



Department of Education and Training

Annual Report
2020-21



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

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

Ms Ingrid Stitt, MP
Minister for Early Childhood and Minister for Workplace Safety

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 2021.

Yours sincerely

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

Jenny Atta
Secretary

Secretary's letter

I am pleased to present the Department of Education and Training's Annual Report for 2020–21.

The Department's work over the past year focused on its delivery imperative. Continuing to build an education system that achieves the best learning and development outcomes for all Victorians remains at the heart of the Education State reforms.

Delivering education and training services is more critical than ever, as the Department continues navigating through the COVID-19 pandemic and the health and economic challenges of the last 12 months. The Department and its partners in early childhood, schools, higher education and training and skills settings have continued to respond flexibly to these challenges and continue to provide quality education services.

Quality early learning services are one of the most effective ways to give children the best start in life. The Department is continuing its roll-out of universally funded Three-Year-Old Kindergarten to support children, including Victoria's most vulnerable, to be engaged in high-quality learning from the beginning of their education journey. Around 2,500 children are now participating in this landmark initiative, and across 21 local government areas.

During the past 12 months, the Department continued its rollout of the Child Information Sharing Scheme. The scheme enabled approximately 370,000 professionals who work with children and families to share information and promote children's wellbeing and safety.

The quality of Victoria's early learning sector continues to improve. Almost 91 per cent of Victoria's early childhood education and care (ECEC) services now meet or exceed the National Quality Standard for programs and practices, and more than 97 per cent of services meet or exceed the standard for collaborative partnerships with families and communities. These figures have improved every year since 2016.

It is important that all children experience the benefits of kindergarten. The Department continues to focus dedicated supports on cohorts more likely to miss out on kindergarten. A record number of three- and four-year-old Aboriginal children participated in kindergarten in 2020, including more than 1,650 four-year-olds. The rate of kindergarten participation for Aboriginal children in the year before school has increased steadily in recent years and is now higher than that of the overall population.

In schools, the Department remains focused on building a modern education system that fosters excellence, equity and wellbeing.

The Mental Health Practitioners initiative has been implemented in 274 secondary schools, providing direct counselling support and other early intervention services for students. Given the challenges of remote and flexible learning, the Department established a Health and Wellbeing Key Contact function to support students in government schools.

In responding to the recommendations from the Royal Commission into Family Violence, more than 1,950 Victorian government, Catholic and independent schools, including all government schools, are participating in the Respectful Relationships initiative. Through this initiative, students learn how to build healthy relationships, resilience, and confidence. Over 30,000 school-based staff have participated in respectful relationship professional learning.

For students to receive the best education, they need to have the best teachers. In 2020, through the Middle Years Literacy and Numeracy Support initiative an additional 1,088 teachers were provided with a professional development suite and 201 teachers were trained as mathematics and science specialists. Support and training for teachers was also extended through 138 Teaching Communities of Practice and the continued rollout of the Differentiated Support for School Improvement initiative into 304 schools. In recognition of the challenges of remote learning, the new Tutor Learning Initiative enabled schools across Victoria to engage around 5,600 teachers as tutors in 2021 to support students who need extra assistance.

High-quality teaching matched with contemporary school spaces support enthusiastic learners. That is why the Department has been delivering Victoria's largest school infrastructure program to create modern, vibrant school facilities. In 2021, 14 new schools were opened, as part of the government's commitment to open 100 schools by 2026. A further 71 modernisation projects were also completed.

The Department continues implementing the recommendations of the Review into Vocational and Applied Learning Pathways in Senior Secondary Schooling which aims to increase the quality of and access to vocational pathways for students across Victoria. This includes the 22,000 secondary school students enrolled in the Victorian Certificate of Applied Learning (VCAL), and the 48,500 secondary school students taking part in accredited Vocational Education and Training (VET) programs in 2020.

Victoria's TAFEs remain central to providing pathways into the jobs needed to build and look after a growing state, and the Department continues to build new ways of working together with Victorian industry, students and communities. In 2020, the Department subsidised 146,843 TAFE network course enrolments. This support was targeted for the greatest impact, with 87 per cent of government subsidised enrolments related to qualifications that lead directly to Victorian jobs and economic growth. Approximately 30,000 students also commenced training in the Free TAFE program. This included a 113 per cent increase in commencements in the newly added ECEC qualifications.

Continuing enrolments in VET rose by 11 per cent during 2020, and as part of the Skills for Economic Recovery package, 10,000 new Free TAFE places were made available to those who lost their job as part of the COVID-19 pandemic. Apprenticeships and traineeships are being created on the TAFE demonstration projects of North East Link, New Footscray Hospital and the new Warrnambool Learning and Library Hub – with more major projects to join over time. To date, the Department has received more than 600 expressions of interest through its Big Build Apprenticeships program to work on major projects across Victoria.

The Department also supported the higher education sector through the Higher Education State Investment Fund. The \$350 million fund supports universities with capital works, applied research and research partnerships and is focused on boosting Victoria's economic recovery.

Of course, this is not achievable without the hard work, dedication, and adaptability of the Department's workforces. I thank the staff, educators, teachers, principals, support staff and specialists who continue to deliver improvements to Victoria's education system across ECECs, schools, and TAFE and training organisations.

Together we continue shaping Victoria's education system, and providing every learner with the support, skills, and capabilities they need to thrive.

Jenny Atta
Secretary

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Year in review

The Department of Education and Training (the Department) is delivering on the Victorian Government's commitment to make Victoria the Education State by providing all Victorians with the best learning and development experience. 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 Department's *Strategic Plan 2019–23* guides the provision of high-quality education, training, development, and student health and wellbeing services. The Department is committed to meeting its objectives, including the Victorian Government's Education State reforms.

The Department's vision

The Department's vision is:

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

In pursuing this vision, the Department is committed to the Victorian public sector values of:

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

These values underpin the behaviours that the community expects of all public sector employees. Actions that are consistently guided by the public sector values strengthen the capacity of the Department to operate effectively and to achieve its purpose and functions.

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 during 2020–21.

The Department's services by sector in 2020–21

Early childhood	School education	Training and skills
Birth to 8 More than 400,000 children and families	5 to 18 More than 1,009,400 students	15 to 65+ More than 297,000 government-subsidised enrolments in Vocational Education and Training (VET)
<ul style="list-style-type: none"> Early years learning and development including early childhood education and care (ECEC) services 	<ul style="list-style-type: none"> Primary education Secondary education Special education Language 	<ul style="list-style-type: none"> Technical and Further Education (TAFE) Dual-sector universities Private registered training providers Learn Locals
We have a diverse range of public, private and not-for-profit providers serving Victorians and international students of all ages:		
<ul style="list-style-type: none"> More than 4,327 approved education and care services providing long day care, kindergarten, outside-school-hours care, and family day care Approximately 279 licensed children's services providing limited-hour services such as occasional care 	<ul style="list-style-type: none"> 1,553 government schools 723 non-government schools (497 Catholic schools and 226 independent schools) 	<ul style="list-style-type: none"> 12 TAFE institutes 10 universities operating under state legislation (four of which are dual-sector that also provide VET) 274 Learn Local organisations, including community-owned not-for-profit organisations and Adult Education Institutions registered with the Adult, Community and Further Education Board (ACFE) to deliver pre-accredited training 197 government-contracted private registered training organisations (RTO)

Progress against the Department's 2020–24 Strategic Plan initiatives

The Department is delivering its objectives through 39 key strategic initiatives¹. A progress summary of these initiatives is provided below.

Strategic Plan initiatives progress summary

Initiative	2020–21 progress summary
Asset Strategy	The asset strategy consists of 37 actions, designed to mature the Department's asset management system. Of these, 21 have been completed and the remaining actions are on-track.
Building better TAFEs	Eight projects have received \$220 million in funding under the Building Better TAFE program. The Box Hill Institutes Lilydale Campus Integrated Centre for Sustainable Construction Technologies is complete and operational. GOTAFE Seymour Health and Services Training Facility, the Gordon Culinary School in Geelong and the South West TAFE Warrnambool Campus Learning and Library Hub are in their construction phases. Melbourne Polytechnic Collingwood Campus Redevelopment and the Chisholm Institute of the Frankston redevelopment are in the design phase, and Bendigo Kangan Institute Broadmeadows and GOTAFE Archer Street are in the planning stage. All projects are expected to be completed by June 2025.
Bushfire recovery	The Department has delivered 3,957 financial support packages to eligible families via the 'Getting Kids Back to School' initiative and facilitated more than 95 expert community sessions with affected schools. The Department also partnered with Monash University to deliver masterclasses in high-impact teaching strategies for community level trauma.
Career education in Victorian government schools, including Head Start apprenticeships and traineeships	All Year 9 students in government schools have access to the My Career Insights planning tool, and more than 9,000 Year 9 students accessed their Careers e-Portfolio in 2020. 242 career practitioners completed the Graduate Certificate through the Upskilling initiative. A further 95 career practitioners are enrolled in the 2021 program. As at 31 March 2021, 926 students have enrolled in Head Start pathway.
Central accommodation strategy	During 2020–21 the Department was part of the Victorian Government flexible working and suburban hub initiatives. In addition, existing office workspaces were upgraded to ensure they were fit-for-function and facilitated hybrid and flexible arrangements for staff working in the office and at home.
Child Information Sharing (CIS) Scheme	In 2020–21, the scheme commenced for approximately 370,000 professionals, and more than 12,000 organisational leads received training on the information sharing reforms. Implementation has also involved establishing a helpline and providing online resources for professionals involved in the scheme.
Climate change adaptation action plan for the education and training sector	During 2020–21 the Department drafted the adaptation action plan for the education and training system. This included 22 draft actions to be undertaken between 2021–26 to support the system adapt to climate change impacts.
Differentiated support for school improvement	During 2020–21, 200 schools were supported through the differentiated support for school improvement program.
Education justice initiative	This initiative supported more than 300 young people appearing before the Children's Court in 2020–21 by helping them reconnect and remain in education and by providing advice. It also supported the transition of more than 100 young people from custody.

¹ In 2020 Victorian government departments completed internal planning in lieu of publishing strategic plans. This was due to the postponement of the State Budget for 2020–21 to adjust and respond to the impacts of the COVID-19 pandemic.

Initiative	2020–21 progress summary
Education Plans	The Department launched the Flemington and Oakleigh Education Plans in October 2020. During 2020–21 the Education Plans transformed local educational outcomes for approximately 30,000 students in 62 government schools in eight communities.
Excellence in teacher education reforms	To further strengthen teacher education 165 schools hosted over 2,600 professional experience placements. These reforms also supported 121 graduates and career-changers through employment-based pathways and 71 pre-service teachers in 2020 as part of the National Exceptional Teaching in Disadvantaged Schools program.
Free TAFE for priority courses	In 2020 approximately 30,000 students commenced Free TAFE. In addition, the introduction of ECEC qualifications led to a 113 per cent increase in commencements for these courses compared to 2019.
Funding reform	The review of school funding continued. This included updating rural and regional location measures. New funding models were developed to support mental health and disability reforms. Work also commenced on the development of a VET in secondary schools funding model.
Improving student health and wellbeing	<p>The Department continues its statewide implementation of the Health, Wellbeing and Inclusion Workforces Practice Model.</p> <p>In response to remote and flexible learning, a Health and Wellbeing Key Contact function was established to help schools access student health and wellbeing supports. A Visiting Teacher Service Project commenced, further supporting the needs of visiting teachers by developing consistent guidance.</p>
Inclusive education agenda	Policy and guidance for schools to deliver inclusive education for students with disability has been developed and implemented.
Insight assessment platform and the Digital Assessment Library	The platform is now available to all schools in Victoria. Its implementation has been supported by the delivery of resources and professional learning for schools and staff. In May, the Department added additional assessment tools to the Digital Assessment Library and made additional refinements including improving the user interface.
Investing in Our People Strategy	<p>The Department's Investing in Our People Strategy mapped the Department's actions for the recruitment, professional development and management of corporate staff.</p> <p>Its initiatives supported cultural change and safe and inclusive workplaces, and helped build staff capabilities.</p>
Learning Specialists Leading Excellence in Teaching and Learning	In 2020, delivery of the four initiatives moved online and strong engagement with learning specialists has continued. Learning specialists have developed skills in areas including reflective and middle leadership, professional identity, coaching models, influencing change, collaboration, relational trust, professional observations and feedback strategies, Indigenous approaches, vulnerability, creating safe spaces, modelling effective practice, data collection and analysis, leading in a connected world, and adult learning practices.
Literacy and Numeracy Strategy	In 2020 the Department supported 4,746 Year 10 and 11 students through the Middle Years Literacy and Numeracy Support (MYLNS) initiative. In 2021, the initiative is providing direct teaching support to up to 15,000 students. The MYLNS provided 1,088 teachers in 2020 and 1,450 teachers in 2021 with a professional development suite.
Marrung: Aboriginal education plan 2016–26	<p>Community Understanding and Safety Training has been delivered to 1,247 government school campuses.</p> <p>In 2020 the Extended Koorie Literacy and Numeracy Program provided literacy and numeracy support to 459 Koorie students in 256 schools.</p>

Initiative	2020–21 progress summary
Mental health practitioners (MHP) program	A total of 274 secondary school campuses have commenced implementing this initiative, of which 242 have recruited MHPs.
Principal health and wellbeing strategy	The principal health and wellbeing strategy delivered more than 2,500 treatment services, including 845 referrals into the early intervention program and 310 principal mentoring partnerships.
Raising the Bar: Valuing Integrity Strategy 2018–21	During 2020–21, Raising the Bar and its projects addressed emerging integrity risks including those highlighted during the Independent Broad-based Anti-Corruption Commission investigations.
Refreshed communities of practice approach	The Department supported 138 communities of practice across all 57 regional networks. In 2021, the suite of WISE professional learning programs reached 207 participants.
Responding to growth	Non-infrastructure enrolment management supports have been developed to ensure that every Victorian student can attend their neighbourhood school. This included reviewing and adjusting existing school zones, and creating 11 new zones for schools opening in 2022. The Department also developed and implemented enrolment distribution management plans based on current and projected data to support regions and principals in managing enrolments.
Responding to the recommendations from the Royal Commission into Family Violence	More than 1,950 Victorian government, Catholic and independent schools are participating in the Respectful Relationships initiative, including all government schools.
Royal Commission into Victoria's Mental Health System	The Department supported the whole of government engagement with the Royal Commission by supporting witnesses and providing evidence. The Royal Commission report was released on 2 March 2021. The Department is currently designing a fund and evidence-based menu in consultation with experts and a reference group as recommended in the report.
Safe and Well in Education Framework and Strategy 2019–24	In 2020 and 2021, several health and safety services pivoted in response to the COVID-19 pandemic including by providing the school COVID-19 Assurance Program. In addition, the Policy and Advisory Library was viewed 3.4 million times.
School infrastructure program	Of the 547 school infrastructure project commitments made to date, 178 are completed and a further 369 are in progress and remain on-track.
Skills for major projects	Extensive work was achieved on the new Footscray Hospital in developing its Connectivity Centre. This initiative also resulted in the development of Big Build Apprenticeships, which has received more than 600 expressions of interest for work opportunities.
Skills for Victoria's Growing Economy Review	The Department supported the Skills for Victoria's Growing Economy Review with departmental staff, systems and data, as well as office facilities. The Department also helped the review procure additional analysis and research services. The final report was released on 3 February 2021, and work is underway to support the Government's response to the report's recommendations.
Teaching and learning quality in VET	During 2020–21 the VET Development Centre provided 32 funded professional development sessions to 555 VET teachers, trainers and assessors.

Initiative	2020–21 progress summary
Three-Year-Old Kindergarten	Around 2,500 children are participating in Three-Year-Old Kindergarten. From the beginning of 2021, funded Three-Year-Old Kindergarten is being provided to families in 21 more regional local government areas, with 137 of 154 services in those areas offering a program.
Transforming the first years of the teaching profession	The Transforming the first years of the teaching career pilot has registered more than 350 graduate teachers.
VET-VCAL workforce reform	<p>Under these reforms, 36 schools are receiving funding to support innovative delivery of VET. 158 VET teachers have registered to participate in the industry placement program and 51 teachers have commenced the VCAL teacher scholarships program.</p> <p>In total, it is expected that more than 900 VCAL and VET teachers and VET trainers will participate.</p>
Victorian curriculum F-10 English as an Additional Language	Key materials to support implementation, assessment, reporting and transition between the English as an Additional Language and English curriculums were provided by the end of 2020. Additional materials and resources continue to be developed.
Victorian professional learning communities (PLC) initiative	205 Victorian government schools received intensive support and training to commence PLC implementation. The Department also continued to support the 833 schools already implementing PLCs.
Vocational and Applied Learning in Senior Secondary School Review	The Vocational and Applied Learning in Senior Secondary School Review delivered its final report in November 2020. The Victorian Government has accepted in-principle all of the review's recommendations. As part of the response, the Victorian Budget 2020–21 invested \$38 million to support students to access high-quality vocational and applied learning pathways and develop a new vocational pathway within the Victorian Certificate of Education (VCE).
Wirnalung Ganai 2019–21 (Aboriginal Inclusion Plan)	The Department's Aboriginal Inclusion Plan, Wirnalung Ganai, includes the Aboriginal Employment Plan. Launched in November 2020, it focuses on making the Department a culturally safe place that values and respects Aboriginal voice and expertise, ensuring an active commitment to Aboriginal self-determination. Planning has commenced to refresh Wirnalung Ganai from 2022.

Changes to the Department during 2020–21

There were no changes to the Department's objectives and output structure as a result of internal reviews or machinery of government changes.

Discontinued operations

There were no discontinued operations under the Department's output structure.

Direct costs attributable to machinery of government changes

There were no direct costs attributable to machinery of government changes 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).

Objectives, indicators and outputs

The Department's progress is reported under the objectives, outputs and indicators set out in the 2020–21 State Budget Paper No. 3 (BP3): Service Delivery, as shown in the following table.

Progress and performance reporting

The Department's progress towards BP3 objectives and indicators, and its performance against the output performance measures, are reported below.

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 early childhood development services.	<ul style="list-style-type: none">Children developmentally 'on track' on the Australian Early Development Census (AEDC) in the language and cognitive skills domains²Proportion 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 assessment³Average score in science (Programme for International Student Assessment (PISA) 15-year-olds) in Victoria compared to global top performers³Percentage of positive responses to teacher collaboration within school⁴Year 12 or equivalent completion rates of young people⁴VET course completionsCertificate III or above course completionsProportion of graduates with improved employment status after training	<ul style="list-style-type: none">Strategy, review and regulationEarly childhood educationSchool education—primarySchool education—secondaryTraining, higher education, workforce development and skillsSupport services deliverySupport for students with disabilities

² These indicators refer to government and non-government schools.

³ This indicator refers to government schools for the national assessments and both government and non-government schools for the international assessments.

⁴ These indicators refer to government schools.

Objectives	Indicators	Outputs
Engagement Increase the number of Victorians actively participating in education, training, and early childhood development services	<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) per year⁴ • Mean number of unapproved student absence days per FTE per year in secondary schools⁴ • Students with a positive opinion about their school providing a stimulating learning environment⁴ • VET enrolments by age • VET enrolments by 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 education • School education— primary • School education— secondary • Training, higher education, workforce development and skills • Support services delivery • Support for students with disabilities
Wellbeing Increase the contribution that education, training, and early childhood development 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 education • School education— primary • School education— secondary • Training, higher education, workforce development and skills • Support services delivery • Support for students with disabilities
Productivity Increase the productivity of our services.	<ul style="list-style-type: none"> • \$ per kindergarten student per year • \$ 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 education • 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 outcomes of children and young people as they move from early childhood through their school years and into further education and work. It also monitors the progress of adult learners seeking to re-skill and re-engage with the workforce. Progress is measured through four objectives:

- achievement
- engagement
- wellbeing
- productivity.

In 2020–21 the Department operated in a challenging and complex environment which included the joint effects of Australia's worst bushfires and the COVID-19 pandemic. When necessary, the Victorian education system adapted to enable learners to undertake remote and flexible learning. During 2020–21 the Department reprioritised \$37 million to meet initiatives linked to the COVID-19 pandemic response.

Despite these challenges, the Department adapted to ensure the continuity of early childhood education, schools and higher education and skills services.

The impacts of the COVID-19 pandemic are evident in reporting for 2020–21, with changes to service delivery affected some processes and data collections. As such, caution should be taken when comparing results to prior years. The majority of indicators show that for 2020, the Department's service delivery quality remained high.

Objective 1: Achievement

Raise standards of learning and development achieved by Victorians using education, development and early childhood development services.

The Department continues to equip children and students of all ages with the broad range of skills they need to reach their potential and achieve success in early childhood and school settings, and in life.

Early childhood education

High-quality ECEC services help children thrive while they are young and set them up for future success and wellbeing. Victorian services continue to perform well against the National Quality Standards for ECEC services, with 90.8 per cent meeting or exceeding NQSA1 (educational program and practice). This is a steady improvement in the quality of educational program and practice since 2016 from 87.5 per cent.

The most recent AEDC in 2018 indicated that more than 80 per cent of Victorian children in their first year of school were developmentally 'on track' on the language and cognitive skills domain.

School education

Victoria has an integrated school system supporting improvements to lift student outcomes. Schools are provided with funding to target assistance to those students who need it most. This funding enables schools to provide differentiated support according to the needs of their students, the school and the local community.

Although the 2020 National Assessment Program of Literacy and Numeracy (NAPLAN) assessment was cancelled, results from prior years indicate that Victoria remains a top performing jurisdiction.

Since 2016, Victoria's performance in the bottom three NAPLAN bands, has improved for reading and numeracy for all year levels. These improvements also flow through to the top two bands with Victoria's students achieving excellence in reading and numeracy in every year level.

To further support students, and in recognition of the challenges of remote learning, the Government committed \$250 million to the Tutor Learning Initiative in October 2020. From 2021, this package enabled Victorian schools to engage over 5,600 teachers as tutors supporting students whose engagement and learning were disrupted through remote and flexible learning. This initiative also provided for 60 additional multicultural education aides and 16 Koorie engagement support officers, supporting schools to work with families and re-engage students with learning.

Positive teacher collaboration is pivotal to improving school outcomes. According to the 2020 survey of government school teachers, 62.9 per cent are positive about collaboration in their school. This result is a slight increase from previous years and indicates that despite the challenges of 2020, the majority of teachers feel that they are collaborating positively with other staff in their school.

In PISA 2018, Victoria maintained its proportion of high performers and proportion of students who attained the National Proficient Standard, while most other Australian jurisdictions declined.

The 2019 Trends in International Mathematics and Science Study (TIMSS) results indicate that Victoria was a leading jurisdiction. The proportion of Victorian students achieving Intermediate level or above, was similar to the national average in Years 4 and 8 mathematics and science. Significant improvements in mean score results have been made in Year 8 Science, while performance in Year 8 maths and Year 4 maths and science has been stable. Results at the secondary school level show significant increases in the proportions of very high performers in Year 8 mathematics and Year 8 Science since the program began in 1995.

The Progress in International Reading Literacy Study (PIRLS) assessment, last held in 2016, indicated that a very high proportion of Victorian students are reaching international benchmarks (86 per cent).

Higher education and skills

As a result of the COVID-19 pandemic, the number of course completions in 2020 was lower than in previous years. This is expected to lead to higher continuing enrolments in 2021 by students who deferred training in 2020.

Departmental indicators against achievement

Indicators	Unit	2016	2017	2018	2019	2020
Early childhood education						
Children developmentally 'on track' on the AEDC language and cognitive skills domains						
Proportion of children developmentally 'on track' on the AEDC language and cognitive skills domains ⁵	per cent	–	–	84.6	–	–

⁵ The AEDC is held every three years, with the 2018 AEDC data collection being the fourth collection. The 2021 collection will be reported in the 2021–22 DET Annual Report.

Indicators	Unit	2016	2017	2018	2019	2020
Proportion of early childhood services meeting or exceeding NQSA1—Educational program and practice						
Proportion of early childhood services meeting or exceeding NQSA1	per cent	87.5	88.8	89.4	89.8	90.8
School education						
Students meeting the expected standard in national and international literacy and numeracy assessments^{6 7}						
Proportion of students above the bottom three NAPLAN bands:						
Year 3—Literacy	per cent	75.6	78.3	79.9	78.5	—
Year 3—Numeracy	per cent	67.8	71.7	71.6	71.8	—
Year 5—Literacy	per cent	66.2	66.9	70.4	69.7	—
Year 5—Numeracy	per cent	61.0	61.8	62.2	64.0	—
Year 7—Literacy	per cent	56.9	60.8	59.7	62.0	—
Year 7—Numeracy	per cent	62.1	64.2	61.1	64.2	—
Year 9—Literacy	per cent	48.9	50.4	53.0	52.3	—
Year 9—Numeracy	per cent	51.5	53.6	57.5	55.4	—
Proportion of students in the top two NAPLAN bands:						
Year 3—Literacy	per cent	54.1	56.5	58.3	58.0	—
Year 3—Numeracy	per cent	40.7	44.3	43.8	44.7	—
Year 5—Literacy	per cent	38.3	39.7	43.0	40.4	—
Year 5—Numeracy	per cent	31.7	30.6	31.1	33.3	—
Year 7—Literacy	per cent	27.4	30.9	28.5	30.7	—
Year 7—Numeracy	per cent	32.4	35.0	31.1	36.2	—
Year 9—Literacy	per cent	20.7	20.5	21.7	22.6	—
Year 9—Numeracy	per cent	23.3	23.8	27.2	25.7	—
Proportion of Year 4 students reaching international benchmarks (PIRLS) ⁸ —Reading	per cent	86.0	—	—	—	—

⁶Victorian government and non-government schools.

⁷The 2020 NAPLAN assessment was cancelled in March 2020—therefore results cannot be reported.

⁸Source: *PIRLS*, 2016. Data collected every five years. The next assessment has been postponed to late 2021 (due to the impact of the COVID-19 pandemic on member countries) and will be reported in either the Department's 2022–23 or 2023–24 Annual Report, contingent on international publication timelines.

Indicators	Unit	2016	2017	2018	2019	2020
Proportion of Year 4 students achieving the intermediate international benchmark (TIMSS)—Mathematics ⁹	per cent	–	–	–	72.0	–
Proportion of Year 8 students achieving the intermediate international benchmark (TIMSS)—Mathematics ⁹	per cent	–	–	–	67.1	–
Proportion of 15-year-old students achieving at or above proficient standard (level 3) in PISA reading literacy ¹⁰	per cent	–	–	62.3	–	–
Proportion of 15-year-old students achieving at or above proficient standard (level 3) in PISA mathematical literacy ¹⁰	per cent	–	–	56.5	–	–
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 ¹¹	mean score	–	–	-19	–	–
Percentage of positive responses to teacher collaboration within schools						
Percentage of positive responses to teacher collaboration within school	per cent	60.6	61.2	60.9	61.0	62.9
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	92.6	87.7	90.5	90.4	89.9

⁹ Source: S. Thomson, N. Wernert, S. Rodrigues, & E. O'Grady, 2020, *TIMSS 2019 Australia. Volume I: Student performance*, Australian Council for Educational Research. TIMSS data is collected every four years. The intermediate international benchmark is considered the Australian National Proficient Standard. The next assessment is scheduled to be undertaken in 2023. Results will be published in the Department's 2024–25 Annual Report, contingent on international publication deadlines.

¹⁰ PISA data is collected every three years. In Australia, the national agreed baseline, in the Measurement Framework for Schooling in Australia (May 2015), is at or above the National Proficient Standard (Level 3). The next PISA assessment has been postponed to 2022 (due to the impact of the COVID-19 pandemic on member countries) and will be reported in either the Department's 2022–23 or 2023–24 Annual Report, contingent on international publication timelines.

¹¹ Top performing PISA jurisdictions are defined as the top 25 per cent of jurisdictions (both countries and economic areas) undertaking the PISA test in that cycle based on their mean score. Country/economic area rankings may shift over time.

¹² Source: Australian Bureau of Statistics (ABS) Survey of Education and Work (cat.no. 6227.0). These are survey estimates and subject to statistical error. Outcomes reported for 2014–17 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	2016	2017	2018	2019	2020
Higher education and skills						
VET course completions						
VET completions ¹³	number	107,900	94,300	101,300	94,200	71,600
Certificate III or above completions						
Certificate III or above completions	number	87,100	75,000	78,700	71,600	53,800
Proportion of graduates with improved employment status after training						
Proportion of graduates with improved employment status after training	per cent	47.1	51.4	50.1	55.4	- ¹⁴

Objective 2: Engagement

Increase the number of Victorians actively participating in education, development and early childhood development services.

Engagement with services remained high in 2020, although the impact of the COVID-19 pandemic and associated restrictions reduced some demand. Despite this, assessments of early childhood quality remained high and levels of student absence in schools decreased.

Early childhood education

The Department is reforming the early childhood sector by making services more accessible and inclusive, and supporting higher-quality education. This gives all Victorian children the best start in life. Three-Year-Old Kindergarten enables an additional year of play-based learning for all children, as well as continuing targeted supports for children who have a disability or, developmental delay, or who are vulnerable or disadvantaged.

Kindergarten programs have well-documented long-term academic and social benefits for children. In 2020, \$71.7 million was invested to enable kindergarten services to respond to the impacts of the COVID-19 pandemic. The 2020–21 State Budget invested a further \$169.6 million to make kindergarten free in 2021 as a time-limited measure, providing families with economic support as part of the COVID-19 pandemic recovery.

In 2020, 89.1 per cent of children were enrolled in kindergarten in the year before school. This was lower than in previous years, due in part to the impact of the COVID-19 pandemic on the number of children enrolling after the kindergarten year commenced. Very few children enrolled from Term 2 onwards. The actual result may also be higher than 89.1 per cent because the reduction in

¹³ Source: Internal departmental administrative data from the Skills Victoria Training System 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 that may have commenced either in that year or in previous years.

¹⁴ Source: Victorian Student Satisfaction Survey (multiple years). The survey is of students who completed or left training in the previous year. Therefore, the 2019 result (latest available) in this table is of student training experiences in 2019, based on the 2020 Satisfaction Survey, which was reported as 2020–21 result in the 2021–22 State Budget Papers. The 2021 survey results of 2020 student experiences are not yet publicly available. All the above figures are as published in the Budget Papers. Due to two changes in the survey methodology, the results for this measure cannot be compared over time. In the 2018 Survey (of 2017 experiences), respondents were given an extra response option in one of the relevant questions. In the 2020 Survey (of 2019 experiences), a further change was made to the job-related benefits question to reduce complexity and confusion.

immigration means that the population estimate, on which the enrolment rate is based, is likely too high.

It is important that all children experience the benefits of kindergarten. The Department continues to focus dedicated supports on cohorts more likely to miss out on kindergarten. These include children in out-of-home care, newly arrived migrants and refugees, and children attending family day care or other early childhood services that do not have a funded kindergarten program.

Dedicated and collaborative efforts in recent years have improved participation among some cohorts, particularly three and four-year-old Aboriginal children (through the leadership of Aboriginal organisation), and three-year-olds known to Child Protection and eligible for Early Start Kindergarten. Replicating this success for other cohorts requires ongoing effort and collaboration between the Department, local government and communities.

Victoria's ECEC sector continues to provide high levels of care, with most service providers performing strongly against national standards. In 2020, 97.8 per cent of Victorian ECEC services met or exceeded NQSA6 (collaborative partnerships with families and communities). This high level of performance has remained stable for the past five years.

School education

School attendance is associated with improved academic outcomes and is important to maintaining wellbeing and social connections.

In 2020, the average number of days absent per FTE student in government schools reduced for all year levels. This decrease was attributable to fewer absences owing to student illness and family holidays during periods of remote learning. In contrast, absence due to parent choice was higher than normal during periods of on-site learning, indicating that some families were concerned with the COVID-19 risk associated with on-site attendance.

