (tonnes CO ₂ -e) ⁷¹	47	76	34
Greenhouse gas emissions offset purchased (tonnes CO ₂ -e)	538	-	-
Voluntary indicators			
Total greenhouse gas emissions from water consumption (tonnes CO ₂ -e)	25	27	25
Grand total greenhouse gas emissions created by the Department	10,438	10,496	8,821

⁷⁰ The Department has estimated the 2018–19 emissions from air travel based on the distance travelled, the seating class used by the passenger, and the emissions factors specified within the Australian Government's National Carbon Offset Standard (NCOS) for Organisations (Section 1.1.3 Emission Factors, p. 40).

⁷¹ Emissions for 2018–19 are based on waste from the Treasury Precinct five day audit. This data is not comparable to previous years.

Actions undertaken

In 2018–19, the Department had a net zero carbon footprint for its air travel by purchasing 538 tonnes of greenhouse gas emissions offset.

Target

Reduce by 15 per cent of 2013–14 levels the Department's office-based greenhouse gas emissions by 31 March 2024, averaging an incremental reduction of 1.5 per cent each year for 10 years.

Explanatory notes

Total greenhouse gas emissions saw a slight decrease from 2017–18. This is a result of a decrease in emissions from all emissions indicators across corporate office usage.

Greener procurement

The Department continues to promote the purchase of environmentally friendly products, specifically stationery/office products. Business units are encouraged to re-use stationery.

The Department continues to work with print management provider Finsbury Green to ensure sustainability is a consideration in all externally printed publications—for example, by using vegetable dyes and minimal packaging.

The Department has declared the procurement of environmentally sustainable outputs to be a priority objective under its social procurement strategy. As part of the strategy, the Department may include sustainability requirements and evaluation criteria into its approaches to market.

Infrastructure project tenders are also evaluated against the criteria of their 'ability to satisfy environmental sustainability requirements'.

Details of changes in prices, fees, charges, rates and levies

Details of current prices, fees, charges, rates and levies charged by the Department are outlined at

www.education.vic.gov.au/about/working/Pages/fees.aspx. In compliance with the requirements of the Standing Directions of the Minister for Finance, changes in these are available on request, subject to the provisions of the FOI Act.

Additional information available on request

Financial Reporting Direction (FRD) 22H requires the Accountable Officer to retain and make available specified information. This material may be made available to ministers, members of parliament and the public on request, subject to the provisions of the FOI Act.

The Department has made this information available (or provided details of how the material may be sourced) in the *Department's Annual Report 2018–19* or the *Department's Annual Report 2018–19 Additional Information*.

Requirements covered in this Annual Report include:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the Department about itself and how these can be obtained
- details of assessments and measures undertaken to improve the OHS of employees
- a statement on industrial relations within the Department and details of time lost through industrial accidents and disputes
- details of changes in prices, fees, charges, rates and levies charged by the Department.

The requirements listed below are included in the *Department's Annual Report 2018–19 Additional Information* available from www.education.vic.gov.au and include:

- details of any major external reviews carried out on the Department
- details of major research and development activities undertaken by the Department
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the Department to develop community awareness of the Department and its services
- a list of major committees sponsored by the Department, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors including:
 - consultants/contractors engaged
 - services provided
 - expenditure committed to for each engagement.

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

I, Jenny Atta, certify that the Department of Education and Training has complied with the applicable Standing Directions under the *Financial Management Act 1994* and Instructions except for the following Material Compliance Deficiencies in relation to:

Direction 4.2.3 Asset management accountability

The Department has established solid foundations for its framework to manage the school asset portfolio, including policies, and corporate systems and processes. Some components are being finalised however the deficiency relates primarily to deployment of the framework for individual schools.

A comprehensive program of activity is underway to address the deficiency. It is being progressively rolled out to 300 schools per year, over five years. On this basis, the deficiency will be addressed in full in early 2023, when the Department's asset management framework has been deployed to all Victorian government schools.

Direction 4.2.4 Public construction accountability

The Department has in place a range of contracts, programs and policies to support compliance with the Ministerial Directions for Public Construction Procurement in Victoria. However, there is currently inconsistency in the approach to supporting staff in the implementation and reporting of compliance with these requirements.

A number of remedial actions have been identified to embed these requirements into programs, policies and operations across the Department. These include the improvement of assurance systems, continuing refreshment of procurement templates and guidance, the roll-out of learning and development, the formation of a new team to systematise compliance reporting, and the establishment of the new Portfolio Management Office and dedicated Procurement Reform team to focus on procurement processes, compliance and assurance. A detailed action plan, including timelines to address compliance deficiencies is under development. This plan will be finalised by November 2019.



Jenny Atta

Secretary

Department of Education and Training

Melbourne

22 August 2019

Details of publications about the Department

Publications published by the Department about itself during 2018–19

Publication	Date produced	How to obtain a copy
The Department's 2018–2022 Strategic Plan	July 2018	www.education.vic.gov.au/about/department/Pages/stratplan.aspx
The Department's Annual Report 2017–18	September 2018	www.education.vic.gov.au/about/department/Pages/annualreports.aspx

About this report

In accordance with Ministerial Reporting Direction FRD10A, the Department is required to include a disclosure index in its annual report that:

- lists relevant clauses of Victorian legislation with statutory disclosure requirements the Department must comply with
- provides a short description of the relevant requirements
- provides a page reference for the annual report where the disclosure for each requirement is made.

Material not required under relevant legislation and pronouncements is not included in this report. A disclosure index that identifies the Department's compliance with statutory requirements is provided in Appendix 1.

Financial statements

These financial statements cover the Department of Education and Training as an individual entity.

The Department of Education and Training is a government department of the State of Victoria.

A description of the nature of the Department's operations and its principal activities is included at the start of this report.

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Accountable Officer's and Chief Finance and Accounting Officer's declaration

The financial statements for the Department of Education and Training have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and financial position of the Department as at 30 June 2019.

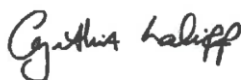
At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the financial statements for issue on 22 August 2019.



J. Atta
Secretary
Department of Education and Training

Melbourne
22 August 2019



C. Lahiff
Chief Finance Officer
Department of Education and Training

Melbourne
22 August 2019

Independent Auditor's Report

To the Secretary of the Department of Education and Training

Opinion	<p>I have audited the financial report of the Department of Education and Training (the department) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • Accountable Officer's and Chief Finance and Accounting Officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Secretary's responsibilities for the financial report	<p>The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**


As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary
- conclude on the appropriateness of the Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Secretary regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
26 August 2019



Andrew Greaves
Auditor-General

Comprehensive operating statement for the financial year ended 30 June 2019

	Notes	2019 (\$m)	2018 (\$m)
Continuing operations			
Income from transactions			
Output appropriations	2.3.1	13,815.7	12,816.0
Special appropriations	2.3.2	0.5	10.5
Grants	2.4.1	185.3	60.3
Sale of goods and services	2.4.2	131.6	135.7
Other income	2.4.3	610.2	628.2
Total income from transactions		14,743.3	13,650.7
Expenses from transactions			
Employee expenses	3.1.1	(6,972.4)	(6,550.9)
Depreciation and amortisation	5.1.1	(405.0)	(368.3)
Grant and other payments	3.1.2	(2,010.4)	(1,953.3)
Capital asset charge	3.1.3	(1,598.6)	(1,495.2)
Supplies and services	3.1.4	(2,854.8)	(2,787.6)
Other operating expenses	3.1.5/ 9.7	(232.3)	(173.2)
Total expenses from transactions		(14,073.5)	(13,328.5)
Net result from transactions (net operating balance)		669.8	322.2
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	9.2	(2.0)	0.3
Net gain/(loss) on financial instruments	9.2	(7.6)	(12.7)
Other gains/(losses) from other economic flows	9.2	(88.5)	2.1
Total other economic flows included in net result		(98.1)	(10.3)
Net result		571.7	311.9
Other economic flows – other comprehensive income: Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.6	(1,369.7)	3,188.5
Total other economic flows – other comprehensive income		(1,369.7)	3,188.5
Comprehensive result		(798.0)	3,500.4

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

Balance sheet as at 30 June 2019

	Notes	2019 (\$m)	2018 (\$m)
Assets			
Financial assets			
Cash and deposits	7.3	1,234.5	717.0
Receivables	6.1	2,343.4	2,174.3
Other financial assets	5.3	16.0	310.0
Total financial assets		3,593.9	3,201.3
Non-financial assets			
Intangible assets	5.2	39.5	49.5
Property, plant and equipment	5.1	24,150.7	24,469.5
Other non-financial assets	6.2	62.7	51.4
Total non-financial assets		24,252.9	24,570.4
Total assets		27,846.8	27,771.7
Liabilities			
Payables	6.3	737.2	687.6
Borrowings	7.1	558.6	581.7
Provisions	3.1.1(b)	1,641.4	1,472.8
Unearned income		84.8	67.2
Total liabilities		3,022.0	2,809.3
Net assets		24,824.8	24,962.4
Equity			
Accumulated surplus/(deficit)		3,002.6	2,430.8
Physical asset revaluations surplus	9.6	12,219.5	13,589.2
Contributed capital		9,602.7	8,942.4
Net worth		24,824.8	24,962.4
Contingent assets and contingent liabilities	8.3		
Commitments for expenditure	7.5		

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

Statement of changes in equity for the financial year ended 30 June 2019

	Physical asset revaluation surplus (\$m)	Accumulated surplus/ (deficit) (\$m)	Contributed capital (\$m)	Total Equity (\$m)
Balance at 1 July 2017	10,400.6	2,117.9	8,693.0	21,211.5
Net results for the year	-	311.9	-	311.9
Prior year adjustments	-	1.1	-	1.1
Other comprehensive income for the year	3,188.5	-	-	3,188.5
Capital appropriations	-	-	327.5	327.5
Contributed capital transfers (out)	-	-	(78.1)	(78.1)
Balance at 30 June 2018	13,589.1	2,430.9	8,942.4	24,962.4
Net results for the year	-	571.7	-	571.7
Prior year adjustments	-	-	-	-
Other comprehensive income for the year	(1,369.7)	-	-	(1,369.7)
Capital appropriations	-	-	697.7	697.7
Contributed capital transfers in	-	-	23.9	23.9
Administrative restructure – net assets transferred	-	-	(0.9)	(0.9)
Contributed capital transfers (out)	-	-	(60.3)	(60.3)
Balance at 30 June 2019	12,219.4	3,002.6	9,602.8	24,824.8

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

Cash flow statement for the financial year ended 30 June 2019

	Notes	2019 (\$m)	2018 (\$m)
Cash flows from operating activities			
Receipts			
Receipts from government		13,688.4	12,956.8
Receipts from other entities		868.5	814.3
Goods and services tax (GST) recovered from the Australian Tax Office (ATO)		449.3	364.8
Interest received		20.0	17.4
Total receipts		15,026.2	14,153.3
Payments			
Payments of grants and other transfers		(1,959.5)	(1,981.8)
Payments to suppliers and employees		(10,374.8)	(9,841.1)
GST paid to the ATO		(13.1)	(15.6)
Capital asset charge payments		(1,598.6)	(1,495.2)
Interest and other costs of finance paid		(33.1)	(29.6)
Total payments		(13,979.1)	(13,363.3)
Net cash flows from/(used in) operating activities	7.3.1	1,047.1	790.0
Cash flows from investing activities			
Purchases of non-financial assets		(1,526.8)	(1,106.3)
Proceeds from investments		432.0	63.6
Payments for investments		(138.0)	(82.7)
Sale of plant and equipment		4.4	4.5
Proceeds from loan and advances		26.5	6.5
Payment of loan and advances		-	(16.1)
Other adjustment		-	6.5
Net Cash flows from/(used in) investing activities		(1,201.9)	(1,124.0)
Cash flows from financing activities			
Owner contributions received from State Government		697.7	327.5
Cash transferred on activities transferred out – machinery of government changes		(0.9)	-
Proceeds from borrowings		35.1	-
Repayment of borrowings and finance leases		(59.6)	(17.4)
Net cash flows from/(used in) financing activities		672.3	310.1
Net increase/(decrease) in cash and deposits		517.5	(23.8)
Cash and deposits at the beginning of the financial year		717.0	740.8
Cash and deposits at the end of the financial year	7.3	1,234.5	717.0

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

Notes to the financial statements

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Note 1 About this Report

1.1 Basis of preparation

These annual financial statements represent the audited general purpose financial statements for the Department for the year ended 30 June 2019. The purpose of the report is to provide users with information about the Department's stewardship of resources entrusted to it.

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment, (Note 8.2.2)
- impairment of buildings, plant and equipment, and intangibles (Note 5.1.1)
- depreciation and amortisation expense (Note 5.1 and Note 5.2)
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (Note 3.1.1).

Reporting entity

The Department is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Public Administration Act 2004*.

Its principal address is:
Department of Education and Training
2 Treasury Place
Melbourne VIC 3002

The Department is an administrative agency acting on behalf of the Crown.

These financial statements cover the Department as an individual reporting entity and include all its controlled activities.

A description of the nature of the Department's operations and its principal activities is included in the Report of Operations which does not form part of these financial statements.

The financial statements exclude bodies in the Department's portfolio that are not controlled by the Department, and therefore are not consolidated. Bodies and activities that are administered are also not controlled and not consolidated. In preparing consolidated financial statements for the Department, all material transactions and balances between consolidated entities are eliminated.

The financial statements include all transactions of the Department and the Victorian Government's primary and secondary schools. All transactions between the Department and these schools have been eliminated as required by AAS. Transactions with non-government schools are not eliminated.

Compliance information

These general purpose financial statements have been prepared in accordance with the Financial Management Act (FM Act) and applicable AASs which include interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the Secretary of the Department on 22 August 2019.

Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being:

- Net result from transactions (also termed net operating balance)
- Other economic flows included in net result
- Other economic flows—other comprehensive income.

The sum of the former two represents the net result, which is equivalent to profit or loss derived in accordance with AAS.

Other economic flows are changes arising from market re-measurements. They include:

- gains and losses from disposals of non-financial assets
- revaluations and impairments of non-financial physical and intangible assets
- fair value changes of financial instruments
- gains and losses from revaluation of long service leave liability.

This classification is consistent with the whole-of-government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if the Department does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

Proceeds from/payments for investments represent flows of schools' term deposits with a maturity of three months or more.

Rounding of amounts

Amounts in the financial statements have been rounded to the nearest million, unless otherwise stated. Figures in the financial statements may not equate due to rounding (Note 9.9—style conventions).

Accounting for Goods and Services Tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

Note 2 Funding delivery of our services

Objectives and funding	Structure
<p>The Department leads the delivery of education and development services to children, young people and adults both directly through government schools and indirectly through the regulation and funding of early childhood services, non-government schools and training programs.</p> <p>The Department implements Victorian Government policy on early childhood services, school education and training and higher education services. The Department manages Victorian government schools and drives improvement in primary and secondary government education.</p> <p>The Department provides support and advisory services to the Minister for Education, the Minister for Training and Skills and the Minister for Higher Education, as well as a number of statutory bodies.</p> <p>The Department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs that are further described in Note 4.</p>	<p>2.1 Summary of income that funds the delivery of our services</p> <p>2.2 Appropriations</p> <p>2.3 Summary of compliance with annual Parliamentary and special appropriations</p> <p>2.3.1 (a) Summary of compliance with annual parliamentary appropriations (b) Annotated income agreements</p> <p>2.3.2 Summary of compliance with special appropriations</p> <p>2.4 Income from transactions</p> <p>2.4.1 Grants income</p> <p>2.4.2 Sales of goods and services</p> <p>2.4.3 Other income</p>

2.1 Summary of income that funds the delivery of our services

	Notes	2019 (\$m)	2018 (\$m)
Income from transactions			
Output appropriations	2.3.1	13,815.7	12,816.0
Special appropriations	2.3.2	0.5	10.5
Grants	2.4.1	185.3	60.3
Sale of goods and services	2.4.2	131.6	135.7
Other income	2.4.3	610.2	628.2
Total income from transactions		14,743.3	13,650.7

Income is recognised to the extent that it is probable that the economic benefits will flow to the Department and the income can be reliably measured.

Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. All amounts of income over which the Department does not have control are disclosed as administered income in the schedule of administered income and expenses (Note 4.2).

2.2 Appropriations

Once annual parliamentary appropriations are applied by the Treasurer, they become controlled by the Department and recognised as income when applied to the purposes defined under the Appropriations Act. All amounts of income over which the Department does not have control are disclosed as administered income (see Note 4.2).

Output appropriations

Income from the outputs the Department provides to the Government is recognised when those outputs have been delivered and the relevant minister has certified delivery of those outputs in accordance with specified performance criteria.

Special appropriations

Under section 5.6.8 of the *Education and Training Reform Act 2006*, income related to volunteer workers' compensation is recognised when the amount appropriated for that purpose is due and payable by the Department.

Under Section 10 of the FM Act, income related to Commonwealth national partnerships funding are recognised when the amount appropriated for that purpose has been incurred by the Department.

Under Section 33 of the FM Act, funds sourced from prior year output or depreciation equivalent surpluses are recognised when the amount appropriated for that purpose has been incurred by the Department.

2.3 Summary of compliance with annual parliamentary and special appropriations

2.3.1. (a) Summary of compliance with annual parliamentary appropriations

The following table discloses the details of the various parliamentary appropriations received by the Department for the year. In accordance with accrual output-based management procedures, 'provision for outputs' and 'additions to net assets' are disclosed as 'controlled activities' of the Department.

	Appropriations Act (\$m)			FM Act (\$m)				(\$m)		
	Annual appropriation	Advance from Treasurer	Section 3(2)	Section 29	Section 30 ⁷²	Section 32	Section 35 advances	Total parliamentary authority	Appropriations applied	Variance ⁷³
2019 Controlled										
Provisions for outputs	13,249.9	37.8	-	610.5	(25.6)	63.4	-	13,936.0	13,815.7	120.3
Additions to net assets	723.9	-	-	14.4	25.6	89.2	-	853.1	697.7	155.4
Total	13,973.8	37.8	-	624.9	-	152.6	-	14,789.1	14,513.4	275.7

⁷² The \$25.6 million appropriation transfer from provision for outputs to additions to net assets primarily comprises of \$18.7 million for planned maintenance works and \$10.5 million for *Digital Education* to match revised implementation from operating to capital delivery, \$10.4 million for essential maintenance for works resulting in upgrade to existing assets, \$7.5 million for asbestos works that have been identified as capital and \$6.9 million for *Ready for School: Kinder for Every Three-Year Old* for relocatable building contributions spent on behalf of local councils and private operators. This is mainly offset by a \$26.9 million appropriation transfer from additions to net assets to provision for outputs for schools infrastructure programs, including maintenance and reform activities.

⁷³ The provision for outputs variance of \$120.3 million is largely driven by the impact of machinery of government transfer of \$59.3 million to DHHS for maternal child health and parenting services effective from 1 January 2019 and \$50.1 million of carry over requested into 2019–20 across State (\$49.5 million) initiatives and Commonwealth (\$0.6 million) initiatives. State initiatives include \$25.5 million for the Children Facilities Capital Program and \$10.9 million for non-government schools.

The additions to net assets variance of \$155.4 million includes: \$64.3 million of carryover requested into 2019–20, including the 2018–19 (\$15.9 million) and prior year (\$42.3 million) School Capital Programs. In addition, \$98.7 million was re-phased into future years to reflect revised implementation timelines. Programs re-phased to future years (\$98.7 million) include *Land Acquisition* (\$55.0 million), 2018–19 State Budget capital program (\$16.0 million), *Child Link* (\$9.3 million) and *Inclusive Schools Fund* (\$7.6 million). These underspends are offset by \$9.5 million in additional funding: \$6.9 million to access non-government capital contributions for works at Beaumaris and Point Cook South Senior Secondary Colleges and \$2.7 million to support New Schools Construction and School Upgrades approved in the 2019–20 State Budget for 2018–19.

	Annual appropriation	Advance from Treasurer	Section 3(2)	Section 29	Section 30 ⁷⁴	Section 32	Section 35 advances	Total parliamentary authority	Appropriations applied	Variance ⁷⁵
2018 Controlled										
Provisions for outputs	12,021.1	213.7	-	594.7	(41.1)	136.0	-	12,924.4	12,816.0	108.4
Additions to net assets	326.3	-	-	8.5	41.1	52.5	-	428.4	320.7	107.7
Total	12,347.4	213.7	-	603.2	-	188.5	-	13,352.8	13,136.7	216.1

⁷⁴ The \$41.1 million appropriation transfer from provision for outputs to additions to net assets primarily comprises of a \$17.9 million transfer of depreciation equivalent to additions to the net asset base funding required as a result of delayed capitalisation to ensure the 2017–18 capital program is sufficiently funded, \$15.4 million for relocatable building contributions, \$9.7 million for *Bushfire Compliance* works and \$7.7 million for planned maintenance works to match revised implementation from operating to capital delivery. This is offset by transfer from additions to net assets to provisions of output of \$11.7 million, which mainly relates to the *Schools Private Public Partnerships* and *New Schools* programs to match revised implementation from capital works to operating delivery.

⁷⁵ The provision for outputs variance of \$108.4 million comprises: \$63.4 million in approved carryover from 2017–18 across State (\$51.4 million) and Commonwealth (\$12.0 million) initiatives. State initiatives include \$18.0 million for *Children's Facilities Capital Program* grants and \$7.7 million for *Inclusion Equipment Boost*, with \$37.3 million of requested carryover remaining unapproved. In addition, \$65.2 million was re-phased into future years to reflect revised implementation timelines for programs including training, higher education and workforce (\$30 million) and *Technical Schools* (\$12.6 million). These underspends are offset by \$65.5 million in additional approvals, including \$13.7 million for school building reinstatement and minor works to address damage from adverse weather events and vandalism, and \$10.7 million to ensure the timely delivery of the planned maintenance program.

The additions to net assets variance of \$107.7 million mainly comprises: \$89.2 million approved carryover into 2018–19, including \$43.1 million for school upgrades, comprising \$20.8 million in rural and regional areas, \$15.5 million in metropolitan areas and \$6.8 million for special schools as well as \$40.9 million for land acquisition with \$14.8 million of requested carryover remaining unapproved. In addition, there are \$29.8 million in capital funds sourced from the Department of Environment, Land, Water and Planning's Building New Community Fund to fund half the land purchase cost for eight schools in six growth areas and \$5.2 million re-phased into future years for Corporate IT projects. These underspends are offset by \$31.3 million in additional funding, including \$12.9 million for the School Capital Priorities program, \$11.5 million for unforeseen pressures in the school building reinstatement program primarily due to adverse weather events and vandalism and \$6.9 million for Melbourne Cricket Club's contribution for two ovals, a pavilion and a multipurpose pitch at Beaumaris Secondary College.

2.3.1 (b) Annotated income agreements appropriations

The Department is permitted under section 29 of the FM Act to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is recognised by the Department and the receipts paid into the consolidation fund as an administered item. At the point income is recognised, section 29 provides for an equivalent amount to be added to the annual appropriation.

The following is a listing of the FM Act section 29 annotated income agreements approved by the Treasurer:

	Notes	2019 (\$m)	2018 (\$m)
Sales of goods and services			
Alarms		0.1	0.1
Overseas student program fee		81.4	69.6
Housing rent		1.0	1.0
National Disability Insurance Agency – Specialist Children Services		0.8	0.3
VCE offshore		0.3	0.3
Total		83.6	71.3
Asset sales			
Sales of land		7.8	-
Receipts from Commonwealth			
Receipts from Commonwealth – School capital program		1.6	-
Revenue from municipal councils			
Receipts from municipal councils – School capital program		5.0	8.5
Total		14.4	8.5
Commonwealth specific purpose payments			
National skills and workforce development		393.2	391.5
Universal access to early education		120.9	108.2
National Quality Agenda for ECEC		-	5.4
Independent public schools		-	4.5
National school chaplaincy program		12.8	12.6
National occasional care program		-	1.2
Total		526.9	523.4
Total annotated income agreements	2.3.1(a)	624.9	603.2

2.3.2 Summary of compliance with special appropriations

	Purpose	2019 (\$m)	2018 (\$m)
Section 5.6.8 of the Education and Training Reform Act	Volunteers workers' compensation	0.1	0.1
Section 10 of the FM Act	Digital education revolution	-	5.9
Section 10 of the FM Act	Support for students with a disability	0.4	3.6
Section 10 of the FM Act	Independent public schools	-	0.9
Operating special appropriation total		0.5	10.5
Section 33 of the FM Act	Funding the asset program	-	274.3
Section 10 of the FM Act	Trade trading centres	-	6.8
Section 33 of the FM Act	Docklands primary school	17.1	-
Section 33 of the FM Act	Relocatable buildings in 2019	13.8	-
Section 33 of the FM Act	Combustible cladding	3.6	-
Capital special appropriation total⁷⁶		34.5	281.1
Section 33 of the FM Act	Victorian training information system	9.9	-
Other total⁷⁷		9.9	-
Total special appropriation		44.9	291.6

2.4 Income from transactions

2.4.1 Grants income

	2019 (\$m)	2018 (\$m)
Grants		
Commonwealth	9.5	15.1
Other public bodies	175.8	45.2
Total grants	185.3	60.3

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Department without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers).

⁷⁶ Funding from depreciation equivalent funding accumulated in prior years under Section 33 of the FM Act and Commonwealth funding under Section 10 of the FM Act. This subtotal reflects special appropriation for assets and therefore are excluded from the Comprehensive Operating Statement.

⁷⁷ Funding for the Victorian Training Information System (operating) from prior years' operating surplus. This subtotal reflects special appropriations funded from the balance sheet and therefore, is excluded from income.

Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). The Department recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, the Department recognises revenue when the grant is received.

2.4.2 Sales of goods and services

	2019 (\$m)	2018 (\$m)
Sales of goods and services		
Schools revenue – including sales of classroom material, before and after school care, and other trading operations	125.6	132.0
Provision of services	6.0	3.7
Total sales of goods and services	131.6	135.7

Income from the supply of services and from the sale of goods is recognised when:

- the amount of the income can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the Department
- cash received in schools is recognised upon receipt by the schools and is processed in accordance with controls established by the school's council.

2.4.3 Other income

	2019 (\$m)	2018 (\$m)
Other income		
Schools revenue – including parents' voluntary contributions and other locally raised funds	585.9	604.2
Other revenue	24.3	20.4
Land received free of charge	-	3.6
Total other income	610.2	628.2

Cash received in schools is recognised upon receipt by the school and is processed in accordance with controls established by the school's council.

Note 3 The cost of delivering services

Introduction	Structure
This section provides an account of the expenses incurred by the Department in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded. Note 4 discloses aggregated information in relation to the income and expenses by output.	3.1 Expenses incurred in delivery of services <ul style="list-style-type: none"> 3.1.1 Employee benefits 3.1.2 Grants and other payments 3.1.3 Capital asset charge 3.1.4 Supplies and services 3.1.5 Other operating expenses

3.1 Expenses incurred in delivery of services

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

	Notes	2019 (\$m)	2018 (\$m)
Expenses from transactions			
Employee expenses	3.1.1	6,972.4	6,550.9
Grants and other payments	3.1.2	2,010.4	1,953.3
Capital asset charge	3.1.3	1,598.6	1,495.2
Supplies and services	3.1.4	2,854.8	2,787.6
Other operating expenses	3.1.5/9.7	232.3	167.4
Total expenses incurred in delivery of services		13,668.5	12,954.4

3.1.1 (a) Employee benefits in the comprehensive operating statement

	2019 (\$m)	2018 (\$m)
Employee expenses		
Salaries and wages	5,674.8	5,339.5
Superannuation	562.2	532.9
Annual leave and long service leave expense	364.6	325.5
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	370.8	353.0
Total employee expenses	6,972.4	6,550.9

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits

relating to its employees. Instead, DTF discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

3.1.1 (b) Employee benefits – in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2019 (\$m)	2018 (\$m)
Current provisions		
Employee benefits⁷⁸—annual leave		
Unconditional and expected to be settled within 12 months	107.4	98.2
Unconditional and expected to be settled after 12 months	8.7	9.8
Employee benefits⁷⁸—long service leave		
Unconditional and expected to be settled within 12 months	151.8	144.5
Unconditional and expected to be settled after 12 months	916.0	830.7
Employee benefits⁷⁸—other		
Other provisions	1.2	1.1
Total	1,185.1	1,084.3
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months	39.0	36.5
Unconditional and expected to be settled after 12 months	151.7	137.8
Total	190.7	174.3
Other – make good ⁷⁹	0.1	0.2
Total current provisions	1,375.9	1,258.8
Non-current provisions		
Employee benefits ⁷⁸	220.4	181.8
Other on-costs related to employee benefits	36.1	29.8
Other provisions	9.0	2.5
Total non-current provisions	265.5	214.1
Total provisions	1,641.4	1,472.8

⁷⁸ Provisions for employee benefits consist of amounts for annual leave, long service leave and other employee benefits accrued by employees, not including on-costs.

⁷⁹ Make good provisions do not form part of employee benefits, but do form part of total current provisions.

Reconciliation of movements in on-cost provisions

2019	Total (\$m)
Opening balance	204.1
Additional provisions recognised	54.6
Reductions arising from payments/other sacrifices of future economic benefits	(48.2)
Reductions resulting from re-measurement	-
Unwind of discount and effect of changes in the discount rate	16.3
Closing balance	226.8
Current	190.7
Non-current	36.1

Annual leave and sick leave

Liabilities including non-monetary benefits, annual leave and on-costs are recognised in the provision for employee benefits as 'current liabilities', because the Department does not have an unconditional right to defer settlement of these liabilities. Based upon the expectation of the timing of settlement, liabilities for annual leave are measured at present value, as the Department does not expect to wholly settle within 12 months.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the future benefits accrued. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Long service leave

Liability for long service leave is recognised in the provision for employee benefits.

Unconditional long service leave is disclosed as a current liability; even where the Department does not expect to settle the liability within 12 months because it does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. The components of this current long service leave liability are measured at present value.

Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service leave liability is measured at present value.

Any gain or loss following revaluation of the present value of long service leave liability measured at present value is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an "other economic flow" in the net result.

On-costs related to employee expenses

On-costs (such as payroll tax, workers' compensation and superannuation) are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

The measurement of employee benefits on-costs mirrors the employee benefit provisions to which they relate, and therefore they are measured at present value as the Department does not expect to wholly settle within 12 months.

3.1.1 (c) Superannuation contributions

Employees of the Department are entitled to receive superannuation benefits and the Department contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

As noted in Note 3.1.1 (a) the defined benefit liability is recognised in DTF as an administered liability.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Department.

The basis for contributions is determined by the various schemes. The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Department are as follows:

Funds	Paid contributions for the year 2019 (\$m)	Paid contributions for the year 2018 (\$m)
Defined benefit plans		
State superannuation schemes	78.4	84.6
Other—state employees retirement benefits scheme	1.8	2.0
Defined contribution plans		
Vic Super	369.1	348.2
Other	112.9	98.1
Total	562.2	532.9

There are no contributions outstanding as at June 2019 and June 2018.

3.1.2 Grants and other payments

	2019 (\$m)	2018 (\$m)
Grants and other payments		
Grants to VCAA	77.0	69.0
Grants to VRQA	11.8	11.2
Grants to TAFE	717.1	701.7
Grants to Adult, Community and Further Education Board	37.5	28.2
Grants to non-government schools	804.6	774.4
Grants to external organisations	332.6	340.0
Other payments	29.8	28.8
Total grants and other payments	2,010.4	1,953.3

Transactions in which the Department provides goods, services, assets (or extinguishes a liability) or labour to another party where there is no expectation that the amount will be repaid in equal value are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants (other than contributions to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants and other transfer payments made to State-owned agencies, local government, non-government schools, and community groups. Grants can take the form of money, assets, goods, services or forgiveness of liabilities.

3.1.3 Capital asset charge

	2019 (\$m)	2018 (\$m)
Capital asset charge	1,598.6	1,495.2

The capital asset charge is a charge levied on the written down value of controlled non-current physical assets in the Department's balance sheet. It aims to attribute to the Department outputs, a cost of capital used in service delivery. Imposing this charge provides incentives for the Department to identify and dispose of underutilised or surplus non-current physical assets.

3.1.4 Supplies and services

	2019 (\$m)	2018 (\$m)
Supplies and services		
Administration	449.5	355.2
Maintenance	249.9	261.8
School requisites	978.0	995.1
Service agreement payments	1,017.6	1,027.0
Other	159.7	148.5
Total supplies and services	2,854.8	2,787.6

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including school requisites and maintenance costs, incurred in the normal operations of the Department. These items are recognised as an expense in the reporting period in which they are incurred.

3.1.5 Other operating expenses

	2019 (\$m)	2018 (\$m)
Ex-gratia expenses ⁸⁰	0.4	-
Other expenses	42.3	39.7
Other IT related expenses	185.3	127.7
Total other operating expenses	228.0	167.4

⁸⁰ Relates to ex-gratia payment made following the termination of a cleaning contract as part of the school cleaning reform program.

Note 4 Disaggregated financial information by output

<p>Introduction</p> <p>The Department is predominantly funded by accrual based Parliamentary appropriations for the provision of outputs. This section provides a description of the departmental outputs performed during the year ended 30 June 2019 along with the objectives of those outputs.</p> <p>This section disaggregates income that enables the delivery of services (described in Note 2) by the output and records the allocation of expenses incurred (described in Note 3) also by outputs.</p> <p>It also provides information on items administered in connection with these outputs, which do not form part of the controlled balances of the Department.</p> <p>Judgement is required in allocating income and expenditure to specific outputs. For the period under review there were no amounts unallocated.</p>	<p>The distinction between controlled and administered items is drawn based on whether the Department has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the State (administered).</p> <p>The Department remains accountable for transactions involving administered items, but it does not recognise these items in its financial statements.</p> <p>Structure</p> <p>4.1 Department outputs</p> <p>4.1.1 Descriptions and objectives</p> <p>4.1.2 Controlled income and expenses</p> <p>4.1.3 Controlled assets and liabilities</p> <p>4.2 Administered items</p> <p>4.3 Restructuring of administrative arrangements</p>
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4.1 Department output

4.1.1 Descriptions and objectives

A description of departmental outputs achieved during the year ended 30 June 2019, and the objectives of these outputs are summarised below.

Strategy, review and regulation

The strategy, review and regulation output contributes to the Department's objectives by developing, planning and monitoring strategic policy settings across all stages of learning. It also includes inter-governmental negotiations as well as research, data and performance evaluations. This output group also supports regulation that ensures quality education and training is delivered and contributes to all the Department's objectives.

Early childhood development

The early childhood development output contributes to the Department's objectives by providing funding for a range of services that support children in the early years, including kindergarten and children's services, MCH (Refer Note 4.3), and early intervention services for children with a disability. These outputs make a significant contribution to the Government's objectives in early childhood services.

School education

The school education output group consists of two outputs. The school education—primary output provides services to develop essential skills and learning experiences to engage young minds in the primary sector. The school education—secondary output delivers services to consolidate literacy and numeracy competencies including creative and critical thinking, as well as physical, social, emotional and intellectual development in adolescence. It also

provides education services as well as varied pathways and support for transition across sectors to further study or employment. This output group contributes towards providing and improving services to support all the Department's objectives of achievement, engagement, wellbeing and productivity.

School education—primary

The school education—primary output provides education and associated services designed to improve the quality of learning of students in Prep to Year 6 in government and non-government schools.

School education—secondary

The school education—secondary output involves provision of education and support services designed to improve student learning, development and wellbeing in Year 7 to 12 in government and non-government schools. It also covers the provision of cross-sectoral services to improve the pathways to further education, training and employment.

Training, higher education and workforce development

The training, higher education and workforce development output supports Victorians to acquire skills Victorian industries and businesses need to grow or adjust by:

- developing strategic advice on Victoria's skill requirements
- supporting better training choices by individuals and employers through improved access to information and advice
- contracting quality training delivery provided by TAFEs and dual sector universities, not-for-profit community providers and private RTOs
- ensuring there is a highly capable and diverse internationally focused TAFE and training system in Victoria
- supporting growth industries or those in adjustment, job creation and development of workforces
- supporting Government priorities through training and skills development, such as the Government's response to the Family Violence Royal Commission through the Plan for Change
- developing and implementing effective strategies for accredited and pre accredited training through adult community education and youth transition pathways to ensure access to and increased participation in life long skills development
- growing TAFE institutes as public institutions that play a key role in helping the state to meet its economic and employment needs, as well as a unique role in the community to promote equity and address disadvantage.

This output includes the functions of training system design, industry engagement, stakeholder information, contracting and monitoring of quality and training services. It involves the development and implementation of strategies for accredited and pre-accredited vocational education and training through to adult community education.

Support services delivery

The support services delivery output group primarily covers RS and provides student welfare and support, student transport (excluding transport for special needs students) and health services. This output group contributes towards providing and improving services to support all the Department's objectives of achievement, engagement, wellbeing and productivity.

Support for students with disabilities

The support for students with disabilities output group covers the program for students with disabilities, transport, welfare and support services for students with special needs. This output group contributes towards providing and improving services to support all the Department's objectives of achievement, engagement, wellbeing and productivity.