Unapproved absence increased slightly between 2019 and 2020. Overall, the significant focus on absence in government schools has led to improvements in the unapproved absence rate. Through 2020, student attendance and engagement were a focus, particularly in periods of remote and flexible learning. Schools use a range of evidence-based strategies, including tutoring, mentoring and behaviour supports to meet the specific needs of at-risk students. In addition, the Department provides a range of early interventions, including:

- student support services, engaging psychologists, speech pathologists and social workers
- funded school-based wellbeing staff, including primary welfare officers, student wellbeing coordinators, chaplains and mental health practitioners
- school focused youth services working alongside the Navigator program and responding to student disengagement before it reaches extreme levels. This includes services reaching students in primary years
- specific support such as LOOKOUT for students in out-of-home care and Koorie engagement support officers working with students and carers to support engagement in education.

Positive engagement with schooling is associated with improving student achievement. Overall, most Victorian students believe that their school provides a stimulating learning environment, although in 2020 primary school students were slightly less likely to report this than in previous years. Conversely, secondary school perceptions of stimulating learning increased in 2020. While changes to the Student Attitude to Schools Survey instrument and implementation across both remote and on-site learning in 2020 mean that this data is not directly comparable to previous years,

the results may indicate that the secondary school learning environment was more easily adapted to remote learning.

In July 2020, Learning First published a report on the impact of remote and flexible learning on Victoria's students. The report found that self-motivated, self-directed, or older students thrived during remote learning, as did high-functioning students with autism and those who experience social anxiety in a classroom environment. Students who found remote learning challenging included those with additional learning needs who required extra supports at home, those with lower levels of English proficiency and disadvantaged students with lower access to information technology devices. The ability of parents to support younger students was also raised as a limitation during remote learning.

To address these concerns, in the second half of 2020 the Department expanded access to IT devices, particularly for vulnerable cohorts. Schools implemented ways to tailor learning to the digital environment, structuring lessons around shorter initial instructions with the opportunity for students to work on set tasks or problems. This supported individual interactions with teachers. This also included the provision of additional learning materials via the Department's Arc digital learning hub. The Department also ensured that wellbeing supports were available to staff and expanded services for vulnerable children and those at risk of disengaging, such as LOOKOUT and Navigator.

Higher education and skills

Despite the impact of the COVID-19 pandemic resulting in a slight decline in total government-funded accredited VET activity in Victoria, continuing enrolments rose by 11 per cent in 2020 compared with the same period in 2019.

This strong growth in continuing enrolments was driven by students who commenced in Free TAFE and continued into 2020. The positive impacts of the Skills First reforms (implemented in 2017) continued ensuring a quality benchmark for training providers and created stronger links between training and job outcomes.

Departmental indicators against engagement

Indicators	Unit	2016	2017	2018	2019	2020
Early childhood development						
Participation in a kindergarten service in the year before school						
Participation in a kindergarten service in the year before school ¹⁵	per cent	96.2	93.4	92.1	91.8	89.1
Proportion of ECEC services meeting or exceeding NQSA6 – Collaborative partnerships with families and communities						
Proportion of ECEC services meeting or exceeding NQSA6	per cent	95.9	96.2	96.9	97.4 ¹⁶	97.8

¹⁵ In 2014, the methodology changed slightly due to an improvement in available data and methods of analysis. The method of identifying and excluding second year enrolments was 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.

¹⁶ The 2019 result has been updated from 96.6 to 97.4 per cent.

Indicators	Unit	2016	2017	2018	2019	2020
School education						
Mean number of student absence days per FTE per year¹⁷						
Year 5	number	15.1	15.5	15.6	16.4	13.6
Year 6	number	15.6	16.3	16.3	17.3	13.8
Years 7–10	number	19.7	20.2	20.4	21.3	18.9
Years 11–12	number	16.6	16.6	16.9	17.3	14.8
Mean number of unapproved student absence days per FTE per year in primary schools						
Years 1–6	number	5.4	5.0	3.8	3.6	5.3
Mean number of unapproved student absence days per FTE per year in secondary schools						
Years 7–12	number	8.0	7.8	6.6	6.4	8.3
Students with a positive opinion about their school providing a stimulating learning environment						
Proportion of student responses that 'agreed' or 'strongly agreed' that their school provides a stimulating learning environment ¹⁸ :						
Years 4–6 ¹⁹	per cent	–	81.1	81.0	81.3	77.6
Years 7–10	per cent	–	52.0	54.3	55.1	57.8
Years 11–12	per cent	–	52.3	54.2	55.6	59.3
Higher education and skills						
Accredited VET enrolments by student age and gender²⁰						
15–19 years	number	59,300	53,500	49,900	50,800	45,700
20–24 years	number	69,700	65,200	60,700	62,900	61,400
25–44 years	number	121,500	110,800	100,000	108,500	105,200
45–64 years	number	62,900	56,100	49,500	51,400	45,700
Female	number	153,400	144,600	133,500	143,400	135,000
Male	number	166,900	147,000	131,800	135,100	126,400

¹⁷Victorian government schools. Absence data extracted on 18 June 2021. Reported absences may change slightly if extracted at a later date.

¹⁸ Following a change to the 2017 survey instrument, this measure has been revised to align with the new reporting methodology used in other public reporting such as government school Annual Reports. Four years of time series using the new methodology have been provided to aid comparison.

¹⁹ From 2017, the Attitude to School Survey was extended to Year 4 students. This measure has been updated to include Years 4 to 6 instead of Year 5 to 6 as reported prior to 2017.

²⁰Source: Internal departmental administrative data from the SVTS database. Measure is not directly related to engagement and will be discontinued next year.

Indicators	Unit	2016	2017	2018	2019	2020
VET enrolments by administrative region²⁰⁰						
South western	number	144,300	129,500	114,000	118,200	110,200
North western	number	82,600	76,300	72,700	71,500	61,500
North eastern	number	64,700	60,600	55,700	58,600	52,500
South eastern	number	92,500	81,300	73,500	81,000	74,100
VET enrolments by skills shortage category courses						
Government-subsidised enrolments in skill demand occupations	number	124,800	111,500	99,900	104,900	106,900 ²⁰⁰
VET enrolments by specialised category courses						
Government-subsidised enrolments in specialist occupations	number	74,400	69,800	68,400	71,500	69,200 ²⁰
VET participation by learners facing barriers						
Indigenous people	number	5,100	5,000	4,900	5,300	4,900
People with a disability	number	34,400	31,100	29,100	30,100	25,100
VET participation by unemployed learners						
VET participation by unemployed learners	number	87,900	75,400	62,800	66,100	61,000
Proportion of VET students satisfied with the teaching in their course						
Proportion of VET students satisfied with the teaching in their course	per cent	85.6	85.6	84.4	86.3	— ²¹

Objective 3: Wellbeing

Increase the contribution that education, training, and early childhood development services make to good health and quality of life for all Victorians, particularly children and young people.

The Department maintained a strong focus on mental health and wellbeing throughout 2020. This included new initiatives in 2020–21, including school readiness funding providing the support that children and families require to be ready for school. These programs are important to supporting those with the greatest need.

Early childhood development

Wellbeing indicators are positive for most Victorian children starting school. Results from the 2020 School Entrant Health Questionnaire, a survey of parents of children starting school, show that

²¹ NCVET National Student Outcomes Survey data for training in 2020 were not publicly available at the time of publication.

78 per cent of children are at low risk of behavioural problems. Similarly, the proportion of children entering with no general development issues has declined since 2018.

An increase in reports of children with developmental vulnerabilities may be explained by improved diagnostic methods and increased awareness. This means that more families can discuss developmental concerns with schools and access further support.

More than three-quarters of Victorian children in their first year of school are assessed by their teachers as 'on track' against the AEDC social competence or emotional maturity domains.

School readiness funding is improving children's engagement in kindergarten programs. The funding supports child development under three priority areas: communication (language development), wellbeing (social and emotional) and access and inclusion. A menu of evidence-informed programs and supports has been developed to guide kindergarten services with their spending under these areas. In 2020, school readiness funding was delivered in 32 local government areas and to all kindergarten services run by Aboriginal Community Controlled Organisations. The funding reached around 860 kindergarten services and approximately 30,000 children. In addition, more than 1,700 early childhood services not receiving school readiness funding were provided with a Term 4 grant of up to \$5,000.

School education

Student wellbeing factors, such as feeling safe and connected to school, are important for student happiness and other aspects of school life. The Student Attitudes to School Survey measures government school students' responses to various aspects of school life, including how connected they feel to school, their sense of safety at school and the behaviour of students in their classroom.

Most government school students – nearly 80 per cent of primary and nearly 60 per cent of secondary students – reported feeling connected to their schooling. Results from 2020 indicated that while the proportion of primary school students feeling connected to their schooling declined slightly, secondary school student results increased. Caution should be taken when comparing these results to prior years due to changes to the timing, question structure and participation rates of the 2020 survey.

Feeling safe at school is an important element of student engagement. Most students agree or strongly agree that their teacher sets clear rules and manages misbehaviour effectively. At this time, it is not clear whether remote learning contributed to a small decline in primary school student responses compared with an increase in secondary school responses. The proportion of government school students experiencing bullying has declined progressively since 2017. Senior secondary students are the most likely to report that they have not been bullied.

Substantial progress has been made to, support student mental health and wellbeing as a result of the COVID-19 pandemic and in response to the Royal Commission into Mental Health Services. The Department has supported every school to employ a mental health practitioner and facilitated HeadSpace counselling. The 2020–21 budget also included \$28.5 million to expand the mental health practitioners program to 83 secondary and P12 specialist schools, and the Mental Health in Primary Schools pilot and Navigator program for disengaged students.

Higher education and skills

Surveys of students in relation to their experiences showed that satisfaction levels with VET continue to rise. The proportion of government-funded graduates satisfied with the quality of training increased from 84.3 per cent in 2016 to 87.3 per cent in 2020.

Departmental indicators against wellbeing

Indicators	Unit	2016	2017	2018	2019	2020
Early childhood development						
Proportion of children who have no behavioural issues on entry into Prep²²						
Proportion of children who have no behavioural issues on entry into Prep	per cent	83.9	82.7	80.3	77.9	78.0
Proportion of children who have no general developmental issues identified by parents on entry into Prep	per cent	45.6	43.8	35.0 ²³	36.6	36.0
Children developmentally 'on track' on the AEDC social competence and emotional maturity domains						
Social competence domain	per cent	–	–	77.3	–	–
Emotional maturity domain	per cent	–	–	77.7	–	–
School education²⁴						
Students feeling connected to their school						
Proportion of Victorian government school student responses that 'agreed' or 'strongly agreed' that they feel connected to schooling						
Years 4–6	per cent	–	81.7	81.2	81.0	79.2
Years 7–10	per cent	–	56.0	56.7	56.0	59.9
Years 11–12	per cent	–	52.8	53.1	53.3	59.4
Students with a positive opinion about their school providing a safe and orderly environment for learning						
Proportion of Victorian government school students who say they have not been bullied recently ²⁵						
Years 4–6	per cent	–	74.7	80.0	81.6	83.3
Years 7–9	per cent	–	73.3	78.8	80.5	88.2
Years 10–12	per cent	–	81.4	85.4	87.5	92.5

²² In 2020, the number of health assessments conducted by school nurses was lower due to the impact of the COVID-19 pandemic restrictions on face-to-face service delivery. As a result, there may be a small variation in results compared to prior years.

²³ This result published in the 2019–20 Annual Report was incorrect due to an error. This has now been corrected.

²⁴ These school education measures relate to Victorian government schools

²⁵ From 2017, the Attitude to School Survey introduced a new question related to bullying. This measure has been updated to include the new question and reporting methodology. Four years' time series data is provided to aid comparison.

Indicators	Unit	2016	2017	2018	2019	2020
Proportion of Victorian government school students who 'agreed' or 'strongly agreed' that their teacher sets clear rules / manages misbehaviour effectively ²⁶						
Years 4–6	per cent	–	80.1	79.9	79.8	77.0
Years 7–10	per cent	–	56.1	57.8	58.1	61.8
Years 11–12	per cent	–	56.0	56.9	57.5	62.7
Higher education and skills						
Level of student satisfaction with VET						
Proportion of government-funded graduates satisfied with the quality of training ²⁷	per cent	84.3	85.3	85.2	85.7	87.3

Objective 4: Productivity

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

Investments in services across early childhood, schools and higher education and training continue to grow. The minimum funding available for children attending kindergarten in the year before school has increased between 2016 and 2020, from \$3,335 per child to \$3,682.

Investment in Victoria's schooling continues to grow with government real recurrent expenditure per FTE student in primary schools increasing to \$15,704 in 2018–19. Government real recurrent expenditure per FTE student in secondary schools increased to \$19,546. Analysis of data published in the Productivity Commission's Report on Government Services indicates that Victorian Government expenditure in government schools increased more than any other states or territories between 2014–15 and 2018–19, at 15.0 per cent²⁸.

Investment in VET has also continued to grow. Since 2016, investment in the VET system, as measured through expenditure per student contact hour, has increased in real terms from \$12.87 per hour to \$14.24 per hour in 2019.

²⁶ As with other measures drawn from the Attitude to School Survey, this measure has been revised, reflecting reporting in government school annual reports. Four years' time series data is provided to aid comparison.

²⁷ Source: National Centre for Vocational Education Research (NCVER) *National Student Outcomes Survey*. Table 5A.14.

²⁸ Calculations drawn from the 2021 RoGS, table 4A.14

Departmental indicators against productivity

Indicators	Unit	2016	2017	2018	2019	2020
Early childhood development						
Dollar per kindergarten child per calendar year in the year prior to school						
Minimum funding available to the majority of children (approximately 90 per cent in 2020) who access a kindergarten program in the year prior to school	\$ per child	3,335	3,448	3,549	3,638	3,682
School education—primary and secondary						
Dollar per primary school student per financial year						
Government real recurrent expenditure (including user cost of capital) per FTE student in primary schools (2018–19 dollars) ²⁹	\$ per FTE student	14,662	15,176	15,704	— ³⁰	—
Dollar per secondary school student per financial year						
Government real recurrent expenditure (including user cost of capital) per FTE student in secondary schools (2018–19 dollars)	\$ per FTE student	18,291	18,863	19,546	—	—
Higher education and skills						
Dollar per VET student contact hour per calendar year						
Victorian Government real recurrent expenditure per annual hour (2019 dollars)	\$ per hour	12.87	15.23	15.72	14.24	— ³¹

²⁹ Government expenditure refers to Australian and Victorian government expenditure. Time series financial data are adjusted to 2018–19 dollars as reported in Table 4A.15. 2016 data relates to 2016–17, 2017 to 2017–18 and 2018 to 2018–19.

³⁰ The Productivity Commission's *Report on Government Services* is published in early February each year. There is a time lag in reporting of financial data, with 2019–20 results to be released in 2022 and 2020–21 results in 2023.

³¹ The Productivity Commission's *Report on Government Services* is published in early February each year. There is a time lag in reporting of financial data, with the 2020 results expected to be released in February 2022.

Performance against output performance measures

The following sections detail the outputs provided by the Department to the Victorian Government, including performance measures and costs for each output, and the actual performance results against budgeted targets by output over the full year ending 30 June 2021.

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

- strategy, review and regulation
- early childhood education
- school education—primary
- school education—secondary
- training, higher education and workforce development
- support services delivery
- support for students with disabilities.

The reported outputs refer to the financial year, unless otherwise indicated.

Strategy, review and regulation

This output develops, plans and monitors strategic policy settings across all stages of learning. It also includes inter-governmental negotiations as well as research, data and performance evaluations. This output also supports regulation that ensures quality education and training is delivered.

Strategy, review and regulation performance measures

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Quantity					
Number of RTO quality audits and school reviews undertaken annually	number	78	102	–23.5	■
<i>The 2020–21 outcome is lower than the target due to the impact of the COVID-19 pandemic and the need to alleviate regulatory burden.</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	94	90	4.4	✓
<i>The above performance measure relates to the calendar year.</i>					
Regulated schools and RTOs that rate the VRQA effective or highly effective in performing its regulatory function	per cent	94	90	4.4	✓
<i>The above performance measure relates to the calendar year.</i>					
Percentage of government schools where an enrolment audit is conducted	per cent	11.3	32.5	–65.2	■
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target because of fewer approved audits being conducted due to the COVID-19 pandemic.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Cost					
Total output cost	\$ million	115.3	118.4	–2.6	✓

No footnote required.

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

Early childhood education

This output involves the provision of kindergarten and children's services. These services include the monitoring of education and care services and specialist services to improve access to kindergartens among children experiencing disadvantage. This output group 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.

Early childhood education performance measures

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Quantity					
Children funded to participate in kindergarten in the year before school	number	79,850	81,000	–1.4	○

The above performance measure relates to the calendar year, and includes first and second year kindergarten participants.

Aboriginal children funded to participate in kindergarten in the year before school	number	1,653	1,350	22.4	✓
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The above performance measure relates to the calendar year and includes first and second year Aboriginal kindergarten participants. The 2020–21 outcome is higher than the target due to the higher than previously estimated Aboriginal population in the year before school, and increased service participation by this group.

Kindergarten participation rate in the year before school	per cent	89.1	96.0	–7.2	■
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The above performance measure relates to the calendar year and excludes children who participate in a second year of the four-year old kindergarten program. The 2020–21 outcome is lower than the 2020–21 target, due in part to the impact of the COVID-19 pandemic on the number of children enrolling after the kindergarten year commenced, with very few children enrolling from Term 2 onwards.

Kindergarten participation rate for Aboriginal children in the year before school	per cent	100.0	90.0	11.1	✓
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The above performance measure relates to the calendar year, and excludes children who participate in a second year of the four-year old kindergarten program. The 2020–21 outcome is higher than the target due to the continued success of initiatives to increase participation for Aboriginal children, including the Koorie Kids Shine at Kindergarten campaign.

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Children funded to participate in kindergarten in the year two years before school	number	2,673	2,300	16.2	✓
<i>The above performance measure relates to the calendar year, and includes children in Early Start Kindergarten (ESK) and the phased rollout of Three-Year-old Kindergarten. The 2020–21 outcome is higher than the target due to an increase in ESK uptake among children known to Child Protection. This reflects targeted interventions aimed at increasing participation of vulnerable children in funded kindergarten, including Early Childhood LOOKOUT, supporting children in out-of-home care.</i>					
Average number of inspections per service	number	0.58	0.85	–31.8	■
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target, because fewer compliance inspections and quality audits were conducted in the first half of 2020 due to the COVID-19 pandemic.</i>					
Proportion of approved eligible services assessed and rated	per cent	6.2	25.0	–75.0	■
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target because the assessment and rating process was suspended for most of 2020 due to the COVID-19 pandemic.</i>					
Quality					
Education and care services offering a funded kindergarten program assessed as exceeding the National Quality Standard	per cent	43	46	–6.5	■
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target due to the higher than usual number of long day care services that were newly funded to deliver a kindergarten program in 2020, being assessed as 'meeting' (or below) the National Quality Standard. The impact of changes made to the requirements to be assessed as 'exceeding' also contributed to this outcome.</i>					
Education and care services offering a funded kindergarten program assessed as meeting or exceeding the National Quality Standard	per cent	91	91	0.0	✓
<i>The above performance measure relates to the calendar year.</i>					
Parent satisfaction with kindergarten services	per cent	–	90	–	–
<i>The above performance measure relates to the calendar year and includes funded kindergarten providers. No outcome has been reported in 2020–21 because the kindergarten satisfaction survey was cancelled due to the COVID-19 pandemic. This impacted the underlying data collection.</i>					
Cost					
Total output cost	\$ million	822.3	857.6	–4.1	✓
<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

The school education output group comprises two outputs:

- i. School education—primary output provides services to develop essential skills and learning experiences to engage young minds in the primary sector
- ii. 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 across sectors 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, which shift the focus from national minimum standards. The BP3 targets for Koorie students measure—at Years 3, 5, 7 and 9—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 provides services to develop essential skills and learning experiences to engage young minds and improve the quality of learning of students from Prep to Year 6 in government and non-government schools.

School education—primary performance measures

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Quantity					
Investment in non-government schools (primary)	\$ million	469.8	485.2	–3.2	○
<i>No footnote required.</i>					
Percentage of government primary school students receiving equity funding	per cent	25	26	–3.8	○
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Number of teachers who completed professional development as Mathematics and Science Specialists	number	201	200	0.5	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Number of Assistant Principals participating in leadership development programs, including the Aspiring Principals Program	number	388	700	–44.6	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is lower than the target due to the COVID-19 pandemic.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Number of principals participating in leadership development programs, including the Expert Leaders of Education Program	number	671	1,100	–39.0	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is lower than the target due to the COVID-19 pandemic.</i>					
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	2,470	3,000	–17.7	■
<i>The above performance measure relates to the calendar year and refers to government schools only. This performance measure includes all school staff (teaching and education support). The 2020–21 outcome is lower than the target due to the COVID-19 pandemic.</i>					
Number of teachers completing mentoring training	number	835	900	–7.2	■
<i>The above performance measure relates to the calendar year and includes early childhood teachers. The 2020–21 outcome is lower than the target due to a small number of participants who cancelled or postponed their attendance in response to the COVID-19 pandemic, and the move to remote and flexible learning in Term 2, 2020.</i>					
Number of Victorian schools participating as a lead school for the Respectful Relationships Initiative	number	382	382	0.0	✓
<i>The above performance measure relates to primary and secondary schools.</i>					
Number of school-based staff who have participated in whole-school Respectful Relationships professional learning initiative	number	30,000	30,000	0.0	✓
<i>The above performance measure relates to the calendar year and refers to primary and secondary schools.</i>					
Number of schools able to access the Digital Assessment Library	number	2,413	2,413	0.0	✓
<i>The above performance measure relates to the calendar year.</i>					
Number of Digital Assessment Library items developed	number	1,887	1,590	18.7	✓
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is higher than the target due to a greater than expected amount of content becoming available through the library for construction of tests.</i>					
Number of schools supported with strategic business and financial support	number	859	400	114.8	✓
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is higher than the target due to greater uptake of support services by schools and greater than expected demand for online training.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Number of school staff attending strategic business and financial support training	number	1,167	2,500	–53.3	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is lower than the target due to a number of scheduled training sessions not being delivered during 2020 because of the COVID-19 pandemic.</i>					
Proportion of eligible schools in receipt of funding for the Swimming in Schools program	per cent	100	100	0.0	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Units of service provided by Data and Evidence Coaches	number	934	1,140	–18.1	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is lower than the target, with the COVID-19 pandemic affecting on-site service delivery to schools.</i>					
Quality					
Average days lost due to absence at Year 5	number	13.6	14.1	3.5	✓
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is lower than the target, with the COVID-19 pandemic and the move to remote and flexible learning during 2020 resulting in fewer overall absences for illness and family holidays.</i>					
Average days lost due to absence at Year 6	number	13.8	14.5	4.8	✓
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is lower than the target, with the COVID-19 pandemic and the move to remote and flexible learning during 2020 resulting in fewer overall absences for illness and family holidays.</i>					
Average days lost due to absence for Aboriginal students in Prep to Year 6	number	26.7	24.0	11.3	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is higher than the 2020–21 target. This is likely to be due to the COVID-19 pandemic and the move to remote and flexible learning during 2020. The rate covers all absences, including those due to illness and parent choice. This cohort is small and data is subject to volatility.</i>					
Proportion of positive responses to school satisfaction by parents of government primary school students	per cent	85	85	0.0	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Percentage of government schools compliant with the Child Safety Standards three months after review	per cent	98	100	–2.0	○
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 3 (NAPLAN testing)	per cent	–	46.7	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 5 (NAPLAN testing)	per cent	–	35.2	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of Aboriginal students above the bottom three bands for reading in Year 3 (NAPLAN testing)	per cent	–	58.2	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of Aboriginal students above the bottom three bands for reading in Year 5 (NAPLAN testing)	per cent	–	44.6	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students above the bottom three bands for numeracy in Year 3 (NAPLAN testing)	per cent	–	73.8	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students above the bottom three bands for numeracy in Year 5 (NAPLAN testing)	per cent	–	66.0	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students above the bottom three bands for reading in Year 3 (NAPLAN testing)	per cent	–	82.0	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Percentage of students above the bottom three bands for reading in Year 5 (NAPLAN testing)	per cent	–	72.5	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students in the top two bands for numeracy in Year 3 (NAPLAN testing)	per cent	–	46.7	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students in the top two bands for numeracy in Year 5 (NAPLAN testing)	per cent	–	35.3	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students in the top two bands for reading in Year 3 (NAPLAN testing)	per cent	–	60.7	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students in the top two bands for reading in Year 5 (NAPLAN testing)	per cent	–	45.1	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Years 5–6 students' opinion of their connectedness with the school	5-point scale	4.1	4.4	–6.8	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is lower than the target, likely due to the impact of changes to survey timing and structure to account for remote learning. This, combined with the lower response rate in 2020 has reduced the comparability of results.</i>					
Proportion of identified schools that subsequently improved their performance	per cent	–	60.0	–	–
<i>The above performance measure relates to the calendar year and refers to government schools only. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Proportion of participants rating (at or above 'significant') the impact of the Bastow Institute of Educational Leadership's professional learning on their own development and practice	per cent	93.0	78.0	19.2	✓

The above performance measure relates to the calendar year. The 2020–21 outcome is higher than the target due to the continued strong quality and effectiveness of Bastow programs, and indicates the maintenance of the quality approach in selection and transition of programs to online as Bastow responded to the COVID-19 pandemic. This represents an update of the 2020–21 outcome from 78 per cent as published in State Budget Paper 3.

Proportion of participants who are satisfied with the Bastow Institute of Educational Leadership's professional learning and development training'	per cent	90.0	82.0	9.8	✓
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The above performance measure relates to the calendar year. The 2020–21 outcome is higher than the target due to the continued strong quality and effectiveness of Bastow programs, and indicates the maintenance of the quality approach in selection and transition of programs to online as Bastow responded to the COVID-19 pandemic. This represents an update of the 2020–21 outcome from 82 per cent as published in State Budget Paper 3.

Cost					
Total output cost	\$ million	6,392.9	6,431.3	-0.6	✓

No footnote required.

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. These seek to consolidate literacy and numeracy competencies including creative and critical thinking, as well as physical, social, emotional and intellectual development in adolescence. It also covers the provision of services to improve pathways to further education, training and employment.

School education—secondary performance measures

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Quantity					
Investment in non-government schools (secondary)	\$ million	490.2	500.5	-2.1	○
<i>No footnote required.</i>					
Number of school students enrolled in VCAL	number	22,888	20,600	11.1	✓

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is higher than the target due to greater than anticipated demand for the qualification.</i>					
Number of school students participating in accredited vocational programs	number	48,561	48,000	1.2	✓
<i>The above performance measure relates to the calendar year.</i>					
Number of school-based apprentices/trainees	number	3,520	3,700	–4.9	○
<i>The above performance measure relates to the calendar year.</i>					
Proportion of all secondary schools offering vocational options to students as part of their secondary school certificate	per cent	94.5	96.0	–1.6	○
<i>The above performance measure relates to the calendar year.</i>					
Number of students for which government secondary schools are funded to ‘catch up’	number	10,700	11,100	–3.6	○
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Percentage of government secondary school students receiving equity funding	per cent	31.0	32.0	–3.1	○
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Number of students participating in the Victorian Young Leaders program	number	280	430	–34.9	■
<i>The 2020–21 outcome is lower than the target due to travel restrictions and the impact of national statutory changes on delivery of the program.</i>					
Number of partner secondary schools accessing a Tech School	number	168	130	29.2	✓
<i>The above performance measure relates to the calendar year and refers to government and non-government schools who are partnered to a Tech School. The 2020–21 outcome is higher than the target due to an increase in the number of eligible schools (new schools opening in service areas), and a higher proportion of partner schools accessing Tech School programs and support during the remote learning period.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Quality					
Average days lost due to absence in Years 11 and 12	number	14.8	16.1	8.1	✓
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is lower than the target due to the COVID-19 pandemic, and the move to remote and flexible learning during 2020. A lower figure is more desirable, as it indicates that students are having fewer days away from school. The rate covers all absences, including those due to illness and parent choice.</i>					
Average days lost due to absence in Years 7–10	number	18.9	19.0	0.5	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Average days lost due to absence for Aboriginal students in Years 7 to 12	number	37.0	35.0	–5.7	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is higher than target. This is likely to be due to the impact of the COVID-19 pandemic and the move to remote and flexible learning during 2020. The rate covers all absences, including those due to illness and parent choice. This cohort is small and data is subject to volatility.</i>					
Median VCE study score	number	29	29	0.0	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Proportion of positive responses to school satisfaction by parents of government secondary school students	per cent	81	80	1.3	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 7 (NAPLAN testing)	per cent	–	29.7	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 9 (NAPLAN testing)	per cent	–	27.9	–	–
<i>This performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of Aboriginal students above the bottom three bands for reading in Year 7 (NAPLAN testing)	per cent	–	29.2	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Percentage of Aboriginal students above the bottom three bands for reading in Year 9 (NAPLAN testing)	per cent	–	26.3	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of school leavers completing a VCE VET program in a school progressing to further education, training or work	per cent	92.2	95.0	–2.9	○
<i>The above performance measure relates to the calendar year.</i>					
Percentage of school leavers completing an intermediate or senior VCAL in a school progressing to further education, training or work	per cent	79.5	85.0	–6.5	■
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target due to a significant proportion of students deferring further education and training in 2020 due to challenges relating to online program delivery and reductions in employment opportunities resulting from the COVID-19 pandemic.</i>					
Percentage of students above the bottom three bands for numeracy in Year 7 (NAPLAN testing)	per cent	–	64.7	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students above the bottom three bands for numeracy in Year 9 (NAPLAN testing)	per cent	–	57.9	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students above the bottom three bands for reading in Year 7 (NAPLAN testing)	per cent	–	61.1	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students above the bottom three bands for reading in Year 9 (NAPLAN testing)	per cent	–	53.3	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students in the top two bands for numeracy in Year 7 (NAPLAN testing)	per cent	–	36.7	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Percentage of students in the top two bands for numeracy in Year 9 (NAPLAN testing)	per cent	–	27.6	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students in the top two bands for reading in Year 7 (NAPLAN testing)	per cent	–	31.2	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students in the top two bands for reading in Year 9 (NAPLAN testing)	per cent	–	23.0	–	–
<i>The above performance measure relates to the calendar year. Due to the cancellation of 2020 NAPLAN, no outcome has been reported in 2020–21.</i>					
Percentage of students who remain at school from Year 7 to Year 12	per cent	91.0	93.0	–2.2	○
<i>The above performance measure relates to the calendar year.</i>					
Percentage of VCAL certificates satisfactorily completed by school students	per cent	74.5	77.0	–3.2	○
<i>The above performance measure relates to the calendar year.</i>					
Years 7–9 students' opinion of their connectedness with the school	5-point scale	3.6	3.7	–2.7	○
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Percentage of students in out of home care receiving targeted supports in school (LOOKOUT Education Support Centres)	per cent	84.0	85.0	–1.2	○
<i>The above performance measure relates to the calendar year.</i>					
Proportion of Navigator program participants re-engaged in schooling	per cent	64.0	70.0	–8.6	■
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target, despite an increase in participation numbers as a result of the program's expansion into three new areas. Re-engagement in the program is generally calculated over the course of 18 months.</i>					
Percentage of Year 9 students with a Careers e-Portfolio	per cent	20.0	20.0	0.0	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Cost					
Total output cost	\$ million	5,133.9	5,158.9	-0.5	✓

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

The Training, Higher Education and Workforce Development output helps Victorians gain the skills and capabilities essential for success in employment and further training or study. The Department works with the TAFE and training sector to deliver quality training that strongly supports industry to meet the evolving needs of the economy, promotes equity and addresses disadvantage, with an emphasis on growth sectors of the economy. This output includes a number of functions. These are:

- training system design
- industry engagement and stakeholder information
- contracting and monitoring of quality and training services, including accredited and pre-accredited VET through to adult community education.

Training, higher education and workforce development performance measures

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Quantity					
Number of government-subsidised course enrolments	number	297,253	317,500	-6.4	■

The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target due to travel restrictions, business constraints and training limitations due to the COVID-19 pandemic.

Number of government-subsidised course enrolments in the TAFE network	number	146,843	145,000	1.3	✓
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The above performance measure relates to the calendar year.

Number of government-subsidised pre-accredited module enrolments funded through the ACFE Board	number	35,774	45,000	-20.5	■
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The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target due to travel restrictions, business constraints and training limitations due to the COVID-19 pandemic.

Number of government-subsidised apprenticeship course enrolments	number	47,153	49,900	-5.5	■
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The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target due to reduced employment opportunities (and subsequent enrolments) for apprentices in 2020 due to the COVID-19 pandemic.

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Proportion of government-subsidised enrolments related to qualifications that will lead to jobs and economic growth	per cent	87.1	83.0	4.9	✓
<i>The above performance measure relates to the calendar year.</i>					
Number of government-subsidised enrolments by students living in regional Victoria	number	77,758	81,300	–4.4	○
<i>The above performance measure relates to the calendar year.</i>					
Number of students without Year 12, or Certificate II or above, enrolled in a government-subsidised course at Certificate III or above	number	53,291	58,000	–8.1	■
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target due to travel restrictions, business constraints and training limitations resulting from the COVID-19 pandemic.</i>					
Number of government-subsidised foundation module enrolments	number	123,515	190,000	–35.0	■
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target due to the COVID-19 pandemic and substitution from accredited foundation training to other types of training.</i>					
Number of government-subsidised course enrolments by students eligible for fee concession	number	55,940	67,500	–17.1	■
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target due to travel restrictions, business constraints and training limitations resulting from the COVID-19 pandemic.</i>					
Quality					
Proportion of employers of apprentices and trainees who are satisfied with training	per cent	79.1	77.6	1.9	✓
<i>The above performance measure relates to the calendar year. Data for 2020–21 outcomes relate to the 2020 Victorian Employer Satisfaction Survey of 2019 training experiences.</i>					
Proportion of VET completers who are satisfied with their training	per cent	86.7	84.6	2.5	✓
<i>The above performance measure relates to the calendar year. Data for 2020–21 outcomes relate to the 2020 Victorian Employer Satisfaction Survey of 2019 training experiences.</i>					
Proportion of VET completers with an improved employment status after training	per cent	55.4	51.8	6.9	✓
<i>The above performance measure relates to the calendar year. Data for 2020–21 outcomes relate to the 2020 Victorian Employer Satisfaction Survey of 2019 training experiences. The 2020–21 outcome is higher than the target, but a change in survey methodology for this measure makes it difficult to compare 2020 results with the 2020 target or 2019 results.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Proportion of VET completers who achieved their main reason for training	per cent	85.1	83.4	2.0	✓

The above performance measure relates to the calendar year. Data for 2020–21 outcomes relate to the 2020 Victorian Employer Satisfaction Survey of 2019 training experiences.

Two-year completion rate for non-apprentice commencements in government subsidised Australian Qualifications Framework qualifications	per cent	48.4	46.3	4.5	✓
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The above performance measure relates to the calendar year. Data for the 2020–21 outcome is the proportion of enrolments, which commenced in 2019 and completed at the end of 2020.

Cost					
Total output cost		2,501.2	2,796.2	–10.6	✓

The 2020–21 outcome is lower than the target primarily due to lower expenses from third party revenue, carryover into 2021–22 and budget repasing into outyears.

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 primarily provides student welfare and support, student transport (excluding transport for special needs students) and health services.

Support services delivery performance measures

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Quantity					
Eligible primary school students in receipt of camps, sports and excursions fund	number	127,876	135,400	–5.6	■

The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target due to reduced number of applications from parents.

Eligible secondary school students in receipt of camps, sports and excursions fund	number	95,700	91,800	4.2	✓
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The above performance measure relates to the calendar year.

Investment in student welfare and support	\$ million	342.4	342.4	–	✓
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No footnote required.

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Investment in travelling allowances and transport support (excluding special needs students)	\$ million	45.3	45.3	–	✓
<i>No footnote required.</i>					
Health assessments of prep-aged students by school nurses	number	54,138	70,500	–23.2	■
<i>The above performance measure relates to the calendar year. The 2020–21 outcome is lower than the target, due to the COVID-19 pandemic restricting school nursing operations.</i>					
School students (government) supported by conveyance allowance	number	8,655	8,750	–1.1	○
<i>The above performance measure relates to the calendar year.</i>					
School students (non-government) supported by conveyance allowance	number	28,636	27,700	3.4	✓
<i>The above performance measure relates to the calendar year.</i>					
Schools allocated a nurse through the secondary school nursing program	number	196	198	–1.0	○
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Schools funded for primary welfare officers	number	802	799	0.4	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Quality					
School satisfaction with student support services	per cent	75.0	80.0	–6.3	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2020–21 outcome is lower than the target, due to the COVID-19 pandemic and remote-learning requirements which changed the nature of student support services delivery to schools throughout 2020.</i>					
Cost					
Total output cost	\$ million	387.7	387.7	–	✓
<i>No footnote required.</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 covers programs and funding to support students with disabilities, as well as transport, welfare and support services for students with special needs.

Support for students with disabilities performance measures

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Quantity					
Eligible special school students provided with appropriate travel	number	8,895	9,050	–1.7	○
<i>The above performance measure relates to the calendar year.</i>					
Students funded under the disabilities program in government schools as a proportion of the total student population	per cent	4.5	4.5	0.0	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Quality					
Proportion of positive responses to school satisfaction by parents of government special school students	per cent	84	85	–1.2	○
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Cost					
Total output cost	\$ million	1,196.6	1,242.6	–3.7	✓
<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 2020–21

Following assessment by the Public Accounts and Estimates Committee, the performance measures listed below were discontinued for 2020–21.

Discontinued performance measures

Output group	Performance measure name
Early Childhood Education	Total number of children receiving ECIS
Early Childhood Education	Families who are satisfied with the Early Childhood Intervention Services provided
School Education—Primary	Parent satisfaction with primary schooling on a 100-point scale
School Education—Secondary	Parent satisfaction with secondary schooling on a 100-point scale
Training, Higher Education and Workforce Development	Grants to support workforce development, skills sector reform, structural adjustment and job creation initiatives
Support for Students with Disabilities	Parent satisfaction with special education on a 100-point scale

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 in the portfolio report separately and therefore their results are not included in the controlled financial transactions of the Department. These entities include: the Adult, Community and Further Education (ACFE) Board, Adult Multicultural Education Services (AMES), Victorian Curriculum and Assessment Authority (VCAA), Victorian Institute of Teaching (VIT), Victorian Registration and Qualifications Authority (VRQA), and TAFE institutes.

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

Five-year financial summary

Five-year financial summary	2020-21	2019-20	2018-19	2017-18	2016-17
	\$m	\$m	\$m	\$m	\$m
Operating revenue					
Output appropriation ³²	16,133.9	14,887.5	13,815.7	12,816.0	12,184.3
Other revenue	597.9	830.4	927.6	834.7	764.1
Total income from transactions	16,731.6	15,717.9	14,743.3	13,650.7	12,948.4
Total expenses from transactions	16,121.4	15,118.1	14,073.5	13,328.5	12,626.2
Net results from transactions	610.2	599.8	669.8	322.2	322.2
Total other economic flows	50.5	(39.2)	(98.1)	(10.3)	86
Net results for period	660.7	560.6	571.7	311.9	408.2
Net cash flow from operating activities	605.7	1220.3	1,047.1	790.0	638.5
Total assets	33,535.4	29,228.9	27,846.8	27,771.7	23,818.6
Total liabilities	3,302.9	3,355.5	3,022.0	2,809.3	2,607.1
Net assets	30,232.5	25,873.4	24,824.8	24,962.4	21,211.5

³² Output appropriation is the main source of recurring funding from State Government.

Current year financial review

Financial performance and business review

The Department's net result from transactions for the financial year that ended on 30 June 2021 is a surplus of \$610.2 million, compared with a surplus of \$599.8 million in 2020. With the inclusion of other economic flows of \$50.5 million, the net result for the financial year is a surplus of \$660.7 million, compared with a surplus of \$560.6 million in 2020.

The growth in revenue primarily reflects increases in revenue for delivery of output initiatives approved from the State Budget, and general inflation-related indexation.

The Department's growth in expenditure mainly reflects higher employee expenditure due to price increases consistent with the Victorian Government Schools Agreement 2017, enrolment growth, and increased statutory on-cost rates resulting in higher annual leave/long service leave. Other increases in expenditure include:

- additional funding to the Higher Education and TAFE sectors, such as the University Viability and Contribution to Economic Recovery and Free TAFE initiatives
- increased payments to non-government schools, which includes capital funding provided under the 2019–20 Non-Government Schools Capital Fund to build new schools and expand capacity or upgrade facilities and indexation increases
- higher kindergarten funding for the Free Kinder and Schools Readiness initiatives approved by the State Budget.

These increases are partially offset by schools' lower expenditure due to the transition to remote learning as a result of the COVID-19 pandemic.

Balance sheet

The Department's net assets as at 30 June 2021 were \$30.2 billion, comprising total assets of \$33.5 billion and total liabilities of \$3.3 billion.

The major assets of the Department are schools' property, plant and equipment. These represent 87 per cent (\$29.1 billion) of total assets. In 2021, the value of the Department's property, plant and equipment increased by \$3.9 billion, primarily due to the upward revaluation of land (\$2.8 billion) and Government's continued investment in schools by acquiring land, building new schools and completing school upgrades.

Liabilities totalling \$3.3 billion mainly consist of payables, borrowings and employee benefit provisions. The \$52.6 million decrease in 2021 is due to minor shifts in employee related costs and borrowings.

Cash flows

The net cash flows from operations is impacted by increased Government receipts and changes in receivables, payables and provisions, arising from the timing of cash payments and receipts against these items. The decrease includes an accounting reclassification of capital Growth Areas Infrastructure Funds from 'cash and balances' to 'receivables' to improve recording between capital funds received and spent.

Disclosure of grants and transfer payments

Appendix 5 outlines the Department's assistance to certain companies and organisations in 2020–21.

Capital projects

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

During 2020–21, the Department completed several capital projects with a \$10 million or greater total estimated investment (TEI). The details of these projects are below.

Capital projects with a TEI of \$10 million or greater completed during the financial year ended 30 June 2021

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$)	Latest approved TEI budget (\$)	Actual TEI cost (\$)	Variation between actual cost and latest approved TEI budget (\$)	Reason for variance from latest approved TEI budget
Aintree Primary School (formerly Rockbank North Primary School)	31/03/2021	31/03/2021	26/11/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools	–	–	–	–
Castlemaine Secondary College - Stage 3	31/03/2021	31/03/2021	16/12/2020	–	11,750,000	11,750,000	11,710,000	40,000	–
Cranbourne West Secondary College	31/03/2021	31/03/2021	30/11/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Docklands Primary School	31/03/2021	31/03/2021	9/10/2020	–	\$3.8 million was allocated in the 2018–19 Budget. In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Echuca Regeneration Project – Stage 2	30/09/2022	30/09/2022	24/07/2020	–	16,720,000	16,720,000	15,470,000	1,250,000	Actual TEI cost subject to project financial close in the defects liability period
Edenbrook Secondary College (formerly Pakenham Henry Road Secondary School)	31/03/2021	31/03/2021	10/11/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Edgars Creek Primary School	31/03/2021	31/03/2021	28/10/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$)	Latest approved TEI budget (\$)	Actual TEI cost (\$)	Variation between actual cost and latest approved TEI budget (\$)	Reason for variance from latest approved TEI budget
Eynesbury Primary School	31/03/2021	31/03/2021	21/09/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Footscray Learning Precinct Seddon - Stage 2	31/03/2021	31/03/2021	18/12/2020	–	\$29.275 million was allocated in the 2018–19 State Budget. In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Gaayip-Yagila Primary School (formerly Merrifield West Primary School)	31/03/2021	31/03/2021	30/10/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Garrang Wilam Primary School (formerly Truganina South East Primary School)	31/03/2021	31/03/2021	5/11/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Kalianna Special School - Stage 2	30/09/2020	30/09/2020	28/09/2020	–	10,080,000	10,080,000	8,760,000	1,320,000	Actual TEI cost subject to project financial close in the defects liability period
Keelonith Primary School (formerly Greenvale North West Primary School)	31/03/2021	31/03/2021	17/09/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$)	Latest approved TEI budget (\$)	Actual TEI cost (\$)	Variation between actual cost and latest approved TEI budget (\$)	Reason for variance from latest approved TEI budget
Monterey Secondary College (FNEP)	30/06/2021	30/06/2021	1/02/2021	–	14,300,000	14,300,000	12,570,000	1,730,000	Actual TEI cost subject to project financial close in the defects liability period
Oberon High School (formerly Armstrong Creek Secondary College)	31/03/2021	31/03/2021	21/09/2020	–	\$3.90 million was allocated in the 2018–19 Budget. In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Orchard Park Primary School (formerly Timbertop Primary School)	31/03/2021	31/03/2021	5/11/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Preston High School - Stage 2	30/09/2021	30/09/2021	7/07/2020	–	10,630,000	10,630,000	10,630,000	–	–
Ramleh Park Primary School (formerly Thoroughbred Primary School)	31/03/2021	31/03/2021	27/11/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Riverbend Primary School (formerly Wollahra Primary School)	31/03/2021	31/03/2021	24/11/2020	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Yarrabah School	31/12/2020	31/12/2020	22/01/2021	Stage 4 lockdown restrictions limited the number of contractors on-site, which delayed the project by three weeks.	20,560,000	21,060,000	21,060,000	–	–

Governance and organisational structure

The Department's ministers

The Department supports three ministers: the Hon. James Merlino MP, Deputy Premier, Minister for Education and Minister for Mental Health; the Hon. Gayle Tierney MP, Minister for Higher Education and Minister for Training and Skills; and Ms Ingrid Stitt MP, Minister for Early Childhood and Minister for Workplace Safety.

Deputy Premier, Minister for Education and Minister for Mental Health—The Hon. James Merlino, MP

Deputy Premier Merlino was elected to the Victorian Parliament as the Member for Monbulk in 2002. He has been the Minister for Education since December 2014 and Minister for Mental Health since September 2020. He previously served as the Minister for Sport, Recreation and Youth Affairs from December 2006 to December 2010, Minister Assisting the Premier on Multicultural Affairs from August 2007 to December 2010, Minister for Police and Minister for Corrections from October to December 2010 and Minister for Emergency Services from June 2016 to November 2018.

The Minister for Education oversees Victoria's Education State reforms and is responsible for providing education to more than a million Victorian students. This portfolio includes government investment in school infrastructure and programs.

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

Minister Tierney was elected to the Victorian Parliament as the Member for Western Victoria in 2006. She has been the Minister for Training and Skills since November 2016 and Minister for Higher Education since November 2018. She was Minister for Corrections from November 2016 to December 2018. Minister Tierney previously served as the Cabinet Secretary and Deputy President of the Victorian Legislative Council. She was Deputy Chair of the Rural and Regional Parliamentary Committee from March 2007 to November 2010, and Deputy Chair of the Education and Training Parliamentary Committee from February 2010 to June 2013.

The Minister for Training and Skills is responsible for ensuring that Victoria's VET system plays a key role in achieving the economic and social objectives of government, industry, local communities and individual learners.

The Minister for Higher Education administers legislation that establishes Victoria's eight public universities, their governing bodies and accountability requirements. The Minister is also responsible for developing policy related to higher education in Victoria and representing Victorian universities and higher education providers within government.

Minister for Early Childhood and Minister for Workplace Safety—Ms Ingrid Stitt, MP

Minister Stitt was elected to the Victorian Parliament as the Member for Western Metropolitan in 2018. She has been the Minister for Early Childhood and the Minister for Workplace Safety since September 2020.

The Minister for Early Childhood oversees Victoria's kindergarten system, the staged rollout of universally funded Three-Year-Old kindergarten, and early childhood education services, including for children with disability or developmental delay.

The Department's senior executives

Secretary—Ms Jenny Atta PSM

Jenny Atta has been Secretary of the Department 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 supporting the early childhood, education and training portfolio Ministers 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, Jenny 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 of Applied Science and a Master of Public Policy and was awarded a Public Service Medal in June 2021 for outstanding public service to strategic social policy reform and delivery in Victoria. In 2019, Jenny was inducted as an IPAA Victorian Fellow.

Deputy Secretary, Early Childhood Education—Ms Kim Little

Kim Little leads the implementation of early childhood education components of the *Education State Early Childhood Reform Plan: Ready for kinder, Ready for school, Ready for life*, and the delivery of universally funded Three-Year-Old Kindergarten. Kim's group is home to the critical work of the ECEC regulator, and the whole of-government effort to improve information sharing to promote the safety and wellbeing of children and young people.

Prior to this appointment, Kim was the Assistant Deputy Secretary, Early Childhood Portfolio in the Early Childhood and School Education group. Kim 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 was in the Department of Premier and Cabinet (DPC), focusing on education and social policy issues.

Kim holds a Bachelor of Arts (Honours), a Bachelor of Laws (Honours) and a Master of Arts. Kim has also worked as a philosopher at Monash University and as a corporate lawyer.

Deputy Secretary, Financial Policy and Information Services—Mr Tony Bates PSM

Tony Bates joined the Department as Deputy Secretary, Financial Policy and Information Services (FPIS) in April 2019. Tony was also appointed as Associate Secretary from April to November 2020 to support the Department and the State Government's COVID-19 pandemic response.

Prior to joining the Department, Tony worked at the Department of Justice and Regulation, DPC, DTF and Victoria Police. Tony has a breadth of experience in leading significant strategic reforms to public sector governance, corporate services and fiscal strategy, and in performance measurement.

Tony holds a Bachelor of Science (Honours) and Master of Science from the University of Melbourne, is a member of the Australian Institute of Company Directors (AICD) and an alumni of the Australian 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, Higher Education and Skills—Ms Lill Healy

Lill joined the Department as the Deputy Secretary of HES in April 2021. Lill has worked across the community, private and public sectors and has held leadership positions in a diverse range of portfolios, all of which focused on greater economic and social inclusion for Victorian communities.

As Deputy Secretary, Service System Reform, DPC, Lill led a cross government team progressing new ways of tackling entrenched socioeconomic disadvantage through community led, place-based approaches and wider service delivery reform. Previously, Lill served as Deputy Secretary, Policy, Programs, Small Business and Employment, DJPR, where she oversaw the development of Jobs Victoria and the establishment of Victoria's first Social Procurement Framework and Social Enterprise Strategy.

Lill holds a Bachelor of Business, Banking and Finance and a Diploma of Youth Work from Victoria University and is an Executive Fellow of ANZSOG.

Deputy Secretary, People and Executive Services—Ms Kate Rattigan

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

Kate represents the Department on the Public Sector Administration Committee, the Public Sector OHS Interdepartmental Committee, the Sexual Harassment Interdepartmental Committee, the Jobs and Skills Exchange Interdepartmental Committee, the VPS Agreement Interdepartmental Committee, the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability Interdepartmental Committee, the VPS Commission Deputy Secretary Disability Champion Round Table, and the Northern Metropolitan Partnership.

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

Kate holds a Bachelor of Laws (Honours), a Bachelor of Arts and a Master of Employment and Labour Relations Law from the University of Melbourne.

Deputy Secretary, Policy, Strategy and Performance—Ms Kylie White

Kylie White joined the Department as Deputy Secretary, Policy and Strategy Performance (PSP) in May 2021.

Previously Kylie was Deputy Secretary, Environment and Climate Change in the Victorian Department of Environment, Land, Water and Planning (DELWP) and prior to that Kylie was an Executive Director in DPC and has held senior roles in other Victorian public sector departments including the Department of Economic Development, Jobs Transport and Resources.

In 2018, Kylie was recognised by IPAA as a Victorian Fellow in recognition of her outstanding contribution of public administration.

Kylie holds a Bachelor of Forest Science from the Australian National University and a Master of Environmental Management from the University of New England and is a graduate of the Advanced Management Program at Harvard Business School.

Acting Deputy Secretary, School Education Programs and Support—Mr Ian Burrage

Ian Burrage is Acting Deputy Secretary, School Education Programs and Support (SEPS), which is responsible for designing a learning, development and wellbeing system that provides every student with the knowledge, capabilities and attributes to thrive.

Ian has extensive experience in the VPS and has held various senior roles including policy implementation roles in the South Eastern Victoria Region. Prior to that Ian worked across different education policy areas including skills, early childhood and school education.

Ian holds a Bachelor of Arts from Monash University and Master of Public Policy and Management from the University of Melbourne.

Deputy Secretary, Schools and Regional Services—Dr David Howes

David Howes is Deputy Secretary, Schools and Regional Services (SRS). Immediately prior to this, David was CEO of the VCAA.

David began his career as a teacher in the western suburbs of Melbourne, where he worked for 10 years as a teacher and in a range of school leadership roles. He was awarded a Public Service Medal in the 2021 Australia Day Honours for his commitment to deliver educational equity and excellence for Victoria's school students.

David holds a Bachelor of Arts (Honours), Diploma of Education, Master of Education and Doctor of Philosophy degrees from the University of Melbourne. David also holds an Executive Master of Public Administration from ANZSOG.

Chief Executive Officer, Victorian School Building Authority—Mr Chris Keating

Chris Keating has been CEO of the Victorian School Building Authority (VSBA) since it was established in August 2016. He leads the planning and delivery of Victoria's record \$10.9 billion investment in schools and kindergartens.

In that time, Chris has overseen the building and opening of 55 new state-of-the-art schools and more than 1,700 projects to upgrade or expand existing schools. The VSBA will open a further 14 new schools in early 2022. Chris is also helping oversee the construction, upgrade or expansion of almost 1,000 early learning centres over the next decade, to meet the government's commitment to offer funded kindergarten to every Victorian three-year-old.

Before becoming the VSBA's CEO, Chris led the Department's Infrastructure and Sustainability Division. He has been involved in delivering public school building projects in Victoria since 2006.

Chris holds a Bachelor of Arts from the University of Melbourne and a Master of Computer Science from RMIT University.

Assistant Deputy Secretary, Economic Recovery—Ms Meena Naidu

Meena Naidu joined the Department as the Assistant Deputy Secretary, Economic Recovery in May 2021.

Meena has more than 25 years' experience in public policy and regulation. Meena's early career focused on policy and regulation in transport and utilities in Australia, the UK and developing countries, supporting productivity and access to services. Meena has led agriculture policy and food regulation before refocusing on safeguarding community service providers.

Prior to joining the Department, Meena led the establishment of Child Safe Standards and the Reportable Conduct Scheme in the Victorian Commission for Children and Young People at the Department of Health and Human Services (DHHS).

Meena has led Health and Human Services Regulation and Reform at DHHS. In that role Meena focused on reforms of Assisted Reproductive Treatment, established the Victorian Disability Worker Commission and led changes to safeguarding arrangements for child protection, family violence, homelessness and supported residential services. Meena was also responsible for supporting more than 450 cemetery trusts across Victoria.

Meena holds a Bachelor of Commerce from Monash University and a Master of Science in Economic Regulation and Competition from the University of London.

Assistant Deputy Secretary, Quality and Implementation—Ms Lee Watts

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

Focused on quality and implementation, Lee is responsible for the overarching key government initiatives and coordinated delivery of priority projects in 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. Lee 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 US consulting firm. Lee 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 Bachelor of Arts (Honours) and a Master of Arts from the University of Melbourne and has authored several books.

Assistant Deputy Secretary, Schools and Regional Services—Mr Chris Thompson

Chris Thompson was Assistant Deputy Secretary, SRS, until 4 June 2021, following which he commenced as Regional Director of South Western Victoria Region. The Assistant Deputy Secretary is responsible for supporting the strategy and operations of Victoria's government school system, including the Department's four regions as well as security and emergency management.

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

Chris previously held executive roles in the Department relating to language education policy; sport; and multicultural, Koorie, and rural students. He also worked at DPC, the Department of Planning and Community Development, and the Department of Human Services.

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

Acting Assistant Deputy Secretary, Schools and Regional Services—Ms Ella McPherson

Ella McPherson commenced as Acting Assistant Deputy Secretary, SRS in June 2021.

Ella has worked across a number of departments and agencies, including the Victorian Equal Opportunity and Human Rights Commission and led communications for the Department of Health and Human Services.

Since joining the Department in 2016, she has worked across the change management, integrity and assurance, organisational reform and executive services functions. In 2019 she commenced as Chief Operating Officer for the Victorian School Building Authority, leading the VSBA's corporate services, with a particular focus on integrity and oversight.

Ella holds a Bachelor of Arts (Honours), a Master of Public and International Law and a Master of Business Administration from the University of Melbourne, and a Master of Arts (Communications) from RMIT. She is an AICD graduate and is currently a board member of McAuley Community Services for Women.

Assistant Deputy Secretary, Senior Secondary Pathways Reform Taskforce—Mr Scott Widmer

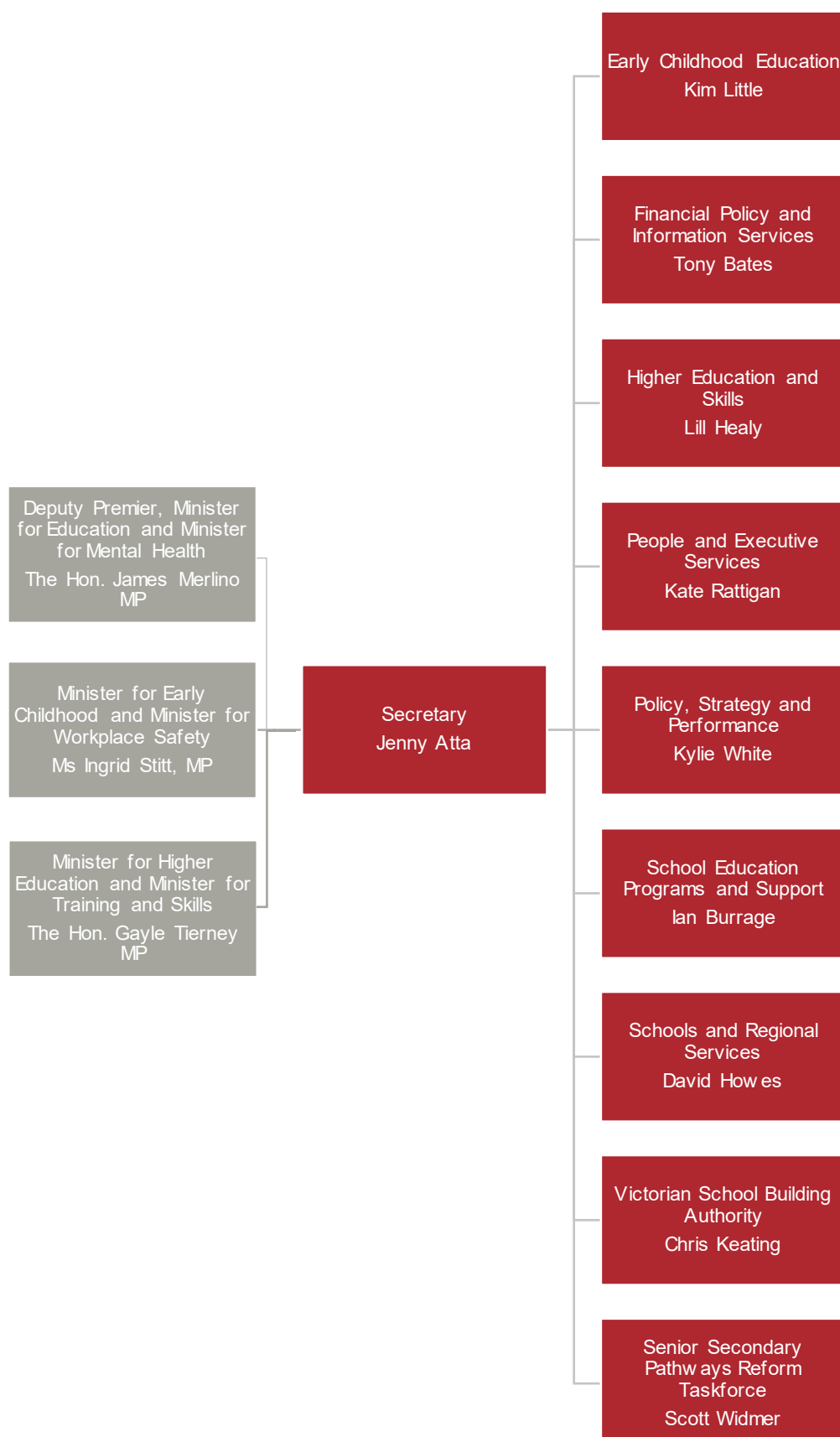
Scott Widmer commenced as Assistant Deputy Secretary, Senior Secondary Pathways Reform Taskforce in February 2021. The role is responsible for leading the development and implementation of a range of reforms that support all Victorian secondary school students to access high-quality vocational and applied learning pathways. This work includes implementing the recommendations of the Review into vocational and applied learning pathways in senior secondary schooling.

Previously, Scott was Executive Director, Portfolio Strategy and Planning/ Intergovernmental Relations in the Department's Policy Strategy and Performance Group. Scott brings broad experience to the role, having previously led operational and legal policy work at DHHS and DPC.

Scott has practised law in Australia and overseas and holds Bachelors of Arts and Law and a Master of Public Policy and Management and from the University of Melbourne.

Organisational structure

Organisational structure at 30 June 2021



Early Childhood Education (ECE)

ECE has lead responsibility for the early childhood education components of *Education State Early Childhood Reform Plan: Ready for kinder, Ready for school, Ready for life*, and for major early childhood reform commitments, such as the progressive implementation of Three-Year-Old Kindergarten, School Readiness Funding and initiatives to improve kindergarten access and participation. ECE group provides oversight of the kindergarten sector, 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 the implementation of relevant legislative reforms such as Child Link and the Child Information Sharing Scheme.

Financial Policy and Information Services (FPIS)

FPIS delivers crucial corporate service for the Department. Its primary purpose is to provide strategic and technical advice on budget, finance and resourcing, information technology and procurement. It plays a key role in financial management, oversight and reporting across the education, early childhood, and higher education and training and skills portfolios.

Higher Education and Skills (HES)

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

HES contributes to the Department's vision and objectives by ensuring that Victorians have equitable access to high-quality and relevant post-school education and training. These education settings enable individuals to develop deep knowledge, skills and attributes needed for current and future jobs.

People and Executive Services (PES)

PES oversees essential systems such as people services, workplace accommodation, and employee health, safety and wellbeing. PES also delivers school operational policy reform and engagement, and provides the Department with communications and media support, legal services, and ministerial services, including for Cabinet and Parliament support. Other functions PES provides for the Department include knowledge and records management, privacy, FOI, integrity, audit and assurance.

Policy, Strategy and Performance (PSP)

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 vision. It aligns policy leadership with strategy, planning, risk, governance and performance to enable evidence-informed decisions that drive current and future system-wide reforms improving outcomes for all Victorians.

School Education Programs and Support (SEPS)

SEPS shapes the schooling system to foster development and wellbeing, and to provide students with the knowledge and capabilities required for the modern world. It leads policy development and program design to improve educational and wellbeing outcomes, and to ensure that all learners are engaged and active.

SEPS works in close collaboration and partnership with, statutory authorities, service delivery partners, parents and families to lead, monitor and refine the Victorian school improvement agenda.

Schools and Regional Services (SRS)

SRS delivers frontline education, health and professional development services. It is responsible for building the capability of professional workforces, developing excellence in leadership, teaching quality and educational practice.

SRS is the primary interface between the Department's central office, schools and service providers. It guides effective policy and program implementation, creating local opportunities for engagement, partnership and the spreading of best-practice approaches. It also embeds continuous improvement through performance monitoring and delivers emergency management policy across early childhood services, schools and higher education providers.