4.1.2 (a) Departmental outputs: Controlled income and expenses for the year ended 30 June 2019

	Strategy, review and regulation (\$m)	Early childhood develop- ment (\$m)	School education (\$m)	Higher educated and skills (\$m)	Support services delivery (\$m)	Support for students with disabilities (\$m)	Depart- mental total (\$m)
Income from transactions							
Output appropriations	118.6	648.6	9,743.8	1,829.9	383.5	1,091.3	13,815.7
Special appropriations	-	-	0.1	-	-	0.4	0.5
Grants	0.2	1.4	178.9	2.2	2.6	-	185.3
Sales of goods and services	-	0.1	129.2	0.3	1.1	0.9	131.6
Other income	-	-	609.5	0.1	0.5	0.1	610.2
Total income from transactions	118.8	650.1	10,661.5	1,832.5	387.7	1,092.7	14,743.3
Expenses from transactions							
Employee expenses	(68.6)	(43.0)	(5,701.2)	(61.0)	(243.5)	(855.1)	(6,972.4)
Depreciation and amortisation	(8.1)	(6.4)	(366.7)	(4.8)	(2.6)	(16.4)	(405.0)
Grants and other payments	(21.8)	(32.1)	(919.9)	(907.5)	(94.7)	(34.4)	(2,010.4)
Capital asset charge	(0.7)	(11.3)	(1,315.0)	(216.7)	(0.2)	(54.8)	(1,598.6)
Supplies and services	(19.1)	(556.3)	(1,558.9)	(563.2)	(44.7)	(112.6)	(2,854.8)
Other operating expenses	(0.5)	(1.0)	(203.8)	(5.6)	(2.0)	(19.3)	(232.3)
Total expenses from transactions	(118.8)	(650.1)	(10,065.6)	(1,758.7)	(387.7)	(1,092.6)	(14,073.5)
Net result from transactions (net operating balance)	-	-	595.9	73.8	-	0.1	669.8
Other economic flows included in net results							
Net gain/(loss) on non-financial assets	-	-	(1.8)	-	-	(0.2)	(2.0)
Net gain/(loss) on financial instruments	-	-	(7.6)	-	-	-	(7.6)
Other gains/(losses) from other economic flows	(0.9)	(0.5)	(72.3)	(0.8)	(3.1)	(10.9)	(88.5)
Total other economic flows included in net result	(0.9)	(0.5)	(81.7)	(0.8)	(3.1)	(11.1)	(98.1)
Net result	(0.9)	(0.5)	514.2	73.0	(3.1)	(11.0)	571.7
Other economic flows—other comprehensive income							
Changes in physical asset revaluation surplus	-	-	(1,468.8)	-	17.6	81.5	(1,369.7)
Total other economic flows—other comprehensive income	-	-	(1,468.8)	-	17.6	81.5	(1,369.7)
Comprehensive result	(0.9)	(0.5)	(954.6)	73.0	14.5	70.5	(798.0)

4.1.2 (b) Departmental outputs: Controlled income and expenses for the year ended 30 June 2018

	Strategy, review and regulation (\$m)	Early childhood develop- ment (\$m)	School education (\$m)	Higher educated and skills (\$m)	Support services delivery (\$m)	Support for students with disabilities (\$m)	Depart- mental total (\$m)
Income from transactions							
Output appropriations	108.5	626.4	8,929.0	1,808.5	346.4	997.3	12,816.1
Special appropriations	-	-	6.9	-	-	3.6	10.5
Grants	-	4.0	52.8	1.8	1.7	-	60.3
Sales of goods and services	-	0.2	134.0	0.2	0.2	1.0	135.6
Other income	-	-	627.6	0.1	-	0.5	628.2
Total income from transactions	108.5	630.6	9,750.3	1,810.6	348.3	1,002.4	13,650.7
Expenses from transactions							
Employee expenses	(66.9)	(41.3)	(5,369.7)	(60.3)	(214.9)	(797.8)	(6,550.9)
Depreciation and amortisation	(7.4)	(5.4)	(332.6)	(4.4)	(2.5)	(16.0)	(368.3)
Grants and other payments	(18.1)	(34.0)	(887.7)	(919.7)	(76.0)	(17.8)	(1,953.3)
Capital asset charge	(0.6)	(5.7)	(1,217.6)	(216.7)	(0.2)	(54.4)	(1,495.2)
Supplies and services	(15.3)	(543.6)	(1,525.3)	(558.5)	(45.8)	(99.1)	(2,787.6)
Other operating expenses	(0.2)	(0.6)	(141.6)	(4.6)	(8.9)	(17.3)	(173.2)
Total expenses from transactions	(108.5)	(630.6)	(9,474.6)	(1,764.2)	(348.3)	(1,002.4)	(13,328.5)
Net result from transactions (net operating balance)	-	-	275.7	46.4	-	-	322.2
Other economic flows included in net results							
Net gain/(loss) on non-financial assets	-	-	0.3	-	-	-	0.3
Net gain/(loss) on financial instruments	-	-	(12.7)	-	-	-	(12.7)
Other gains/(losses) from other economic flows	-	-	1.7	-	0.2	0.3	2.2
Total other economic flows included in net result	-	-	(10.7)	-	0.2	0.3	(10.2)
Net result	-	-	265.0	46.4	0.2	0.3	311.9
Other economic flows—other comprehensive income							
Changes in physical asset revaluation surplus	-	-	2,855.8	-	4.3	328.4	3,188.5
Total other economic flows—other comprehensive income	-	-	2,855.8	-	4.3	328.4	3,188.5
Comprehensive result			3,120.8	46.4	4.5	328.7	3,500.4

4.1.3 (a) Departmental outputs: Controlled assets and liabilities as at 30 June 2019

	Strategy, review and regulation (\$m)	Early childhood development (\$m)	School education (\$m)	Higher educated and skills (\$m)	Support services delivery (\$m)	Support for students with disabilities (\$m)	Departmental total (\$m)
Assets							
Financial assets	23.9	92.2	2,781.5	277.6	110.6	308.1	3,593.9
Non-financial assets	14.4	186.7	21,638.0	8.0	137.6	2,268.4	24,253.0
Total assets	38.3	278.9	24,419.5	285.6	248.2	2,576.5	27,846.9
Liabilities							
Liabilities	27.1	28.3	2,425.5	109.3	102.7	329.0	3,022.0
Total liabilities	27.1	28.3	2,425.5	109.3	102.7	329.0	3,022.0
Net assets/(liabilities)	11.2	250.6	21,994.0	176.3	145.5	2,247.5	24,824.9

4.1.3 (b) Departmental outputs: Controlled assets and liabilities as at 30 June 2018

	Strategy, review and regulation (\$m)	Early childhood development (\$m)	School education (\$m)	Higher educated and skills (\$m)	Support services delivery (\$m)	Support for students with disabilities (\$m)	Departmental total (\$m)
Assets							
Financial assets	19.7	87.7	2,457.2	280.5	92.6	263.7	3,201.4
Non-financial assets	15.3	190.4	21,972.5	8.9	133.5	2,249.7	24,570.3
Total assets	35.0	278.1	24,429.7	289.4	226.1	2,513.4	27,771.7
Liabilities							
Liabilities	25.2	26.4	2,260.6	106.8	90.3	300.0	2,809.3
Total liabilities	25.2	26.4	2,260.6	106.8	90.3	300.0	2,809.3
Net assets/(liabilities)	9.8	251.7	22,169.1	182.6	135.8	2,213.4	24,962.4

4.2 Administered (non-controlled) items

All the Department's administered activities relate to school education output. The distinction between controlled and administered items is drawn based on whether the Department has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the State (administered). The Department remains accountable for transactions involving administered items, but it does not recognise these items in its financial statements.

	Departmental total	
	2019 (\$m)	2018 (\$m)
Administered income from transactions		
Commonwealth on-passing to non-government schools		
<i>General recurrent grants</i>	3,383.7	3,187.2
<i>Other</i>	55.2	50.1
Other income	98.5	99.5
Total administered income from transactions	3,537.4	3,336.8
Administered expenses from transactions		
Commonwealth on-passing to non-government schools		
<i>General recurrent grants</i>	(3,383.7)	(3,187.2)
<i>Other</i>	(55.1)	(50.1)
Other	(1.3)	(1.3)
Administered paid to consolidated fund	(67.7)	(84.9)
Total administered expenses from transactions	(3,507.8)	(3,323.5)
Total administered net result from transactions (net operating balance)	29.6	13.3
Administered other economic flows included in the administered net result		
Net gain/(loss) on non-financial assets	(38.7)	(3.7)
Total administered other economic flows	(38.7)	(3.7)
Administered net result	(9.1)	9.6
Total administered comprehensive result	(9.1)	9.6
Administered financial assets		
Cash and deposit	1.3	-
Receivables	16.8	25.9
Investments	-	1.3
Total administered assets	18.1	27.2

Administered income includes Commonwealth on-passing grants, fees and the proceeds from the sale of administered surplus land and buildings. Administered expenses includes payments made on behalf of the State and payments into the consolidated fund. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid.

Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for recognition of the departmental items in the financial statements. Both controlled and administered items of the Department are consolidated into the financial statements of the State.

Commonwealth on-passing grants

The Department's administered grants mainly comprise of funds provided by the Commonwealth to assist the State Government in meeting general or specific

service delivery obligations. These grants are distributed to the recipients for operational and capital purposes.

4.3 Restructuring of administrative arrangements

On 21 December 2018, the Government issued an administrative order restructuring some of its activities via machinery of government changes, taking effect from 1 January 2019. As part of the machinery of government restructure, the Department (as transferor) relinquished its maternal child health (MCH) and early parenting output to DHHS (the transferee).

The net asset transfers were treated as a contribution of capital by the State. No income has been recognised by the Department in respect of the net assets transferred to DHHS.

Restructuring of administrative arrangements	2019 Transfer out: Output – Dept (\$m)
Assets	
Cash and deposits – Bank account held in trust	(0.9)
SAU receivables	(1.5)
Liabilities	
Provisions	1.5
Net assets recognised/(transferred)	(0.9)
Net capital contribution from the Crown	(0.9)

Note 5 Key assets available to support output delivery

Introduction

The Department controls infrastructure that is utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Department to be utilised for delivery of those outputs.

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.2 in connection with how those fair values were determined.

Structure

5.1 Property, plant and equipment: carrying amount

5.1.1 Depreciation and amortisation

5.1.2 Reconciliation of movements in carrying value of property, plant and equipment

5.2 Intangible assets

5.3 Other financial assets

5.1 Property, plant and equipment – education purpose group⁸¹

	2019 (\$m)	2018 ⁸² (\$m)
Land		
At fair value	10,718.0	11,895.4
Buildings		
At fair value	12,118.5	11,033.0
Less accumulated depreciation	(343.3)	-
Total buildings	11,775.2	11,033.0
Heritage buildings		
At fair value	104.5	104.5
Less accumulated depreciation	(4.0)	-
Total heritage buildings	100.6	104.5
Leasehold buildings		
At fair value	526.2	526.2
Less accumulated depreciation	(9.8)	-
Total leasehold buildings	516.4	526.2
Leasehold improvements		
At fair value	31.8	14.4
Less accumulated depreciation	(10.2)	(8.0)
Total leasehold improvements	21.6	6.4
Plant and equipment		
At fair value	608.7	587.6
Less accumulated depreciation	(535.1)	(524.5)
	73.6	63.1
Plant and equipment under finance lease	43.1	42.6
Less accumulated depreciation	(11.9)	(9.7)
	31.2	32.9
Total plant and equipment	104.7	96.0
Work in progress		
Buildings at cost	904.8	799.2
Plant and equipment at cost	9.4	8.8
Total work in progress	914.3	808.0
Total property, plant and equipment	24,150.7	24,469.5

⁸¹ Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six 'Purpose Groups' based upon government purpose classifications (GPC). All assets within a purpose group are further sub-categorised according to the asset's 'nature' (that is, buildings, plant and equipment, and so forth), with each sub-category being classified as a separate class of asset for financial reporting purposes.

⁸² 2018 was a "formal" revaluation year for the Department in accordance with the FRD 103H *non-financial physical assets*. The Department land and building assets revaluation was conducted by the Valuer-General Victoria.

Initial recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal consideration, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

The initial cost for non-financial physical assets under a finance lease (Note 7.2) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Also note that certain assets are acquired under finance leases, which may form part of a service concession arrangement (Public Private Partnership (PPP)).

Subsequent measurement

Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Specialised land and specialised buildings

Land and buildings of the Department are considered specialised land and buildings.

Specialised land has no feasible alternative use because it is restricted to only provide education services to the community. There is no observable market value as a community service obligation (CSO) is applied.

Specialised buildings are buildings designed for a specific limited purpose. These buildings include school sites and heritage/historic properties owned by the Department.

Plant and equipment

Plant and equipment is capitalised when the individual asset value is \$5,000 or greater.

The fair value of plant and equipment is normally determined by reference to the asset's depreciated replacement cost.

Leasehold buildings

Certain assets are acquired under finance leases, which may form part of a service concession arrangement (i.e. PPP). Refer to Notes 7.2 Leases and 7.5 Commitments for expenditure for more information.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 8.2.

Leasehold improvements

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Heritage buildings and Crown land

During the reporting period, the Department also held heritage buildings and other non-financial physical assets (including Crown land and infrastructure assets) that the Department intends to preserve because of their unique historical, cultural or environmental attributes.

The fair value of some heritage assets may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials. In addition, as there are limitations and restrictions imposed on those assets use and/or disposal, they may impact the fair value of those assets, and are taken into account when the fair value is determined.

5.1.1 Depreciation and amortisation

	2019 (\$m)	2018 (\$m)
Depreciation		
Buildings	347.6	310.2
Leasehold buildings	9.8	8.3
Leasehold improvements	2.1	0.8
Plant and equipment	30.5	32.1
Total depreciation	390.0	351.4
Amortisation		
Software	15.0	16.9
Total amortisation	15.0	16.9
Total depreciation and amortisation	405.0	368.3

Depreciation and amortisation

All buildings, heritage buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases and assets held-for-sale) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

The following are estimated useful lives for the different asset classes for both current and prior years.

Asset class	Useful life years
Buildings	10–60
Heritage buildings	40–60
Leasehold buildings	60
Leasehold improvements	3–10
Plant and equipment (including vehicles leased assets)	3–10
Software	3–10

Depreciation is not recognised for land assets as their service potential has not, in any material sense, been consumed during the reporting period. Land is considered to have an indefinite life.

Where items of buildings have separately identifiable components that have materially different useful lives and subject to regular replacement, those components are assigned useful lives distinct from the item of buildings to which they relate. For the Department, identifiable components include different building materials and structures such as an annex or a wing and landscaping for each site. These components are then depreciated separately in accordance with

useful life of assets. The useful lives for these items are between 10 and 60 years.

Intangible produced assets with finite useful lives, i.e. capitalised software development costs (software), are amortised as an expense from transactions on a systematic (straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Impairment of non-financial assets

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an "other economic flow", except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount is increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

5.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

2019	Land (\$m)	Buildings (\$m)	Heritage buildings (\$m)	Leasehold buildings (\$m)	Leasehold improvements (\$m)	Plant and equipment (\$m)	Work in progress (\$m)	Total (\$m)
Opening balance	11,895.4	11,033.0	104.5	526.2	6.4	96.0	808.0	24,469.5
Prior year adjustments	-	-	-	-	-	-	-	-
Additions	203.1	1.4	-	-	6.4	32.5	1,273.6	1,515.6
Fair value of assets received free of charge or for nominal considerations	-	-	-	-	-	-	-	-
Transfers to completed assets	-	1,144.5	-	-	11.6	11.1	(1,167.3)	-
Disposals	(0.5)	(57.4)	-	-	-	(4.4)	-	(62.3)
Revaluation increments/(decrements)	(1,366.4)	(2.5)	-	-	(0.8)	-	-	(1,369.7)
Impairment	-	-	-	-	-	-	-	-
Transfer (to)/from assets held for sale	(13.6)	(0.2)	-	-	-	0.1	-	(13.7)
Depreciation	-	(343.6)	(4.0)	(9.8)	(2.1)	(30.5)	-	(390.0)
Closing balance	10,718.0	11,775.2	100.6	516.4	21.6	104.8	914.3	24,150.7
2018								
Opening balance	9,409.6	9,960.5	103.1	383.2	2.9	87.7	446.1	20,393.1
Prior year adjustments	-	-	-	-	-	-	-	-
Additions	153.8	-	-	131.6	0.9	37.6	978.1	1,302.0
Fair value of assets received free of charge or for nominal considerations	3.6	-	-	-	-	-	-	3.6
Transfers to completed assets	-	594.6	-	-	3.4	6.9	(604.9)	-
Disposals	(48.6)	(29.5)	-	-	-	(4.0)	-	(82.1)
Revaluation increments/(decrements)	2,362.2	813.8	5.1	19.7	-	-	(11.3)	3,189.5
Impairment	-	-	-	-	-	-	-	-
Transfer (to)/from assets held for sale	14.8	-	-	-	-	-	-	14.8
Depreciation	-	(306.4)	(3.7)	(8.3)	(0.8)	(32.2)	-	(351.4)
Closing balance	11,895.4	11,033.0	104.5	526.2	6.4	96.0	808.0	24,469.5

5.2 Intangible assets

2019	Software at cost (\$m)	Software work in progress (\$m)	Total (\$m)
Opening balance	165.9	15.8	181.7
Additions	0.8	7.5	8.3
Disposals	(0.8)	-	(0.8)
Impairments	(1.5)	(2.2)	(3.7)
Transfer to completed assets	6.7	(6.7)	-
Closing balance	171.1	14.4	185.5
Accumulated amortisation			
Opening balance	(132.2)	-	(132.2)
Amortisation expense	(15.0)	-	(15.0)
Write back due to disposals	1.2	-	1.2
Closing balance	(146.0)	-	(146.0)
Net book value at end of financial year	25.1	14.4	39.5

2018	Software at cost (\$m)	Software work in progress (\$m)	Total (\$m)
Opening balance	149.4	25.8	175.2
Additions	1.4	6.8	8.2
Disposals	(1.3)	(0.4)	(1.7)
Transfer to completed assets	16.4	(16.4)	-
Closing balance	165.9	15.8	181.7
Accumulated amortisation			
Opening balance	(115.8)	-	(115.8)
Amortisation expense	(16.9)	-	(16.9)
Write back due to disposals	0.5	-	0.5
Closing balance	(132.2)	-	(132.2)
Net book value at end of financial year	33.7	15.8	49.5

Initial recognition

Intangible assets are initially recognised at cost. An intangible asset shall be recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised and measured at cost less accumulated amortisation and impairment. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and

condition necessary for it to be capable of operating in the manner intended by management.

Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Department.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives are depreciated as an 'expense from transactions' on a straight line basis over their useful lives. Intangible assets have useful lives of between 3 and 10 years.

Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

5.3 Other financial assets

	2019 (\$m)	2018 (\$m)
Term deposits held by schools	16.0	310.0

Amounts held by schools with a maturity of three months or more are disclosed as 'Other financial assets'.

5.3.1 Ageing analysis of other financial assets

			Past due but not impaired			
2019	Carrying amount (\$m)	Not past due and not impaired (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months –1 year (\$m)	Over 1–year (\$m)
Term deposits	16.0	16.0	-	-	-	-
Total	16.0	16.0	-	-	-	-

			Past due but not impaired			
2018	Carrying amount (\$m)	Not past due and not impaired (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months –1 year (\$m)	Over 1–year (\$m)
Term deposits	310.0	310.0	-	-	-	-
Total	310.0	310.0	-	-	-	-

Note 6 Other assets and liabilities

Introduction	Structure
This section sets out those assets and liabilities that arose from the Department's operations.	6.1 Receivables 6.1.1 Movement in the provisions for doubtful debts 6.2 Other non-financial assets 6.3 Payables 6.3.1 Ageing analysis of contractual payables

6.1 Receivables

	2019 (\$m)	2018 (\$m)
Current receivables		
Statutory		
Amounts owing from Victorian Government	1,859.4	1,770.4
GST receivables	77.0	68.0
Total	1,936.4	1,838.4
Contractual		
Other debtors ^{83 84}	129.3	76.1
Loan receivables	22.1	26.5
Total	151.3	102.6
Allowance for impairment of losses of contractual receivables ⁸⁷	(43.2)	(42.7)
Total current receivables	2,044.5	1,898.3
Non-current receivables		
Statutory		
Amounts owing from Victorian Government	256.6	211.6
Contractual		
Loan receivables	42.3	64.4
Total non-current receivables	298.9	276.0

⁸³ The average credit period on sales of goods and services is 30 days. No interest is charged on other receivables for the first 30 days from the date of the invoice. An allowance has been made for estimated irrecoverable amounts from the sale of goods debtors when there is objective evidence that an individual receivable is impaired. The increase/decrease was recognised in the operating result for the current financial year.

⁸⁴ The balance disclosed represents debtors for the Department only and excludes schools. The Department cannot confirm the existence and collectability of school debtors and unearned income as there is inadequate supporting documentation. The Department has not recognised on the balance sheet any amounts that may be collectable, or services that the Department is obliged to provide.

Receivables consist of:

- statutory receivables, which include amounts owing from the Victorian Government and GST input tax credits recoverable
- contractual receivables, which include mainly debtors in relation to goods and services and loans to third parties.

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method less any impairment.

Statutory receivables are recognised and measured similarly to contractual receivables. The Department applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the consolidated fund as the commitments fall due.

Details about the Department's impairment policies and the calculation of the loss allowance are set out in note 8.1.1.

6.1.1 Movement in the allowance for impairment losses of contractual receivables

	2019 (\$m)	2018 (\$m)
Balance at beginning of the year	(42.7)	(32.5)
Reversal of unused provision recognised in the net result	2.1	0.3
Increase in provision recognised in the net result	(9.8)	(12.7)
Reversal of provision of receivables written off during the year as uncollectable	7.2	2.2
Balance at end of the year	(43.2)	(42.7)

AASB 9 requires that receivables are assessed for expected credit losses on a regular basis. Provision for impairment is recognised when there is objective evidence that the Department will not be able to collect a receivable. Receivables are written off against the carrying amount when there is no reasonable expectation of recovery.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

6.2 Other non-financial assets

	2019 (\$m)	2018 (\$m)
Prepayment	26.8	28.5
Non-financial assets held for sale	14.2	3.0
Other	21.7	19.9
Total other non-financial assets	62.7	51.4

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period, and land pending settlement.