Victorian School Building Authority (VSBA)

The VSBA designs, builds, maintains and upgrades schools and kindergartens to cater for Victoria's rapidly growing student population and to meet the changing needs of modern education. The VSBA brings a different approach to planning education infrastructure, with greater community input, new partnerships with local governments, universities and the private sector, as well as school designs geared to modern teaching.

Senior Secondary Pathways Reform Taskforce

On 24 November 2020, the Victorian Government published the Review into vocational and applied learning pathways in senior secondary schooling and confirmed that it accepted in principle all the review's recommendations in-principle. The Department established the Senior Secondary Pathways Reform Taskforce to lead design and implementation of reforms, working in close partnership with the VCAA, which is responsible for designing the new Victorian senior secondary certificates.

Governance structure

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

Executive Board

The Executive Board provides stewardship by giving a whole-of-department perspective to advise the Secretary (who, in turn, is responsible to Government and Ministers).

The Executive Board assists the Secretary with strategic leadership of the Department, its agencies and the Department's portfolios as a whole, including vision, purpose, strategic direction and objectives.

The Executive Board plays a central coordinating and authorising role for whole-of-department issues, prioritising resources and monitoring performance.

The Executive Board also oversees the financial and operational performance of the Department by monitoring the delivery of key priorities, ensuring integration and alignment across groups and agencies. The Executive Board drives strong leadership and a high-performing culture across the Department's portfolios.

The Executive Board continues leading the Department's response to the COVID-19 pandemic.

The Executive Board comprises:

- Secretary (Chair)
- all Deputy Secretaries
- CEO, VCAA
- CEO, VSBA
- one Assistant Deputy Secretary, rotating on a quarterly basis.

Education State Board

The Education State Board is an advisory body to the Executive Board for the Department's strategic policy thinking. On referral from the Executive Board, the Education State Board considers and provides advice on major policies or reforms that progress the Education State agenda. The Education State Board acts as an escalation point for critical risks, issues and decisions impacting the reform agenda, and is responsible for ensuring that all relevant activities of the Department align with the Education State agenda.

The Education State Board comprises:

- Secretary (Chair)
- all Deputy Secretaries
- all Assistant Deputy Secretaries
- all Regional Directors
- CEO, VCAA
- CEO, VSBA.

Committee structure

The Department's committees and their membership as at 30 June 2021 are reported below.

Three committees report to the Secretary:

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

Six committees report to the Executive Board:

- the Budget and Financial Management Committee (BFMC)
- the Culture and People Committee (CPC)
- the Government Schools Reform Committee (GSRC)
- the Information Management and Technology Committee (IMTC)
- the Infrastructure Planning and Delivery Committee (IPDC)
- the Procurement and Probity Committee (PPC).

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 in compliance with the Standing Directions 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.

The ARC comprises the following members:

- Ms Helen Thornton, Independent member, (Chair)
- Mr Stuart Alford, Independent member
- Ms Natalie Foeng, Independent member
- Mr Andrew Nicolaou, Independent member
- Ms Kate Rattigan, Deputy Secretary
- Mr Chris Thompson, Regional Director.

Executive Remuneration Committee

The ERC reviews and sets executive remuneration for all executive appointments. The purpose of the ERC is to ensure that a consistent and rigorous approach is taken to setting and adjusting remuneration for senior executive services in the Department and its statutory authorities. This approach is required to comply with the VPS Commission's *Victorian public service executive employment handbook* (2019).

Integrity Committee

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

The IC undertakes a stewardship role for portfolio statutory entities (the TAFE sector and funded services) that reflects the Department's governance responsibilities and operational relationships.

Budget and Financial Management Committee

The BFMC advises the Executive Board on priorities for budget and finance matters, provides oversight of the Department's budget and finances, and acts as the decision-maker for the Executive Board on budget and finance matters.

The BFMC leads the Department's drive for improved financial sustainability and ensures effective oversight and allocation of financial resources in alignment with the Department's service delivery, planning objectives and government priorities.

Culture and People Committee

The CPC advises the Executive Board on significant and strategic culture and capability matters related to the Department's VPS workforce. CPC also provides oversight and assurance over strategies to promote diversity and inclusion, and over OHS matters across the breadth of the Department's workforce.

Government Schools Reform Committee

The GSRC advises the Executive Board on government schools reform from policy design to implementation and evaluation. It also provides strategic oversight of significant reform activities.

Information Management and Technology Committee

The IMTC advises the Executive Board on priorities relating to information management and technology (IMT) matters, and to provide oversight and decision-making authority on the Department's IMT business objectives. IMTC ensures that departmental information systems are compliant with relevant legislation and standards, including the Victorian Government Information and Communication Technology (ICT) Governance Framework, and the Victorian Protective Data Security Standards.

Infrastructure Planning and Delivery Committee

The IPDC provides assurance to the Executive Board that the Department has a robust framework for developing and implementing infrastructure delivery, and for managing strategic development, implementation and delivery of departmental physical (non-financial) assets.

IPDC fulfils this role by approving and overseeing the infrastructure planning and implementation components of the Education State reform agenda in alignment with the Department's service delivery and planning objectives.

Procurement and Probity Committee

The PPC oversees procurement activities in the Department to ensure appropriate rigour is exercised in accordance with procurement policies. In doing so, it supports the Secretary's obligations under the Victorian Government Purchasing Board policies and the FM Act. The PPC also considers the procurement of goods and services by certain statutory authorities (VCAA, VRQA and the Merit Protection Boards). It does not consider procurement related to construction or property.

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 Boards
- Independent Office for School Dispute Resolution
- Merit Protection Boards
- TAFE institutes
- VCAA
- Victorian Children's Council
- VIT
- VRQA.

Statutory authorities and boards produce their own annual reports.

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

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

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

- Centre for Adult Education
- TAFE institutes.

Reports of the Children's Services Coordination Board, Disciplinary Appeals Boards, Independent Office for School Dispute Resolution, Merit Protection Boards and Victorian Children's Council are included in 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 employees interact with colleagues, learners and families, members of the community and suppliers.

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. This adherence also builds trust between employees and leaders, as everyone operates under the same principles and can be 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 these values among employees. These materials inform, educate and guide employees on what each of the seven values means in the Department's context, and how employees can demonstrate these values through their actions and decisions.

Occupational health and safety

The Safe and Well in Education Strategy 2019–24 and its corresponding framework are the foundations for building health, safety and wellbeing in schools and corporate workplaces. The strategy positioned the Department to respond to the COVID-19 pandemic and implement appropriate health and safety measures. During 2020–21, the Department provided support and advice on COVID-19 hazard management. This included more than 5,070 communications with schools, 859 site visits, and assistance to 488 government schools on implementing COVID-19 safety measures through the COVID safe assurance program. The Department also delivered a new eLearning module 'School infection prevention and control' during the COVID-19 pandemic to more than 70,000 government school staff.

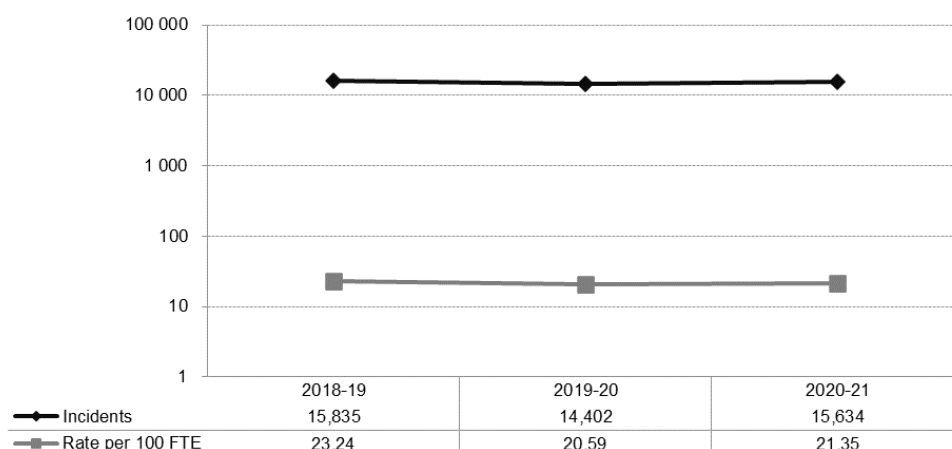
More broadly, the Department continues to improve occupational health and safety for corporate and school staff by:

- enabling employees and their families to access a total of 8,921 hours from the employee assistance program counselling, manager assist contacts, critical incident response and onsite support counselling services
- enabling workplaces to access 698 hours of conflict resolution services, including mediation, conflict coaching and team facilitations and developing and delivering wellbeing webinars to 2,565 staff in more than 51 sessions.
- providing protective intervention training to more than 86 schools, to equip school staff with the tools to manage and de-escalate challenging student behaviour while maintaining personal safety.

Incident and hazard management

Incidents, including injuries and other hazard-related events, increased from 20.59 per 100 FTE in 2019–20 to 21.35 per 100 FTE in 2020–21. This equates to an increase of 1,232 reports, totalling 15,634 in 2020–21 compared with 14,402 in 2019–20.

Number of incidents and hazards rate per 100 FTE: 2018–19 to 2020–21



Workers' compensation

In line with the Safe and Well in Education Strategy, the Department has enhanced supports to schools to assist them to promote safer, more efficient and sustainable return-to-work processes for injured employees. This includes the Department's Return to Work (RTW) and Compensation team providing:

- early triage of new workers' compensation claims to identify claims that may benefit from centralised support and guidance
- enhanced systems to reduce the administrative burden of claims management
- support to schools to identify suitable duties for injured employees to complete while they recover from their injuries.

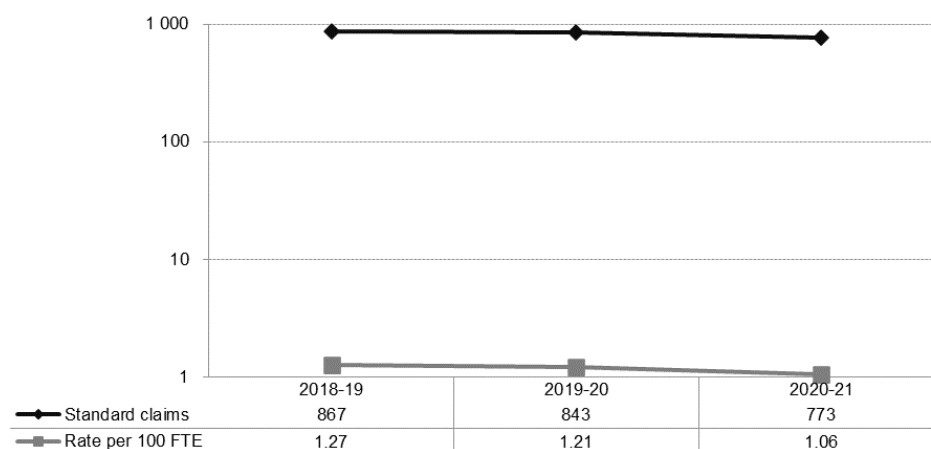
During 2020–21, the Department also improved workers' compensation practices and supports by:

- streamlining and supporting claims administration, thereby freeing up schools to focus on support for injured workers
- supporting schools to manage new workers' compensation claims, aligned to a new best-practice Injury Management Framework
- introducing a new suite of workers' compensation webinars to improve the capability of RTW coordinators and the management of work-related injuries.

Claims management

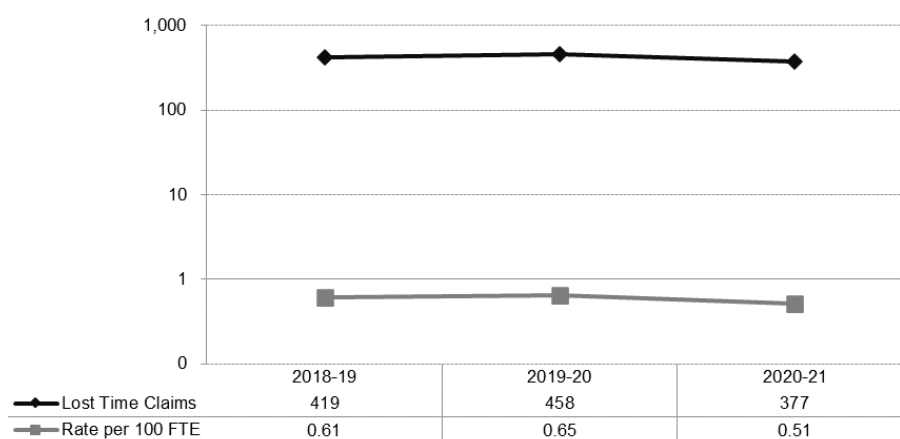
The number of standard claims decreased from 843 in 2019–20 to 773 in 2020–21. This reduction represented a decrease per staff member from 1.21 claims per 100 FTE in 2019–20 to 1.06 claims per 100 FTE in 2020–21.

Number of standard claims and rate per 100 FTE: 2018–19 to 2020–21



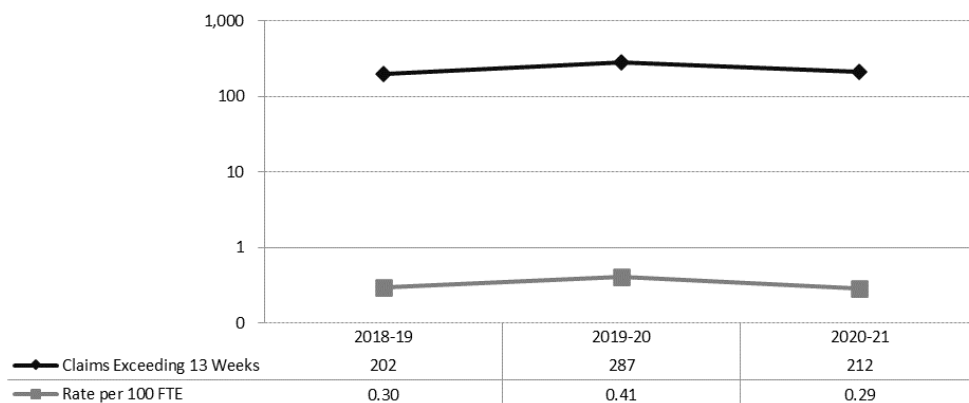
This reduction can in part be associated with the COVID-19 pandemic, when school and VPS staff worked remotely.

Lost time claims and rate per 100 FTE: 2018–19 to 2020–21



The number of claims exceeding 13 weeks decreased to 212 claims in 2020–21 from 287 claims in 2019–20. This represented a decrease per staff per 100 FTE 0.41 claims exceeding 13 weeks in 2019–20 to 0.29 per 100 FTE exceeding 13 weeks in 2020–21.

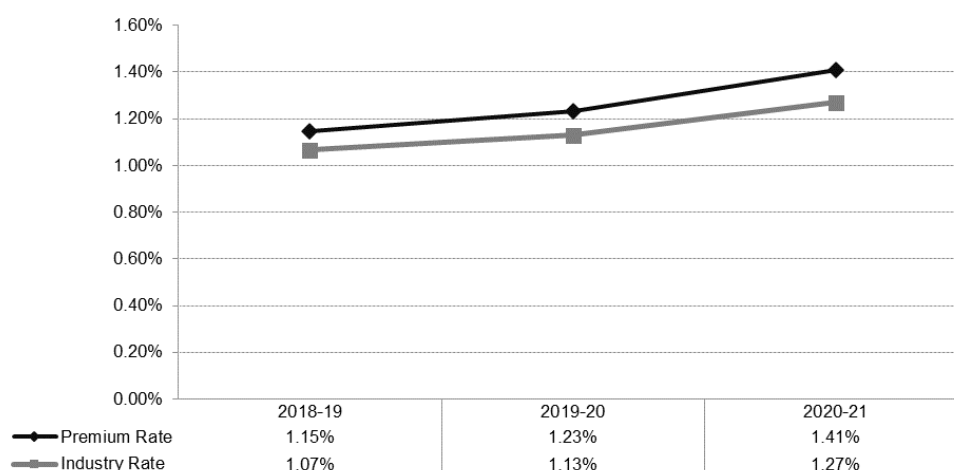
Claims exceeding 13 weeks and rate per 100 FTE: 2018–19 to 2020–21



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 Performance Rating (EPR). The EPR is a measure of the Department's claims cost relative to the industry's claims costs.

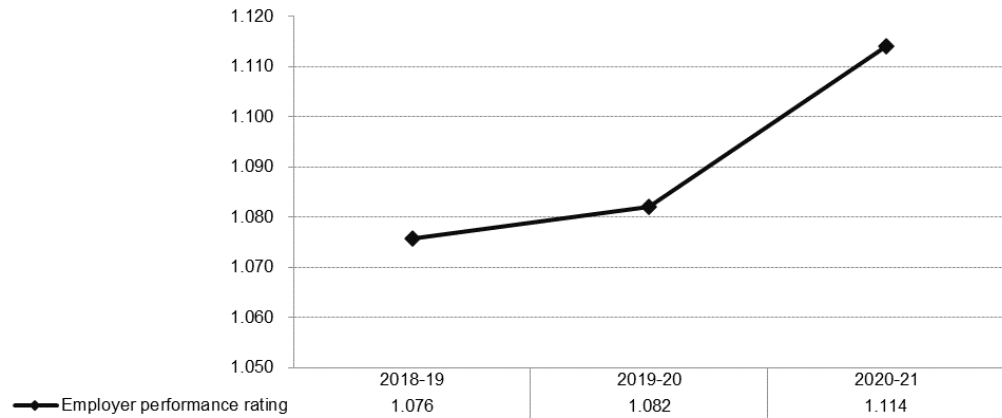
The Department's premium increased from \$80.7 million (excluding goods and services tax (GST)) in 2019–20 to \$97.7 million (excluding GST) in 2020–21. This increase was the net effect of an increase in the Department's remuneration and an increase in industry rate from 1.23 per cent in 2019–20 to 1.41 per cent in 2020–21. The increase in the Department's premium rate was driven by an increase in the industry's premium rate from 1.13 per cent in 2019–20 to 1.27 per cent in 2020–21.

Premium rate: 2018–19 to 2020–21



The Department's EPR reflects the employer's claims experience compared with employers across the industry. An EPR greater than one reflects a higher claim costs experience when compared to the employer's industry. The EPR has increased from 1.082 in 2019–20 to 1.114 in 2020–21.

Employer performance: 2018–19 to 2020–21



Performance against OHS and workers' compensation management measures

Measure	Key performance indicator	2018–19	2019–20	2020–21
Incidents	Number of incidents	14,923	13,297	14,280
	Rate per 100 FTE	21.90	19.01	19.50
	Number of incidents requiring first aid and/or medical treatment	6,346	5,190	4,886
Hazards	Total number of hazards reported	912	1,105	1,354
	Rate per 100 FTE	1.34	1.58	1.85
Claims	Number of standard claims	867	843	773
	Rate per 100 FTE ⁴²	1.27	1.21	1.06
	Number of lost-time claims	419	458	377
	Rate per 100 FTE ⁴²	0.615	0.655	0.515
	Number of claims exceeding 13 weeks	202	287	212
	Rate per 100 FTE ⁴²	0.296	0.410	0.289
Fatalities	Fatality claims	–	–	–
Claim costs	Average cost per standard claim (\$)	73,124	96,182	120,885
RTW ³³	Percentage of claims with RTW plan < 30 days	–	–	–
Occupational Health and Safety Management System (OHSMS) development and implementation/ review and improvement	Number of policies, procedures, guidelines and templates reviewed and/or updated	309	58	150
	School audits completed	468	325	47
	Average OHSMS audit score (schools)	78	80	87

³³ The Department is unable to report on this indicator because RTW plans are developed locally and their data is not collected centrally. The Department will determine the processes required to report on this measure as part of the EWOP reforms.

Measure	Key performance indicator	2018–19	2019–20	2020–21
	Percentage of corrective actions completed—incident reports	58	55	57
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 ³⁴	—	—	—
	Senior management commitment—OHSMS review ³⁵	Yes	Yes	Yes
Consultation and participation	Evidence of agreed structure of designated workgroups, health and safety representatives, and issue resolution procedures	Complete	Complete	Complete
	Percentage of schools reported to have health and safety representatives and OHS committees based on audit results	68	63	64
	Senior management involvement in consultation and communication ³⁶	—	—	—
	Compliance with agreed structure of above	Completed	Completed	Completed
Risk management	Percentage of internal audits/inspections conducted as planned	100	79	62
	Percentage of reported incidents investigated	59	55	57

³⁴ School principals engage with OHS auditors to lead corrective action. Currently, data is not collected centrally for the Department to report on this measure. The Department will consider how this measure will be reported.

³⁵ Senior management reviews the OHSMS, its performance and relevant development actions.

³⁶ 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 this indicator will be reported.

Measure	Key performance indicator	2018–19	2019–20	2020–21
	Number of improvement notices issued by WorkSafe inspector ³⁷	105	98	56
	Percentage of issues actioned as part of the total issues identified in:			
	• internal audits	69	50	6
	• health and safety representatives provisional improvement notices ³⁸	–	–	–
	• WorkSafe notices	100	100	100
Training	Percentage of managers and staff who have received OHS training:			
	• induction	72	79	77
	• management training (OHS for principals)	70	74	71
	• contractors and temporary staff ³⁹	–	–	–
	Percentage of health and safety representatives trained:			
	• acceptance of role (initial training)	75	68	77
	• retraining (annual refresher)	53	51	70
	Total number of mental health training sessions	15 people managers and human resources staff 3 executives	73	13 people managers and human resources staff 8 executives

³⁷ Improvement notices for the purposes of this report includes prohibition notices, non-disturbances notices, and other notices issued by WorkSafe Victoria.

³⁸ The Department is unable to report on this indicator in 2021 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.

³⁹ Currently, the Department does not maintain contractor training records centrally to be able to report on this measure. The Department will consider how this indicator will be reported.

Measure	Key performance indicator	2018–19	2019–20	2020–21
Absenteeism	• Total number of days of absence due to injury or illness	639,518	628,411	627,543
	• Rate per 100 FTE	939	898	857
People Matter survey results	• Response rate (%)	79	— ⁴⁰	71
	• Percentage of respondents who think the Department provides a safe work environment	81	—	86
Prosecutions	• Total number of prosecutions	—	—	—
Mental health and wellbeing	• Mental health audit ⁴¹	—	—	—
	• Calendar of mental health and wellbeing activities ⁴²	—	Yes	Yes

⁴⁰ The 2020 People Matter Survey was scheduled to run during May and June. In March, with the Victorian Public Sector's move to remote working as a result of the COVID-19 pandemic, the Victorian Public Sector Commission postponed a decision to run the 2020 survey until later in the calendar year.

⁴¹ The Department commenced a tiered-model pilot providing advice and support from OHS experts to support schools to identify and proactively manage psychosocial hazards in the workplace, which will assist with future mental health audits in the workplace.

⁴² Mental health and wellbeing activities have been organised centrally such as the promotion of 'R U OK? Day'.

Comparative workforce data

The following tables disclose the head count and FTE of all active public service employees of the Department ^{43 44 45 46 47}

VPS staff employment levels as at June 2020 and 2021

		June 2021							June 2020						
		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	3,302	2,986.7	1,896	839	2,461.2	567	525.5	3,162	2,849.3	1,760	830	2,322.1	572	527.1
	Men	1,248	1,212.4	885	76	938.9	287	273.5	1,117	1,091.3	800	67	847.9	250	243.4
	Self-described	9	8.7	6	1	6.9	2	1.8	11	10.3	5	2	6.7	4	3.6
	Age														
	Under 25	66	59.3	23	1	23.6	42	35.7	55	47.4	18	4	20.5	33	26.9
	25-34	954	888.7	551	135	639.0	268	249.7	931	876.8	542	112	613.9	277	262.9
	35-44	1,384	1,258.0	763	344	997.4	277	260.6	1,287	1,163.2	691	347	927.5	249	235.7
	45-54	1,084	1,023.4	735	194	872.4	155	151.0	996	928.7	637	209	786.8	150	141.9
	55-64	844	782.5	579	165	688.6	100	93.9	825	767.1	569	156	674.0	100	93.1
	65+	227	196.0	136	77	186.0	14	9.9	196	167.7	108	71	154.0	17	13.7

⁴³ This table includes employees of the VCAA and the VRQA, who are also reported in those authorities' annual reports.

⁴⁴ 'Head count' refers to the number of people employed where each person counts as an employee regardless of the number of hours engaged to work.

⁴⁵ 'Casual' means a person who is subject to clause 25 (Casual employees—Loading) of the VPS Agreement 2020, 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.

⁴⁶ Age of staff is calculated as at 30 June each year.

⁴⁷ The category VPSG2 includes graduate recruits.

		June 2021							June 2020						
		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	3,634	3,441.4	2,321	509	2,683.3	804	758.1	3,338	3,161.4	2,096	482	2,442.8	760	718.6
	VPS 1	27	25.5	–	–	–	27	25.5	9	9.0	–	–	–	9	9.0
	VPS 2	114	99.2	70	17	80.6	27	18.7	126	109.4	79	22	93.4	25	16.0
	VPS 3	460	433.3	323	66	368.0	71	65.4	409	381.5	257	68	304.5	84	77.0
	VPS 4	660	633.1	439	81	495.8	140	137.2	659	626.5	414	87	474.4	158	152.1
	VPS 5	1,585	1,488.9	920	258	1,103.1	407	385.9	1,405	1,331.2	837	215	992.5	353	338.7
	VPS 6	788	761.3	569	87	635.8	132	125.5	730	703.9	509	90	578.1	131	125.8
	Senior employees	121	119.0	109	11	118.0	1	1.0	123	120.4	107	13	117.4	3	3.0
	STS	28	27.4	24	3	26.4	1	1.0	28	27.3	22	3	24.3	3	3.0
	Executive Officers ⁴⁸	93	91.6	85	8	91.6	–	–	95	93.1	85	10	93.1	–	–
	Other	804	647.5	357	396	605.8	51	41.7	829	669.1	362	404	616.6	63	52.5
	Allied health	576	473.3	283	257	442.8	36	30.5	601	495.0	285	267	452.4	49	42.6
	Nurses	228	174.2	74	139	163.0	15	11.2	228	174.2	77	137	164.3	14	9.9
	Total employees	4,559	4,207.8	2,787	916	3,407.0	856	800.8	4,290	3,950.9	2,565	899	3,176.8	826	774.1

⁴⁸ Executive officers include SES1–3 and the Secretary.

Government teaching service staff employment levels as at June 2020 and 2021

		June 2021							June 2020						
		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	62,143	51,798.6	28,169	23,620	43,348.3	10,354	8,450.3	59,214	49,544.8	27,450	22,976	42,110.7	8,788	7,434.2
	Men	18,608	17,187.6	12,449	2,911	14,379.3	3,248	2,808.2	17,694	16,421.9	12,019	2,825	13,902.6	2,850	2,519.3
	Self-described	58	48.6	23	16	34.1	19	14.5	35	29.9	15	14	25.3	6	4.6
	Age														
	Under 25	3,473	2,982.1	750	618	1,162.5	2,105	1,819.5	3,261	2,883.1	829	609	1,232.1	1,823	1,651.0
	25–34	21,724	19,899.9	12,734	3,477	14,891.9	5,513	5,008.0	20,689	19,038.0	12,557	3,242	14,536.1	4,890	4,501.8
	35–44	19,727	16,353.0	9,579	7,403	14,237.3	2,745	2,115.7	18,452	15,330.3	9,081	6,996	13,454.2	2,375	1,876.1
	45–54	18,298	15,493.6	9,201	7,169	14,000.3	1,928	1,493.3	17,869	15,050.5	8,915	7,253	13,727.4	1,701	1,323.1
	55–64	14,499	12,034.4	7,208	6,336	11,391.1	955	643.3	14,098	11,754.5	7,079	6,313	11,236.0	706	518.5
	65+	3,088	2,271.8	1,169	1,544	2,078.6	375	193.3	2,574	1,940.4	1,023	1,402	1,852.8	149	87.6
Classification data	Executive class	171	169.6	162	2	163.0	7	6.6	158	156.6	143	2	144.1	13	12.5
	Principal class ⁴⁹	3,385	3,349.3	3,270	115	3,349.3	–	–	3,306	3,276.4	3,202	104	3,276.4	–	–
	Teacher class ⁵⁰	52,066	46,546.1	30,363	11,686	37,698.9	10,017	8,847.2	49,360	44,407.6	29,492	11,269	36,530.0	8,599	7,877.5
	Education support class	25,187	18,969.7	6,846	14,744	16,550.5	3,597	2,419.2	24,119	18,156.1	6,647	14,440	16,088.1	3,032	2,068.0
	Total employees	80,809	69,034.7	40,641	26,547	57,761.8	13,621	11,273.0	76,943	65,996.7	39,484	25,815	56,038.6	11,644	9,958.1

⁴⁹ Principal class includes principals, assistant principals and liaison principals.

⁵⁰ Teacher class includes classroom teachers and paraprofessionals.

The following table discloses the annualised total salary of 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	4 ⁵¹	2 ⁵²	–	–	–	–
\$160,000 – \$179,999	1 ⁵³	4 ⁵⁴	–	–	–	–
\$180,000 – \$199,999	19 ⁵⁵	14 ⁵⁶	–	–	–	–
\$200,000 – \$219,999	15	6	–	–	–	–
\$220,000 – \$239,999	5 ⁵⁷	2	–	–	–	–
\$240,000 – \$259,999	16 ⁵⁸	–	–	–	–	–
\$260,000 – \$279,999	6	–	–	–	–	–
\$280,000 – \$299,999	5 ⁵⁹	–	–	–	–	–
\$300,000 – \$319,999	10 ⁶⁰	–	–	–	–	–
\$320,000 – \$339,999	3	–	–	–	–	–
\$340,000 – \$359,999	–	–	–	–	–	–
\$360,000 – \$379,999	5	–	–	–	–	–
\$380,000 – \$399,999	2	–	–	–	–	–
\$400,000 – \$419,999	1	–	–	–	–	–
\$420,000 – \$439,999	–	–	–	–	–	–
\$440,000 – \$459,999	–	–	–	–	–	–
\$460,000 – \$479,999	–	–	–	–	–	–
\$480,000 – \$499,999	–	–	–	–	–	–
Total	92	28	–	–	–	–

⁵¹ This band includes three SES on a part-time basis at 0.8 FTE and one SES on a part-time basis at 0.6 FTE.

⁵² This band includes one STS on a part-time basis at 0.8 FTE and one STS on a part-time basis at 0.7 FTE.

⁵³ This band includes one SES on a part-time basis at 0.9 FTE rate.

⁵⁴ This band includes one STS on a part-time basis at 0.9 FTE rate.

⁵⁵ This band includes one SES at a 50/52 employment mode and two SES on a part-time basis at 0.9 FTE rate.

⁵⁶ This band includes one STS at a 51/52 employment mode.

⁵⁷ This band includes one SES on a part-time basis at 0.9 FTE rate.

⁵⁸ This band includes one SES at a 50/52 employment mode.

⁵⁹ This band includes one SES at a 50/52 employment mode.

⁶⁰ This band includes one SES at a 50/52 employment mode.

Workforce inclusion

The Department is creating an inclusive working environment where equal opportunity and diversity are valued, and where the workforce reflects the communities we serve. The Department's policies and practices encourage people of all backgrounds to pursue challenging and rewarding public sector careers at all levels in the Department. Staff are valued and supported regardless of their age, ethnicity, race, abilities, religion, socioeconomic status, culture, sex, sexual orientation, and gender identity.

Striving to meet whole-of-government employment targets is one way to ensure that the Victorian community is represented in the Department's workforce.

The Department values staff with non-binary gender identities at all levels, from VPS officers through to executives. The Department acknowledges that, due to historical and current barriers to disclosure of non-binary gender identities, staff may not choose to disclose this information. As a result, targets or quotas are not currently a useful way to promote opportunities for gender-diverse staff at all levels.

The following table outlines the Department's progress against current corporate workforce targets.

Department's progress against employment inclusion targets

Workforce inclusion initiative	Target	Progress as at 30 June 2021	Progress as at 30 June 2020
Gender profile at executive levels ⁶¹	50 per cent women, 50 per cent men.	54.4 per cent women 45.6 per cent men	55.8 per cent women 44.2 per cent men
Aboriginal employment targets	Two per cent who are Aboriginal and/or Torres Strait Islander peoples.	0.4 per cent	0.4 per cent
Disability employment targets	Twelve per cent by 2025.	0.3 per cent	0.1 per cent

A diverse workforce provides a range of different skills, perspectives and experiences to inform the Department's work. As well as informing policy development, the Department's thriving staff networks provide support, advice and social connections for staff. These networks include the Koorie Staff Network, the Enablers Network, the Pride Network, the Women of Colour Network, and the African Australian Network. Staff are also encouraged to participate in the sector-wide VPS staff networks.

Key highlights of our diversity and inclusion work completed over the past year include:

- launching the Aboriginal employment plan in November 2020 to complement the Department's existing work on Aboriginal Inclusion through Wirnalung Ganai. This included delivering Aboriginal cultural awareness and Aboriginal cultural safety training to more than 380 corporate staff
- implementing the new whole-of-government flexible work policy
- commencing the development of the Department's workplace gender equality action plan

⁶¹ The self-described category is nil for this entry.

- implementing our disability employment program, including commencement of the RISE program to provide employment for people with autism
- achieving a silver award in the Australian Workplace Equality Index—the national benchmark on LGBTIQ+ workplace inclusion
- releasing an inclusive recruitment eLearning module for all staff and provided diversity and inclusion training to raise awareness and capability around LGBTIQ+ awareness, disability confidence, and human rights.

Industrial relations

Department employees, other than executive officers, are covered by industrial agreements. Industrial action is not permitted on specified matters in 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. A replacement agreement is being negotiated.

The VPS Agreement 2020 came into effect on 9 October 2020 and expires on 20 March 2024. The Nurses (Department) Agreement came into effect on 18 December 2006 and expired on 31 December 2020.

No time was lost due to industrial action during 2020–21.

Executive officer data

The following tables disclose information about the executive officers of the Department and its portfolio agencies as at 30 June 2021.

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

Class	All		Men		Women		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-3	8.0	–	4.0	–	4.0	–	–	–
SES-2	39.9	–	19.0	+1.0	20.9	-1.0	–	–
SES-1	42.7	-1.5	18.8	+0.1	23.9	-1.6	–	–
Total	90.6	-1.5	41.8	+1.1	48.8	-2.6	–	–

Reconciliation of executive officer numbers (head count) excluding statutory authorities

	2021	2020
Executive officers	98	95
Accountable officer (Secretary)	1	1
Less separations ⁶²	(11)	(8)
Less Executive officers employed by other departments ⁶³	(1)	(1)
Total executive officer numbers as at 30 June	87	87

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

	All		Men		Women		Self-described	
Class	No.	Var.	No.	Var.	No.	Var.	No.	Var.
VCAA	5.0	–	3.0	–	2.0	–	–	–
VRQA	3.0	–	2.0	–	1.0	–	–	–
Total	8.0	–	5.0	–	3.0	–	–	–

⁶² This item reflects all executive officers who have separated from the Department, including those who transferred to another government department.

⁶³ This item reflects new advice from DTF that departments should include CFOs which was not a requirement in the 2019–20 annual report.

Number of executive officers for the Department's portfolio entities as at 30 June 2021⁶⁴

Portfolio agency	2021				2020				Change			
	Female	Male	Self-described	Total	Female	Male	Self-described	Total	Female	Male	Self-described	Total
AMES Australia	4	2	–	6	5	2	–	7	-1	–	–	-1
Bendigo Kangan Institute	4	6	–	10	4	4	–	8	–	2	–	2
Box Hill Institute	7	2	–	9	8	5	–	13	-1	-3	–	-4
Chisholm Institute	4	3	–	7	5	2	–	7	-1	1	–	–
Gippsland Institute of TAFE	–	3	–	3	–	3	–	3	–	–	–	–
Gordon Institute of TAFE	2	3	–	5	3	2	–	5	-1	1	–	–
Goulburn Ovens Institute of TAFE	2	3	–	5	3	2	–	5	-1	1	–	–
Holmesglen Institute	6	4	–	10	8	4	–	12	-2	–	–	-2
Melbourne Polytechnic	4	8	–	12	5	9	–	14	-1	-1	–	-2
South West Institute of TAFE	–	1	–	1	–	1	–	1	–	–	–	–
Sunraysia Institute of TAFE	–	1	–	1	–	1	–	1	–	–	–	–
VET Development Centre	–	1	–	1	–	1	–	1	–	–	–	–
VIT	–	1	–	1	–	1	–	1	–	–	–	–
William Angliss Institute of TAFE	1	2	–	3	1	2	–	3	–	–	–	–
Wodonga Institute of TAFE	–	2	–	2	–	2	–	2	–	–	–	–
Total	34	42	–	76	42	41	–	83	-8	2	–	-6

⁶⁴ For the purposes of this table, executive officers are defined as employees who have significant management responsibility and receive a total remuneration package of \$192,799 or more. It excludes employees on leave without pay or absent on secondment, external contracts, consultants and temporary staff employed by employment agencies.

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. The strategy prioritises the following social procurement objectives:

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

In 2020–21, the Department spent a total of \$11.4 million through direct engagement of 97 verified social benefit suppliers. This represents an increase of around \$0.9 million on 2019–20. The total spend includes a direct engagement of \$404,322 with 30 verified Victorian Aboriginal businesses.

All procurement procedures for goods and services as well as construction works are aligned with the Social Procurement Framework.

All suppliers to the Department must attest to their commitment to the Victorian Government's Supplier Code of Conduct when responding to the Department's approaches to market.

The Department established a Social Procurement Capability Development Plan in July 2019, which outlines a pathway to mature social procurement capability. This work will progress over the first three years of the Social Procurement Strategy. The online training modules for goods and services procurement, include social procurement considerations at key stages of the process.

Social procurement in school construction

The Department requires all construction related projects to incorporate Social Procurement Framework objectives and outcomes. Evaluations of tender submissions are conducted to identify and recognise businesses whose practices support social and sustainable procurement objectives.

Assessments are undertaken to review suppliers' tender responses for the application of social and sustainable procurement objectives. Tender submissions are required to include responses to the following criteria:

- employment for Victorian Aboriginal people
- opportunities for disadvantaged Victorians
- environmentally sustainable outputs.

The Department's Capital Programs Assurance Service provides independent assurance on projects. It reviews the requirements in tender responses against social procurement objectives. Based on these reviews, VSBA projects have demonstrated a high level of compliance.

Local Jobs First

Introduced in August 2018, the *Local Jobs First Act 2003* 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 into prior to 15 August 2018.

During 2020–21, the Department commenced or completed a total of 130 Local Jobs First projects, totalling \$1.3 billion. This includes 106 standard projects and 24 strategic projects. The statewide projects averaged 70 per cent local content.

Projects commenced—Local Jobs First Standard

During 2020–21, the Department commenced 56 Local Jobs First Standard projects, valued at \$407 million. The projects based in metropolitan Victoria averaged 93 per cent local content. The projects based in regional Victoria averaged 92 per cent local content.

The expected outcomes based on the reported and extrapolated information are:

- an average of 91 per cent local content overall
- a total of 256 positions created and 959 positions retained
- an estimated 82 new apprenticeships and traineeships created
- an estimated 159 existing apprenticeships and traineeships retained.

MPSG projects provided an estimated 32,000 annual work hours to 13 apprentices, trainees, and cadets.

Projects completed—Local Jobs First Standard

During 2020–21, the Department completed 50 Local Jobs First Standard Projects, with a total value of \$283 million. The projects based in metropolitan Victoria averaged 89 per cent local content, and those based in regional Victoria averaged 89 per cent local content.

The expected outcomes based on reported and extrapolated information are:

- an average of 89 per cent local content
- a total of 371 positions created and 1,351 positions retained
- an estimated 179 new apprenticeships and traineeships created
- an estimated 121 existing apprenticeships and traineeships retained.

MPSG projects provided an estimated total of 41,000 annual work hours to eight apprentices, trainees and cadets.

Projects commenced—Local Jobs First Strategic

During 2020–21, the Department commenced 10 Local Jobs First Strategic Projects, valued at \$233 million. The statewide projects expect to use 93 per cent local content.

The expected outcomes based on the reported and extrapolated information are:

- an average of 93 per cent local content
- a total of 113 positions created and 384 positions retained
- an estimated 34 new apprenticeships and traineeships created
- an estimated 39 existing apprenticeships and traineeships retained.

MPSG projects provided an estimated total of 138,000 annual hours to 74 apprentices, trainees, and cadets.

Projects completed—Local Jobs First Strategic

During 2020–21, the Department completed 14 Local Jobs First Strategic Projects, with a total value of \$379 million. The statewide projects used 88 per cent local content.

The outcomes based on the reported and extrapolated information are:

- an average of 88 per cent local content
- a total of 133 positions created and 789 positions retained
- an estimated 61 new apprenticeships and traineeships created
- an estimated 143 existing apprenticeships and traineeships retained.

MPSG projects provided an estimated total of 459,000 annual work hours to 204 apprentices, trainees and cadets.

Reporting requirements—all projects

During 2020–21, there were 10,430 small to medium sized businesses engaged throughout the supply chain in these projects.

Reporting requirements—grants

For grants provided during 2020–21, a total of three Interaction Reference Numbers were required, which entailed an engagement with the Industry Capability Network (Victoria) Ltd.

Government advertising expenditure

Campaigns with a media spend of \$100,000 or greater (excluding GST) during 2020–21

Campaign	Summary	Start/end	Advertising (media)	Creative and campaign development	Research and evaluation	Print and collateral	Other	Total
More Free TAFE	As part of the Skills for Economic Recovery package, 10,000 new Free TAFE places were made available to those who lost their job as part of the COVID-19 pandemic. The campaign aimed to raise awareness of the new Free TAFE places and promote four new courses.	20 July – 28 August 2020	\$150,000	\$234,000	–	–	–	\$384,000
Boosting Apprenticeships	The campaign aimed to inform employers and potential apprentices about the Boosting Apprenticeship Commencements Wage Subsidy. The Commonwealth scheme supported businesses to take on new apprentices and trainees through a wage subsidy and quarterly payment.	27 November – 17 January 2020	\$99,359	\$70,000	–	–	–	\$169,359
Learn Local Core Skills	The campaign was developed as part of the COVID-19 recovery to upskill those who may have lost employment due to the pandemic. The campaign promoted pre-accredited training as pathways to employment and further training. The campaign targeted Victorians with low literacy, numeracy and digital literacy, with a specific focus on culturally and linguistically diverse and regional Victorians.	12 May – 3 June 2021	\$190,000	\$99,172	–	–	–	\$289,172

Campaign	Summary	Start/end	Advertising (media)	Creative and campaign development	Research and evaluation	Print and collateral	Other	Total
Three-Year-Old Kinder: 2022 statewide roll-out	<p>Three-Year-Old Kindergarten will be available across the state from 2022.</p> <p>Children will have access to at least five hours of a funded Three-Year-Old Kindergarten program from 2022.</p> <p>The advertising campaign aimed to inform families of the statewide roll-out of Three-Year-Old Kindergarten and encourage families of eligible children to enrol in preparation for 2022.</p>	18 April – 30 June 2021	\$1,439,840	\$291,430	–	\$8,214	\$61,956	\$1,801,440
Three-Year-Old Kinder: workforce recruitment	<p>The successful roll-out of Three-Year-Old Kindergarten will require a significant increase in the number of early childhood teachers and educators delivering kindergarten services.</p> <p>The campaign aimed to increase enrolments in workforce pathways by promoting early childhood teaching as a career, and financial support to study.</p> <p>The campaign targeted Year 12 students, recent school leavers, career-changers and potential upskillers (existing early childhood educators).</p>	16 August 2020 – 26 June 2021	\$1,927,616	\$24,222	\$81,652	\$559	\$17,571	\$2,051,620
Kinder Tick	<p>The Kinder Tick is a brand to help families identify Victorian Government funded and approved kindergarten programs in both a long day care and standalone (sessional) kindergarten settings.</p> <p>The campaign aimed to inform families about the Kinder Tick, and encourage families to enrol in Victorian Government funded and approved kindergarten programs.</p>	8 March – 30 June 2021	\$582,008	\$172,247	\$45,136	\$550,519	\$55,985	\$1,405,895
Free Kinder	<p>To help families recover from the COVID-19 pandemic the Victorian Government committed to providing free kindergarten to Victorian families in 2021.</p> <p>The campaign aimed to inform families about Free Kinder and encourage them to enrol children for 2021.</p>	15 December 2020–7 February 2021	\$298,207	\$42,885	–	–	\$6,129	\$347,221

Campaign	Summary	Start/end	Advertising (media)	Creative and campaign development	Research and evaluation	Print and collateral	Other	Total
Teacher Recruitment	<p>The campaign aimed to generate an uplift in enrolments in teaching courses to help meet an anticipated shortfall in new qualified teacher numbers over the coming years.</p> <p>The campaign targeted year 12 school leavers and career switchers.</p>	16 August 2020–30 June 2021	\$3,233,790	\$801,954	\$108,685	–	\$255,792	\$4,400,221
Active Schools 'Get Your Move On'	<p>The campaign aimed to increase the number of Victorian students participating in physical activity outside school hours.</p> <p>This campaign sought to inspire students and young people to participate in physical activity and increase family awareness of the value of physical education and activity.</p> <p>The campaign extends the reach of the Active Schools initiative.</p>	19 April–30 June 2021	\$430,305	\$429,350	\$42,680	–	–	\$902,335

Consultancy expenditure

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

In 2020–21, there were 39 consultancies whose total fees were \$10,000 or greater. The total expenditure incurred in 2020–21 in relation to these consultancies is \$4.43 million (excluding GST). Details of the individual consultancies are outlined in *Department of Education and Training Annual Report 2020–21 Additional Information*, available at www.education.vic.gov.au.

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

In 2020–21, there were no consultancies whose total fees were less than \$10,000.

Information and communication technology expenditure

In accordance with the VPS's ICT reporting standard, the Department's ICT expenditure is reported below.

ICT expenditure

Measure	\$
Business as usual ICT expenditure	398,721,829
Non-business as usual ICT expenditure	
• Operating expenditure	6,205,410
• Capital expenditure	25,331,493
Total ICT non-business as usual expenditure	31,536,903
Total ICT expenditure	430,258,732

Disclosure of major contracts

The Department disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts with a value greater than \$10 million entered into during the year ended 30 June 2021. Details of contracts disclosed in the Victorian government contracts' publishing system can be viewed at www.procurement.vic.gov.au.

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

Procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board, the Department must disclose any formal complaints received through its procurement complaints management system.

The Department received no formal complaints through its procurement complaints management system in 2020–21.

Procurement during critical incidents

Under the Market Approach Policy of the Victorian Government Purchasing Board, the Department is required to disclose summary information regarding procurement activity during a critical incident.

Critical incident procurement protocols were implemented by the Department in response to the declaration of a State of Emergency made by the Victorian Government on 16 March 2020 in relation to the COVID-19 pandemic.

That declaration and the critical incident protocols ended on 7 December 2020.

Total value of procurements made under critical incident protocols

Goods and services purchased under critical incident protocols	\$ (ex GST)
Goods purchased under protocols in 2020–21	16,625,561
Services purchased under protocols in 2020–21	18,665,752
Total	35,291,313

Freedom of information (FOI)

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 created by, or supplied to, the Department. They may also obtain 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, the Department can refuse public access to certain documents or information, either fully or partially. Examples of documents that the Department may refuse access to 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 within 28 days of receiving a decision on access.

Freedom of information statistics

During 2020–21, the Department received 582 FOI requests. Of these:

- 502 were from individuals seeking access to their own records
- 27 were requests from members of parliament
- 21 were from media organisations
- 32 were from members of the public seeking policy-related and other miscellaneous documents.

Mostly, the Department provided full or partial access to the requested documents. The Office of the Victorian Information Commissioner was asked to review 22 requests, and two went on appeal to the Victorian Civil and Administrative Tribunal.

This annual 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

A request for access to documents can be made by writing to the Department's FOI Unit.

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).

Access charges may be required in certain circumstances. Examples of access charges include charges for search, retrieval, and extraction of certain documents from databases.

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@education.vic.gov.au	(03) 7022 0856
Victorian Curriculum and Assessment Authority	Level 7 2 Lonsdale Street Melbourne 3000	vcaa.foi@education.vic.gov.au	(03) 9032 1700
Victorian Registration and Qualifications Authority	Level 4 2 Lonsdale Street Melbourne 3000	vrqa@education.vic.gov.au	(03) 9032 1554
Merit Protection Boards	Level 4 2 Lonsdale Street Melbourne 3000	meritboards@education.vic.gov.au	(03) 7022 0040

Agency	Postal address	Email	Telephone
Victorian Institute of Teaching	Level 9 628 Bourke Street Melbourne 3000	vit@vit.vic.edu.au	(03) 8601 6100
Disciplinary Appeals Boards	Level 4 2 Lonsdale Street Melbourne 3000	dab@education.vic.gov.au	(03) 7022 0040

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

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the Department made 12 data sets available on the DataVic website in 2020–21. The information listed below and elsewhere in this Annual Report is available in electronic readable format at www.data.vic.gov.au:

- 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 officer data
- government advertising expenditure
- financial statements (key financial information)
- Appendix 2 budget portfolio outcomes.

Compliance with the Building Act 1993

Mechanisms to ensure 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 (with a value greater than \$50,000)

For details of all such projects, see the 2021–22 Budget Paper No. 4: State Capital Program.

A list of all sites that had capital works projects in a construction status during 2020–21 is provided below.

Major works sites

School ⁶⁵	School	School	School
Aberfeldie PS	Ainslie Parklands PS	Aintree PS	Aireys Inlet PS
Aitken Creek PS	Aitken Hill PS	Alamanda K–9 C	Albert Park PS
Albion PS	Aldercourt PS	Alexandra PS	Alkira SC
Allansford and District PS	Alphington PS	Altona C	Altona North PS
Altona PS	Anglesea PS	Antonio Park PS	Apsley PS
Ararat PS	Ararat West PS	Ardeer PS	Armada PS
Armstrong Creek S	Arthurs Creek PS	Ashby PS	Auburn HS
Aurora S	Avoca PS	Avondale PS	Bacchus Marsh C
Bacchus Marsh PS	Baimbridge C	Bairnsdale SC	Ballam Park PS
Ballarat HS	Barnawartha PS	Barton PS	Barwon Heads PS
Barwon Valley S	Bass Coast C	Bass Coast SS	Bastow Victorian Academy of Teaching and Leadership
Baxter PS	Bayles Regional PS	Bayside P–12 C	Bayswater South PS
Beaconsfield Upper PS	Beaumaris SC	Beechworth SC	Bellaire PS
Bellarine SC	Bellbrae PS	Belmont HS	Belvedere Park PS
Benalla P–12 C	Bendigo PS	Bendigo Senior SC	Bendigo South East 7–10 SC
Berwick Chase PS	Berwick Fields PS	Berwick SC	Bethal PS
Beulah PS	Beverley Hill PS	Billanook PS	Birrilee PS
Black Hill PS	Blackburn Lake PS	Blackburn PS	Boisdale Consolidated S
Bonbeach PS	Boronia Heights PS	Boronia K–12 C	Box Hill HS
Box Hill North PS	Box Hill Senior SC	Brandon Park PS	Brauer SC
Brentwood SC	Bright P–12 C	Brighton SC	Broadmeadows SDS
Brunswick North West PS	Brunswick South West PS	Buckley Park C	Bunyip PS
Campbellfield Heights PS	Camperdown C	Canterbury Girls SC	Cape Clear PS
Cardross PS	Carlton PS	Carragarmungee PS	Casey Fields PS

⁶⁵ C: College, CS: Consolidated School, HS: High School, PS: Primary School, S: School, SC: Secondary College, SS: Specialist School

School ⁶⁵	School	School	School
Casterton PS	Castlemaine SC	Caulfield PS	Centre for Higher Education Studies
Charles La Trobe P–12 C	Chelsea Heights PS	Chelsea PS	Chirnside Park PS
Churchill PS	Clarinda PS	Clayton South PS	Clifton Creek PS
Clifton Hill PS	Clunes PS	Clyde Creek PS	Clyde PS
Clyde SC	Cobram PS	Cobram SC	Coburg HS
Coburg North PS	Coburn PS	Cohuna CS	Cohuna SC
Colac West PS	Collingwood C	Copperfield C	Coragulac and District Kindergarten
Cowes PS	Craigieburn SC	Cranbourne East SC	Cranbourne SC
Cranbourne South PS	Cranbourne West PS	Cranbourne West SC	Crib Point PS
Croxton SS	Croydon Community S	Croydon Hills PS	Croydon SDS
Dandenong HS	Dandenong West PS	Deanside PS	Debney Meadows PS
Deer Park West PS	Delacombe PS	Derinya PS	Derrinallum P–12 C
Diamond Creek East PS	Diamond Valley C	Diamond Valley SDS	Diggers Rest PS
Docklands PS	Doherty's Creek P–9 C	Donvale PS	Dorset PS
Dromana SC	Drouin PS	Drouin SC	Drysdale PS
Dunkeld Consolidated S	East Doncaster SC	East Loddon P–12 C	Eastern Ranges S
Echuca Regeneration	Edenbrooke SC	Edgars Creek PS	Edgars Creek SC
Edithvale PS	Elevation SC	Elisabeth Murdoch C	Eltham HS
Eltham North PS	Elwood C	Elwood PS	Emerson S
Endeavour Hills SS	Epping SC	Epsom PS	Essendon East Keilor District C
Essendon North PS	Euroa SC	Exford PS	Eynesbury PS
Fairfield PS	Fairhills HS	Falls Creek PS	Featherbrook P–9 C
Fitzroy Gasworks SC	Footscray City C	Footscray Learning Precinct	Footscray North PS
Forest Hill C	Fountain Gate SC	Frankston East PS	Frankston Heights PS
Frankston HS	Frankston North Education Precinct	Gaayip-Yagila PS	Garfield PS
Garrang Wilam PS	Gembrook PS	George St PS (Hamilton)	Gisborne PS

School ⁶⁵	School	School	School
Gladstone Park PS	Gladstone Views PS	Glen Eira C	Glen Katherine PS
Glen Waverley PS	Glen Waverley SC	Glen Waverley South PS	Glendal PS
Gleneagles SC	Glenrowan PS	Glenroy SC	Glenroy West PS
Gordon PS	Greater Shepparton SC	Greensborough SC	Greenvale SC
Greythorn PS	Hallam Senior SC	Hampton Park SC	Harcourt Preschool
Harvest Home PS	Hawkesdale P–12 C	Hawthorn West PS	Healesville HS
Heathmont C	Heyfield PS	Highton PS	Horsham C
Horsham PS	Horsham 298 PS	Hume Central SC (Blair St Campus)	Hume Central SC (Town Park Campus)
Hume Central SC (Dimboola Rd Campus)	Huntingdale PS	Huntly PS	Inglewood PS
Iramoo PS	Irymple PS	Ivanhoe East PS	Ivanhoe PS
Jackson School	John Fawcner SC	John Henry PS	Kalianna SS
Kalkallo Commons PS	Kalkallo Interim Preschool	Kallista PS	Kananook PS
Kangaroo Ground PS	Kaniva C	Keelonith PS	Kensington PS
Kerang PS	Kew HS	Killara PS	Kingsbury PS
Kingsville PS	Knox Central PS	Knox Gardens PS	Koo Wee Rup SC
Koonung SC	Kororoit Creek PS	Korumburra SC	Kunung PS
Kurnai C	Kurunjang PS	Kurunjang SC	Kyneton PS
Lake Boga PS	Lakes Entrance SC	Lal Lal PS	Lalor East PS
Lalor SC	Lang Lang PS	Langwarrin PS	Latrobe SDS
Lavers Hill P–12 C	Laverton P–12 C	Le Page PS	Leitchville PS
Leongatha PS	Leongatha SC	Lilydale Heights C	Lilydale HS
Lower Plenty PS	Lucknow PS	Lynbrook PS	Lyndhurst PS
Mackellar PS	Macleod C	Mahogany Rise PS	Maiden Gully PS
Mallacoota P–12 C	Malmsbury PS	Manangatang P–12 C	Manor Lakes P–12 C
Mansfield SC	Maramba PS	Maribyrnong SC	Marlborough PS
Marnebek S Cranbourne	Marong PS	Marysville PS	Matthew Flinders Girls SC

School ⁶⁵	School	School	School
McKinnon SC (East Campus)	Mckinnon SC	MacRobertson Girls HS	Meadows PS
Melton SC	Melton South PS	Mernda Central P-12 C	Merrifield North K
Mickleham PS	Mildura PS	Mildura Senior C	Mildura South PS
Mildura West PS	Milgate PS	Millwarra PS (Millgrove Campus)	Millwarra PS (Warburton East Campus)
Miners Rest PS	Mitcham PS	Monash SDS	Monbulk C
Monbulk PS	Monterey SC	Montmorency SC	Montrose PS
Moomba Park PS	Moorabbin PS	Mooroolbark C	Mooroolbark East PS
Mooroopna P ELC	Mordialloc C	Moreland K	Mornington PS
Mortlake P-12 C	Mossfield PS	Mount Alexander 7-12 C	Mount Beauty SC
Mount Clear C	Mount Clear PS	Mount Duneed Regional PS	Mount Erin SC
Mount Evelyn PS	Mount Pleasant Rd Nunawading PS	Mount Ridley P-12 C	Mount Rowan SC
Mount Waverley Heights PS	Mount Waverley North PS	Movelle PS	Mullum PS
Murrayville Community C	Murrumbeena PS	Murtoa C	Myrree PS
Narre Warren North PS	Narre Warren South P-12 C	Nathalia PS	Nathalia SC
Natimuk PS	Neerim District SC	New Gisborne PS	Newborough East PS
Newbury PS	Newcomb Park PS	Newcomb SC	Newham PS
Newlands PS	Newport Gardens PS	Newport Lakes PS	Newtown PS
Niddrie Autistic S	Niddrie PS	Noble Park English Language S	Noble Park SC
Norris Bank PS	North Melbourne PS	Northern S for Autism	Norwood SC
Nungurner PS	Oberon HS	Oberon South PS	Ocean Grove PS
Officer SS	Orbost SC	Orchard Park PS	Ormond PS
Osborne PS	Outdoor School (Bogong Campus)	Outdoor School (Fifteen Mile Creek Campus)	Ouyen P-12 C
Pakenham CS	Park Orchards PS	Parkdale PS	Parkdale SC
Parkhill PS	Parktone PS	Pascoe Vale Girls SC	Pascoe Vale North PS

School ⁶⁵	School	School	School
Pascoe Vale PS	Pascoe Vale South PS	Patterson Lakes PS	Patterson River SC
Penders Grove PS	Pentland PS	Phillip Island K/ Cowes PS	Phoenix P–12 Community C
Port Melbourne PS	Port Melbourne SC	Port Philip SS	Portland SC
Preston HS	Preston South PS	Princes Hill SC (Mirimbah Country Centre)	Princess Hill K
Puckapunyal PS	Pyalong PS	Pyramid Hill C	Quarry Hill PS
Ramleigh Park PS	Ranfurly PS	Rangeview PS	Red Hill CS
Research PS	Reservoir HS	Reservoir PS	Reservoir Views PS
Richmond West PS	Ringwood North PS	Ringwood SC	Ripponlea K
Riverbend PS	Rollins PS	Romsey PS	Rosanna PS
Rosebud PS	Rosehill SC	Rosewood Downs PS	Rowellyn Park PS
Rowville PS	Roxburgh C	Roxburgh Rise PS	Rutherglen PS
Sale PS	Saltwater P–9 C	San Remo PS	Sandringham PS
Seaford North PS	Seaford Park PS	Seaford PS	Sebastopol PS
Sherbrooke Community S	Sherburne PS	Skye PS	Somers School Camp
Somerville PS	Somerville Rise PS	Somerville SC	South Gippsland SS
South Melbourne Park PS	Southern Autistic S	Southern Cross PS	Spensley Street PS
Spotswood PS	Springside West SC	Springvale Rise PS	St Albans East PS
St Albans Heights PS	St Albans North PS	St Albans SC	St Helena SC
St Johns K	St Kilda PS	St Leonards PS	Staughton C
Stawell SC	Stevensville PS	Strathmore SC	Strathtulloh PS
Sunbury and Macedon Ranges SS Bullengarook	Sunbury and Macedon Ranges SS Sunbury	Sunbury PS	Sunshine C
Sunshine Heights PS	Sunshine SDS	Surfcoast SC	Surfside PS
Surrey Hills PS	Swan Hill C	Swan Hill PS	Swan Reach PS
Tarneit Rise PS	Tarneit SC	Tawonga PS	Tecoma PS
Teesdale PS	Templestowe C	Templestowe Park PS	Templestowe Valley PS

School ⁶⁵	School	School	School
Tempy PS	Terang C	The Alpine S	The Basin PS
The Grange P–12 C	The Lake PS	The Patch PS	Thomastown East PS
Thomastown SC	Thornbury PS	Timbarra P–9 C	Toolern Vale and District PS
Toorloo Arm PS	Torquay Coast PS	Torquay P–6 C	Traralgon (Kosciuszko Street) PS
Traralgon SC	Traralgon South PS	Truganina P–9 C	Tucker Road Bentleigh PS
Tulliallan PS	Tyabb Railway Station PS	Tyers PS	Tyrrell C
Ultima PS	Underbool PS	University HS	Upper Yarra SC
Upwey HS	Urquhart Park PS	Vermont South SS	Verney Rd S
Victoria Rd PS	Victoria Rd PS / Lilydale West PS	Victoria University SC	Viewbank PS
Wales Street PS	Wallington PS	Walwa PS	Wangaratta District SS and Appin Park PS
Wangaratta HS (Edwards Street Campus)	Wangaratta PS	Wangaratta West PS	Warrandyte HS
Warringa Park S	Warrnambool C	Warrnambool C (Wave Campus)	Watsonia North PS
Watsonia PS	Wattle Glen PS	Wattle View PS	Waubra PS
Waverley Meadows PS	Wedderburn C	Wedge Park PS	Wellington SC
Wembley PS	Werribee PS	Werribee SC	Werrimull P–12 C
Westbreen PS	Western Port SC	Westgarth PS	Whealers Hill PS
White Hills PS	Wilandra Rise PS	Williamstown HS	Williamstown PS
Willow Grove PS	Willowbank PS	Winchelsea PS	Windsor PS
Wodonga Senior SC	Wollert East PS	Wonga Park PS	Wonthaggi North PS
Wonthaggi PS	Wonthaggi SC	Woodend PS	Woodlands PS
Woodmans Hill SC	Woodside PS	Wooranna Park PS	Wycheproof Early Learning Centre
Wyndham Central SC	Wyndham Vale PS	Yaapeet PS	Yarra Glen PS
Yarra Me School	Yarra Ranges SDS	Yarrabah S	Yarragon PS
Yarraville SDS	Yarrawonga P–12 C		

Number of building permits, occupancy permits, or certificates of final inspection issued in relation to buildings owned by the Department

During 2020–21 the Department had 162 building permits, 68 occupancy permits, and 54 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 that existing buildings comply with current building regulations. Compliance programs cover areas such as asbestos removal, fire service upgrades, integration (disability access), environmental works (such as the removal of underground petroleum storage systems) and works aimed at preventing falls.

The Department also operates the Emergency Maintenance and Make Safe programs. The Make Safe program involves works to eliminate the risk of immediate hazards resulting from an incident (fire) or event (storm). The Emergency Maintenance program addresses unforeseen, urgent infrastructure maintenance issues that pose a risk to safety, where schools do not have the financial capacity to rectify the issue.