Non-financial assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate sale in the current condition, and
- the sale is highly probable, the asset is actively marketed and the asset's sale is expected to be completed within 12 months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

6.3 Payables

	2019 (\$m)	2018 (\$m)
Current payables		
Contractual		
Salaries, wages and on-costs	133.1	126.7
Accrued grants and transfer payments	124.1	73.3
Other accruals	9.2	8.2
Schools creditors	16.2	21.1
Capital expenditure	171.1	197.4
Operating expenditure	217.6	202.5
Total	671.3	629.2
Statutory		
Taxes payable	24.8	23.3
Advanced payable to public account	41.1	35.1
Total	65.9	58.4
Total current payables	737.2	687.6
Total payables	737.2	687.6

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Department prior to the end of the financial year that are unpaid
- statutory payables, such as GST and fringe benefits tax, are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

6.3.1 Ageing analysis of contractual payables

			Maturity dates				
2019	Carrying amount (\$m)	Nominal amount (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months – 1 year (\$m)	Over 1– year (\$m)	>5 years (\$m)
Payables	671.3	671.3	635.6	4.9	0.3	29.5	1.0
Total	671.3	671.3	653.6	4.9	0.3	29.5	1.0

			Maturity dates				
2018	Carrying amount (\$m)	Nominal amount (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months – 1 year (\$m)	Over 1– year (\$m)	>5 years (\$m)
Payables	629.2	629.2	599.7	21.0	6.6	1.9	-
Total	629.2	629.2	599.7	21.0	6.6	1.9	-

Note 7 Financing our operations

Introduction	Structure
<p>This section provides information on the sources of finance utilised by the Department during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Department.</p> <p>This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 8.1 provides additional, specific financial instrument disclosures.</p>	<p>7.1 Borrowings</p> <p>7.1.1 Maturity analysis of borrowings</p> <p>7.2 Leases</p> <p>7.2.1 Finance lease liabilities – Department as lessee</p> <p>7.2.2 Operating leases – Department as lessee</p> <p>7.3 Cash flow information and balances</p> <p>7.3.1 Reconciliation of net results for the period to cash flow from operating activities</p> <p>7.4 Trust account balances</p> <p>7.5 Commitments for expenditure</p> <p>7.5.1 Total commitments payable</p> <p>7.5.2 Public Private Partnership commitments</p> <p>7.5.3 Commitments other than Public Private Partnerships</p>

7.1 Borrowings

	2019 (\$m)	2018 (\$m)
Current borrowings		
Finance lease liabilities⁸⁵		
PPP related finance lease liabilities	40.1	40.4
Motor vehicles related finance lease liabilities	5.8	4.9
Advance from public account ⁸⁶	17.6	20.6
Other current ⁸⁷	1.2	1.5
Total current borrowings	64.7	67.4
Non-current borrowings		
Finance lease liabilities		
PPP related finance lease liabilities	462.7	475.2
Motor vehicles related finance lease liabilities	6.5	7.8
Advance from public account ⁸⁶	20.6	26.1
Other non-current ⁸⁷	4.1	5.2
Total non-current borrowings	493.9	514.3
Total borrowings	558.6	581.7

⁸⁵ Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default. Refer to Note 7.2.1 Leases for further information on finance lease liabilities.

⁸⁶ These are unsecured loans which bear no interest. The terms of the loans are generally agreed by the Treasurer at the time the advance was provided.

⁸⁷ Other borrowings are made up of co-operative loans in schools.

'Borrowings' refer to interest bearing liabilities mainly raised from finance leases and other interest bearing arrangements.

Borrowings are classified as financial instruments. All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Department has categorised its interest bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest bearing liabilities. The Department determines the classification of its interest bearing liabilities at initial recognition.

7.1.1 Maturity analysis of borrowings

			Maturity dates				
2019	Carrying amount (\$m)	Nominal amount (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months – 1 year (\$m)	Over 1– year (\$m)	>5 years (\$m)
Borrowings	558.6	916.7	1.1	7.1	53.9	194.6	660.0
Total	558.6	916.7	1.1	7.1	53.9	194.6	660.0

			Maturity dates				
2018	Carrying amount (\$m)	Nominal amount (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months – 1 year (\$m)	Over 1– year (\$m)	>5 years (\$m)
Borrowings	581.7	973.2	1.9	12.4	45.6	207.5	705.8
Total	581.7	973.2	1.9	12.4	45.6	207.5	705.8

7.2 Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. For service concession arrangements, the commencement of the lease term is deemed to be the date of commissioning. All other leases are classified as operating leases.

7.2.1 Finance lease liabilities – Department as lessee

	Minimum future lease payments		Present value of minimum future lease payments	
	2019 (\$m)	2018 (\$m)	2019 (\$m)	2018 (\$m)
PPP related finance lease liabilities				
Not longer than one year	41.5	41.8	40.1	40.3
Longer than one year but not longer than five years	166.1	166.1	139.1	139.2
Longer than five years	657.1	698.7	323.6	336.1
Motor vehicles lease liabilities				
Not longer than one year	5.3	5.3	5.8	5.0
Longer than one year but not longer than five years	8.1	8.1	6.5	7.7
Minimum future lease payments	878.1	920.0	515.1	528.3
Less future finance charges	(363.0)	(391.6)	-	-
Present value of minimum lease payments	515.1	528.4	515.1	528.3
Included in the financial statements as:				
Current borrowings finance lease liabilities (Note 7.1)	-	-	45.9	45.3
Non-current borrowings finance lease liabilities (Note 7.1)	-	-	469.3	483.0
Total aggregate carrying amount of borrowings	-	-	515.1	528.3

	2019 (\$m)	2018 (\$m)
Assets pledged as security		
Motor vehicles under finance lease	12.7	13.0
Partnership Victoria in schools assets	548.0	546.0
Total assets pledged as security	560.7	559.0

The Department's leases are made up of finance leases for PPP arrangements and motor vehicles.

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset, or the term of the lease.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

PPP—Partnerships Victoria in schools

In December 2008, the State of Victoria entered into a 25-year agreement with Axiom Education Victoria Pty Ltd, under the Partnerships Victoria policy, for the financing, design, construction, and maintenance of 11 schools. The schools were constructed on sites that were purchased by the Department. At the end of the lease period, the Department will continue to own all the assets.

All 11 schools have been open since 2011 and the Department has assumed responsibility for education provision, staffing, curriculum and teacher practice, and a commitment in regard to these assets is recognised as a finance lease with related finance lease assets.

In October 2015, the State of Victoria entered into a 25-year agreement with Learning Communities Victoria under the new schools PPP project. All 15 schools were delivered and opened over the 2017 and 2018 school years. Under the PPP model Learning Communities Victoria is responsible for the finance, design, construction and maintenance of the new schools over the 25 year contract period. The Department retains school ownership and responsibility for delivering educational services.

7.2.2 Operating leases—Department as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

7.3 Cash flow information and balances

Cash and deposits comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2019 (\$m)	2018 (\$m)
Amounts held by schools	956.1	576.8
Bank accounts held in trust	269.5	130.9
Other bank accounts	8.9	9.3
Total cash and deposits	1,234.5	717.0

Amounts held by schools at the end of the financial year disclosed as 'Cash and deposits' include bank accounts and short-term deposits with a maturity of less than three months.

Due to the State of Victoria's investment policy and government funding arrangements, the Department generally does not hold a large cash reserve in its bank accounts. The Departmental operating bank accounts hold funds on behalf of trusts and for working accounts (Note 7.4).

Cash received by the Department from the generation of income is generally paid into the State's bank account, known as the public account. Similarly, any departmental expenditure, including those payments for goods and services to its suppliers and creditors, are made via the public account. The process is such that, the public account remits to the Department the cash required to cover its transactions. This remittance by the public account occurs upon the electronic transfer of funds and the presentation of the cheques by the Department's suppliers or creditors.

7.3.1 Reconciliation of net result for the period to cash flow from operating activities

	2019 (\$m)	2018 (\$m)
Net results for the reporting period	571.7	311.9
Non-cash movements		
Net (gain)/loss on sale of non-financial assets	2.0	(0.3)
Depreciation and amortisation	405.0	368.3
Non-cash movements in assets liabilities		
Decrease/(increase) in current receivables	(150.6)	126.7
Decrease/(increase) in prepayments	1.8	(3.9)
Decrease/(increase) in non-current receivables	(45.0)	(10.8)
Increase/(decrease) in current payables	75.9	(77.8)
Increase/(decrease) in other liabilities	17.6	18.8
Increase/(decrease) in current employee entitlements	117.1	44.3
Increase/(decrease) in non-current employee entitlements	51.6	12.8
Net cash inflow from/(used in) operating activities	1,047.1	790.0

7.4 Trust account balances

The following is a listing of trust account balances relating to trust accounts controlled and/or administered by the Department:

2019	Opening balance as at 1 July 2018 (\$m)	Total receipts (\$m)	Total payments (\$m)	Closing balance as at 30 June 2019 (\$m)
Controlled trusts				
State treasury trust	58.7	92.0	(93.5)	57.3
Inter-departmental trust	43.1	163.9	(4.0)	202.9
Commonwealth treasury trust	29.1	35.4	(55.2)	9.2
Total controlled trusts	130.9	291.2	(152.7)	269.5
Administered trusts				
Prizes and scholarships	1.4	-	(0.1)	1.3
Commuter club	(0.2)	1.1	(1.1)	(0.2)
On-passing from the Commonwealth	0.6	3,438.9	(3,438.9)	0.6
Total administered trusts	1.8	3,440.0	3,440.1	1.7

2018	Opening balance as at 1 July 2017 (\$m)	Total receipts (\$m)	Total payments (\$m)	Closing balance as at 30 June 2018 (\$m)
Controlled trusts				
State treasury trust	74.2	135.4	(150.9)	58.7
Inter-departmental trust	9.9	38.0	(4.8)	43.1
Commonwealth treasury trust	44.8	34.4	(50.1)	29.1
Total controlled trusts	128.9	207.8	(205.8)	130.9
Administered trusts				
Prizes and scholarships	1.5	0.2	(0.3)	1.4
Commuter club	(0.1)	1.0	(1.1)	(0.2)
On-passing from the Commonwealth	0.6	3,237.3	(3,237.3)	0.6
Total administered trusts	2.0	3,238.5	(3,238.7)	1.8

There were no trust accounts opened or closed by the Department during 2019. The State treasury trust fund operates by virtue of Section 19 of the FM Act.

Trust accounts are used as the legal mechanism to record and access monies for specific, clearly-identified purposes and are not funded by state appropriation unless approved by DTF or provided by specific alignment.

The Department has responsibility for transactions and balances relating to trust funds on behalf of third parties external to the Victorian Government. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore not controlled by the Department.

7.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

7.5.1 Total commitments payable

2019	Less than 1-year (\$m)	Between 1-5 years (\$m)	Over 5- years (\$m)	Total (\$m)
PPP commitments	22.3	79.9	585.7	687.9
Capital expenditure commitments payable	513.4	55.1	-	568.5
Operating and lease commitments payable	31.8	60.3	31.9	124.0
Other commitments payable	897.2	217.3	149.3	1,263.8
Total commitments (inclusive of GST)	1,464.7	412.5	766.9	2,644.2
Less GST recoverable	132.2	33.6	56.2	222.0
Total commitments (exclusive of GST)	1,332.5	378.9	710.7	2,422.2

2018	Less than 1-year (\$m)	Between 1-5 years (\$m)	Over 5- years (\$m)	Total (\$m)
PPP commitments	22.0	100.1	606.0	728.1
Capital expenditure commitments payable	534.1	51.3	-	585.4
Operating and lease commitments payable	27.9	102.6	31.1	161.6
Other commitments payable	799.8	232.7	179.4	1,211.9
Total commitments (inclusive of GST)	1,383.8	486.7	816.5	2,687.0
Less GST recoverable	125.1	41.2	64.8	231.1
Total commitments (exclusive of GST)	1,258.7	445.5	751.7	2,455.9

7.5.2 Public Private Partnership commitments

The Department sometimes enters into arrangements with private sector participants, to design and construct or upgrade an asset used to provide public services. These arrangements are typically complex and usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as either PPPs or service concession arrangements.

The Department's service concession arrangements pay the operator over the period of the arrangement, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as a lease payment. The remaining components are accounted for as commitments for operating costs, which are expensed in the comprehensive operating statement as they are incurred.

Commissioned public private partnership

Partnership Victoria in schools

The Department entered into a 25-year PPP arrangement through the Partnerships Victoria Project (PViS). The portions of the payments that relate to the right to use the assets are accounted for as finance leases and are disclosed in Note 7.2.1.

The Department pays a base charge for delivery of contracted services (subject to the performance criteria set out in the agreement). The contract is amended to provide for additional services, such as an extension to the facilities, which are at the Department's discretion. The nominal amounts for the operating and maintenance commitment below represents the charges payable under the agreement at the end of the reporting period.

New Schools PPP

In October 2015, the State of Victoria entered into a 25-year agreement with Learning Communities Victoria under the new schools PPP project. 15 schools were delivered and opened over the 2017 and 2018 school years. Under the PPP model Learning Communities Victoria is responsible for the finance, design, construction and maintenance of the new schools over a 25-year period. The Department retains school ownership and responsibility for delivering educational services.

The total commitments for PPPs are as follows:

	Other commitments		Other commitments	
	Present value 2019 (\$m)	Nominal value 2019 (\$m)	Present value 2018 (\$m)	Nominal value 2018 (\$m)
Commissioned PPPs				
Partnerships Victoria in schools—Operations, maintenance and contingent rental commitments	163.0	375.3	168.3	379.5
New schools PPP	161.5	312.7	167.3	348.7
Total commitments for PPPs	324.5	688.0	335.6	728.2

7.5.3 Commitments other than Public Private Partnerships

	2019 nominal value (incl. GST) (\$m)	2018 nominal value (incl. GST) (\$m)
Capital expenditure commitments: Plant, buildings and equipment	568.5	585.4
Operating lease commitments	124.0	161.6
Other expenditure commitments	1,263.8	1,211.9
Total commitments other than PPPs	1,956.3	1,958.9

Capital commitments

Commitments for the acquisition of buildings, plant and equipment contracted for at the reporting date but not recognised as liabilities.

Operating leases

The Department and schools lease equipment including photocopiers, computers, motor vehicles and property with varying lease terms. All operating lease contracts contain market review clauses in the event that the Department exercises its option to renew. The Department does not have a contractual option to purchase the leased assets at the expiry of the lease period.

Other expenditure commitments

Other commitments include agreements entered into for provision of financial information technology and human resource services to the Department and grants to non-government schools.

Note 8 Risk, contingencies and valuation judgements

Introduction	Structure
The Department is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied.	8.1 Financial instrument specific disclosures 8.2 Fair value determination 8.3 Contingent assets and liabilities <div> 8.3.1 Contingent assets 8.3.2 Contingent liabilities </div>

8.1 Financial instrument specific disclosures

8.1.1 Financial instruments: categorisation

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Department's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Guarantees issued by the Treasurer on behalf of the Department are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.

From 1 July 2018, the Department applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial instruments under AASB 9

Financial assets at amortised cost

Financial assets are measured at amortised cost if both the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Department to collect contractual cash flows
- the assets' contractual terms give rise to cash flows that are solely payments of principals and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method, less any impairment.

This category includes cash and deposits, term deposits with maturity greater than three months, receivables, and other receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the Department's payables and borrowings.

Categories of financial assets previously under AASB 139

Loans and receivables and cash are financial instruments assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using effective interest method (and for assets, less any impairment). The assets recognised in this category includes cash and deposits; receivables and term deposits.

Categories of financial liabilities under AASB 9 and previously under AASB 139

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the profit and loss over the period of the interest bearing liability, using the effective interest rate method. The liabilities recognised in this category include payables and borrowings (including finance lease liabilities).

Impairment of financial assets under AASB 9

From 1 July 2018, the Department has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's expected credit loss approach. Subject to AASB 9 impairment assessment include the Department's contractual receivables.

Contractual receivables at amortised cost

The Department applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Department has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected loss rate based on the Department's past history as well as forward looking estimates at the end of the financial year.

On this basis, the Department determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at the end of the financial year as follows:

			Past due but not impaired			
1 July 2018	Carrying amount (\$m)	Not past due and not impaired (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months –1 year (\$m)	Over 1–year (\$m)
Expected loss rate	-	17%	6%	7%	18%	33%
Receivables	166.9	18.3	2.8	2.2	41.5	102.1
Loss allowance	44.3	3.1	0.2	0.2	7.5	33.3

			Past due but not impaired			
30 June 2019	Carrying amount (\$m)	Not past due and not impaired (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months –1 year (\$m)	Over 1–year (\$m)
Expected loss rate	-	13%	0%	47%	11%	41%
Receivables	193.6	17.1	53.6	6.6	32.6	83.7
Loss allowance	43.2	2.1	0.1	3.1	3.7	34.2

The following table represent classifications of financial assets and liabilities under AASB 9.

2019	Cash and deposits (\$m)	Financial assets / liabilities designated at fair value through profit/loss (FVTPL) (\$m)	Financial assets / liabilities mandatorily measured at fair value through profit/loss (FVTPL) (\$m)	Financial assets measured at fair value through other comprehensive income (FVOCI) (\$m)	Financial assets at amortised cost (AC) (\$m)	Financial liabilities at amortised cost (AC) (\$m)	Total (\$m)
Contractual financial assets							
Cash and deposits – Department	278.4	-	-	-	-	-	278.4
Cash and deposits – Schools	956.1	-	-	-	-	-	956.1
Receivables	-	-	-	-	150.4	-	150.4
Term deposits	16.0	-	-	-	-	-	16.0
Total contractual financial assets	1,250.5	-	-	-	150.4	-	1,400.9
Contractual financial liabilities							
Payables						671.3	671.3
Borrowings						558.6	558.6
Total contractual financial liabilities						1,229.9	1,229.9
2018	Cash and deposits (\$m)	Contractual financial assets/liabilities designated at fair value through net result (\$m)	Contractual financial assets/liabilities mandatorily measured at fair value through net result (\$m)	Contractual financial assets – available-for-sale (\$m)	Contractual financial assets – loans and receivables / held to maturity (\$m)	Contractual financial liabilities at amortised cost (\$m)	Total (\$m)
Contractual financial assets							
Cash and deposits – Department	140.2	-	-	-	-	-	140.2
Cash and deposits – Schools	576.8	-	-	-	-	-	576.8
Receivables	-	-	-	-	124.3	-	124.3
Term deposits	310.0	-	-	-	-	-	310.0
Total contractual financial assets	1,027.0	-	-	-	124.3	-	1,151.3
Contractual financial liabilities							

Payables	-	-	-	-	-	629.2	629.2
Borrowings	-	-	-	-	-	581.7	581.7
Total contractual financial liabilities	-	-	-	-	-	1,210.9	1,210.9

8.2 Fair value determination

This section sets out information on how the Department determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- land, buildings, infrastructure, plant and equipment.

In addition, the fair value of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes.

The Department determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Department determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value)
- which level of the fair value hierarchy was used to determine the fair value
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end, and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (Note 8.2.1) and non-financial physical assets (Note 8.2.2).

8.2.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices.
- Level 2: the fair value is determined using inputs other than the quoted price that are observable for the financial asset or liability, either directly or indirectly.
- Level 3: the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Department considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The Department's contractual financial assets and liabilities are measured at amortised cost; none of the classes of financial assets and liabilities are readily traded on organised markets in standardised form; hence the fair value disclosures are not required.

8.2.2 Fair value determination: Non-financial physical assets

The Valuer-General Victoria is the Department's independent valuation agency.

The Department, in conjunction with the Valuer-General Victoria, monitors changes in the fair value of each asset through relevant data sources to determine whether revaluations are required. The recurring fair value measurements of non-financial physical assets, such as land and school buildings, are based on level 3 unobservable inputs due to the nature and characteristics of the school assets. School land assets are specialised assets where there is little or no observable market evidence of the market-selling price as a CSO is applied to such assets.