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

No emergency orders or building orders were issued in 2020–21.

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

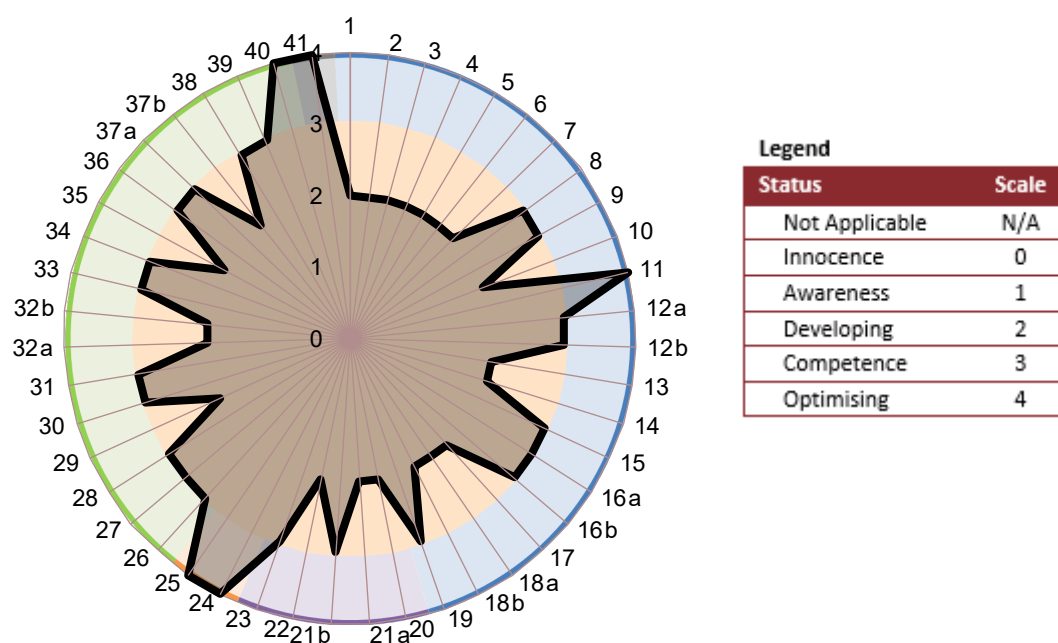
During 2020–21, no buildings were required to be brought into conformity with building standards.

Asset Management Accountability Framework Maturity Assessment

The following sections summarise the Department's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. Some requirements are broken into sub-requirements, bringing the total number of requirements and sub-requirements to 47. These can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

The Department's target maturity rating is 'competence', meaning that systems and processes are fully in place, are consistently applied and are systematically meeting the AMAF requirements, including a continuous improvement process to expand system performance above the minimum requirements.

The Department's AMAF rating against each of the 41 requirements



Leadership and Accountability (requirements 1–19)

The Department is rated as either *developing*, *competence* or *optimising* for all requirements in this category, with one material non-compliance reported. A plan for strengthening the Department's maturity rating in this category is in place.

Planning (requirements 20–23)

The Department is rated as *developing* or *competence* for all requirements in this category. A plan for strengthening the Department's maturity rating in this category is in place.

Acquisition (requirements 24 and 25)

The Department exceeded its target maturity level and is rated as *optimising* for all requirements in this category.

Operation (requirements 26–40)

The Department is rated as either *developing*, *competence* or *optimising* for all requirements in this category. A plan for strengthening the Department's maturity rating in this category is in place.

Disposal (requirement 41)

The Department exceeded its target maturity level and is rated as *optimising* in this category.

Compliance with the Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* (PID Act) encourages and assists people to make disclosures of improper conduct by public officers and public bodies. It protects people who make disclosures 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 ensures transparency and accountability in administrative and management practices and supports disclosures that reveal improper conduct, including corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to the health and safety of individuals 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 that 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
- Public Interest Disclosure Coordinator or public interest 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:

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 PID Act at

www.education.vic.gov.au/about/contact/Pages/reportingfraud.aspx

Disclosures under the Public Interest Disclosure Act

	2020–21	2019–20	2018–19	2017–18
The number of disclosures made by an individual to the Department and notified to the Independent Broad-based Anti-Corruption Commission: assessable disclosures.	10	8	18	9

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 is focused on efficient service provision and does not override other government policy objectives.

The Department continues to comply with the National Competition Policy. All new legislation and regulations enacted in the portfolio during 2020–21 was subject to a regulatory burden assessment, which included consideration of the National Competition Policy principles as well as competitive neutrality.

Compliance with the Disability Act 2006

The Disability Act 2006 reaffirms and strengthens the rights of people with disability, and recognises that 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 that prevent people with a disability from using the Department's goods, services and facilities, and from gaining and keeping employment. Disability action planning also strives to promote the inclusion and participation of people with disability in the community and achieve changes in attitudes and practices to eliminate 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 taken by the Department to support people with a disability to use departmental services and to engage with, or work for, the Department. It is aligned to the State Disability Plan: Absolutely Everyone.

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 2019–20 the Department continued to develop resources and deliver professional training across a range of areas, including inclusive education practices, learning difficulties, and disability awareness. This work included the Department's partnership with Deakin University to develop AllPlay Learn—an evidence-based online suite of inclusive education resources for students, families and schools. 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 (2020) ensures that all school facilities are built to include 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 2019–22. This plan describes the Department's commitment to boosting employment opportunities and career experiences for people with disability. The plan continues to improve employment opportunities and outcomes for people with disability in the Department.

Promoting inclusion and participation in the community

The Department's Disability Action Plan 2018–21 identifies priorities and actions to build inclusive education for people with disability across Victoria—in early childhood centres, schools and higher education settings. The Department also manages a suite of policies and programs to strengthen inclusive education in Victorian government schools, including the Program for Students with Disabilities, the Inclusive Schools Fund, the Inclusive Kindergarten Facilities Program, and additional transport, welfare and support services for students and children with disability.

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 Department. A key focus of the role is to raise awareness across the Department to ensure accessibility and inclusion. In addition, the Deputy Secretary, FPIS is the executive sponsor for the Department's Enablers Network. The network is a conduit for staff with lived experience of disability policy and program development.

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 who are in a care relationship. The Department has taken all practical measures to comply with its obligations under this Act.

Office-based environmental impacts

The Department's Environment Management System was established to meet government requirements under Financial Reporting Direction (FRD) 24D and to reduce environmental impacts. It allows the Department to monitor environmental performance and further reduce environmental impacts of office-based activities.

In line with government directives, the Department reports against a range of indicators for energy and water consumption, transportation, waste generation, paper purchasing, green procurement and greenhouse gas emissions. Consumption and usage are captured through the Energy and Sustainability Platform (ESP) provided by the Shared Services Provider's (SSP) contractor, Jones Lang LaSalle. This online tool allows reporting across the Department's Victorian offices.

The environment management system objectives include:

- reducing greenhouse gas emissions
- reducing the amount of waste and maximising the amount of reused and recycled resources
- ensuring that 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 environmental improvement across the Department.

Key updates from last year's annual reporting

- ESP⁶⁶ has become the exclusive source of data for electricity, gas, water and waste for accuracy, transparency and consistency.
- New data from three sites has been added to the reportable site list through the ESP this year, thereby improving efficiency and accountability.
- A new role has been created to manage and coordinate the environmental management system.

Unless otherwise stated, all consumption data is for 1 April 2020 – 31 March 2021 to allow for a full reporting year and to improve accuracy for annual reporting. Variance in consumption for most indicators from 2019–20 to 2020–21 can largely be attributed to the impact of the COVID-19 pandemic and should be considered when reviewing these figures.

Organisational boundary for the purpose of environmental reporting

The reportable site list excludes schools, early childhood facilities, TAFEs and ACFE facilities. It also excludes office-based locations not in the ESP database and with fewer than 10 FTE. Office staff numbers (FTE) and office tenancy net lettable area (NLA) details used for reporting calculations are shown in the table below.

Full-time equivalent staff and net lettable area

Indicator	2020–21	2019–20	2018–19
Office FTE	4,667.7	4,500.8	4,427.8
Office NLA	74,775	74,775	–
Number of offices	35	35	–

In 2020–21 the Department's FTE increased by 3.7 per cent.

Energy consumption

Indicator	2020–21	2019–20	2018–19
E1. Total energy usage segmented by primary source (MJ)	28,866,316	33,277,172	31,530,055
Electricity (MJ)—excluding green power	22,764,191	26,434,947	25,006,672
Natural gas (MJ)	6,102,125	6,842,225	6,523,383
Green power (MJ)	–	–	–
LPG (MJ)	–	–	–

⁶⁶ ESP is an online reporting tool from Jones Lang LaSalle via the SSP. The Department is working with Jones Lang LaSalle and the SSP to bring all office accommodation details into the ESP online reporting system for improvement.

Indicator	2020–21	2019–20	2018–19
E.2 Total greenhouse gas emissions from energy consumption (tonnes CO₂-e)	6,511	8,601	8,453
Electricity (tonnes CO ₂ -e)—excluding green power	6,197	8,221	8,091
Natural gas (tonnes CO ₂ -e)	314	379	362
LPG (tonnes CO ₂ -e)	—	—	—
E.3 Percentage of electricity purchased as green power (%)	—	—	—
E.4 Units of office energy used per FTE (MJ/FTE)	6,971	7,394	7,121
E.5 Units of office energy used per office area (MJ/m²)	439	473	444
Voluntary/optional indicators			
Details of NABERS energy ratings achieved (star rating)			
2 Lonsdale Street, Melbourne (base building and tenancy)	5.0 stars	4.5 stars	—
80 Collins Street, Melbourne (base building)	5.0 stars	4.5 stars	—
35 Collins Street, Melbourne (base building)	4.0 stars	—	—
7-15 McLaren Street, Bendigo (whole building)	6.0 stars	—	—

Actions undertaken

- Refurbished level 3 at 35 Collins Street, Melbourne, and accomplished ratings of Six Star, Green Star and Gold WELL.
- Explored further solar capacity and opportunities at the leased site (Bendigo).
- Reduced electricity consumption by 50 per cent at the Beaumaris office building.
- Conducted an energy efficiency audit to maximise the thermal comfort of staff (Coburg), demonstrating an environmental sustainability approach to capital upgrades.
- Established a new environmental management system dedicated role and environmental sustainability team to continue to explore energy efficiency opportunities at its sites.

Target

The following target was set in 2020–21:

- Reduce energy consumption per square metre by 5–10 per cent below 2019–20 levels by 31 March 2021.

Explanatory notes

The 2020–21 target was met with a reduction in energy consumption per metre squared by seven per cent from last year's levels. Total energy use decreased by 13.25 per cent from 2019–20.

Total energy consumption per FTE decreased by six per cent and total energy consumption per square metre decreased by seven per cent. The reduction in energy (electricity and gas) for 2020–21 can be attributed to the absence of staff on sites across Victoria due to the impact of the COVID-19 pandemic. The Department is continuously looking for opportunities to further reduce energy consumption across all sites.

Waste and recycling

The data below was collected through the ESP and represents 63 per cent of its sites and about 75 per cent of FTE. This is 142 per cent and 85 per cent improvement in collection of data (respectively) compared to last year. The Department continues to address waste generation through a variety of re-use and recycling methods and initiatives.

Waste generation would normally be supplemented by the results of a waste audit to a cohort of sites occupied by the Department that represent about 30 per cent of FTE. However, the waste audit was not possible in March 2021 due to the COVID-19 pandemic response. Like last year, during this time most office-based staff were working from home and waste audits would not have been representative of normal operating conditions.

Waste and recycling

Indicator	2020–21	2019–20	2018–19
Ws1: Total units of waste disposed of by destination (kg)	94,844	107,531	88,343
Landfill (kg)	21,452	41,161	38,752
Comingled recycling (kg)	5,633	12,685	16,552
Paper and card (kg)	6,277	15,486	19,666
Secure documents (kg)	54,105	31,987	–
Organics (kg)	7,378	6,212	13,373
Ws2: Total units of waste disposed of per FTE by destination (kg/FTE)	45	46	51
Landfill (kg/FTE)	13	18	22

Indicator	2020–21	2019–20	2018–19
Comingled recycling (kg/FTE)	4	5	9
Paper and card (kg/FTE)	5	7	11
Secure documents (kg/FTE)	17	14	–
Organics (kg/FTE)	6	3	8
Ws3: Recycling rate (%)	77	62	56
Ws4: Greenhouse gas emissions associated with waste disposal (tonnes CO2-e)	34	58	47
Voluntary/optional indicators			
Green collect donations (kg)	1,318	–	–

Actions undertaken:

- The Department continues to establish three-stream (landfill, recycling and organic) waste management practices in all office accommodations (new included).
- New signage has been displayed and is under trial on level 3 of 35 Collins Street. Due to the COVID-19 pandemic response, data gathered from the trial has not been consistent, accurate or sufficient to be reported.
- The Red Cycle soft plastics recycling scheme is being trialled on level 3 of 35 Collins Street.
- The Green Collect initiative collected 919 kilograms of office supplies and 399 kilograms of folders. A total of 1,318 kilograms was diverted from landfill.
- The Department continues to divert disused recycled office supplies from landfill via its 'Swap shop' and Green Collect (although the former has been strongly impacted by the COVID-19 pandemic restrictions).

Target

The following targets were set in 2020–21:

- Increase recycling rate to a minimum of 75 per cent by 31 March 2024. Annual Report (2019–20).
- Divert 80 per cent of waste from landfill by 2030, and an interim target of 72 per cent by 2025.
- Cut total waste generation by 15 per cent per capita by 2030.
- Halve the volume of organic material going to landfill between 2020 and 2030, with an interim target of 20 per cent reduction by 2025.

Explanatory notes

The Department is sharing its waste collection points at the Treasury Precinct with other tenants. Each bin collection point serves several organisations, which makes it difficult to accurately measure waste contributed by the Department. A calculation provided by

Shared Services Provider's contractor Jones Lang LaSalle has been used to calculate waste disposed of at 2 Treasury Place.

Waste directed to landfill decreased by 48 per cent, and comingled recycling decreased by 56 per cent, despite the increase in FTE and an addition of three office sites.

The recycling rate has increased by 24 per cent from last year. Set targets will be met if this trend continues. The reduction in waste generation for 2020–21 can be attributed to the absence of staff on sites due to the impact of the COVID-19 pandemic.

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 office-based staff. This data is for the period 1 April 2020 – 31 March 2021.

Paper purchasing and usage

Indicator	2020–21	2019–20	2018–19
P1: Total units of A4 equivalent copy paper used (reams)	3,799	27,543	42,025
P2: Units of A4 equivalent copy paper used per FTE (reams/FTE)	0.8	7	11
P3: Percentage of 75–100% recycled content copy paper purchased (%)	64	59	61
P3: Percentage of 50–74% recycled content copy paper purchased (%)	–	–	–
P3: Percentage of 0–49% recycled content copy paper purchased (%)	36	41	39

Actions undertaken

As part of the State Purchase Contract arrangement during 2020–21, there has been a continued focus on redirecting product selection for white A4 copy paper purchases to a 100 per cent recycled product.

Target

The following target was set in 2020–21:

- Reduce copy paper usage to six A4 reams per FTE by 31 March 2021.

Explanatory notes

Total copy paper usage in 2020–21 reduced by 625 per cent due to the number of staff working from home. The target of six reams per FTE has been met, with less than one (0.8) ream of paper being used per FTE.

The proportion of copy paper purchased with the highest recycled content increased to 64 per cent in 2020–21, compared to 59 per cent in 2019–20. The Department will

continue to drive higher levels of recycled content purchases in 2021–22 through internal promotion of the revised product selection available under the State Purchase Contract.

Water

The data below is based on water meter readings that have been uploaded to the ESP database by Jones Lang LaSalle. Data shows that 81 per cent of the Department's office sites cover about 85 per cent of FTEs. This represents 47 per cent and 16 per cent improvement (respectively) in data collection compared to last year's report.

Water consumption

Indicator	2020–21	2019–20	2018–19
W1: Total units of metered water consumed by water source (kilolitres)	12,305	18,723	18,420
W2: Units of metered water consumed in offices per FTE by usage type (kilolitres/FTE)	3.3	5.7	5.7
W3: Units of metered water consumed in offices per unit of office space (kilolitres per metre squared)	0.20	0.42	0.42

Actions undertaken

New office fit-outs and upgrades, including water saving systems have been made, including on level 3 of 35 Collins Street, Melbourne.

Target

The following target was set in 2020–21:

- Reduce the litres of water consumed per FTE by 10 per cent of 2019–20 levels by 31 March 2021.

Explanatory notes

The target water use per FTE was met and exceeded by 42 per cent. Total water consumption decreased significantly by about 34 per cent compared to last year's data. Low water consumption for 2020–21 might be attributed to the absence of staff from offices across Victoria due to the COVID-19 pandemic restrictions.

Some departmental sites share water meters with other non-departmental buildings or with other parts of the organisation that are not corporate. Data has been calculated based on the percentage of the net lettable area held by the Department's buildings with water data from the ESP.

Transportation

Of the Department-owned operational fleet of 372 vehicles:

- 45.2 per cent are hybrid electric vehicles
- 55.2 per cent are petrol-fuelled
- 0.3 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 data includes Department-owned fleet and hired vehicles but excludes executive vehicles.

Energy consumption of operational vehicles

Indicator	2020–21	2019–20	2018–19
T1: Total energy usage consumption by fleet vehicles (MJ)	2,595,797	10,706,341	14,185,486
Diesel	134,889	308,542	187,516
LPG	–	–	14,641
Unleaded	1,562,315	7,718,546	10,804,335
Hybrid	898,593	2,679,253	3,178,994
T2: Total distance travelled by fleet vehicles (km)	1,249,238	5,887,186	6,661,279
Diesel	51,274	99,970	57,257
LPG	–	–	5,148
Unleaded	667,184	3,890,864	4,832,091
Hybrid	530,780	1,896,352	1,766,783
T3: Total greenhouse gas emissions from fleet vehicles (tonnes CO₂-e)	185	763	1,011
Diesel	10	23	14
LPG	–	–	1
Unleaded	111	550	769
Hybrid	64	191	226
T4: Greenhouse gas emissions from fleet vehicles per 1,000km (tonnes CO₂-e)			
Diesel	0.19	0.23	0.50

Indicator	2020–21	2019–20	2018–19
LPG	–	–	0.18
Unleaded	0.13	0.14	0.34
Hybrid	0.10	0.10	0.24
Total distance travelled by air (km)	55,910	2,395,060	2,627,309
T5: Percentage of staff using sustainable transport to get to and from work by locality			
CBD	– ⁶⁷	–	92
Regional	–	–	26
Voluntary indicators			
Number of petrol hybrid, electric and plug-in hybrid electric vehicles	168	178	124

Actions undertaken

The Department leases environmentally friendly operational vehicles, including four-cylinder or hybrids, through the Approved Vehicle List from VicFleet, when they are available and suitable for use. The Department also uses externally managed pool vehicles where suitable, to minimise fleet expansion.

Target

The following target was set in 2020–21:

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

Explanatory notes

In 2020–21 the Department's vehicle usage was impacted by the COVID-19 pandemic and associated travel restrictions.

The extended import timelines experienced by the new car industry due to the COVID-19 pandemic delayed the Department's transition to a majority hybrid fleet. The Department has 195 new vehicles on order, of which 185 are hybrids, to replace vehicles that have reached the end of their lease terms.

The survey to provide the percentage of staff using sustainable transport to get to and from work was not undertaken because most office-based staff have been working from home and results would not be representative of normal operating conditions.

⁶⁷ Information on staff travel is not available this year, because the Department's travel survey was not completed in March due to the COVID-19 pandemic. As the majority of staff were working from home the data collected would not be representative of normal staff travel.

The data reported above for 2019–20 and 2018–19 relates to transport that occurred in the financial year, data for 2020–21 relates to the period April to March to align transport data with other emissions data in this report.

Greenhouse gas emissions

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

Department emissions

Indicator	2020–21	2019–20	2018–19
G1: Total greenhouse gas emissions from energy use (tonnes CO ₂ -e)	6,511	8,601	8,453
G2: Total greenhouse gas emissions from vehicle fleet (tonnes CO ₂ -e)	185	618	837
G3: Total greenhouse gas emissions from air travel (tonnes CO ₂ -e)	10	577	538
G4: Total greenhouse gas emissions from waste disposal (tonnes CO ₂ -e)	34	58	47 ⁶⁸
G5: Greenhouse gas emissions offset purchased (tonnes CO ₂ -e)	(10)	(577)	(538)
Voluntary indicators			
Total greenhouse gas emissions from water consumption (tonnes CO ₂ -e) ⁶⁹	14	23	25
Grand total greenhouse gas emissions created by the Department	6,744	9,300	9,362⁷⁰

Actions undertaken

In 2020–21, the Department had a net-zero carbon footprint for its air travel by purchasing 10 tonnes of greenhouse gas emissions offset.

Target

The following target was set in 2020–21:

- Reduce greenhouse gas emissions by 15 per cent of 2013–14 levels by 31 March 2024.

⁶⁸ Emissions for 2018–19 are based on waste from the five-day audit of the Treasury Precinct. This data is not comparable to that of previous years.

⁶⁹ Water supply is calculated using the Environmental Protection Authority Victoria's methodology, and emissions factor for water consumption as derived from data available from water authorities.

⁷⁰ Calculated total emissions for 2018–19 have been corrected to remove the offset of 538 tonnes of CO₂-e that was incorrectly added rather than subtracted.

Explanatory notes

The Department's total greenhouse gas emissions decreased by around 38 per cent compared to last year's data. There is a noticeable reduction in greenhouse gas emissions in aspects such as energy use, vehicle fleet, waste disposal and water consumption. Target will be met if this trend continues. Reductions can largely be attributed to the impacts of the COVID-19 pandemic. During this period, fleet vehicles were used with less frequency and staff did not attend office sites.

Greener procurement

The Department follows the Social Procurement Framework and is committed to achieving positive environmental outcomes through sustainable procurement practices that achieve value for money while minimising environmental impacts.

The Department continues to promote the purchase of environmentally friendly products, specifically stationery and office products. Business units are encouraged to re-use stationery through the Department's 'Swap Shop'.

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

The following targets were set in 2020–21:

- Purchase environmentally friendly vehicles (operational) providing they meet the business need (from 2020).
- All copy paper purchased to have 75–100 per cent recycled content by 31 March 2021.

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 2018 under the FM Act, changes in these details are available on request, subject to the provisions of the FOI Act.

Additional information available on request

FRD 221 requires the Accountable Officer to retain and make available specified information. This information 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 2020–21* or the *Department's Annual Report 2020–21 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 in 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 2020–21 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 the following Material Compliance Deficiencies with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions:

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. However, the material compliance deficiency primarily relates to the deployment of the framework for individual schools.

A comprehensive program of activity continues to be 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.



Jenny Atta

Secretary

Department of Education and Training

Melbourne
31 August 2021

Details of publications about the Department

Publications published by the Department about itself during 2020–21

Publication	Date produced	How to obtain a copy
The Department's Annual Report 2019–20	October 2020	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 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 2021 and financial position of the Department as at 30 June 2021.

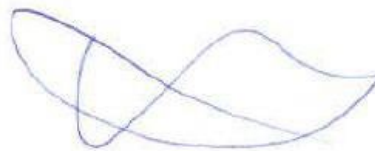
At the time of signing, we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the financial statements for issue on 31 August 2021.



Jenny Atta
Secretary
Department

Melbourne
31 August 2021



Tonella Costa
Acting Chief Finance Officer
Department

Melbourne
31 August 2021

Victorian Auditor-General's Report



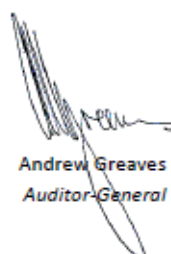
Independent Auditor's Report

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 2021• 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 2021 and its 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 <i>APES 110 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	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
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MELBOURNE
8 September 2021



Andrew Greaves
Auditor-General

Comprehensive operating statement for the financial year ended 30 June 2021

	Notes	2021 (\$m)	2020 (\$m)
Continuing operations			
Revenue and income from transactions			
Output appropriations	2.3.1	16,133.9	14,887.5
Special appropriations	2.3.2	5.8	8.0
Grants	2.4.1	62.2	136.5
Sale of goods and services	2.4.2	234.2	280.1
Other Income	2.4.3	295.5	405.8
Total revenue and income from transactions		16,731.6	15,717.9
Expenses from transactions			
Employee expenses	3.1.1	(8,021.7)	(7,501.9)
Interest expenses	7.1.1	(24.9)	(30.3)
Depreciation and amortisation	5.1.1	(458.0)	(444.2)
Grant and other payments	3.1.2	(2,547.4)	(2,212.9)
Capital asset charge	3.1.3	(1,996.3)	(1,963.8)
Other operating expenses	3.1.4 / 9.7	(3,073.1)	(2,965.0)
Total expenses from transactions		(16,121.4)	(15,118.1)
Net result from transactions (net operating balance)		610.2	599.8
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	9.2	0.2	(3.5)
Net gain/(loss) on financial instruments	9.2	(2.4)	–
Other gains/(losses) from other economic flows	9.2	52.7	(35.7)
Total other economic flows included in net result		50.5	(39.2)
Net result		660.7	560.6
Other economic flows – other comprehensive income: Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.6	2,833.0	(7.9)
Total other economic flows – other comprehensive income		2,833.0	(7.9)
Comprehensive result		3,493.7	552.7

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

Balance sheet as at 30 June 2021

	Notes	2021 (\$m)	2020 (\$m)
Assets			
Financial assets			
Cash and deposits	7.3	1,482.6	1,557.2
Receivables	6.1	2,758.4	2,339.4
Other financial assets	5.3	0.4	2.8
Total financial assets		4,241.4	3,899.4
Non-financial assets			
Intangible assets	5.2	50.5	38.9
Property, plant and equipment	5.1	29,129.3	25,254.0
Other non-financial assets	6.2	114.2	36.6
Total non-financial assets		29,294.0	25,329.5
Total assets		33,535.4	29,228.9
Liabilities			
Payables	6.3	668.4	863.3
Other liabilities	6.3.3	71.4	79.3
Borrowings	7.1	582.3	608.8
Provisions	3.1.1	1,980.8	1,804.1
Total liabilities		3,302.9	3,355.5
Net assets		30,232.5	25,873.4
Equity			
Accumulated surplus/(deficit)		4,223.5	3,563.2
Physical asset revaluations surplus	9.6	15,044.5	12,211.5
Contributed capital		10,964.5	10,098.7
Total equity		30,232.5	25,873.4
Contingent assets and contingent liabilities	8.3	(64.5)	(70.0)
Commitments for expenditure	7.5.3	2,615.4	2,769.2

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 2021

	Physical asset revaluation surplus [Note 9.6] (\$m)	Accumulated surplus/ (deficit) (\$m)	Contributed capital (\$m)	Total Equity (\$m)
Balance at 1 July 2019	12,219.4	3,002.6	9,602.8	24,824.8
Net results for the year	-	560.6	-	560.6
Other comprehensive income for the year	(7.9)	-	-	(7.9)
Capital appropriations	-	-	503.0	503.0
Contributed capital transfers in	-	-	52.7	52.7
Contributed capital transfers (out)	-	-	(59.8)	(59.8)
Balance at 30 June 2020	12,211.5	3,563.2	10,098.7	25,873.4
Net results for the year	-	660.7	-	660.7
Prior year adjustments	-	(0.4)	(0.1)	(0.5)
Other comprehensive income for the year	2,833.0	-	-	2,833.0
Capital appropriations	-	-	915.7	915.7
Contributed capital transfers (out)	-	-	(49.8)	(49.8)
Balance at 30 June 2021	15,044.5	4,223.5	10,964.5	30,232.5

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 2021

	Notes	2021 (\$m)	2020 (\$m)
Cash flows from operating activities			
Receipts			
Receipts from government		15,725.3	14,843.2
Receipts from other entities		950.8	874.4
Goods and services tax (GST) recovered from the Australian Tax Office (ATO)		510.6	438.8
Interest received		4.0	12.5
Total receipts		17,190.7	16,168.9
Payments			
Payments of grants and other transfers		(2,925.2)	(2,224.1)
Payments to suppliers and employees		(11,583.1)	(10,672.3)
GST paid to the ATO		(13.0)	(12.1)
Capital asset charge payments		(1,996.3)	(1,963.8)
Short term, low value and variable lease payments		(43.8)	(46.3)
Interest and other costs of finance paid		(23.6)	(30.0)
Total payments		(16,585.0)	(14,948.6)
Net cash flows from/(used in) operating activities	7.3.1	605.7	1,220.3
Cash flows from investing activities			
Purchases of non-financial assets		(1,574.1)	(1,410.8)
Proceeds from investments		2.8	13.5
Payments for investments		(0.4)	(0.3)
Sale of plant and equipment		3.1	4.9
Proceeds from loan and advances		0.2	9.3
Payment of loan and advances		(1.5)	(1.3)
Prior year adjustments		(0.5)	-
Net Cash flows from/(used in) investing activities		(1,570.4)	(1,384.7)
Cash flows from financing activities			
Owner contributions received from State Government		915.7	503.0
Proceeds from borrowings		63.3	58.8
Repayment of borrowings and principal portion of lease liabilities		(88.9)	(74.7)
Net cash flows from/(used in) financing activities		890.1	487.1
Net increase/(decrease) in cash and deposits		(74.6)	322.7
Cash and deposits at the beginning of the financial year		1,557.2	1,234.5
Cash and deposits at the end of the financial year	7.3	1,482.6	1,557.2

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 2021. The purpose of the report is to provide users with information about the Department's stewardship of resources entrusted to it.

These financial statements are in Australian dollars. 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 (Notes 5.1 and 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).

The Department, in exercising its judgements, estimates and assumptions take into account the financial impacts of the COVID-19 pandemic. The financial impacts arising from the COVID-19 pandemic, including any ongoing uncertainties, to the extent the Department is able to identify them, are disclosed in the following relevant notes:

- Note 5.1.1 Impairment of non-financial assets
- Note 5.2 Impairment of intangible assets
- Note 7.2 Leases
- Note 8.1 Financial instrument specific disclosures

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 of 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 31 August 2021.

Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises:

- 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 9.11—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

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.

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.

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.

The Department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs that are further described in Note 4.

Structure

2.1 Summary of revenue and income that fund the delivery of our services

2.2 Appropriations

2.3 Summary of compliance with annual Parliamentary and special appropriations

2.3.1 (a) Summary of compliance with annual parliamentary appropriations

(b) Annotated income agreements appropriations

2.3.2 Summary of compliance with special appropriations

2.4 Income from transactions

2.4.1 Grants

2.4.2 Sales of goods and services

2.4.3 Other income

2.1 Summary of revenue and income that fund the delivery of our services

Revenue and income from transactions

	Notes	2021 (\$m)	2020 (\$m)
Revenue and income from transactions			
Output appropriations	2.3.1	16,133.9	14,887.5
Special appropriations	2.3.2	5.8	8.0
Grants	2.4.1	62.2	136.5
Sale of goods and services	2.4.2	234.2	280.1
Other income	2.4.3	295.5	405.8
Total revenue and income from transactions		16,731.6	15,717.9

Revenue and income that fund delivery of the Department's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

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 annual 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 that 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, Commonwealth national partnerships funding is recognised as income 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 ⁷¹	Section 32	Section 35 advances	Total parliamentary authority	Appropriations applied	Variance ⁷²
2021 Controlled										
Provisions for outputs	15,565.8	–	–	645.5	(12.4)	57.5	–	16,256.4	16,133.9	122.5
Additions to net assets	1,144.9	–	–	14.9	12.4	157.5	–	1,329.7	915.7	414.0
Total	16,710.7	–	–	660.4	–	215.0	–	17,586.0	17,049.6	536.4

⁷¹ The \$12.4 million appropriation transfer from provision for outputs to additions to net assets primarily comprises of \$14.1 million for an underspend in depreciation leading to less depreciation equivalent funding available to fund the Department's capital program which must be replaced by additional additions to net assets funding.

⁷² The provision for outputs variance of \$122.5 million is largely driven by carryover requested into 2021–22 across State (\$79.3 million) initiatives and Commonwealth (\$8.7 million) initiatives. These include State initiatives such as \$21.7 million for Victorian Higher Education State Investment Fund, \$5.2 million for Apprenticeships Growth Strategy, \$5.0 million for TAFE Facilities Modernisation Program and \$4.8 million for TAFE Asset Maintenance Program.

The additions to net assets variance of \$414.0 million is largely driven by \$343.3 million of funding that has been re-phased to future years. This includes initiatives such as \$120.4 million for Upgrades and Modernisation, \$102.4 million for New Schools Construction and Education Plans, \$71.6 million for Land Acquisition and \$25.8 million for Ready for school–Kinder for every three-year-old. This is also driven by \$24.9 million of carryover requested into 2021–22, including \$21.3 million of Schools Capital Program funding.

	Annual appropriation	Advance from Treasurer	Section 3(2)	Section 29	Section 30 ⁷³	Section 32	Section 35 advances	Total parliamentary authority	Appropriations applied	Variance ⁷⁴
2020 Controlled										
Provisions for outputs	13,968.3	342.6	–	634.8	(21.5)	37.5	–	14,961.7	14,887.5	74.2
Additions to net assets	902.9	–	–	6.8	21.5	64.3	–	995.5	503.0	492.5
Total	14,871.2	342.6	–	641.6	–	101.8	–	15,957.2	15,390.5	566.7

⁷³ The \$21.5 million appropriation transfer from provision for outputs to additions to net assets primarily includes \$20.3 million for an underspend in depreciation leading to less depreciation equivalent funding available to fund the Department's capital program, which must be replaced by additional additions to net assets funding.

⁷⁴ The provision for outputs variance of \$74.2 million is largely driven by carryover approved into 2020–21 across State (\$57.1 million) initiatives and Commonwealth (\$0.4 million) initiatives. These include State initiatives such as \$10.0 million for *TAFE Facilities Modernisation Program*, \$8.6 million for *Planned Maintenance Program*, \$4.6 million for *Quality Apprenticeships* and \$3.7 million for Digital Education—Critical IT Supporting Every Student.

The additions to net assets variance of \$492.4 million includes a funding swap of \$211.0 million from additions to net assets and section 33 special appropriation to access prior years depreciation equivalent balance held in the State Administration Unit to fund the Department's capital program to comply with section 3.5.2 'Order of funding for approved asset investments', \$157.5 million of carryover approved into 2020–21, including the 2019–20 (\$58.0 million) and prior year (\$99.5 million) School Capital Programs. In addition, \$193.2 million was re-phased into future years to reflect revised implementation timelines. Programs re-phased to future years (\$193.2 million) include *New Schools Construction* (\$71.0 million), *Land Acquisition* (\$49.2 million) and *Ready for School—Kinder for Every Three-year Old* (\$39.4 million). These underspends are offset by additional funding, including *2018–19 State Capital Program Realignment* (\$42.7 million), *Essential Maintenance and Compliance* (\$18.2 million) and *Fitzroy Gasworks* (\$13.1 million).

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 that forms part of a section 29 agreement is recognised by the Department and the receipts are 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	2021 (\$m)	2020 (\$m)
Sales of goods and services			
Alarms		–	0.1
Bastow Institute courses and events		0.4	1.2
EduPay administration fees		2.5	2.6
Overseas student program fees		76.7	82.8
Housing rent		1.0	1.0
National Disability Insurance Agency – Specialist Children Services		–	0.1
School bus fees		0.7	0.7
State School Spectacular ticket sales		–	0.1
Victorian Deaf Institute courses and events		–	0.0
VCE offshore		–	0.1
Total		81.4	88.7
Income from municipal councils			
Receipts from municipal councils – School capital program ⁷⁵		14.9	6.8
Total		14.9	6.8
Commonwealth specific purpose payments			
National skills and workforce development		406.2	401.4
Universal access to early education		130.2	126.0
National school chaplaincy program		12.5	13.1
Infection control training fund		10.4	–
Revitalising TAFE campuses across Australia		4.8	–
Local schools community fund ⁷⁶		–	5.5
Total		564.1	546.0
Total annotated income agreements	2.3.1 (a)	660.4	641.6

⁷⁵ The \$8.0 million increase in 2020–21 income from municipal councils compared to 2019–20 relates to increases in capital contributions from local councils as a co-contribution to the Victorian School Building Authority's school capital program.

⁷⁶ The Local Schools Community Fund lapsed in 2019–20.

2.3.2 Summary of compliance with special appropriations

	Purpose	2021 (\$m)	2020 (\$m)
Funded from revenue:			
Section 5.6.8 of the Education and Training Reform Act	Volunteers workers' compensation	0.1	0.1
Section 10 of the FM Act	Support for students with a disability	0.7	3.6
Section 10 of the FM Act	Independent public schools	0.2	4.3
Section 10 of the FM Act	National school chaplaincy program	4.8	–
Total special appropriation revenue⁷⁷		5.8	8.0
Funded from receivables:			
Section 33 of the FM Act	Funding the asset program	–	211.0
Section 33 of the FM Act ⁷⁸	Combustible cladding	–	6.5
Capital special appropriation total⁷⁹		–	217.5
Total special appropriation		5.8	225.5

2.4 Income from transactions

2.4.1 Grants

	2021 (\$m)	2020 (\$m)
Income recognised as income of not-for-profit entities		
Grants to acquire a recognisable non-financial asset	21.3	95.8
Specific purpose without any sufficiently specific performance obligations	40.9	40.7
Total grants	62.2	136.5

Grants recognised under AASB 1058

The Department has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Department has an unconditional right to receive cash, which usually coincides with receipt of cash. On initial recognition of the asset, the Department recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other AASs.

⁷⁷ Reflected as 'Special Appropriations' in the Comprehensive Operating Statement.

⁷⁸ Fully spent in 2019–20. There was no Section 33 in 2020–21.

⁷⁹ Total utilised for capital purposes from accumulated depreciation equivalent under Section 33 of the FM Act.

Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15
- a lease liability in accordance with AASB 16
- a financial instrument, in accordance with AASB 9
- a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Capital grants income for the construction of the capital works program is recognised when the Department reaches settlement on land sites or is progressively recognised as the new school or upgrade is constructed, as this is the time when the Department satisfies its obligations under the grant transfer.

Grants recognised under AASB15

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. Revenue will be recognised when the Department satisfies the performance obligation by providing the agreed services to stakeholders. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

2.4.2 Sales of goods and services

	2021 (\$m)	2020 (\$m)
Sales of goods and services		
Schools revenue – including sales of classroom material, before and after school care, and other trading operations	233.0	278.5
Provision of services	1.2	1.6
Total sales of goods and services	234.2	280.1

The sale of goods and services included in the table above are transactions that the department has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The Department recognises revenue when it transfers control of a good or service to the customer. For example, when, or as, the performance obligations for the sale of goods and services to the customer are satisfied. Accordingly, revenue from:

- sale of goods is recognised at a point in time when customers obtain control of the supplies and consumables when the goods are delivered and have been accepted. For schools, these cover trading operations such as canteens, bookshops, stationery and uniform sales
- rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided. For schools, these cover activities such as music lessons, camps, sports and excursions and out of school hours care.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 6.3.3). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded.

2.4.3 Other income

	2021 (\$m)	2020 (\$m)
Other income		
Schools revenue – including parents' voluntary contributions and other locally raised funds	281.9	372.4
Interest on bank deposits	4.0	12.5
Other revenue	3.3	5.9
Land received free of charge	6.3	15.0
Total other income	295.5	405.8

Other income is recognised upon the receipt of the asset by the Department and/or the school. In the case of the school, this 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. In this note the costs 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 3.1.1 Employee benefits in the comprehensive operating statement 3.1.2 Grants and other payments 3.1.3 Capital asset charge 3.1.4 Other operating expenses

3.1 Expenses incurred in delivery of services

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

	Notes	2021 (\$m)	2020 (\$m)
Expenses from transactions			
Employee expenses	3.1.1	8,021.7	7,501.9
Grant and other payments	3.1.2	2,547.4	2,212.9
Capital asset charge	3.1.3	1,996.3	1,963.8
Other operating expenses	3.1.4/9.7	3,073.1	2,965.0
Total expenses incurred in delivery of services		15,638.5	14,643.6

3.1.1 (a) Employee benefits in the comprehensive operating statement

	2021 (\$m)	2020 (\$m)
Employee expenses		
Salaries and wages	6,456.2	6,086.7
Superannuation	632.8	601.0
Annual leave and long service leave expense	494.7	412.5
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	438.0	401.7
Total employee expenses	8,021.7	7,501.9

Employee expenses include all costs related to employment, such as salaries and wages, superannuation, fringe benefits and payroll taxes, 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.

	2021 (\$m)	2020 (\$m)
Current provisions		
Employee benefits⁸⁰—annual leave		
Unconditional and expected to be settled within 12 months	111.8	120.8
Unconditional and expected to be settled after 12 months	19.2	12.8
Employee benefits⁸¹—long service leave		
Unconditional and expected to be settled within 12 months	155.3	159.2
Unconditional and expected to be settled after 12 months	1,103.9	993.5
Employee benefits⁸¹—other		
Other provisions	1.5	1.2
Total	1,391.7	1,287.5
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months	43.3	41.9
Unconditional and expected to be settled after 12 months	222.9	165.0
Total	266.2	206.9
Other – make good and refunds/reimbursements ⁸¹	2.0	2.7
Total current provisions	1,659.9	1,497.1
Non-current provisions		
Employee benefits ⁸¹	264.6	260.2
Other on-costs related to employee benefits	50.7	42.7
Total	315.3	302.9
Other – make good ⁸¹ ⁸¹	5.6	4.1
Total non-current provisions	320.9	307.0
Total provisions	1,980.8	1,804.1

Reconciliation of movements in on-cost provisions

2021	Total (\$m)
Opening balance	249.6
Additional provisions recognised	114.5
Reductions arising from payments/other sacrifices of future economic benefits	(44.0)
Unwind of discount and effect of changes in the discount rate	(3.2)
Closing balance	316.9
Current	266.2
Non-current	50.7

⁸⁰ Provisions for employee benefits consist of amounts for annual leave, long service leave and other employee benefits accrued by employees, not including on-costs.

⁸¹ Make good and refunds/reimbursement provisions do not form part of employee benefits, but do form part of total current provisions.

Annual leave and sick leave

Liabilities for salaries and wages (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision 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, these liabilities are measured at present value, as the Department does not expect to wholly settle them 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

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. 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 2021 (\$m)	Paid contributions for the year 2020 (\$m)
Defined benefit plans		
State superannuation schemes	68.9	72.7
Other—state employees retirement benefits scheme	1.6	1.7
Defined contribution plans		
Vic Super	423.3	396.2
Other	139.0	130.4
Total	632.8	601.0

There are no contributions outstanding as at June 2021 and June 2020.

3.1.2 Grants and other payments

	2021 (\$m)	2020 (\$m)
Grant and other payments		
Grants to VCAA	70.4	68.0
Grants to VRQA	17.2	15.6
Grants to TAFE	808.7	746.6
Grants to ACFE	31.2	32.4
Grants to non-government schools	958.4	839.1
Grants to external organisations	631.1	480.9
Other payments	30.4	30.3
Total grants and other payments	2,547.4	2,212.9

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 recognised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants, which 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

	2021 (\$m)	2020 (\$m)
Capital asset charge	1,996.3	1,963.8

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 under utilised or surplus non-current physical assets.

3.1.4 Other operating expenses

	2021 (\$m)	2020 (\$m)
Administration	496.8	426.9
Maintenance	279.1	301.5
School requisites	762.4	926.4
IT related costs	203.6	171.6
Service agreement payments	1,139.4	970.6
Short-term and low-value leases	43.8	46.3
Remuneration of auditors	10.5	5.9
Settlement of litigation	1.0	0.6
Other expenses	133.3	111.9
Finance expenses and fees	2.4	3.2
Ex-gratia expenses ⁸²	0.1	0.1
Bad and doubtful debts	0.7	–
Total other operating expenses	3,073.1	2,965.0

Other operating expenses include 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.

The following lease payments are recognised on a straight-line basis:

- short-term leases—leases with a term shorter than 12 months
- low-value leases—leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments that are not included in the measurement of the lease liability (for example, variable lease payments that do not depend on an index or a rate and which are not, in substance, fixed) such as those based on performance or usage of the underlying asset, are recognised in the comprehensive operating statement (except for payments that have been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occur.

⁸² Reflects an ex-gratia payment made in connection with licensing arrangements from the former Shepparton High School site in 2021. In 2020, this reflects a payment made following the termination of a cleaning contract as part of the school cleaning reform program.

Note 4 Disaggregated financial information by output

Introduction

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 2021 along with the objectives of those outputs.

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.

It also provides information on items administered in connection with these outputs, which do not form part of the controlled balances of the Department.

Judgement is required in allocating income and expenditure to specific outputs. For the period under review there were no amounts unallocated.

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.

Structure

4.1 Department outputs

4.1.1 Descriptions and objectives

4.1.2 Controlled income and expenses

4.1.3 Controlled assets and liabilities

4.2 Administered (non-controlled) items

4.1 Department output

4.1.1 Descriptions and objectives

Departmental outputs achieved during the year ended 30 June 2021, and the objectives of these outputs are summarised below.

Strategy, review and regulation

This output develops, plans and monitors strategic policy settings across all stages of learning. It also includes intergovernmental negotiations as well as research, data and performance evaluations. This output also supports regulation that ensures quality education and training is delivered.

Early childhood development

This output involves the provision of kindergarten and children's services. These services include the monitoring of education and care services and specialist services to improve access to kindergartens and disadvantaged children. This output group 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.

School education

The school education output group consists of 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 to further study.

School education—primary

The school education—primary output services are designed to develop essential skills and learning experiences to engage young minds and 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 Years 7 to 12 in government and non-government schools. These seek to consolidate literacy and numeracy competencies, including creative and critical thinking, as well as physical, social, emotional and intellectual development in adolescence. 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 gain the skills and capabilities essential for success in employment and further training or study. The Department works with the TAFE and training sector to deliver quality training that strongly supports industry to meet the evolving needs of the economy, promotes equity and addresses disadvantage, with an emphasis on growth sectors of the economy. This output includes a number of functions. These are:

- training system design
- industry engagement and stakeholder information
- contracting and monitoring of quality and training services, including accredited and pre-accredited VET through to adult community education.

Support services delivery

The Support Services Delivery output primarily provides student welfare and support, student transport (excluding transport for special needs students) and health services.

Support for students with disabilities

The Support for Students with Disabilities output covers programs and funding to support students with disabilities, as well as transport, welfare and support services for students with special needs.

4.1.2 (a) Departmental outputs: Controlled income and expenses for the year ended 30 June 2021

	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 disabil- ities (\$m)	Depart- mental total (\$m)
Revenue and income from transactions							
Output appropriations	115.3	820.5	11,531.7	2,086.0	385.0	1,195.4	16,133.9
Special appropriations	–	–	5.1	–	–	0.7	5.8
Grants	–	1.7	47.6	10.1	2.4	0.4	62.2
Sales of goods and services	–	–	234.1	–	0.1	–	234.2
Other income	–	0.1	295.0	0.1	0.2	0.1	295.5
Total revenue and income from transactions	115.3	822.3	12,113.5	2,096.2	387.7	1,196.6	16,731.6
Expenses from transactions							
Employee expenses	(63.8)	(80.6)	(6,640.1)	(61.1)	(217.5)	(958.6)	(8,021.7)
Interest expense	–	–	(24.9)	–	–	–	(24.9)
Depreciation and amortisation	(7.6)	(8.8)	(415.4)	(4.3)	(3.1)	(18.8)	(458.0)
Grants and other payments	(28.4)	(31.4)	(1,070.2)	(1,270.8)	(140.8)	(5.8)	(2,547.4)
Capital asset charge	(0.7)	(14.7)	(1,693.3)	(216.7)	(0.3)	(70.6)	(1,996.3)
Other operating expenses	(14.8)	(686.8)	(1,670.4)	(532.3)	(26.0)	(142.8)	(3,073.1)
Total expenses from transactions	(115.3)	(822.3)	(11,514.3)	(2,085.2)	(387.7)	(1,196.6)	(16,121.4)
Net result from transactions (net operating balance)	–	–	599.2	11.0	–	–	610.2
Other economic flows included in net results							
Net gain/(loss) on non-financial assets	–	–	0.2	–	–	–	0.2
Net gain/(loss) on financial instruments	–	–	(2.4)	–	–	–	(2.4)
Other gains/(losses) from other economic flows	0.4	0.5	43.7	0.4	1.4	6.3	52.7
Total other economic flows included in net result	0.4	0.5	41.5	0.4	1.4	6.3	50.5
Net result	0.4	0.5	640.7	11.4	1.4	6.3	660.7
Other economic flows—other comprehensive income							
Changes in physical asset revaluation surplus	–	–	2,559.9	–	14.4	258.7	2,833.0
Total other economic flows—other comprehensive income	–	–	2,559.9	–	14.4	258.7	2,833.0
Comprehensive result	0.4	0.5	3,200.6	11.4	15.8	265.0	3,493.7

4.1.2 (b) Departmental outputs: Controlled income and expenses for the year ended 30 June 2020

	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)
Revenue and income from transactions							
Output appropriations	116.3	648.8	10,745.1	1,841.2	401.6	1,134.5	14,887.5
Special appropriations	–	–	4.4	–	–	3.6	8.0
Grants	–	1.1	118.0	17.4	–	–	136.5
Sales of goods and services	–	–	279.9	–	0.2	–	280.1
Other income	–	–	405.6	0.1	–	0.1	405.8
Total revenue and income from transactions	116.3	649.9	11,553.0	1,858.7	401.8	1,138.2	15,717.9
Expenses from transactions							
Employee expenses	(62.3)	(66.4)	(6,186.5)	(57.2)	(223.9)	(905.6)	(7,501.9)
Interest expense	–	–	(30.3)	–	–	–	(30.3)
Depreciation and amortisation	(7.3)	(9.4)	(401.2)	(4.4)	(3.0)	(18.9)	(444.2)
Grants and other payments	(26.2)	(4.5)	(1,011.8)	(1,051.8)	(112.9)	(5.7)	(2,212.9)
Capital asset charge	(0.7)	(14.5)	(1,662.3)	(216.7)	(0.3)	(69.3)	(1,963.8)
Other operating expenses	(19.8)	(555.1)	(1,686.4)	(503.3)	(61.7)	(138.7)	(2,965.0)
Total expenses from transactions	(116.3)	(649.9)	(10,978.5)	(1,833.4)	(401.8)	(1,138.2)	(15,118.1)
Net result from transactions (net operating balance)	–	–	574.5	25.3	–	–	599.8
Other economic flows included in net results							
Net gain/(loss) on non-financial assets	–	–	(3.2)	–	–	(0.3)	(3.5)
Other gains/(losses) from other economic flows	(0.3)	(0.3)	(29.4)	(0.3)	(1.1)	(4.3)	(35.7)
Total other economic flows included in net result	(0.3)	(0.3)	(32.6)	(0.3)	(1.1)	(4.6)	(39.2)
Net result	(0.3)	(0.3)	541.9	25.0	(1.1)	(4.6)	560.6
Other economic flows—other comprehensive income							
Changes in physical asset revaluation surplus	–	–	(7.2)	–	–	(0.7)	(7.9)
Total other economic flows—other comprehensive income	–	–	(7.2)	–	–	(0.7)	(7.9)
Comprehensive result	(0.3)	(0.3)	534.7	25.0	(1.1)	(5.3)	552.7

4.1.3 (a) Departmental outputs: Controlled assets and liabilities as at 30 June 2021

	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)
Assets							
Financial assets	22.1	122.9	3,318.3	313.7	114.2	350.2	4,241.4
Non- financial assets	15.4	202.1	26,275.6	8.2	148.2	2,644.5	29,294.0
Total assets	37.5	325.0	29,593.9	321.9	262.4	2,994.7	33,535.4
Liabilities							
Liabilities	24.4	39.2	2,676.7	118.9	91.4	352.3	3,302.9
Total Liabilities	24.4	39.2	2,676.7	118.9	91.4	352.3	3,302.9
Net assets	13.1	285.8	26,917.2	203.0	171.0	2,642.4	30,232.5

4.1.3 (b) Departmental outputs: Controlled assets and liabilities as at 30 June 2020

	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)
Assets							
Financial assets	23.4	89.7	3,081.3	260.0	117.5	327.5	3,899.4
Non- financial assets	12.6	188.0	22,799.4	7.2	142.2	2,180.1	25,329.5
Total assets	36.0	277.7	25,880.7	267.2	259.7	2,507.6	29,228.9
Liabilities							
Liabilities	26.0	36.5	2,711.0	123.2	101.9	356.9	3,355.5
Total Liabilities	26.0	36.5	2,711.0	123.2	101.9	356.9	3,355.5
Net assets	10.0	241.2	23,169.7	144.0	157.8	2,150.7	25,873.4

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 can 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	
	2021 (\$m)	2020 (\$m)
Administered income from transactions		
Sales of goods and services	82.5	90.2
Commonwealth on-passing to non-government schools ⁸³		
<i>General recurrent grants</i>	3,803.0	3,732.7
<i>Other</i>	101.3	65.8
Fines and regulatory fees	2.3	1.1
Other income	15.4	10.4
Total administered income from transactions	4,004.5	3,900.2
Administered expenses from transactions		
Commonwealth on-passing to non-government schools ⁸³		
<i>General recurrent grants</i>	(3,803.0)	(3,732.7)
<i>Other</i>	(102.4)	(64.2)
Other	(0.2)	(1.0)
Administered paid to consolidated fund	(58.3)	(34.2)
Total administered expenses from transactions	(3,963.9)	(3,832.1)
Total administered net result from transactions (net operating balance)	40.6	68.1
Administered other economic flows included in the administered net result		
Net gain/(loss) on non-financial assets	(34.7)	(48.8)
Total administered other economic flows	(34.7)	(48.8)
Administered net result	5.9	19.3
Total administered comprehensive result	5.9	19.3
Administered financial assets		
Cash and deposits	1.3	1.3
Receivables	41.6	36.0
Total administered assets	42.9	37.3

Administered income includes Commonwealth on-passing grants, fees and the proceeds from the sale of administered surplus land and buildings. Administered expenses include 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.

⁸³ Grant recognised when funds are passed on to non-government schools, consistent with AASB1058 *Income for Not-for-Profit Entities*

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 funds from the Commonwealth to assist the State Government in meeting general or specific service delivery obligations and mainly reflect payments to the non-government schools sector. These grants are distributed to the recipients for operational and capital purposes.

Note 5 Key assets available to support output delivery

Introduction	Structure
<p>The Department controls infrastructure that is utilised in fulfilling its objectives and conducting its activities. This infrastructure represents the resources that have been entrusted to the Department to be utilised for delivery of those outputs.</p> <p>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.</p>	<p>5.1 Property, plant and equipment—education function</p> <p>5.1(a) Total right-of-use assets: buildings, plant, equipment and vehicles.</p> <p>5.1.1 Depreciation and amortisation</p> <p>5.1.2 Reconciliation of movements in carrying value of property, plant and equipment</p> <p>5.2 Intangible assets</p> <p>5.3 Other financial assets</p> <p>5.3.1 Ageing analysis of other financial assets</p>

5.1 Property, plant and equipment—education function

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). The Department’s assets are reported under the ‘Education’ GPC.

All assets in a purpose group are further sub-categorised according to the asset’s ‘nature’. For example, under the buildings or plant and equipment categories, each sub-category is classified as a separate class of asset for financial reporting purposes.

5.1 (a) Total right-of-use assets: buildings, plant, equipment and vehicles

	2021 (\$m)	2020 (\$m)
Land		
At fair value	13,856.5	10,869.9
Buildings		
At fair value	14,191.3	13,205.6
Less accumulated depreciation	(1,078.9)	(696.4)
Total buildings	13,112.4	12,509.2
Heritage buildings		
At fair value	104.5	104.5
Less accumulated depreciation	(12.0)	(8.0)
Total heritage buildings	92.5	96.5
Leasehold buildings		
At fair value	614.8	601.2
Less accumulated depreciation	(43.0)	(26.5)
Total leasehold buildings	571.8	574.7
Leasehold improvements		
At fair value	31.8	26.0
Less accumulated depreciation	(18.5)	(13.6)
Total leasehold improvements	13.3	12.4
Plant and equipment		
At fair value	581.2	596.5
Less accumulated depreciation	(480.2)	(488.6)
Total plant and equipment	101.0	107.9
Work in progress		
Buildings at cost	1,366.9	1,072.0
Plant and equipment at cost	14.9	11.4
Total work in progress	1,381.8	1,083.4
Total property, plant and equipment	29,129.3	25,254.0

The following tables are subsets of buildings, and, plant and equipment by right-of-use assets.

5.1 (a) Total right-of-use assets: buildings, plant, equipment and vehicles

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2021 (\$m)	2020 (\$m)	2021 (\$m)	2020 (\$m)	2021 (\$m)	2020 (\$m)
Leasehold buildings at fair value	614.8	601.2	(43.0)	(26.5)	571.8	574.7
Plant and equipment at fair value	43.5	43.4	(16.5)	(13.8)	27.0	29.6
Net carrying amount	658.3	644.6	(59.5)	(40.3)	598.8	604.3

	Leasehold buildings		Plant and equipment		Total	
	2021 (\$m)	2020 (\$m)	2021 (\$m)	2020 (\$m)	2021 (\$m)	2020 (\$m)
Opening balance	574.7	754.3	29.6	31.2	604.3	785.5
Additions	4.1	8.3	2.6	5.7	6.7	14.0
Lease modifications	9.5	–	–	–	9.5	–
Disposals	–	(161.4)	(1.3)	(2.9)	(1.3)	(164.3)
Amortisation	(16.5)	(26.5)	(3.9)	(4.4)	(20.4)	(30.9)
Closing balance	571.8	574.7	27.0	29.6	598.8	604.3

Total as at 30 June represented by						
Gross book value	614.8	601.2	43.5	43.4	658.3	644.6
Accumulated amortisation and impairment	(43.0)	(26.5)	(16.5)	(13.8)	(59.5)	(40.3)
Total as at 30 June	571.8	574.7	27.0	29.6	598.8	604.3

Right-of-use asset acquired by lessees—Initial measurement

The Department recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs incurred
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use asset—Subsequent measurement

The Department depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use asset is determined on the same basis as property, plant and equipment. The right-of-use assets are also subject to revaluation. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

Certain assets are acquired under leases that may form part of a service concession arrangement (for example, Public Private Partnership (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 disclosed in Note 8.2.

Property, plant and equipment—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.

Land and specialised buildings

Specialised land

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.

The annual fair value assessment for land includes, the use of the land indices published by Valuer-General Victoria (VGV) as per the requirements of FRD 103I Non-Financial Physical Assets.

Non-specialised land

Non-specialised land is valued using the market approach, whereby assets are compared to recent comparable assets or sales of comparable assets that are considered to have nominal value.

To the extent that non-specialised land does not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised buildings

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 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

	2021 (\$m)	2020 (\$m)
Depreciation and amortisation		
Property, plant and equipment		
Buildings	391.7	360.9
Leasehold buildings	16.5	26.6
Leasehold improvements	4.9	10.0
Plant and equipment	32.9	31.8
Software	12.0	14.9
Total depreciation and amortisation	458.0	444.2

All buildings, heritage buildings, plant and equipment and other non-financial physical assets (excluding items under 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.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Department obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

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

Asset class: useful life years	2021	2020
Buildings	10–60	10–60
Heritage buildings	40–60	40–60
Leasehold buildings	60	60
Leasehold improvements	3–10	3–10
Plant and equipment (including vehicles leased assets)	3–10	3–10
Software	3–10	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 are 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 annexe 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, for example 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 current replacement cost and fair value less costs to sell.

The Department in conjunction with Valuer-General Victoria (VGV), monitors changes in the fair value of each asset through relevant data sources, in order to determine whether a revaluation is required.

The Department's assets relating to land, buildings, infrastructure and cultural assets were re-valued using VGV indices as at 30 June 2021. The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The valuer has advised that the current market environment, impacted by coronavirus (COVID-19) creates significant valuation uncertainty. The value assessed at the valuation date may therefore change over a relative short time period.

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

2021	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	10,869.9	12,509.2	96.5	574.7	12.4	107.9	1,083.4	25,254.0
Additions	153.9	–	–	4.1	–	26.4	1,344.3	1,528.7
Fair value of assets received free of charge or for nominal considerations	6.3	–	–	–	–	–	–	6.3
Transfers to completed assets	–	1,037.8	–	–	5.8	2.3	(1,045.9)	–
Disposals	–	(44.0)	–	–	–	(2.7)	–	(46.7)
Revaluation increments/(decrements) ⁸⁴	2,826.4	(2.9)	–	9.5	–	–	–	2,833.0
Depreciation	–	(387.7)	(4.0)	(16.5)	(4.9)	(32.9)	–	(446.0)
Closing balance	13,856.5	13,112.4	92.5	571.8	13.3	101.0	1,381.8	29,129.3

2020	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	10,718.0	11,775.2	100.6	516.4	21.6	104.8	914.3	24,150.7
Recognition of right-of-use assets on initial application of AASB 16	–	–	–	238.0	–	–	–	238.0
Adjusted balance at 1 July 2019	10,718.0	11,775.2	100.6	754.4	21.6	104.8	914.3	24,388.9
Additions	139.1	17.0	–	8.3	–	37.4	1,311.1	1,512.9
Fair value of assets received free of charge or for nominal considerations	15.0	–	–	–	–	–	–	15.0
Transfers to completed assets	–	1,134.7	–	–	4.8	2.5	(1,142.0)	–
Disposals ⁸⁵	(2.0)	(51.1)	–	(161.4)	(5.9)	(5.2)	–	(225.6)
Revaluation increments/(decrements)	–	(8.2)	–	–	1.9	–	–	(6.3)
Impairment	–	(1.6)	–	–	–	–	–	(1.6)
Transfer (to)/from assets held for sale	(0.2)	–	–	–	–	0.2	–	–
Depreciation	–	(356.8)	(4.1)	(26.6)	(10.0)	(31.8)	–	(429.3)
Closing balance	10,869.9	12,509.2	96.5	574.7	12.4	107.9	1,083.4	25,254.0

⁸⁴ The large upward revaluation resulted from the annual fair value assessment for land using indices published by VGV as per the requirements of FRD 103I Non-Financial Physical Assets.

⁸⁵ Includes transfers. In October 2019, the Department transferred the right-of-use asset to the DTF Shared Service Provider. Details of the transfer are included in Note 7.2 Leases.

5.2 Intangible assets

2021	Software at cost (\$m)	Software work in progress (\$m)	Total (\$m)
Opening balance	150.5	14.7	165.2
Additions	1.7	22.0	23.7
Disposals	(0.4)	–	(0.4)
Transfers between classes	5.6	(5.6)	
Closing balance	157.4	31.1	188.5
Accumulated amortisation			
Opening balance	(126.3)	–	(126.3)
Amortisation expense	(12.0)	–	(12.0)
Write back due to disposals	0.3	–	0.3
Closing balance	(138.0)	–	(138.0)
Net book value at end of financial year	19.4	31.1	50.5

2020	Software at cost (\$m)	Software work in progress (\$m)	Total (\$m)
Opening balance	171.1	14.4	185.5
Adjustment to opening balance	(0.1)	0.2	0.1
Additions	0.6	13.8	14.4
Disposals	(34.6)	–	(34.6)
Impairments	–	(0.2)	(0.2)
Transfers between classes	13.5	(13.5)	–
Closing balance	150.5	14.7	165.2
Accumulated amortisation			
Opening balance	(146.0)	–	(146.0)
Amortisation expense	(14.9)	–	(14.9)
Write back due to disposals	34.6	–	34.6
Closing balance	(126.3)	–	(126.3)
Net book value at end of financial year	24.2	14.7	38.9

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 are 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 Depreciation and amortisation.