Fair value measurement hierarchy for assets as at 30 June 2019

	Fair value measurement at end of reporting period using:			
2019	Carrying amount as at 30 June 2019 (\$m)	Level 1 (\$m)	Level 2 (\$m)	Level 3 (\$m)
Land at fair value				
Land	10,718.0	-	788.8	9,929.2
Total land at fair value	10,718.0	-	788.8	9,929.2
Buildings at fair value				
Buildings	11,775.2	-	-	11,775.2
Total buildings at fair value	11,775.2	-	-	11,775.2
Heritage buildings at fair value				
Heritage buildings	100.6	-	-	100.6

	Fair value measurement at end of reporting period using:			
2019	Carrying amount as at 30 June 2019 (\$m)	Level 1 (\$m)	Level 2 (\$m)	Level 3 (\$m)
Total heritage buildings at fair value	100.6	-	-	100.6
Leasehold buildings at fair value				
Leasehold buildings	516.4	-	-	516.4
Total leasehold buildings at fair value	516.4	-	-	516.4
Leasehold improvements at cost				
Leasehold improvements	21.6	-	-	21.6
Total leasehold improvements at cost	21.6	-	-	21.6
Plant and equipment at fair value				
Plant and equipment	104.7	-	31.2	73.6
Total plant and equipment at fair value	104.7	-	31.2	73.6

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with FRD 103H non-financial physical assets, issued by the Assistant Treasurer. A full revaluation normally occurs every five years, based upon the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Any interim revaluations are determined in accordance with the requirements of the FRD. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

In a non-revaluation year, land and buildings are measured at each reporting date by applying industry indices to the values to ensure there has been no material movement. Where there has been a material movement (more than 10 per cent), the fair value is adjusted accordingly.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows—other comprehensive income' and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decrease is recognised in 'other economic flows—other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'other economic flows—other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. The asset revaluation surplus is not transferred to accumulated funds on de-recognition of the relevant asset.

Land

The market approach is used for specialised land, although is adjusted for the CSO to reflect the specialised nature of the land being valued.

The CSO is an adjustment for the difference in value between unrestricted assets (e.g. freehold land) and assets held by the public sector, taking into account any legal, financial or physical restrictions imposed on the use or sale of the assets. As adjustments of CSO are considered as significant unobservable inputs, specialised land is classified as Level 3 assets.

An independent valuation of the Department's specialised land was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2018.

Buildings

The valuations are undertaken by the Valuer-General Victoria in accordance with the Department's policies. School buildings are specialised assets that are restricted to primarily providing education services, with some ancillary community services also provided. As such, there is generally little or no observable market-based evidence for determining the fair value of such assets. Accordingly, school buildings and other improvements are valued under the Depreciated Replacement Cost (DRC) method which represents the highest and best use under AASB 13 *Fair Value Measurement*.

DRC is the current replacement cost of an asset less where applicable, accumulated depreciation calculated on the basis of such cost to reflect age and the already consumed or expired future economic benefits of the asset. For the majority of the Department's specialised buildings, the depreciated replacement cost method is used, adjusting associated depreciation. Depreciation adjustments are considered as significant and unobservable inputs in nature, therefore these specialised buildings are classified as level 3 fair value measurements.

Where assets acquired within 12 months of the relevant scheduled revaluation have not been revalued, the acquisition cost is deemed to be fair value.

An independent valuation of the Department's specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the depreciated replacement cost approach. The effective date of the valuation was 30 June 2018.

Plant and equipment

Plant and equipment assets are measured at fair value (equating to cost) less accumulated depreciation and impairment.

The fair value of plant and equipment is normally determined by reference to the asset's depreciated replacement cost. Existing depreciated historical cost is generally a reasonable approximation for depreciated replacement cost because of the short lives of the assets concerned.

Non-financial physical assets arising from finance leases

The initial cost for non-financial physical assets under a finance lease (Note 7.2.1) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Certain assets are acquired under finance leases, which may form part of a service concession arrangement. See Note 7.5 in relation to such assets and arrangements.

An independent valuation of land and building

An assessment of land and building was conducted utilising indices by the Valuer-General for 2019, which resulted in a revaluation decrement for land. Refer to Note 9.6 for the quantum of the revaluation decrement.

Fair value measurement hierarchy for assets as at 30 June 2018

	Fair value measurement at end of reporting period using:			
2018	Carrying amount as at 30 June 2018 (\$m)	Level 1 (\$m)	Level 2 (\$m)	Level 3 (\$m)
Land at fair value				
Land	11,895.4	-	635.3	11,260.1
Total land at fair value	11,895.4	-	635.3	11,260.1
Buildings at fair value				
Buildings	11,033.0	-	-	11,033.0
Total buildings at fair value	11,033.0	-	-	11,033.0
Heritage buildings at fair value				
Heritage buildings	104.5	-	-	104.5
Total heritage buildings at fair value	104.5	-	-	104.5
Leasehold buildings at fair value				
Leasehold buildings	526.2	-	-	526.2
Total leasehold buildings at fair value	526.2	-	-	526.2
Leasehold improvements at cost				
Leasehold improvements	6.4	-	-	6.4
Total leasehold improvements at cost	6.4	-	-	6.4
Plant and equipment at fair value				
Plant and equipment	96.0	-	32.9	63.1
Total plant and equipment at fair value	96.0	-	32.9	63.1

Reconciliation of Level 3 fair value 30 June 2019

2019	Land (\$m)	Buildings (\$m)	Heritage buildings (\$m)	Leasehold buildings (\$m)	Leasehold improvements (\$m)	Plant and equipment (\$m)
Opening balance	11,260.1	11,033.0	104.5	526.2	6.4	63.1
Prior year adjustments	-	-	-	-	-	-
Purchases (sales)	0.2	1.4	-	-	6.4	27.1
Transfers to completed assets	-	1,144.5	-	-	11.6	11.0
Disposal	(0.3)	(57.4)	-	-	-	(1.8)
Asset revaluation movement	(1,325.0)	(2.5)	-	-	(0.8)	-
Transfer (to)/from assets held for sale	(5.7)	(0.2)	-	-	-	-
Depreciation	-	(343.6)	(4.0)	(9.8)	(2.1)	(25.9)
Change in land use restriction	-	-	-	-	-	-
Closing balance	9,929.2	11,775.2	100.6	516.4	21.6	73.6

Reconciliation of Level 3 fair value 30 June 2018

2018	Land (\$m)	Buildings (\$m)	Heritage buildings (\$m)	Leasehold buildings (\$m)	Leasehold improvements (\$m)	Plant and equipment (\$m)
Opening balance	8,931.4	9,960.5	103.1	383.2	2.9	64.9
Prior year adjustments	-	-	-	-	-	-
Purchases (sales)	-	-	-	131.6	1.0	20.5
Transfers to completed assets	-	594.6	-	-	3.3	6.9
Disposal	(12.1)	(31.3)	-	-	-	(1.2)
Asset revaluation movement	2,290.2	813.8	5.1	19.7	-	-
Transfer (to)/from assets held for sale	7.2	0.3	-	-	-	-
Depreciation	-	(304.6)	(3.7)	(8.3)	(0.8)	(28.0)
Change in land use restriction	43.4	-	-	-	-	-
Closing balance	11,260.1	11,033.0	104.5	526.2	6.4	63.1

Description of significant unobservable inputs to Level 3 valuations

2019 and 2018	Valuation technique	Significant unobservable inputs
Land	Market approach	CSO
Buildings	Depreciation replacement cost	Direct cost per square metre Useful life of specialised buildings
Heritage buildings	Reproduction cost	Direct cost per square metre Useful life of heritage buildings
Leasehold buildings	Depreciation replacement cost	Direct cost per square metre Useful life of leasehold buildings
Leasehold improvements	Depreciation replacement cost	Direct cost per square metre Useful life of leasehold buildings
Plant and equipment	Depreciation replacement cost	Direct cost per square metre Useful life of plant and equipment

The significant unobservable inputs have remained unchanged from 2018.

8.3 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

8.3.1 Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Quantifiable contingent assets (arising from outside of government)

	2019 (\$m)	2018 (\$m)
Commercial litigations	19.2	4.7
Total quantifiable contingent assets	19.2	4.7

8.3.2 Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Quantifiable contingent liabilities

	2019 (\$m)	2018 (\$m)
Claims for damages	53.6	36.9
Total quantifiable contingent liabilities	53.6	36.9

Non-quantifiable contingent liabilities

The Department has a number of non-quantifiable contingent liabilities arising from indemnities provided by it, as follows.

- Volunteer school workers and volunteer student workers: The Education and Training Reform Act 2006 provides a specific indemnity for personal injuries or death (at the discretion of the Minister, for property damage) suffered by volunteer school workers and volunteer student workers arising out of, or in the course of, engaging in school work or community work respectively.
- Teachers: If a teacher is named as a defendant in a student personal injury claim, any costs and damages will generally be paid by the Department provided the teacher was not under the influence of illicit drugs or alcohol or engaging in a criminal offence and the behaviour was not outrageous and was related to their employment.
- Board members: the Education and Training Reform Act 2006 requires the State to indemnify a member of a Merit Protection Board or a Disciplinary Appeals Board for anything done or omitted to be done in good faith in the exercise of a power or the discharge of their statutory duties;
- School councils: The Education and Training Reform Act requires the Department to indemnify individual members of school councils for any legal liability, whether in contract, negligence or defamation, if they acted in good faith and in the course of their duties. The Department may decide to indemnify school councils (which are separate entities to the Department), in claims of common law negligence, and often employment disputes, for the cost of settlement and legal representation. The Department will take into account the impact of payment upon the school's educational program and any insurance cover for the school council, and will likely indemnify if the Department is satisfied that:
 - the school council acted in good faith and according to issued guidelines and directions; and
 - the school council has insufficient funds to pay the claim.

Compulsory Land Acquisition

The State will compulsorily acquire a number of land parcels through the *Land Acquisition and Compensation Act 1986* to facilitate the delivery of various school infrastructure projects. Possible additional claims for compensation arising from the compulsory acquisition of these properties cannot be quantified at this stage.

Note 9 Other disclosures

Introduction This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.	9.4 Responsible persons 9.5 Related parties 9.6 Reserves 9.7 Remuneration of auditors 9.8 Australian accounting standards and interpretation issues that are not yet effective 9.9 Glossary of technical terms
Structure 9.1 Subsequent events 9.2 Other economic flows included in net results 9.3 Remuneration of executives and other personnel	

9.1 Subsequent events

The Department has no material or significant events that have occurred since the reporting date, to the signing date of these Financial Statements that would affect significantly the figures included in them.

9.2 Other economic flows included in net results

	2019 (\$m)	2018 (\$m)
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposals of non-financial assets	(0.3)	0.3
Asset previously not recognised	1.4	-
Impairment of non-current assets	(3.1)	
Total net gain/(loss) on non-financial assets	(2.0)	0.3
(b) Net gain/(loss) on financial instruments		
Impairment of loans and receivables	(7.6)	(12.7)
Total net gain/(loss) on financial instruments	(7.6)	(12.7)
(c) Net gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(88.5)	2.1
Total other gains/(losses) from other economic flows	(88.5)	2.1

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. It includes:

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and includes realised and unrealised gains and losses as follows:

Net gain/(loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting the proceeds from the carrying value of the asset at the time.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes impairment and reversal of impairment for financial instruments at amortised cost.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rate.

9.3 Remuneration of executives and other personnel

9.3.1 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated.

	Total remuneration	
	2019 (\$m)	2018 ⁸⁸ (\$m)
Short-term employee benefits	18.7	18.0
Post-employee benefits	1.6	1.6
Other long-term benefits	0.5	0.5
Termination benefits	0.4	0.2
Total remuneration	21.2	20.3
Total number of executives	99	95
Total annualised employee equivalents	88.9	88.7

9.4 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the FM Act, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of ministers and accountable officers in the Department are as follows:

Position	Name	Dates they were Minister/Secretary
Minister for Early Childhood Education	The Hon. Jenny Mikakos MP	1 July 2018 to 28 November 2018
Minister for Education	The Hon. James Merlino MP	1 July 2018 to 30 June 2019
Minister for Training and Skills	The Hon. Gayle Tierney MP	1 July 2018 to 28 November 2018
Minister for Training and Skills Minister for Higher Education	The Hon. Gayle Tierney MP	29 November 2018 to 30 June 2019
Secretary	Gill Callister	1 July 2018 to 28 November 2018
Secretary	Jenny Atta	19 March 2019 to 30 June 2019

- Katy Haire, Deputy Secretary, Early Childhood and School Education Group acted as Secretary from 2 to 13 July 2018
- Jenny Atta, Deputy Secretary, Infrastructure and Finance Services Group acted as Secretary from 29 November 2018 to 18 March 2019
- Simon Kent, Deputy Secretary, Policy Reform Group acted as Secretary from 7 to 14 January 2019

⁸⁸ The 2018 comparatives have been adjusted to reflect the removal of data relating to the VRQA (2 executive officers), and the VCAA (6 executive officers), both of which report this data in their respective annual reports. This maintains parity with data presented in 2019.

Remuneration

Remuneration received or receivable by the accountable officer in connection with the management of the Department during the reporting period was in the range:

	2019 Number	2018 Number
\$220,000 - \$229,999	1	-
\$310,000 - \$319,999	1	-
\$540,000 - \$549,999	-	1
Total	2	1
Total remuneration	\$542,000	\$543,000

9.5 Related parties

The Department is a wholly owned and controlled entity of the State of Victoria. Related parties of the Department include:

- all key management personnel and their close family members
- all Cabinet ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key management personnel of the Department include the Portfolio Ministers, the Secretary, Deputy Secretaries and members of the Executive Board. The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

Compensation	2019 (\$m)	2018 (\$m)
Short-term employee benefits	4.3	4.2
Post-employee benefits	0.3	0.4
Other long-term benefits	0.1	0.1
Termination benefits	0.3	-
Total	5.0	4.7

Transactions with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the Department, with the exception of the items noted under 'Related party transactions' below, there were no other related party transactions that involved key management personnel and their close

family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Related party transactions

The Secretary is an ex-officio member of the boards of the VRQA and the VCAA, to which the Department paid grants on normal commercial terms during the financial year. As these roles are ex-officio the Secretary receives no remuneration to perform these roles.

The former Secretary was the president of the Institute of Public Administration Australia's Victorian Branch. The Institute of Public Administration Australia provides services to the Department on normal commercial terms.

The Secretary is on the Advisory Board for the Melbourne Institute of Applied Economic and Social Research. The Secretary receives no remuneration for her role on this advisory board.

	2019 (\$m)	2018 (\$m)
Grants paid during the year		
VRQA	11.8	11.2
VCAA	77.0	68.5
Rent provided free of charge during the year		
VRQA	0.5	0.5
VCAA	2.5	2.5
Payments made during the year		
The Institute of Public Administration Australia – Victoria	0.1	0.3

9.6 Reserves

	2019 (\$m)	2018 (\$m)
Physical asset revaluation surplus		
Balance at beginning of financial year	13,589.2	10,400.6
Revaluation increment/(decrement) of land during the year	(1,366.4)	2,362.3
Revaluation increment/(decrement) of buildings during the year	(2.5)	827.3
Revaluation increment/(decrement) of leasehold buildings during the year	(0.8)	(1.0)
Balance at the end of the financial year	12,219.5	13,589.2

The physical asset revaluation surplus is used to record increments and decrements on the revaluation of non-financial physical assets.

9.7 Remuneration of auditors

	2019 (\$m)	2018 (\$m)
Audit fees – Victorian Auditor-General's Office	0.7	0.6
Audit fees – other	3.6	5.1
Total remuneration of auditors	4.3	5.7

9.8 Australian Accounting Standards and interpretation issues that are not yet effective

The following AAS become effective for reporting periods commencing after 1 July 2019:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 16 *Leases*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*.

Service concession arrangements

Prior to the AASB's issuance of AASB 1059, there was no specific Australian accounting guidance for service concession arrangements from a grantor's perspective. Service concession arrangements include PPP arrangements. AASB 1059 is based on its international equivalent, International Public Sector Accounting Standard 32 *Service Concession Arrangements: Grantor*.

Where an arrangement is within the scope of AASB 1059, the public sector grantor recognises the asset used in the service concession arrangement if the grantor controls the asset. The grantor recognises the asset at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. The grantor also recognises a corresponding liability using either the financial liability model and/or the grant of a right to the operator model.

The AASB recently deferred the effective date of AASB 1059 by one-year to be applicable for reporting periods beginning on or after 1 January 2020 with early application permitted. The Department intends to early adopt AASB 1059 as per the original application date of reporting periods beginning 1 January 2019.

Preliminary assessments of the Department's PPPs (in Note 7.5.2) indicate the arrangements are outside the scope of AASB 1059 for accounting as a service concession arrangement. This is on the basis that each of the arrangement does not involve the operator providing public services related to the PPP asset on behalf of the grantor and the operator does not manage at least some of the services under its own discretion.

Leases

AASB 16 *Leases* replaces AASB 117 *Leases*. AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 sets out the principles for the recognition, measurement, and disclosure of leases. AASB 16 requires lessees to account for all leases on the balance sheet by recognising a right-of-use (RoU) asset and a lease liability. A lessee may elect not to apply the requirements of AASB 16 for short-term leases and leases where the underlying asset is of low value. The Department intends to make the election not to apply the requirements to short-term leases (e.g. shorter than 12 months) and low value leases (e.g. below \$10,000).

AASB 16 also requires lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the RoU asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The remeasured amount of the lease liability will generally be recognised as an adjustment to the RoU asset.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The effective date is for reporting periods beginning on or after 1 January 2019. The Department intends to adopt AASB 16 in 2019–20 when it becomes effective.

The Department intends to apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

In addition, AASB 2018-8 *Amendments to Australian Accounting Standards – Right of Use Assets (RoU) Assets of Not-for-Profit Entities* allows a temporary option for not-for-profit entities to not measure RoU assets at initial recognition at fair value for leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. The temporary option is pending further guidance from the AASB in measuring a not-for-profit entity's RoU assets at fair value. An entity that elects to apply the temporary option (i.e. measures a class or classes of such RoU assets at cost rather than fair value) must include additional disclosures. The Department intends to elect the temporary option to value the RoU asset at the present value of the payments required (at cost).

The Department performed a preliminary impact assessment of AASB 16 and estimates the potential impact in the initial year of application are:

- increase in RoU (\$127.1m)
- increase in related depreciation (\$28.6m)
- increase in lease liability (\$127.1m)
- increase in related interest (\$3.8m) calculated using effective interest method
- decrease in rental expense (\$28.6m).

Revenue and Income

AASB 15 supersedes AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related interpretations and applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to recognise revenue the performance obligation is satisfied. Therefore, entities allocate the transaction price to each performance obligation and recognise the revenue when the obligation is satisfied.

The AASB also issued the following standards and guidance to assist not-for-profit entities in applying the requirements in AASB 15:

- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian implementation guidance for NFP entities* (AASB 2016-8) provides guidance on applying the revenue recognition principles of AASB 15.
- AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors* (2018-4) provides guidance on how to distinguish payments received for access to an asset (or other resource) or to enable other parties to perform activities such as tax and non-IP licence. It also provides guidance on timing of revenue recognition for non-IP licence payments.
- AASB 1058 *Income of Not-for-Profit Entities* supplements AASB 15 by clarifying the income recognition requirements applicable to not-for-profit entities. AASB 1058 establishes principles for transactions where the consideration to acquire an asset is significantly less than fair value and principally to enable the not-for-profit entity to further its objectives. The standard requires an entity to consider whether upon the initial recognition of the asset gives rise to a corresponding contributions by owners, revenue, liability (in the form of a lease, provision and/or financial instrument), and /or income. The standard also establishes the timing of recognising income for government grants and contributions previously contained within AASB 1004 *Contributions*.
- AASB 15, AASB 1058 and the related guidance are applicable for reporting periods beginning on or after 1 January 2019. The Department intends to adopt these standards in 2019–20 financial year when it becomes effective.

The Department intends to apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

The Department performed a preliminary impact assessment of AASB 15 and AASB 1058 for each major class of revenue and income in the initial year of application. The Department estimates there are no material impact resulting from the application of the new standards on accounting for the major class of its revenue and income.

9.9 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Active liquid market

Active liquid market refers to any market in which there are many buyers and sellers present and in which transactions can take place with relative ease and low costs.

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred)
- the effects of changes in actuarial assumptions.

Administered item

Administered item generally refers to a department lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an "other economic flow".

Borrowings

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are acquired for policy purposes.

Capital asset charge

A charge levied on the written down value of controlled non-current physical assets in a department's balance sheet which aims to: attribute to agency outputs the opportunity cost of capital used in service delivery; and provide incentives to departments to identify and dispose of underutilised or surplus assets in a timely manner.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Community service obligation

A CSO is an ongoing legislative requirement placed on an organisation by government to provide a benefit to an identified group, that would not otherwise be provided by that organisation, in the pursuit of its other objectives.

Comprehensive result

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item

Controlled item generally refers to the capacity of a department to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Depreciated replacement cost

Depreciated replacement cost is the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect age and the already consumed or expired future economic benefits of the asset.

Economic obsolescence

Economic obsolescence is defined as a loss in value or reduction in the desirability or economic life of an asset caused by external factors. These external factors may be changes in optimum use, regulatory changes and technological changes.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex-gratia expenses

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (for example, a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset

A financial asset is any asset that is:

- cash
- an equity instrument of another entity
- a contractual right:
 - to receive cash or another financial asset from another entity, or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity
- a contract that will or may be settled in the entity's own equity instruments and is:

- a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability

A financial liability is any liability that is:

- a contractual obligation:
 - to deliver cash or another financial asset to another entity, or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments, or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial Reporting Directions

The FRDs are applicable to all entities defined as either a public body or a department under section 3 of the FM Act, unless otherwise stated. The aims of FRDs are to ensure consistent application of accounting treatment across the Victorian public sector in compliance with that particular standard and also to impose other government non-financial policy and disclosure requirements.

Financial statements

A complete set of financial statements comprises:

- a balance sheet as at the end of the period
- a comprehensive operating statement for the period
- a statement of changes in equity for the period
- a statement of cash flows for the period
- notes, comprising a summary of significant accounting policies and other explanatory information
- comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*
- a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Functional obsolescence

Functional obsolescence is defined as a reduction or loss of an asset value due to a reduction in the usefulness or desirability of an asset because of its inability either to be upgraded or modified to serve the user's current needs or out-dated functional capabilities.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Grants for on-passing

All grants paid to one institutional sector (for example, a State general government entity) to be passed on to another institutional sector (for example, local government or a private non-profit institution).

Intangible produced assets

See produced assets in this glossary.

Intangible non-produced assets

See non-produced assets in this glossary.

Interest expense

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Lease

Leases are rights to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as other economic flows—other comprehensive income.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. These include land, buildings, plant and equipment, heritage buildings, and intangible assets.

Non-produced assets

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Operating result

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions.

In simple terms, other economic flows are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments.

Other economic flows—other comprehensive income

Other economic flows—other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other ASS. They include:

- changes in physical asset revaluation surplus
- gains and losses on re-measuring available-for-sale financial assets.

Payables

Includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Physical obsolescence

Physical obsolescence is defined as a reduction or loss of an asset value as a result of its physical deterioration caused by wear and tear, or increasing age or time. It eventually becomes obsolete.

Produced assets

Produced assets include buildings, plant and equipment and certain intangible assets. Intangible produced assets may include computer software, and research and development costs (which does not include the start-up costs associated with capital projects).

Receivables

Includes amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, grants, taxes and interest receivable.

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services; and fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Department.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the

consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (for example, assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

–	Zero, or rounded to zero
(xxx.x)	Negative numbers
201x	Year
201x–1x	Year period

The financial statements and notes are presented based on the illustration for a government department in the 2018–19 *Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Department's annual report.

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Appendix 1 Disclosure index

The annual report of the Department is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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Appendix 2 Budget portfolio outcomes

The budget portfolio outcomes provide a comparison between the actual financial statements of all general government sector entities within the portfolio and the original forecast financial information published in the 2018–19 Budget Paper No. 5 Statement of Finances (BP5) and the revised forecast financial information published in the 2019–20 BP5. The budget portfolio outcomes comprise operating statements, balance sheets, cash flow statements, statements of equity and administered item statements.

The budget portfolio outcomes have been prepared on a consolidated basis and include all general government sector entities within the portfolio. Financial transactions and balances are classified into either controlled or administered categories as agreed with the Treasurer in the context of the published statements in BP5.

The following budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office and are not prepared on the same basis as the Department's financial statements, as they include the consolidated financial information of the following entities:

- Department of Education and Training (including government schools)
- Adult, Community and Further Education Board
- Victorian Curriculum and Assessment Authority
- Victorian Registration and Qualifications Authority
- 12 TAFE institutes.

Comprehensive operating statement for the year ended 30 June 2019

	Notes	2019 actual (\$m)	Published budget (\$m)	Variation (%)	Variation ⁽ⁱ⁾ (\$m)	Revised budget ⁽¹⁾ (\$)	Variation (%)	Variation ⁽ⁱⁱ⁾ (\$m)
Net results from continuing operations								
Income from transactions								
Output appropriations	a(i)	13,815.7	13,848.2	(0)	(32.4)	13,898.5	(1)	(82.7)
Special appropriations	b(i)(ii)	0.5	0.3	90	0.3	7.6	(93)	(7.1)
Interest	c(i)(ii)	28.8	17.4	65	11.4	25.3	14	3.5
Sale of goods and services	d(i)(ii)	611.8	651.2	(6)	(39.3)	647.1	(5)	(35.3)
Grants	e(i)(ii)	186.1	132.3	41	53.8	166.3	12	19.8
Fair value of assets and services received free of charge or for nominal consideration		0.0	–	n/a	0.0	–	n/a	0.0
Other income	f(i)	626.4	663.0	(6)	(36.6)	655.5	(4)	(29.1)
Total income from transactions		15,269.4	15,312.4	(0)	(43.0)	15,400.2	(1)	(130.8)
Expenses from transactions								
Employee benefits	g(i)(ii)	(7,732.5)	(7,857.2)	(2)	124.7	(7,929.5)	(2)	197.0
Depreciation and amortisation	h(i)	(476.1)	(489.6)	(3)	13.5	(514.6)	(7)	38.6
Interest expense	i(i)	(33.2)	(14.9)	123	(18.3)	(33.1)	0	(0.1)
Grant and other transfers	j(i)	(1,195.5)	(1,170.8)	2	(24.7)	(1,280.2)	(7)	84.7
Capital asset charge		(1,598.6)	(1,598.6)	(0)	0.0	(1,598.6)	(0)	0.0
Other operating expenses	k(i)(ii)	(3,480.8)	(3,809.9)	(9)	329.1	(3,549.5)	(2)	68.7
Total expenses from transactions		(14,516.6)	(14,940.9)	(3)	424.3	(14,905.6)	(3)	389.0

	Notes	2019 actual (\$m)	Published budget (\$m)	Variation (%)	Variation ⁽ⁱ⁾ (\$m)	Revised budget ⁽¹⁾ (\$)	Variation (%)	Variation ⁽ⁱⁱ⁾ (\$m)
Net result from transactions (net operating balance)		752.8	371.5	103	381.3	494.7	52	258.2
Other economic flows included in net result								
Net gain/(loss) on non-financial assets	l(i)	1.8	1.5	14	0.2	1.6	9	0.1
Net gain/(loss) on financial instruments and statutory receivables/payables	m(i)(ii)	(10.3)	(0.3)	3,110	(10.0)	(0.3)	3,110	(10.0)
Other gains/(losses) from other economic flows	n(i)(ii)	(91.5)	(0.7)	12,459	(90.8)	(0.7)	12,459	(90.8)
Total other economic flows included in net result		(100.0)	0.5	(20,367)	(100.5)	0.6	(17,510)	(100.6)
Net result		652.8	372.0	75	280.8	495.2	32	157.5
Other economic flows – other comprehensive income								
Changes in non-financial assets revaluation surplus	o(i)(ii)	(1,369.6)	11.9	(11,576)	(1,381.6)	11.9	(11,576)	(1,381.6)
Other	p(i)(ii)	0.3	(4.6)	(106)	4.9	(4.6)	(106)	4.9
Total other economic flows – other comprehensive income		(1,369.4)	7.3	(18,745)	(1,376.7)	7.3	(11,682)	(1,376.7)
Comprehensive result		(716.6)	379.3	(289)	(1,095.9)	502.6	(243)	(1,219.2)

Notes:

- (1) The 2018–19 revised budget reflects the impact of machinery of government changes effective from 1 January 2019.
- a(i) The variance below the revised budget is mainly driven by the timing of the planned delivery of output initiatives (including delay of capital grants for the *Children's Facilities Capital Program* and non-government schools from 2018–19 to 2019–20 due to delays in project completion), higher than budgeted transfers of appropriations from operating to capital and a lower than anticipated requirement for depreciation funding.
- b(i) The variance above the published budget is mainly driven by timing of implementation for the Commonwealth's *Support for Students with a Disability* National Partnership.
- b(ii) The variance below the revised budget is mainly due to underspends for the Commonwealth's *Support for Students with a Disability* and *Independent Public Schools* National Partnerships which are now expected to be spent in 2019–20.
- c(i)(ii) The variance above the published and revised budgets is mainly due to schools earning higher than anticipated interest revenue.
- d(i)(ii) The variance below the published and revised budgets is primarily driven by lower than forecasted schools provision of services (including canteen operations and school facilities hire) and TAFE fee for service from changes in market policy settings which have resulted in lower than expected enrolments. In addition from 1 January 2019, the *Free TAFE for Priority Courses* initiative made TAFE training for eligible students free for 30 priority non-apprenticeship courses and 20 apprenticeship pathway courses. As this initiative was announced in May 2018, it is likely that students of priority courses deferred enrolments until the 2019 calendar year, further reducing the provision of services revenue collected by TAFEs. This is partially offset by higher than anticipated Commonwealth revenue collected for the program delivery under the *Adult Migration English Program* and Australian Defence Force technical trade training.
- e(i) The variance above the published budget is primarily driven by higher than anticipated capital contributions collected from other departments which include contributions from the Department of Environment, Land, Water and Planning's *Building New Communities Fund* for land purchases for new school sites in growth areas as well as a new contribution from Development Victoria for land acquisition for the Docklands Primary School.
- e(ii) The variance above the revised budget is primarily driven by higher than budgeted grants for students with temporary visas received from the Commonwealth's Department of Home Affairs.
- f(i) The variance below the published budget is primarily due to lower than expected schools' third party other revenue (e.g. locally raised funds from school fetes, fundraising events and voluntary contributions made by parents).
- g(i)(ii) The variance below the published and revised budgets is primarily driven by minor delays in recruitment to specialised teaching positions.
- h(i) The variance below the revised budget is mainly driven by an ambitious building depreciation forecast which originated from 2015–16 forecasts which were not fully realised.
- i(i) The variance above the published budget is mainly driven by reclassification of budget across 'other operating expenses' and 'interest expense' categories for schools' public private partnerships.
- j(i) The variance below the revised budget is primarily due to the timing of capital grant payments for the *Children's Facilities Capital Program* and non-government schools expected in 2019–20 and the reclassification of budget across 'other operating expenses' and 'grants and other transfers' categories.

- k(i) The variance below the published budget is primarily due to lower than projected spending levels in schools due to timing issues resulting in expenditure deferred into future years, maintenance spending re-classified as capital upgrades rather than operating repairs following a re-assessment of school maintenance works and the impact of machinery of government transfers to DHHS for maternal child health and parenting services effective from 1 January 2019.
- k(ii) The variance below the revised budget is primarily due to actuals reflecting lower than forecast levels of service delivery in 2018–19. The budget for TAFEs reflected projected higher spending levels, which did not eventuate mainly due to policy changes resulting in lower demand and consequently, supply of TAFE courses.
- l(i) This variance is primarily due to higher than budgeted net gain from sales of TAFE assets.
- m(i)(ii) The variance below the published and revised budgets is mainly due to the review and write-off of bad and doubtful debts. Government paid service providers for delivery of training courses through the Victorian Training Guarantee based on provider claims. Through audit and quality assurance processes, some payments were found to be ineligible and subsequently, recouped.
- n(i)(ii) The variance below the published and revised budgets reflects revisions in annual and long service leave liability revaluations because of the decrease in the wage inflation and discount rates issued by the Department of Treasury and Finance.
- o(i)(ii) The actuals incorporate the downward revaluation of land as part of the 2018–19 managerial revaluation on land assets under *Financial Reporting Direction 103H*. These revaluations are not reflected in the published and revised budgets.
- p(i)(ii) The variance above the published and revised budgets is primarily due to accumulated funds transfers from reserves in TAFEs being higher than anticipated.

Balance sheet as at 30 June 2019

	Notes	2019 actual (\$m)	Published budget (\$m)	Variation (%)	Variation ⁽ⁱ⁾ (\$m)	Revised budget ⁽¹⁾ (\$m)	Variation (%)	Variation ⁽ⁱⁱ⁾ (\$m)
Assets								
Financial assets								
Cash and deposits	a(i)(ii)	1,755.0	1,074.3	63	680.7	1,052.0	67	702.9
Receivables from government	b(i)(ii)	2,036.2	2,152.9	(5)	(116.7)	2,094.6	(3)	(58.4)
Other receivables	c(i)(ii)	242.8	76.1	219	166.7	109.3	122	133.5
Other financial assets	d(i)(ii)	45.7	608.5	(92)	(562.7)	595.3	(92)	(549.5)
Total financial assets		4,079.8	3,911.8	4	168.0	3,851.2	6	228.5
Non-financial assets								
Inventories	e(i)(ii)	1.1	1.7	(31)	(0.5)	1.6	(30)	(0.5)
Non-financial assets classified as held for sale, including disposal group assets	f(i)(ii)	23.2	17.3	34.1	5.9	40.9	(43)	(17.7)
Property, plant and equipment	g(i)(ii)	26,733.8	24,421.1	9	2,312.7	28,190.3	(5)	(1,456.5)
Investment properties	h(i)	110.3	93.0	19	17.2	106.9	3	3.4
Intangible assets	i(i)(ii)	62.9	40.0	57	23.0	52.1	21	10.8
Other	j(i)(ii)	54.8	37.5	46	17.3	45.5	21	9.4
Total non-financial assets		26,986.2	24,610.5	10	2,375.6	28,437.3	(5)	(1,451.2)
Total assets		31,065.9	28,522.3	9	2,543.6	32,288.6	(4)	(1,222.6)

	Notes	2019 actual (\$m)	Published budget (\$m)	Variation (%)	Variation ⁽ⁱ⁾ (\$m)	Revised budget ⁽¹⁾ (\$m)	Variation (%)	Variation ⁽ⁱⁱ⁾ (\$m)
Liabilities								
Payables	k(i)(ii)	835.3	647.5	29	187.8	794.7	5	40.6
Borrowings		533.0	534.6	(0)	(1.6)	524.6	2	8.4
Provisions	l(i)	1,797.4	1,756.5	2	40.9	1,718.8	5	78.6
Total liabilities		3,165.7	2,938.6	8	227.1	3,038.1	4	127.6
Net assets		27,900.2	25,583.7	9	2,316.5	29,250.5	(5)	(1,350.2)
Equity								
Accumulated surplus/(deficit)	m(i)(ii)	3,877.9	3,554.1	9	323.8	3,713.3	4	164.6
Reserves	n(i)(ii)	13,694.6	11,417.8	20	2,276.8	15,078.3	(9)	(1,383.8)
Contributed capital	o(i)(ii)	10,327.8	10,611.9	(3)	(284.1)	10,458.9	(1)	(131.1)
Total equity		27,900.2	25,583.7	9	2,316.5	29,250.5	(5)	(1,350.2)

Notes:

- (1) The 2018–19 revised budget reflects the impact of the machinery of government changes effective from 1 January 2019.
- a(i)(ii) The variance above the published and revised budgets mainly reflect higher cash and deposits held as cash equivalents by TAFEs and schools to meet short term commitments, and reclassification of term deposits from other financial assets due to the implementation of the Whole of Victorian Government Central Banking System.
- b(i)(ii) The variance below the published and revised budgets mainly reflects the timing of the drawdown in the State Administration Unit. The State Administration Unit balance is impacted by movements in prepayments and financial assets, payables, employee benefits and other provisions.
- c(i)(ii) The variance above the published and revised budgets mainly reflects the timing of receipts from corporate debtors of overseas students, TAFEs debtors for student fees and services provided to third party organisations, and receivables related to Machinery of Government Changes.

- d(i)(ii) The variance below the published and revised budgets mainly reflects the transfer of other financial assets due to the implementation of the Whole of Victorian Government Central Banking System which resulted in term deposits at maturity transferred to cash and deposits.
- e(i)(ii) The variance below the published and revised budgets mainly reflects lower levels of inventory held for distribution in the ordinary course of TAFEs' business operations.
- f(i) The variance above the published budget mainly reflects the timing of budget adjustments taken into effect.
- f(ii) The variance below the revised budget mainly reflects lower than expected TAFEs' other assets designation held for sales, net of departmental disposal of land designated held for sales.
- g(i) The variance above the published budget is mainly due to independent upward revaluation of land and buildings in 2017–18 by the Valuer General Victoria as part of the scheduled five-year revaluation cycle which is not reflected in the published budget.
- g(ii) The actuals incorporate the downward revaluation of land as part of the 2018–19 managerial revaluation on land assets under *Financial Reporting Direction 103H*. These revaluations are not reflected in the published and revised budgets.
- h(i) The variance above the published budget mainly reflects the fluctuations of market prices in TAFEs investment properties.
- i(i)(ii) The variance above the published and revised budgets mainly reflects the completion of software transferred from work-in-process additional software purchases by the Department and TAFEs.
- j(i)(ii) The variance above the published and revised budgets mainly reflects more biological assets held by TAFEs.
- k(i)(ii) The variance above the published and revised budgets is mainly due to higher accruals/payables for various programs including corporate capital works, facilities construction and prepaid international tuition fees.
- l(i) The variance above the published and revised budgets is mainly due to decreased wage inflation and discount rates issued by the Department of Treasury and Finance resulting in higher provision of employee entitlements.
- m(i)(ii) The variance above the published and revised budgets reflect the accumulated net results of operating balances and other economic flows.
- n(i) The variance above the published budget is mainly due to independent upward revaluation of land and buildings in 2017–18 by the Valuer General Victoria as part of the scheduled five-year revaluation cycle which is not reflected in the published budget.
- n(ii) The variance below the revised budget mainly reflects downward revaluation of land as part of the 2018–19 managerial revaluation on land assets under *Financial Reporting Direction 103H*.
- o(i)(ii) The variance below the published and revised budgets mainly reflect the capital appropriations and contributed capital transfers being lower than expected.

Statement of cash flows for the year ended 30 June 2019

	Notes	2019 actual (\$m)	Published budget (\$m)	Variation (%)	Variation ⁽ⁱ⁾ (\$m)	Revised budget ⁽¹⁾ (\$m)	Variation (%)	Variation ⁽ⁱⁱ⁾ (\$m)
Cash flows from operating activities								
Receipts								
Receipts from government	a(i)	13,694.6	13,728.8	(0)	(34.2)	13,794.8	(1)	(100.3)
Receipts from other entities	b(i)(ii)	612.0	701.5	(13)	(89.5)	735.9	(17)	(123.9)
Interest received	c(i)(ii)	29.1	17.4	67	11.6	25.2	15	3.8
Other receipts	d(i)(ii)	724.1	780.5	(7)	(56.5)	766.8	(6)	(42.7)
Total receipts		15,059.7	15,228.2	(1)	(168.6)	15,322.8	(2)	(263.1)
Payments								
Payments of grants and other transfers	e(i)	(1,138.8)	(1,169.5)	(3)	30.7	(1,278.9)	(11)	140.1
Payments to suppliers and employees	f(i)(ii)	(11,103.4)	(11,564.2)	(4)	460.8	(11,385.4)	(2)	282.1
Capital asset charge		(1,598.6)	(1,598.6)	(0)	0.0	(1,598.6)	(0)	0.0
Interest and other costs of finance paid	g(i)(ii)	(35.1)	(15.2)	131	(19.9)	(33.1)	6	(2.0)
Total payments		(13,875.9)	(14,347.4)	(3)	471.5	(14,296.1)	(3)	420.2
Net cash flows from/(used in) operating activities		1,183.8	880.8	34	302.9	1,026.7	15	157.1

	Notes	2019 actual (\$m)	Published budget (\$m)	Variation (%)	Variation ⁽ⁱ⁾ (\$m)	Revised budget ⁽¹⁾ (\$m)	Variation (%)	Variation ⁽ⁱⁱ⁾ (\$m)
Cash flows from investing activities								
Net investments	h(i)(ii)	502.2	(75.8)	(763)	577.9	(40.5)	(1,341)	542.7
Payments for non-financial assets	i(i)	(1,705.6)	(1,637.4)	4	(68.1)	(1,725.5)	(1)	19.9
Proceeds from sale of non-financial assets	j(i)(ii)	49.0	1.4	3,287	47.5	1.6	3,025	47.4
Net loans to other parties	k(i)(ii)	4.1	3.4	22	0.7	3.4	22	0.7
Net cash flow from/(used in) investing activities		(1,150.3)	(1,708.4)	(33)	558.1	(1,761.0)	(35)	610.7
Cash flows from financing activities								
Owner contributions by State Government	l(i)(ii)	699.3	815.8	(14)	(116.6)	790.4	(12)	(91.2)
Repayment of finance leases	m(i)(ii)	(12.4)	(23.6)	(47)	11.2	(23.6)	(47)	11.2
Net borrowings	n(i)(ii)	(4.6)	(9.4)	(51)	4.8	(19.7)	(77)	15.1
Net cash flows from/ (used in) financing activities		682.3	782.9	(13)	(100.6)	747.2	(9)	(64.9)
Net increase/(decrease) in cash and cash equivalents		715.8	(44.6)	(1,703)	760.4	12.9	5,461	702.9
Cash and cash equivalents at the beginning of the financial year	o(i)	1,039.2	1,118.9	(7)	(79.8)	1,039.2	(0)	—
Cash and cash equivalents at the end of the financial year		1,755.0	1,074.3	63	680.7	1,052.0	67	702.9

Notes:

- (1) The 2018–19 revised budget reflects the impact of the machinery of government changes effective from 1 January 2019.
- a(i) The variance below the revised budget is mainly driven by the timing of program delivery (including delay of capital grants for the *Children's Facilities Capital Program* and non-government schools from 2018–19 to 2019–20 due to delays in project completion), higher than budgeted transfers of appropriations from operating to capital, underspends for the *Support for Students with a Disability* and *Independent Public Schools* National Partnerships which are now expected to be spent in 2019–20 and a lower than anticipated requirement for depreciation funding.
- b(i)(ii) The variance below the published and revised budgets is primarily driven by lower than forecasted TAFE fee for service arising from changes in market policy settings which have resulted in lower than expected enrolments (also seen in the lower than forecasted collection of TAFE receivables at 30 June 2019). From 1 January 2019, the *Free TAFE for Priority Courses* initiative made TAFE training for eligible students free for 30 priority non-apprenticeship courses and 20 apprenticeship pathway courses. As this initiative to remove student fees was announced in May 2018, it is likely that students of priority courses deferred enrolments until the 2019 calendar year therefore reducing the provision of services revenue and receivables collected by TAFEs.
- c(i)(ii) The variance above the published and revised budgets is mainly due to schools earning higher than anticipated interest revenue.
- d(i)(ii) The variance below the published and revised budgets is primarily due to lower than expected schools' third party other revenue (e.g. locally raised funds from school fetes, fundraising events and voluntary contributions made by parents), which is also seen in the lower than forecasted collection of schools third party receivables.
- e(i) The variance below the revised budget is primarily due to the timing of grant payments including capital grants for the *Children's Facilities Capital Program* and non-government schools expected in 2019–20 and accrued grants to DHHS for selected public sector workforce training and development initiatives.
- f(i) The variance below the published budget is primarily due to:
- minor delays in recruitment to specialised teaching positions;
 - maintenance spending re-classified as capital upgrades rather than operating repairs following a re-assessment of school maintenance works;
 - the impact of machinery of government transfers to DHHS for maternal child health and parenting services effective from 1 January 2019; and
 - lower than projected spending levels in schools due to timing issues resulting in expenditure deferred into future years.
- f(ii) The variance below the revised budget is primarily due to minor delays in recruitment and actuals reflecting lower than forecast levels of service delivery in 2018–19. The budget for TAFEs projected higher spending levels however this did not eventuate mainly due to policy changes resulting in lower demand and consequently, supply of TAFE courses.
- g(i) The variance above the published budget is mainly driven by classification of budget across 'payments to suppliers and employees' and 'interest and other costs of finance paid' categories for schools' public private partnerships.
- g(ii) The variance above the revised budget is mainly driven by Goods and Services Tax paid to the ATO which is not fully reflected in the budget.
- h(i)(ii) The variance above the published and revised budgets is primarily driven by the transfer of TAFE and school term deposits to the Whole of Victorian Government Central Banking System, which resulted in term deposits at maturity transferred to cash deposits.

- i(i) The variance above the published budget is primarily due to upgrades following a re-assessment of school maintenance works resulting in the re-classification of maintenance expenditure to capital. This is offset by revised delivery of the capital program into future years.
- j(i)(ii) This variance above the published and revised budgets is primarily due to the sale of:
- Box Hill TAFE's Whitehorse campus as part of a land swap deal with the Salvation Army and Epworth Eastern; and
 - Land at Federation Training's Chadstone campus to fund the building of a new Federation Training campus at Port of Sale to expand and improve access to training opportunities.
- k(i)(ii) The variance above the published and revised budgets is mainly due to timing, with higher than budgeted amounts collected for loans.
- l(i)(ii) The variance below the published and revised budgets mainly reflects lower than budgeted capital appropriation claimed, primarily due to revised implementation of the capital program into future years.
- m(i)(ii) The variance below the published and revised budgets is mainly due to TAFE's making lower than budgeted finance lease repayments.
- n(i)(ii) The variance above the published and revised budgets is primarily due to timing of public account advance repayments to the Department of Treasury and Finance.
- o(i) The variance above the published budget relates to revisions in opening balances from May 2018 estimates to actual closing balances on 30 June 2018.

Statement of changes in equity for the year ending 30 June 2019

	Notes	Accumulated surplus/ (deficit) \$m	Contributions by owner \$m	Revaluation surplus \$m	Other reserves \$m	Total equity \$m
Actual						
Opening balance at 1 July 2018		3,222.6	9,667.5	15,061.6	4.8	27,956.5
Comprehensive result		655.2	–	(1,369.6)	(2.2)	(717.6)
Transactions with owners in their capacity as owners		–	660.3	–	–	660.3
Closing balance 30 June 2019		3,877.9	10,327.8	13,692.0	2.6	27,900.2
Budget						
Opening balance 1 July 2018		3,186.7	9,795.1	11,401.6	4.2	24,387.6
Comprehensive result		367.4	–	11.9	0.0	379.3
Transactions with owners in their capacity as owners		–	816.8	–	–	816.8
Closing balance 30 June 2019 (Published budget)		3,554.1	10,611.9	11,413.5	4.2	25,583.7
Variance to budget ⁽ⁱ⁾						
Opening balance 1 July 2018	a(i)	36.0	(127.6)	3,660.0	0.6	3,568.9
Comprehensive result	b(i)	287.8	–	(1,381.6)	(2.2)	(1,095.9)
Transactions with owners in their capacity as owners	c(i)	–	(156.5)	–	–	(156.5)
Closing balance 30 June 2019		323.8	(284.1)	2,278.4	(1.6)	2,316.5
Variance (%)		9	(3)	20	(39)	9
Revised budget ⁽¹⁾						
Opening balance at 1 July 2018		3,222.6	9,667.5	15,061.6	4.8	27,956.5

	Notes	Accumulated surplus/ (deficit) \$m	Contributions by owner \$m	Revaluation surplus \$m	Other reserves \$m	Total equity \$m
Comprehensive result		490.7	–	11.9	0.0	502.6
Transactions with owners in their capacity as owners		–	791.4	–	–	791.4
Closing balance 30 June 2019 (Revised budget)		3,713.3	10,458.9	15,073.5	4.8	29,250.5
Variance to revised budget ⁽ⁱⁱ⁾						
Opening balance at 1 July 2018		–	–	–	–	–
Comprehensive result	b(ii)	164.6	–	(1,381.6)	(2.2)	(1,219.2)
Transactions with owners in their capacity as owners	c(ii)	–	(131.1)	–	–	(131.1)
Closing balance 30 June 2019		164.6	(131.1)	(1,381.6)	(2.2)	(1,350.2)
Variance (%)		4	(1)	(9)	(46)	(5)

Notes:

- (1) The 2018–19 revised budget reflects the impact of the machinery of government changes effective from 1 January 2019.
- a(i) The variances in the 1 July 2018 opening balance to the published budget relate to revisions in the opening balance from May 2018 estimates to the actual closing balance on 30 June 2018.
- b(i)(ii) The variance in accumulated surplus above the published and revised budgets mainly reflects a higher than anticipated schools' operating net result. The variance in revaluation surplus below the published and revised budgets reflects the downward revaluation of land as part of the 2018–19 managerial revaluation on land assets under *Financial Reporting Direction 103H* which was not reflected in the budgets.
- c(i)(ii) The variance below the published and revised budgets mainly reflects lower than budgeted capital appropriation claimed, primarily due to revised implementation of the capital program into future years.

Administered items statement for the year ending 30 June 2019

	Notes	2019 actual (\$m)	Published budget (\$m)	Variation (%)	Variation ⁽ⁱ⁾ (\$m)	Revised budget (\$m)	Variation (%)	Variation ⁽ⁱⁱ⁾ (\$m)
Administered income								
Sale of goods and services	a(i)(ii)	86.7	69.6	24	17.1	69.6	24	17.1
Grants		3,445.5	3,411.3	1	34.2	3,449.0	(0)	(3.5)
Other income	b(i)(ii)	5.2	1.9	177	3.3	2.9	80	2.3
Total administered income		3,537.4	3,482.8	2	54.6	3,521.5	0	15.9
Administered expenses								
Expenses on behalf of the state		(1.1)	–	n/a	(1.1)	–	n/a	(1.1)
Grants and other transfers		(3,439.0)	(3,403.9)	1	(35.0)	(3,440.0)	(0)	1.0
Payments into the Consolidated fund	c(i)(ii)	(67.7)	(111.9)	(39)	44.2	(101.4)	(33)	33.7
Total administered expenses		(3,506.7)	(3,515.8)	(0)	9.1	(3,541.4)	(1)	34.7
Income less expenses		29.6	(32.9)	(190)	62.5	(19.9)	(249)	49.5
Other economic flows included in net results								
Net gain/(loss) on non-financial assets	d(i)(ii)	(38.7)	33.0	(217)	(71.7)	19.9	(294)	(58.6)
Total other economic flows included in net result		(38.7)	33.0	(217)	(71.7)	19.9	(294)	(58.6)
Net result		(9.1)	0.1	(18,230)	(9.1)	0.1	(18,230)	(9.1)
Comprehensive result		(9.1)	0.1	(18,230)	(9.1)	0.1	(18,230)	(9.1)

	Notes	2019 actual (\$m)	Published budget (\$m)	Variation (%)	Variation ⁽ⁱ⁾ (\$m)	Revised budget (\$m)	Variation (%)	Variation ⁽ⁱⁱ⁾ (\$m)
Administered assets								
Receivables	e(i)(ii)	18.1	16.3	11	1.8	25.9	(30)	(7.8)
Other financial assets	f(i)(ii)	–	1.3	(100)	(1.3)	1.3	(100)	(1.3)
Total administered assets		18.1	17.7	2	0.4	27.2	(33)	(9.1)
Administered liabilities								
Total administered liabilities		–	(0.0)	(100)	0.0	–	n/a	–
Net assets		18.1	17.7	2	0.4	27.2	(33)	(9.1)

Notes:

- a(i)(ii) The variance above the published and revised budgets primarily relates to higher than budgeted collection of overseas student program fees.
- b(i)(ii) The variance above the published and revised budgets is mainly driven by non-government capital contributions and revenue received for the Public Service Commuter Club.
- c(i)(ii) The variance below the published and revised budgets is driven primarily by factors explained in Notes a, b and d.
- d(i)(ii) The variance below published and revised budgets is due to unbudgeted land and building disposals which cannot be reliably forecasted. This is partially offset by higher than budgeted land sales.
- e(i) The variance above the published budget is due to the reclassification of actuals to 'Receivables' from the 'Other financial assets' category. This is driven by the transfer of the Treasury Corporation of Victoria term deposits to the Whole of Victorian Government Central Banking System.
- e(ii) The variance below the revised budget is due to lower than expected receivables for legal workplace, discrimination and disputes from the Department of Justice and Community Safety for settlement payments or court-ordered payments pursuant to section 26 of the *Crown Proceedings Act 1958*.
- f(i)(ii) The variance below the published and revised budgets is due to the reclassification of actuals to 'Receivables' from the 'Other financial assets' category. This is driven by the transfer of the Treasury Corporation Victoria term deposits to the Whole of Victorian Government Central Banking System.

Appendix 3 Statutory bodies' reports

Children's Services Coordination Board

The Children's Services Coordination Board was established in 2005 under the *Child Wellbeing and Safety Act 2005*. It brings together key decision makers across the Victorian Government to ensure the coordination of activities affecting children. The role of the Board is to sponsor and oversee coordination of effort across different Victorian Government services and policies, when necessary, to improve outcomes for children and young people; particularly those vulnerable to harm, disadvantage or social exclusion.

The Board reports annually to the Minister for Education on how Victoria's children and young people are faring through the State of Victoria's Children reports. These draw on data from the Victorian child and adolescent monitoring system. The Department provides secretariat support to the Board.

The Children's Services Coordination Board met four times in 2018–19. Members are shown below.

Children Services Coordination Board members at 30 June 2019

Ms Gill Callister (Chair) (July – November 2018)	Secretary, Department of Education and Training
Ms Jenny Atta (Chair) (November 2018 – June 2019)	Secretary, Department of Education and Training
Mr Graham Ashton	Chief Commissioner, Victoria Police
Mr Chris Eccles	Secretary, DPC
Mr David Martine	Secretary, Department of Treasury and Finance
Ms Kym Peake	Secretary, DHHS
Mr Greg Wilson (July – November 2018)	Secretary, Department of Justice and Regulation
Ms Rebecca Falkingham (November 2018 – June 2019)	Secretary, Department of Justice and Community Services

Victorian Children's Council

The Victorian Children's Council was established under the *Child Wellbeing and Safety Act 2005*. The Council supports the Premier and Ministers for Education, Health and Child Protection with expert independent advice relating to policies and services that enhance the health, wellbeing, development and safety of children.

Council members are recognised experts in children's policies and services and are selected as individuals, not as representatives of their organisations or sectors. The council's mandate is to be forward-looking, acting as an adviser to the Victorian Government on how to meet key challenges facing Victorian families and improve outcomes for children. The council is particularly concerned with the problems faced by children who are vulnerable and at risk of poor developmental, learning or longer term life outcomes.

The Council actively engages with the Victorian Government in planning to help families give children the best start in life, and to support young people in the transition to adulthood. It is involved in helping Victorian government departments build a stronger evidence base and understanding of how to improve child outcomes and opportunities.

The Council held six meetings in 2018–19, with additional working groups meetings as needed. The Department provides secretariat support to the Victorian Children's Council.

Victorian Children's Council members at 30 June 2019

Professor Frank Oberklaid AM (Chair)	Director, Centre for Community Child Health
Ms Sandie de Wolf AM (Deputy Chair)	Formerly CEO, Berry Street
Ms Muriel Bamblett AO	CEO, Victorian Aboriginal Child Care Agency
Ms Heather Barnes OAM	Early childhood training consultant
Ms Carmel Guerra	CEO, Centre for Multicultural Youth
Mr David Huggins	Formerly Assistant Director, Student Services, Catholic Education Office
Mr Rob Spence	Formerly CEO, Municipal Association of Victoria
Ms Kerry Stubbings	Formerly Director of Community Services, City of Knox
Dr Susana Gavidia-Payne	Associate Professor, RMIT University

Disciplinary Appeals Boards

The Disciplinary Appeals Boards were established in 2005 following an amendment to the *Teaching Service Act 1981*. They hear and determine appeals

in relation to decisions of the Secretary of the Department of Education and Training made under sections 2.4.59F, 2.4.61 and 2.4.61A of the Education and Training Reform Act 2006. Each Disciplinary Appeals Board comprises a chairperson, a secretary's nominee and a minister's nominee.

The Disciplinary Appeals Boards had three appeals pending at 1 July 2018 and received a further seven appeals by 30 June 2019.

The Senior Chairperson of the Merit Protection Boards administers the Disciplinary Appeals Boards and selects members to constitute the boards as required. The Merit Protection Boards' staff provide administrative support to the Disciplinary Appeals Boards.

Chairpersons, nominated by the Secretary, were appointed under sections 2.4.73(2)(a) and 2.4.74 of the Education and Training Reform Act 2006. Chairpersons must have been admitted to legal practice in Victoria for a minimum of five years. Chairpersons of the Disciplinary Appeals Boards are shown in the table below.

Secretary's nominees, who have knowledge and experience in education, education administration or public sector administration, were appointed under sections 2.4.73(2)(c) and 2.4.74 of the Education and Training Reform Act 2006. Secretary's nominees are shown below.

Minister's nominees, who are officers in the teaching service, were appointed under sections 2.4.73(2)(b) and 2.4.74 of the Education and Training Reform Act. Minister's nominees are shown below.

Appointments are for five years. The next appointments are scheduled for 2020.

Chairpersons of the Disciplinary Appeals Boards from 1 August 2015

Dr Peter Condliffe	Mr Peter Harris	Ms Jo-Anne Mazzeo ⁸⁹
Mr Russell Daily	Ms Catherine Healy	Mr William O'Shea
Mr Phillip Davies	Mr Robert Howard	Ms Paula Robinson
Ms Annette Eastman	Mr Peter Kempson	Mr Ian Scott

Secretary's nominees to the Disciplinary Appeals Boards from 1 August 2015

Mr David Alsop	Dr Richard Gould	Mr Peter Norden
Mr Ian Bentley	Mr Russell Isaac	Mr Brian O'Dea
Mr Ross Bevege	Mr Robert Loader	Ms Karen O'Dowd
Ms Claire Bolster	Ms Marilyn McMahon	

⁸⁹ Resigned in May 2019

Minister's nominees to the Disciplinary Appeals Boards from 1 August 2015

Mr Christopher Chant	Ms Sandra Greenhill	Mr Wayne Smith
Ms Janet Evison	Mr Stephen McGarrigle	Ms Karen Terry
Dr David Finnerty	Ms Maureen O'Flaherty	Ms Rhonda Warburton
Ms Leonie Fitzgerald	Mr Dennis Pratt	

Chairpersons of the Disciplinary Appeals Boards from 23 August 2016

Ms Jordana Millman

Secretary's nominees to the Disciplinary Appeals Boards from 23 August 2016

Ms Vicki Augustinus	Ms Michonne Van Rees	Ms Lola Wenn
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Minister's nominees to the Disciplinary Appeals Boards from 23 August 2016

Ms Vincenzina (Enza) Calabro	Ms Moira Findlay	Ms Glenda Splatt
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Merit Protection Boards

The Merit Protection Boards and Review of Action Boards provide an independent mechanism to hear appeals and grievances for Department employees and associated statutory authorities in education.

The Merit Protection Boards were established in 1993 under the Teaching Service Act and are currently empowered by the Education and Training Reform Act to:

- advise the Minister for Education about principles of merit and equity to be applied in the teaching service
- hear reviews and appeals in relation to decisions made under the Education and Training Reform Act (except proceedings under Divisions 9A or 10 of Part 2.4) or any other Act
- advise the Minister or the Secretary about any matter referred to them by the Minister or the Secretary relating to merit and equity in the teaching service
- hear reviews and appeals in relation to any decision prescribed by the regulations or Ministerial Order, as appropriate
- hear reviews and appeals in relation to any decision of the Secretary if the Secretary has delegated his or her function or power to hear reviews and appeals to a Merit Protection Board.

Ms Alison Murphy was appointed the Senior Chairperson in March 2019 replacing Mr Peter Hibbins who retired. Ms Murphy is a full-time member of the Merit Protection Boards. Ms June Weir is the Registrar for the Boards and there are three administrative officers who support their work.

Access to the Merit Protection Boards is available to employees of the Department and members of the teaching service, including principals, teachers and school-based non-teaching staff. Appeals and grievances may be regarding transfer and promotion, leave, change of time fraction of working hours, outcomes of performance reviews, outcomes of local complaints, translation from fixed term to ongoing employment and other personnel management decisions. Appeals and grievances may be heard in the metropolitan area and regional centres as appropriate.

Grievances of the Department lodged by VPS staff are heard by a Review of Action Board. The Senior Chairperson establishes the Review of Action Boards, which make recommendations to the Secretary of the Department. In the event that the Senior Chairperson does not sit on the Review of Action Board, the board will make a recommendation to the Senior Chairperson, who in turn will make the recommendation to the Secretary.

Members of the Merit Protection and Review of Action Boards have a duty to act as individuals in an independent and objective manner in fairly hearing and determining appeals and grievances. The hearing procedures of both boards are consistent with the principles of procedural fairness.

Members are appointed for three years. The next appointments are scheduled for September 2019.

Chairpersons of the Merit Protection Boards from 22 September 2016

Mr Peter Hibbins (Senior Chairperson, full-time) ⁹⁰	Dr David Finnerty	Mr Wayne Smith
Mr Neil Campbell	Mr Vernon Hilditch	
Dr Mary Cannon	Ms Jo-Anne Mazzeo ⁹¹	

Secretary's nominees to the Merit Protection Boards from 22 September 2016

Ms Rowena Archer	Ms Meaghan Cook	Ms Alison Ivey
Ms Kate Atkin	Mr Ian Dendle	Mr Matt McKittrick
Ms Clare Berger	Ms Janet Evison	Mr Dean McLean
Ms Melissa Bray	Mr Rick Gervasoni	Ms Leanne Preece
Ms Tanya Burton	Ms Sandra Greenhill	Ms Paula Robinson
Mr Roger Chao	Mr Andrew Harnett	Ms Wendy Sengotta
Ms Louise Chocholis	Ms Karen Hutchinson	Ms Rhonda Warburton

⁹⁰ Retired in March 2019

⁹¹ Resigned in May 2019

Minister's nominees to the Merit Protection Boards from 22 September 2016

Mr Steven Adams	Ms Rebekah Fewkes	Mr George Porter
Mr Andrew Bennett	Ms Lynette Hannon	Ms Susan Seneviratne
Ms Rachel Carlyon	Ms Sally Lasslett	Ms Glenda Splatt
Mr Nathan Chisholm	Ms Susan Mattingley	Ms Meredith Stephenson
Mr Jason Coningsby	Ms Alison Murphy ⁹²	Mr Aaron Wolanuik
Ms Tracey Cronin	Ms Natalie Nelson	Mr Chris Woodhouse

Chairpersons of the Merit Protection Boards from 30 March 2019

Ms Alison Murphy (Senior Chairperson, full-time)

⁹² Became Senior Chairperson in March 2019

Appeals and grievances

Teaching service appeals and grievances 2018–19

Category	Received			Upheld and partially upheld			Conciliated			Disallowed			Withdrawn			Abandon, lapsed, no grounds, no jurisdiction, or out of time			Pending			Total
	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	
Personal ⁹³	105	33	0	12	1	0	21	3	0	34	12	0	17	4	0	17	11	0	4	2	0	138
Selection	11	13	0	4	2	0	0	0	0	0	1	0	1	3	0	6	7	0	0	0	0	24
Total	116	46	0	16	3	0	21	3	0	34	13	0	18	7	0	23	18	0	4	2	0	162

Public service appeals and grievances 2018–19

Category	Received			Upheld and partially upheld			Conciliated			Disallowed			Withdrawn			Abandon, lapsed, no grounds, no jurisdiction, or out of time			Pending			Total
	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	
Personal ⁹⁴	9	3	0	2	1	0	0	0	0	3	0	0	0	0	0	4	0	0	0	2	0	12
Selection	10	2	0	2	0	0	0	0	0	0	1	0	0	0	0	8	1	0	0	0	0	12
Total	19	5	0	4	1	0	0	0	0	3	1	0	0	0	0	12	1	0	0	2	0	24

⁹³ A wide range of issues were raised in personal grievances. Most concerned claims of complaints not being managed in accordance with Departmental policy, fixed term employees not being translated to ongoing employment and leave applications being declined.

⁹⁴ A wide range of issues were raised in personal grievances. Most concerned claims of complaints not being managed in accordance with Departmental policy and performance outcomes.

Merit protection training

It is a requirement that all of the Department's recruitment and promotion selection panels include a merit-trained employee as a member. To facilitate this, the Merit Protection Boards provide training in the principles of merit and equity for members of the teaching service and public service staff.

The programs are conducted statewide and are supported by the Department with senior Departmental staff delivering the sections of training that focus on human resource policies. In 2018–19, 40 seminars were conducted and training provided for 1,011 members of the teaching service and public service staff.

Number of employees trained by region (includes reaccreditation)

Region	Principals	Teachers	Education support class	VPS	Total
North eastern Victoria	31	134	24	5	194
North western Victoria	23	144	33	22	222
South eastern Victoria	9	77	13	2	101
South western Victoria	32	90	39	16	177
Central	0	5	3	309	317
Total	95	450	112	354	1011

Other activities

The Merit Protection Boards provided advice to the Department on merit and equity issues in relation to major policy initiatives in response to requests, as well as advice when existing policies and procedures were being reviewed.

The Senior Chairperson accepted invitations to address groups of principals, field officers of the principals' associations and the Australian Education Union and regional staff about the workings of the Merit Protection Boards.

Senior Merit Protection Board staff deliver statewide training programs for principals, members of the teaching service and public service staff on the legislative and policy requirements for human resource management within the Department.

Information about appeal and grievance processes and merit protection accreditation programs is available on the Merit Protection Boards' website at www.mpb.vic.gov.au.

Independent Office for School Dispute Resolution

The Independent Office for School Dispute Resolution (the Office) has two primary roles:

- help resolve complex and intractable disputes arising from complaints by parents or students about government schools, and
- help build the complaint management and resolution capacity of the state education system in Victoria.

The Office strengthens the existing complaints resolution process by offering a third tier of escalation. It can help affected parties generate a mutually acceptable resolution, so a student can re-engage with education, and parental relationships within the school community can rebuild.

If resolution is not possible, the Office may recommend future actions to the Department. The Office can also make general recommendations about managing conflict more effectively.

The Minister for Education appointed the Chair, Mr Frank Handy, and two Deputy Chairs, Ms Jo-Anne Mazzeo and Ms Treasure Jennings. All are experts in the alternative dispute resolution approach. The Registrar of the Office is Ms June Weir, a highly experienced senior administrator.

A pool of subject matter experts drawn from fields including school education, child development, cultural liaison, disability, family disputes, mental health and bullying prevention were appointed by the Department's Secretary to help problem solve issues and assist in the resolution of complex matters.

In its second year of operations, the Office refined its work processes and expanded its interactions, with new areas of conflict coming to its attention through work on individual matters and systemic change projects. The most difficult conflicts this year all involved troubling breakdowns in relationships between schools and families, often involving students with complex needs, in contexts where the broader school community displayed significant divisions that affected the school's ability to respond effectively.

During the year, in accordance with the expectation when it was first established, the Office was the subject of an independent evaluation commissioned by the Department. Considerable time and effort went into providing data and supporting the consultants research. The result of this evaluation process should be available early in the 2019–20 fiscal year.

The Office also continued its significant role in capacity building in the Department, drafting suggestions and input on policies that are going to be implemented in the 2019 fiscal year. In addition, the Office has continued its training and information sessions for community liaison officers, principal networks, regional services and other local and regional offices, department officials, and external stakeholders. This work contributes to the development of a collaborative and problem-solving based attitude to resolving conflicts in the school system between parents and schools, and to building the capacity of the school system to handle conflict more effectively without resorting to independent agencies.

Finally, for the second time the Chair of the Office has been asked to review particular events in order to assess and comment on the Department's handling

of them, and to make recommendations for improvement in handling such situations.

In the coming year, in response to the evolution of the Office, its experience of matters to date, and the completion of the evaluation, the expectation is that the Office will act on whatever recommendations that the evaluation provides and refine its working arrangements with the education system. The Office also now has sufficient experience to start to provide more comprehensive recommendations to the Department on how to address the challenges and issues that create and sustain unnecessary conflict, so as to reduce their incidence and negative impact.

Chair and Deputy Chairs of the Independent Office

Name	Office position
Mr Frank Handy	Chair
Ms Treasure Jennings	Deputy Chair
Ms Jo-Anne Mazzeo	Deputy Chair

Experts in school education

Name	
Ms Elene Archbold	Ms Jenny Wajsenberg
Ms Karen O'Dowd	Mr Brian O'Dea
Mr Brian Henderson	Mr Warren Wills

Experts in subject matter

Name	Subject(s)
Ms Natasha Belmont	Family violence, vulnerable cohorts—LGBTI
Ms Vera Briggs	Koorie engagement
Ms Fiona Downing	Disability
Dr Richard Gould	Mental health, psychology, vulnerable cohorts, low SES
Ms Liz Kelly	Disability
Mr Fred Stern	Mental health, psychology, family dispute
Ms Sandi de Wolf	Child, youth and family services; community services sector; out of home care; family and family violence services

Matter types by source of contact

Case type	Source of Contact						
	Advocate	Department	Region	School	Parent	Third party	Total
Enquiry	3	1	4	1	98	23	130
Refer and monitor ⁹⁵	1	2	5	2	47	7	64
Complaint	0	19	7	0	20	3	49
Capacity building	0	2	25	2	0	1	30
Community awareness ⁹⁶	5	3	2	0	0	2	12
Total	9	27	43	5	165	36	285

Outcome of matters received

Case type	Outcome									
	Resolved ⁹⁷	Partially resolved	Unresolved	Resolved and recommendation made	Partially resolved and recommendation made	Unresolved and recommendation made	In progress	Escalated to a complaint	Referred on	Total
Enquiry	105	0	0	0	0	0	2	0	23	130
Refer and monitor	31	0	1	0	0	0	2	14	16	64
Complaint	30	2	6	0	0	0	6	0	5	49
Total	166	2	7	0	0	0	10	14	44	243

⁹⁵ Refer and monitor cases: On occasion these may escalate to being managed and finalised as a Complaint Enquiry. Third party may be friends or relatives making initial contact, or an enquiry from an outside organisation.

⁹⁶ Presentations in response to requests by the Department and third parties to explain the Office's role and procedures.

⁹⁷ Resolution for all enquires is achieved through the provision of information to call, redirection to school/region/Department, or escalation into a complaint managed by the Office (in a limited number of cases).

Primary issues by type

Issue	Case type		
	Enquiry	Refer and monitor	Complaint
Bullying	0	9	8
Complaint management	0	29	22
Disability	0	12	5
Discrimination	0	0	2
General	0	0	0
Grading assessment	0	2	1
In progress ⁹⁸	2	2	7
No jurisdiction ⁹⁹	128	3	0
Not specified	0	0	0
School disciplinary penalty	0	2	4
School procedure errors	0	5	17
Staff conduct	0	0	0
Student attendance	0	0	0
Student discipline	0	0	0
Student welfare	0	0	0
Total	130	64	66

⁹⁸ In progress refers to current cases the Office has not finalised.

⁹⁹ No jurisdiction refers to enquiries that relate to independent schools, Catholic schools and matters out of the Office's scope. They may include cases that haven't been through previous tiers in the Department's complaints process.

Appendix 4 Acronyms and abbreviations

Acronyms and abbreviations

Acronym	Full title
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ACFE	Adult Community and Further Education
AEDC	Australian Early Development Census
AICD	Australian Institute of Company Directors
AMES	Adult Multicultural Education Services
ANZSOG	Australian and New Zealand School of Governance
ARC	Audit and Risk Committee
ATAR	Australian Tertiary Admission Rank
BAU	Business as Usual
BP3	Budget Paper No. 3
BFMC	Budget and Financial Management Committee
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CIS	Child Information Sharing
CRT	Casual Relief Teacher
CSO	Community Service Obligation
Department	Department of Education and Training
DHHS	Department of Health and Human Services
DJPR	Department of Jobs, Precincts and Regions
DPC	Department of Premier and Cabinet
DSSI	Differentiated Support for School Improvement
DTF	Department of Treasury and Finance
ECE	Early Childhood Education
ECEC	Early Childhood Education and Care
EDRC	Executive Development and Remuneration Committee
EPR	Employer's Performance Rating
FISO	Framework for Improving Student Outcomes
FOI	Freedom of Information
FM Act	<i>Financial Management Act 1994</i>
FPIS	Financial Policy and Information Services group
FRD	Financial Reporting Direction
FTE	Full-time Equivalent
GST	Goods and Services Tax
HES	Higher Education and Skills group
IBAC	Independent Broad-based Anti-corruption Commission
ICT	Information and Communication Technology

Acronym	Full title
IMTC	Information Management and Technology Committee
IC	Integrity Committee
LGA	Local Government Area
MCH	Maternal and Child Health
MYLNS	Middle Years Literacy and Numeracy Support
NAPLAN	National Assessment Program—Literacy and Numeracy
NQSA1	National Quality Standard Area 1
NQSA6	National Quality Standard Area 6
OHS	Occupational Health and Safety
OHSMS	Occupational Health and Safety Management System
PEC	Performance and Evaluation Committee
PES	People and Executive Services group
PIC	Policy Implementation Committee
PISA	Programme for International Student Assessment
PLC	Professional Learning Communities
PPC	Procurement and Probity Committee
PPP	Public Private Partnership
PSP	Policy, Strategy and Performance group
RS	Regional Services group
RTO	Registered Training Organisation
RTW	Return To Work
SEPS	School Education Programs and Support group
STEM	Science, Technology, Engineering and Mathematics
SWE	Safe and Well in Education
TAFE	Technical and Further Education
TEI	Total Estimated Investment
TIMSS	Trends in International Mathematics and Science Study
VAGO	Victorian Auditor-General's Office
VCAA	Victorian Curriculum and Assessment Authority
VCAL	Victorian Certificate of Applied Learning
VET	Vocational Education and Training
VIT	Victorian Institute of Teaching
VPS	Victorian Public Service
VRQA	Victorian Registration and Qualifications Authority
VSBA	Victorian School Building Authority

Appendix 5 Grants and transfer payments (other than contributions by owners)

Grants provide significant benefits to the Victorian community. Department grants are used to support and improve the delivery of education and training services.

The Department has a rigorous grants policy in place to ensure all staff, including contractors and consultants who are responsible for administering grants, do so in accordance with legislative obligations, and that all payments represent value for money and contribute to achieving the Department's objectives.

The below table lists the Department's 2018–19 grant activities applying the definition of grants used in the Victorian Auditor-General's Report *Grants to non-government organisations: Improving accountability*. This excludes grants to other organisations, which are included in the broader definition applied in the Financial Statements and Notes to the Financial Statements, to meet applicable Australian Accounting Standards (see Note 3.1.2).

Department grant and transfer payments by activity

Grants	Payment (\$)
AEU Education Services Inc.	211,400
Anaphylaxis Advice Line	123,624
Apprenticeships Group Glenormiston Project	50,000
Apprenticeships Group Training Organisations	1,942,027
Apprenticeships National Skills Week	20,000
Apprenticeships Support Officer Program	5,310,313
Apprenticeships World Skills	205,333
APSHIP Building Trades Teachers Training Plan	1,000,000
Association for Children with a Disability	140,000
Bendigo Kangan Institute: City Campus Revitalisation	5,000,000
Career Education Association of Victoria	504,000
Children's Facilities Capital Program	21,390,932
Chisholm-Frankston Centre for Advanced Manufacturing and Trade	7,000,000
Clontarf Foundation	540,000

Country Education Partnership	369,100
CRT professional development (TLN)	183,871
Disabilities programs	1,152,000
Drummond Street Services	80,490
Eastern Domestic Violence Service	60,050
Education Week 2019	29,764
Enhancing Mental Health Supports in Schools	3,755,713
Family Violence Workforce Development	1,018,019
Goulburn Valley Aboriginal Education Consultative Group	30,000
Government Response to Quality Assurance Review	117,150
Grosvenor Performance Group	66,263
Her Place Women's Museum	198,286
Learn and Earn Pilots	4,000,000
Municipal Association of Victoria	142,000
National Exceptional Teachers for Disadvantaged Schools – Deakin and Victoria University	80,000
Parents Victoria	438,900
Payments to universities for teacher attraction to disadvantaged schools	200,000
Plumbing Industry Climate Action Centre	5,750,000
Primary Health Networks	2,932,170
Principals Association of Specialist Schools	160,000
Public Water Safety Initiative	1,920,000
Quality Apprenticeships to Drive Job Opportunities	2,581,767
Quality Learning and Assessment Materials	5,996,376
Reconnect	18,075,360
Regional and Specialist Training Fund	34,864,807
Regional Programs	8,477,513
School Breakfast Club Program	4,522,000
Social Ventures Australia	89,914

Sir John Monash Scholarship	2,700,000
Stars Foundation	125,000
State schools' relief affordable uniforms	4,290,000
State schools' relief glasses for kids program	161,489
Stephanie Alexander Kitchen Garden Program	500,000
Strategic Research Seed Funding Pilot Project	121,184
Stronger TAFE	92,154,536
Synergistic	175,401
Supporting Free TAFE roll-out	14,399,999
TAFE Boost Funding 2018	71,860,000
TAFE Community Service Funding	48,800,000
TAFE Morwell Campus Redevelopment Project	5,000,000
TAFE Organisational Capability Program	9,390,059
TAFE Rescue Fund Chisholm Institute—Berwick Centre for Health	2,000,000
Teach for Australia Program	925,000
Teaching Academies of Professional Practice	320,000
The Long Walk Pty Ltd	50,000
Understanding positive engagement during mid-childhood	120,000
University of Melbourne	419,672
Victorian Community Sector Partnership	106,121
Victorian Teaching Staff Multi-Enterprise Agreement	10,000,000
Victorian Young Leaders to Indonesia	287,884
VIT Effective Mentoring Program	134,432
VIT Professional support for CRTs	224,079
Victorian Aboriginal Education Association Inc	3,406,795
Victorian Aboriginal Corporation for Languages	99,033
Victorian Association of State Secondary Principals	424,397
Victorian Equal Opportunity and Human Rights Commission	406,458

Victorian Parents Council	31,212
Victorian Principals Association	116,000
Victorian School of Languages	98,476
Weenthunga Health Network Incorporated	70,000
Workforce Training Innovation Fund	29,196,266
Youth Affairs Council Victoria	115,059