Consistent with Note 5.1.1, the Department determined that there is no indication the COVID-19 pandemic has resulted in its intangible assets being impaired. As intangible assets are measured at cost, subsequent to its initial recognition, the impact of the COVID-19 pandemic does not apply.

5.3 Other financial assets

	2021 (\$m)	2020 (\$m)
Term deposits held by schools	0.4	2.8

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

2021			Past due but not impaired			
	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	0.4	0.4	–	–	–	–
Total	0.4	0.4	–	–	–	–

2020			Past due but not impaired			
	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	2.8	2.8	–	–	–	–
Total	2.8	2.8	–	–	–	–

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 allowance for impairment losses of contractual receivables 6.2 Other non-financial assets 6.3 Payables and other liabilities 6.3.1 Ageing analysis of contractual payables 6.3.2 Deferred capital grant revenue 6.3.3 Other liabilities

6.1 Receivables

	2021 (\$m)	2020 (\$m)
Statutory		
Amounts owing from Victorian Government	2,582.7	2,168.3
GST receivables	88.4	89.5
Total statutory receivables	2,671.1	2,257.8
Contractual		
Contractual receivables before impairment		
Other debtors ^{86, 87}	72.8	68.2
Loan receivables	57.7	56.4
Total	130.5	124.6
Allowance for impairment of losses of contractual receivables	(43.2)	(43.0)
Total contractual receivables	87.3	81.6
Made up of:		
Current receivables	2,386.5	1,981.1
Non-current receivables	371.9	358.3
Total receivables	2,758.4	2,339.4

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.

⁸⁶ 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.

⁸⁷ 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.

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 Financial instrument specific disclosures.

6.1.1 Movement in the allowance for impairment losses of contractual receivables

	2021 (\$m)	2020 (\$m)
Balance at the beginning of the year	(43.0)	(43.2)
Reversal of unused provision recognised in the net result	1.0	2.9
Increase in provision recognised in the net result	(3.4)	(2.7)
Reversal of provision of receivables written off during the year as uncollectable	2.2	–
Balance at end of the year	(43.2)	(43.0)

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.

Further details about the Department's approach to measuring expected credit losses are set out in Note 8.1.

6.2 Other non-financial assets

	2021 (\$m)	2020 (\$m)
Prepayments	83.8	26.9
Non-financial assets held for sale	0.2	5.9
Other	30.2	3.8
Total other non-financial assets	114.2	36.6

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
- 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 and other liabilities

	2021 (\$m)	2020 (\$m)
Contractual		
Salaries, wages and on-costs	59.2	210.5
Accrued grants and transfer payments	118.1	113.6
Deferred capital grant revenue	1.3	12.0
Schools creditors	11.9	11.1
Capital expenditure	217.8	217.2
Operating expenditure	184.9	229.2
Advances received	5.0	–
Total	598.2	793.6
Statutory		
Taxes payable	20.7	19.6
Advance from Public Account	49.5	50.1
Total	70.2	69.7
Made up of:		
Current payables	663.4	863.3
Non-current payables	5.0	–
Total payables	668.4	863.3

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				
2021	Carrying amount (\$m)	Nominal amount (\$m)	Less than 1 month (\$m)	1-3 months (\$m)	3 months-1 year (\$m)	1-5 years (\$m)	>5 years (\$m)
Payables	598.2	598.2	592.3	2.2	1.9	1.4	0.4
Total	598.2	598.2	592.3	2.2	1.9	1.4	0.4

			Maturity Dates				
2020	Carrying amount (\$m)	Nominal amount (\$m)	Less than 1 month (\$m)	1-3 months (\$m)	3 months-1 year (\$m)	1-5 years (\$m)	>5 years (\$m)
Payables	793.6	793.6	776.9	2.2	12.4	0.9	1.2
Total	793.6	793.6	776.9	2.2	12.4	0.9	1.2

6.3.2 Deferred capital grant revenue

	2021 (\$m)	2020 (\$m)
Grant consideration for capital works recognised that was included in the deferred grant liability balance at the beginning of the year	12.0	–
Grant consideration for capital works received during the year ⁸⁸	10.9	107.8
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(21.6)	(95.8)
Closing balance of deferred grant consideration received for capital works	1.3	12.0

Grant consideration is received mainly from the Growth Areas Infrastructure Contribution Fund during the year, utilised for land acquisition, construction of new schools and school upgrades.

The Department has deferred recognition of a portion of the grant consideration as a liability for outstanding works. The deferred amounts relate mainly to grants received in June 2020 (prior year) from the Major Transport Infrastructure Authority for construction of Greensborough Secondary College outdoor sporting facility.

⁸⁸ Grant consideration is net of funds returned to the grantor when consideration received exceeds completed project costs.

The construction of the sporting facility commenced in June 2020 and reached practical completion in May 2021, and the Department expects to recognise all of the remaining grant revenue for capital works in the following year as the project completes the defects liability period in May 2022. Grant revenue is recognised when the Department reaches settlement on land sites, or is progressively recognised as the new school or upgrade is constructed, as this is the time when the Department satisfies its obligations under the grant transfer (see Note 2.4.1).

6.3.3 Other liabilities

	2021 (\$m)	2020 (\$m)
Contract liabilities	64.2	76.0
Other liabilities	7.2	3.3
Total other liabilities	71.4	79.3

Contract liabilities relate to consideration received in advance from international students. This mainly reflects a timing difference, as annual school fees are generally collected at the beginning of the school year. The balance at 30 June mainly reflects education services expected to be delivered in the second half of the school calendar year.

The transaction price allocated to the remaining performance obligations relates to fees paid for future periods.

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 (a) Maturity analysis of borrowings</p> <p>7.1.1 (b) Interest expense</p> <p>7.2 Leases</p> <p>7.2.1 (a) Right-of-use assets</p> <p>7.2.1 (b) Amounts recognised in the Comprehensive Operating Statement</p> <p>7.2.1 (c) Amounts recognised in the Cash Flow Statement</p> <p>7.2.1 (d) Lease liabilities – 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 PPP commitments</p> <p>7.5.3 Commitments other than PPP</p>

7.1 Borrowings

	2021 (\$m)	2020 (\$m)
Current borrowings		
Lease liabilities ⁸⁹		
PPP related lease liabilities	39.2	43.9
Non-PPP related lease liabilities	7.8	8.7
Advance from public account ⁹⁰	1.0	13.2
Other current borrowings ⁹¹	0.9	0.9
Total current borrowings	48.9	66.7
Non-current borrowings		
Lease liabilities ^{89,89}		
PPP related lease liabilities	492.8	508.1
Non-PPP related lease liabilities	12.2	9.3
Advance from public account ⁹⁰	26.4	21.7
Other non-current borrowing ⁹¹	2.0	3.0
Total non-current borrowings	533.4	542.1
Total borrowings	582.3	608.8

⁸⁹ Secured by the assets leased. Lease liabilities are effectively secured, as the rights to the leased assets revert to the lessor in the event of default.

⁹⁰ 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.

⁹¹ Other borrowings are made up of co-operative loans in schools.

‘Borrowings’ refer to interest-bearing liabilities mainly raised from 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(a) Maturity analysis of borrowings

			Maturity Dates				
2021	Carrying amount (\$m)	Nominal amount (\$m)	Less than 1 month (\$m)	1-3 months (\$m)	3 months-1 year (\$m)	1-5 years (\$m)	>5 years (\$m)
Borrowings	582.3	913.7	2.9	11.5	36.3	207.3	655.7
Total	582.3	913.7	2.9	11.5	36.3	207.3	655.7

			Maturity Dates				
2020	Carrying amount (\$m)	Nominal amount (\$m)	Less than 1 month (\$m)	1-3 months (\$m)	3 months-1 year (\$m)	1-5 years (\$m)	>5 years (\$m)
Borrowings	608.8	1,014.5	1.3	13.3	54.6	220.4	724.9
Total	608.8	1,014.5	1.3	13.3	54.6	220.4	724.9

7.1.1(b) Interest expense

	2021 (\$m)	2020 (\$m)
Interest on leases liabilities	24.9	30.3
Total interest expense	24.9	30.3

7.2 Leases

Information about leases for which the Department is a lessee is presented below.

The Department’s leasing activities

The Department leases various properties, office and IT equipment, and motor vehicles. The lease contracts are typically for fixed periods of 1–10 years. The Department does not have a contractual option to purchase the leased assets at the end of the lease term. Lease payments are renegotiated every three years to reflect market rentals.

The Department leases office and IT equipment with contract terms of 1–3 years. These leases are short-term and/or leases of low-value items. The Department has elected not to recognise right-of-use assets and lease liabilities for these leases.

At 30 June 2021, the Department was committed to short-term and low-value leases and the total commitment at that date was \$44 million (2020: \$46 million).

Leases at significantly below-market terms and conditions

The Department entered into numerous leases for the use of facilities to provide a wide range of educational and community services. These leases are typically long-term arrangements for up to 35 years with lease payments of \$1 per annum if demanded. The leased premises are used by the Department to primarily provide teaching of specialist programs, community use such as church grounds, childcare and early learning centres, and playground for out of school hours. These leases are a small portion of similar assets that the Department uses for the purpose of providing educational and community services, and therefore do not have a significant impact on the Department's operation.

7.2.1 (a) Right-of-use assets

Right-of-use assets are presented in note 5.1(a).

7.2.1 (b) Amounts recognised in the comprehensive operating statement

The following amounts relating to leases are recognised in the comprehensive operating statement:

	2021 (\$m)	2020 (\$m)
Interest expense on lease liabilities	24.9	30.3
Expenses relating to short-term and low-value leases	43.8	46.3
Total amount recognised in the comprehensive operating statement	68.7	76.6

7.2.1 (c) Amounts recognised in the cash flow statement

The following amounts relating to leases are recognised in the of cash flow statement for the year ending 30 June 2021.

	2021 (\$m)	2020 (\$m)
Total cash outflow for leases	(94.1)	(104.2)

For any new contracts entered into, the Department considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Department assesses whether the contract meets three key evaluations of whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Department and for which the supplier does not have substantive substitution rights
- the Department has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and the department has the right to direct the use of the identified asset throughout the period of use
- the Department has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

In October 2019, the Department agreed to centralised accommodation management services with the DTF Shared Service Provider (SSP). Following this agreement, the right-of-use asset and lease liability recognised for the accommodation leases at that date were de-recognised and transferred to SSP as a transfer through equity, in accordance with the requirements of FRD 119A Transfers through contributed capital. From November 2019, accommodation has been recognised as an expense (Note 3.1.4 Other operating expenses) and the commitment for the service payments recognised in Note 7.5 Commitments for expenditure.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Department as a lessee identifies lease and non-lease components in the lease contract. Non-lease components are separately accounted for and the amounts are excluded from determining the lease liability and right-of-use asset amounts.

Recognition and measurement of leases as a lessee

Lease Liability—initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Department's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability—subsequent measurement

Subsequent to initial measurement, the liability is reduced by payments made and increased by interest incurred. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is reduced to zero.

The Department, as a lessee, did not receive rent concessions for its leases during the COVID-19 pandemic, nor did the pandemic result in other factors that required the Department to re-measure its lease liabilities. Accordingly, the Department did not apply the practical expedient available under AASB 2020-4 Amendments to Australian Accounting Standards—Covid-19-Related Rent Concessions, which permits a lessee not to assess whether a rent concession meets the conditions of a lease modification that requires the re-measurement of the lease liability.

Short-term leases and leases of low-value assets

The Department has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and

lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Below-market/peppercorn leases

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the Department to further its objectives, are initially and subsequently measured at cost.

These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities

The Department presents right-of-use assets as 'property plant equipment' unless they meet the definition of an 'investment property', in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

7.2.1 (d) Lease liabilities—Department as lessee

	Minimum future lease payments		Present value of minimum future lease payments	
	2021 (\$m)	2020 (\$m)	2021 (\$m)	2020 (\$m)
PPP related lease liabilities				
Not longer than one year	40.6	46.0	39.2	43.9
Longer than one year but not longer than five years	169.5	189.1	141.9	155.6
Longer than five years	652.1	721.0	350.9	352.6
Non-PPP lease liabilities				
Not longer than one year	8.2	9.1	7.8	8.7
Longer than one year but not longer than five years	11.4	9.2	11.0	8.8
Longer than five years	1.4	1.4	1.2	0.4
Minimum future lease payments	883.2	975.8	552.0	570.0
Less future finance charges	(331.2)	(405.8)	—	—
Present value of minimum lease payments	552.0	570.0	552.0	570.0
Included in the financial statements as:				
Current borrowings: lease liabilities (Note 7.1)			47.0	52.6
Non-current borrowings: lease liabilities (Note 7.1)			505.0	517.4
Total aggregate carrying amount of borrowings⁹²			552.0	570.0

⁹² Secured by the assets leased. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

	2021 (\$m)	2020 (\$m)
Assets pledged as security		
Non-PPP leases (VicFleet and right-of-use leases)	10.7	12.5
Partnership Victoria in schools assets	513.2	528.1
Total assets pledged as security	523.9	540.6

The Department's leases comprise PPP arrangements, properties and motor vehicles.

At the commencement of the lease term, 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 is depreciated over the shorter of the estimated useful life of the asset, or the term of the lease.

Minimum 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.

The Department, as a lessee, did not receive rent concessions for its leases during the COVID-19 pandemic, nor was there evidence of other factors that required the Department to re-measure its lease liabilities.

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. 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 lease with related 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, 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.

In October 2020, Learning Community Victoria refinanced a tranche of maturing debt (\$303 million) used to finance the new school PPP project. The refinanced debt results in lower interest payments and matures in October 2028. The lower interest rate contributed to a reduction in the Department's quarterly lease payments totalling \$43.5 million over the term of the refinancing period. The re-measurement of lease liabilities from the reduction in quarterly lease payments, together with a reduction in discount rate (from 5.3 to 4.5 per cent), is reflected in Note 7.2.1 (d).

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.

	2021 (\$m)	2020 (\$m)
Amounts held by schools	1,341.8	1,121.1
Bank accounts held in trust	120.1	423.1
Other bank accounts	20.7	13.0
Total cash and deposits	1,482.6	1,557.2

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 Trust account balances).

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 cheques by the Department's suppliers or creditors.

7.3.1 Reconciliation of net result for the period to cash flow from operating activities

	2021 (\$m)	2020 (\$m)
Net results for the reporting period	660.7	560.6
Non-cash movements		
Net (gain)/loss on sale of non-financial assets	(0.2)	3.5
Depreciation and amortisation	458.0	444.2
Assets received free of charge	(6.3)	(15.0)
Non-cash movements in assets liabilities		
Decrease/(increase) in current receivables	(405.4)	42.3
Decrease/(increase) in non-current receivables	(12.3)	(46.3)
Decrease/(increase) in other non-financial assets	(56.9)	(0.1)
Increase/(decrease) in current payables	(199.9)	71.6
Increase/(decrease) in other liabilities	(7.9)	(5.5)
Increase/(decrease) in current employee entitlements	162.0	123.5
Increase/(decrease) in non-current employee entitlements	13.9	41.5
Net cash inflow from/(used in) operating activities	605.7	1,220.3

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:

2021	Opening balance as at 1 July 2020 (\$m)	Total receipts (\$m)	Total payments (\$m)	Closing balance as at 30 June 2021 (\$m)
Controlled trusts				
State treasury trust	67.9	47.8	(64.6)	51.1
Interdepartmental trust	336.5	(266.2)	(34.8)	35.5
School capital contributions	–	13.5	(13.5)	–
School Sports Victoria	–	1.6	(0.1)	1.5
Commonwealth treasury trust	18.7	41.7	(28.4)	32.0
Total controlled trusts	423.1	(161.6)	(141.4)	120.1
Administered trusts				
Prizes and scholarships	1.5	0.2	(0.1)	1.6
Commuter club	(0.1)	0.5	(0.1)	0.3
On-passing from the Commonwealth	1.8	3,904.3	(3,905.5)	0.6
Total administered trusts	3.2	3,905.0	(3,905.7)	2.5

2020	Opening balance as at 1 July 2019 (\$m)	Total receipts (\$m)	Total payments (\$m)	Closing balance as at 30 June 2020 (\$m)
Controlled trusts				
State treasury trust	57.3	67.7	(57.1)	67.9
Interdepartmental trust	202.9	139.5	(5.9)	336.5
Commonwealth treasury trust	9.2	36.5	(27.0)	18.7
Total controlled trusts	269.5	243.7	(90.0)	423.1
Administered trusts				
Prizes and scholarships	1.3	0.2	–	1.5
Commuter club	(0.2)	1.1	(1.0)	(0.1)
On-passing from the Commonwealth	0.6	3,798.4	(3,797.2)	1.8
Total administered trusts	1.7	3,799.7	(3,798.2)	3.2

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 State treasury trust fund operates by virtue of Section 19 of the FM Act.

Two new controlled trusts accounts were opened by the Department during 2021 (2020: nil) to manage:

- School capital contributions from government schools to fund increases in the size of their capital works program, over and above the recognised scope of state-funded capital projects
- School Sports Victoria—funds received from both government and non-government schools and sponsors to support the running of an extensive school sport program for primary and secondary students across Victoria.

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 are 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

2021	Less than 1 year (\$m)	Between 1-5 years (\$m)	Over 5 years (\$m)	Total (\$m)
PPP commitments	24.6	109.7	482.1	616.4
Capital expenditure commitments payable	682.2	217.1	–	899.3
Other commitments payable	1308.1	339.8	68.2	1,716.1
Total commitments (inclusive of GST)	2,014.9	666.6	550.3	3,231.8
Less GST recoverable	175.1	57.2	50.0	282.3
Total commitments (exclusive of GST)	1,845.8	663.4	500.3	3,009.5

2020	Less than 1 year (\$m)	Between 1-5 years (\$m)	Over 5 years (\$m)	Total (\$m)
PPP commitments	17.0	71.6	397.3	485.9
Capital expenditure commitments payable	622.1	66.3	–	688.4
Other commitments payable	1,105.8	454.5	149.5	1,709.8
Total commitments (inclusive of GST)	1,744.9	592.4	546.8	2,884.1
Less GST recoverable	152.1	49.1	38.9	240.1
Total commitments (exclusive of GST)	1,592.8	543.3	507.9	2,644.0

7.5.2 PPP 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, where the PPPs meet the definition of a service concession asset under AASB 1059 *Service Concession Arrangements: Grantors*.

The Department's PPPs are not a service concession arrangement as defined in AASB 1059. AASB 1059 applies to an arrangement where an operator provides public services using a service concession asset. As the Department is the provider of the public education service (not the operator), AASB 1059 does not apply. The Department's PPPs involve paying 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 PPPs

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 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 represent 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. Fifteen 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 2021 (\$m)	Nominal value 2021 (\$m)	Present value 2020 (\$m)	Nominal value 2020 (\$m)
Commissioned PPPs				
Partnerships Victoria in schools— Operations and maintenance	139.0	243.1	119.4	216.7
New schools PPP	211.5	373.3	141.6	269.2
Total commitments for PPPs	350.5	616.4	261.0	485.9

7.5.3 Commitments other than PPPs

	2021 nominal value (incl. GST) (\$m)	2020 nominal value (incl. GST) (\$m)
Capital expenditure commitments: Plant, buildings and equipment	899.3	688.4
Other expenditure commitments	1,716.1	1,709.8
Total commitments other than PPPs	2,615.4	2,398.2

Capital commitments

These are commitments for the acquisition of buildings, plant and equipment contracted for at the reporting date but not recognised as liabilities.

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 and TAFEs.

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.	<ul style="list-style-type: none">8.1 Financial instrument specific disclosures8.2 Fair value determination8.3 Contingent assets and liabilities<ul style="list-style-type: none">8.3.1 Contingent assets8.3.2 Contingent liabilities

8.1 Financial instrument specific disclosures

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.

Categories of financial instruments under AASB 9

Financial assets at amortised cost

Financial assets are measured at amortised cost and the assets are not designated as fair value through net result if both the following criteria are met:

- 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 principal and interest.

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.

Impairment of financial assets under AASB 9

Subject to AASB 9, impairment assessment includes the Department's contractual receivables.

Although not a financial asset, contract assets recognised as applying AASB 15 are also subject to impairment, however, it is immaterial.

Contractual receivables at amortised cost

The Department applies AASB 9's simplified approach to all contractual receivables, in order 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 selects the expected loss rate based on the Department's past history as well as forward-looking estimates at the end of the financial year. The increase in expected loss allowance takes into account the Department's assessment of its ability to collect its receivables when they fall due, given the continuing impact of the COVID-19 pandemic.

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:

30 June 2021			Past due but not impaired			
	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	–	91%	5%	0%	6%	37%
Receivables	130.5	4.5	0.6	2.8	18.4	104.2
Loss allowance	43.2	4.1	–	–	1.1	38.0

1 July 2020			Past due but not impaired			
	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	–	31%	0%	0%	16%	39%
Receivables	124.6	7.5	5.7	2.3	9.0	100.1
Loss allowance	43.0	2.3	–	–	1.4	39.3

The following table represent classifications of financial assets and liabilities under AASB 9.

2021	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/liabilities measured at fair value through other comprehensive income (\$m)	Financial assets at amortised cost (AC) (\$m)	Financial liabilities at amortised cost (AC) (\$m)	Total (\$m)
Contractual financial assets:							
Cash and deposits – Department	140.8	–	–	–	–	–	140.8
Cash and deposits – Schools	1,341.8	–	–	–	–	–	1,341.8
Receivables	–	–	–	–	87.3	–	87.3
Term deposits	0.4	–	–	–	–	–	0.4
Total contractual financial assets	1,483.0	–	–	–	87.3	–	1,570.3
Contractual financial liabilities							
Payables	–	–	–	–	–	598.2	598.2
Borrowings	–	–	–	–	–	582.3	582.3
Total contractual financial liabilities	–	–	–	–	–	1,180.5	1,180.5
2020	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/liabilities measured at fair value through other comprehensive income (\$m)	Financial assets at amortised cost (AC) (\$m)	Financial liabilities at amortised cost (AC) (\$m)	Total (\$m)
Contractual financial assets:							
Cash and deposits – Department	436.1	–	–	–	–	–	436.1
Cash and deposits – Schools	1,121.1	–	–	–	–	–	1,121.1
Receivables	–	–	–	–	81.6	–	81.6
Term deposits	2.8	–	–	–	–	–	2.8
Total contractual financial liabilities	1,560.0	–	–	–	81.6	–	1,641.6
Contractual financial liabilities							
Payables	–	–	–	–	–	793.6	793.6
Borrowings	–	–	–	–	–	608.8	608.8
Total contractual financial liabilities	–	–	–	–	–	1,402.4	1,402.4

8.2 Fair value determination

This section sets out information on how the Department determines 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 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:

- 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
- 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 is 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 is 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 VGV is the Department's independent valuation agency.

The Department, in conjunction with the VGV, 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 2021

	Fair value measurement at end of reporting period using:			
2021	Carrying amount as at 30 June 2021 (\$m)	Level 1 (\$m)	Level 2 (\$m)	Level 3 (\$m)
Land at fair value				
Land	13,856.5	–	1,274.6	12,581.9
Total land at fair value	13,856.5	–	1,274.6	12,581.9
Buildings at fair value				
Buildings	13,112.4	–	–	13,112.4
Total buildings at fair value	13,112.4	–	–	13,112.4
Heritage buildings at fair value				
Heritage buildings	92.5	–	–	92.5
Total heritage buildings at fair value	92.5	–	–	92.5
Leasehold improvements at cost				
Leasehold improvements	13.3	–	–	13.3
Total leasehold improvements at cost	13.3	–	–	13.3
Plant and equipment at fair value				
Plant and equipment	74.0	–	–	74.0
Total plant and equipment at fair value	74.0	–	–	74.0

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with FRD 1031 *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 (based on the entity's materiality or 10 per cent movement), 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 (such as 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 VGV. The valuation was performed using the market approach adjusted for CSO. The effective date of the last independent valuation was 30 June 2018.

Buildings

The valuations are undertaken by the VGV 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 Current Replacement Cost (CRC) method, which represents the highest and best use under AASB 13 Fair Value Measurement.

CRC 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 CRC 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 VGV. The valuation was performed using the current replacement cost approach. The effective date of the last independent 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 current replacement cost. Existing depreciated historical cost is generally a reasonable approximation for current replacement cost because of the short lives of the assets concerned.

Non-financial physical assets arising from leases

The initial cost for non-financial physical assets under a 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 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 buildings

An assessment of land and buildings was conducted utilising indices by the VGV for 2021, which resulted in a revaluation increment for land. Refer to Note 9.6 Reserves for the quantum of the revaluation increment.

Fair value measurement hierarchy for assets as at 30 June 2020

	Fair value measurement at end of reporting period using:			
2020	Carrying amount as at 30 June 2020 (\$m)	Level 1 (\$m)	Level 2 (\$m)	Level 3 (\$m)
Land at fair value				
Land	10,869.9	–	928.1	9,941.8
Total land at fair value	10,869.9	–	928.1	9,941.8
Buildings at fair value				
Buildings	12,509.2	–	–	12,509.2
Total buildings at fair value	12,509.2	–	–	12,509.2
Heritage buildings at fair value				
Heritage buildings	96.5	–	–	96.5
Total heritage buildings at fair value	96.5	–	–	96.5
Leasehold improvements at cost				
Leasehold improvements	12.4	–	–	12.4
Total leasehold improvements at cost	12.4	–	–	12.4
Plant and equipment at fair value				
Plant and equipment	78.3	–	–	78.3
Total plant and equipment at fair value	78.3	–	–	78.3

Reconciliation of Level 3 fair value 30 June 2021

2021	Land (\$m)	Buildings (\$m)	Heritage buildings (\$m)	Leasehold improvements (\$m)	Plant and equipment (\$m)
Opening balance	9,941.8	12,509.2	96.5	12.4	78.3
Fair value of assets received free of charge or for nominal considerations	6.3	–	–	–	–
Purchases	–	–	–	–	23.8
Transfers to completed assets	–	1,037.8	–	5.8	2.3
Disposal	–	(44.0)	–	–	(1.3)
Asset revaluation movement	2,633.8	(2.9)	–	–	–
Depreciation	–	(387.7)	(4.0)	(4.9)	(29.1)
Closing balance	12,581.9	13,112.4	92.5	13.3	74.0

Reconciliation of Level 3 fair value 30 June 2020

2020	Land (\$m)	Buildings (\$m)	Heritage buildings (\$m)	Leasehold buildings (\$m)	Leasehold improvements (\$m)	Plant and equipment (\$m)
Opening balance	9,929.2	11,775.2	100.6	516.4	21.6	73.6
Prior-year adjustments	(0.5)	–	–	–	–	–
Recognition of right-of-use assets on initial application of AASB 16	–	–	–	(516.4)	–	–
Adjusted balance as at 1 July 2019	9,928.7	11,775.2	100.6	–	21.6	73.6
Fair value of assets received free of charge or for nominal considerations	15.0	–	–	–	–	–
Purchases (sales)	(1.7)	17.0	–	–	–	31.8
Transfers to completed assets	–	1,134.7	–	–	4.8	2.5
Disposal	–	(51.1)	–	–	(5.9)	(2.0)
Asset revaluation movement	–	(8.2)	–	–	1.9	–
Transfer (to)/from assets held for sale	(0.2)	–	–	–	–	–
Impairment	–	(1.6)	–	–	–	–
Depreciation	–	(356.8)	(4.1)	–	(10.0)	(27.5)
Closing balance	9,941.8	12,509.2	96.5	–	12.4	78.3

Description of significant unobservable inputs to Level 3 valuations

2021 and 2020	Valuation technique	Significant unobservable inputs
Land	Market approach	CSO
Buildings	Current replacement cost	Direct cost per square metre Useful life of recognised buildings
Heritage buildings	Reproduction cost	Direct cost per square metre Useful life of heritage buildings
Leasehold buildings	Current replacement cost	Direct cost per square metre Useful life of leasehold buildings
Leasehold improvements	Current replacement cost	Direct cost per square metre Useful life of leasehold buildings
Plant and equipment	Current replacement cost	Direct cost per square metre Useful life of plant and equipment

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 government)

	2021 (\$m)	2020 (\$m)
Commercial litigations	–	9.0
Total quantifiable contingent assets	–	9.0

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

	2021 (\$m)	2020 (\$m)
Claims for damages	64.5	79.0
Total quantifiable contingent liabilities	64.5	79.0

Non-quantifiable contingent liabilities

The Department has several 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 provides a specific indemnity for personal injuries or death (and 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.
- Teaching service and public service employees: If a departmental employee is named as a defendant in a civil proceeding (for example, a personal injury, discrimination or employment claim), any costs and damages will generally be paid by the Department, provided the employee 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 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 exercise of their powers or functions. The Department may decide to indemnify school councils (which are separate entities from the Department), in claims of common law negligence, employment disputes and other civil claims, for the cost of settlement and/or 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
 - the school council has insufficient funds to pay the claim.
- TAFEs: The Department issued letters of comfort to support eight TAFEs financially until 30 April 2022 to ensure their financial statements have been prepared on a going concern basis which assumes these TAFEs will be able to realise their assets and discharge their liabilities in the normal course of business for the foreseeable future. TAFEs that received letters of comfort are Bendigo Kangan, Box Hill, GOTAFE, Melbourne Poly, South West, SuniTAFE, TAFE Gippsland and William Angliss.

Note 9 Other disclosures

Introduction	9.5 Related parties
This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.	9.6 Reserves
Structure	9.7 Remuneration of auditors
9.1 Subsequent events	9.8 Other accounting policies
9.2 Other economic flows included in net results	9.9 Australian accounting standards and interpretation issues that are not yet effective
9.3 Remuneration of executives and other personnel	9.10 Glossary of technical terms
9.4 Responsible persons	9.11 Style conventions

9.1 Subsequent events

No matters or circumstances have arisen since the end of the financial year that significantly affected or may affect the operations of the Department, the results of the operations or the state of affairs of the Department in future financial years.

9.2 Other economic flows included in net results

	2021 (\$m)	2020 (\$m)
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposals of non-financial assets	0.2	(0.4)
Impairment of non-current assets	–	(3.1)
Total net gain/(loss) on non-financial assets	0.2	(3.5)
(b) Net gain/(loss) on financial instruments		
Impairment of loans and receivables	(2.4)	–
Total net gain/(loss) on financial instruments	(2.4)	–
(c) Net gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	52.7	(35.7)
Total other gains/(losses) from other economic flows	52.7	(35.7)

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. They include:

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets 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.
- *Assets previously not recognised*
Assets not recognised in previous periods that subsequently met the recognition criteria (not as a result of an error) are recognised from the date that the criteria are

met. For example, assets subsequently identified through revaluation, stocktakes or other processes.

- *Impairment of non-current assets*

Any further loss on assets when carrying amounts are reduced to current replacement cost, except when these are taken through the asset revaluation surplus.

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 FTE 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 and a number of executive officers retired or resigned.

	Total Remuneration	
	2021 (\$m)	2020 ⁹³ (\$m)
Short-term employee benefits	22.8	18.9
Post-employee benefits	1.9	1.6
Other long-term benefits	0.6	0.5
Termination benefits	0.3	0.6
Total remuneration⁹⁴	25.6	21.2
Total number of executives⁹⁵	116	96
Total annualised employee equivalents⁹⁶	96.0	83.4

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 Education	The Hon. James Merlino, MP	1 July 2020 to 30 June 2021
Minister for Training and Skills	The Hon. Gayle Tierney, MP	1 July 2020 to 30 June 2021
Minister for Higher Education		
Minister for Early Childhood	Ms Ingrid Stitt, MP	29 September 2020 to 30 June 2021
Secretary	Jenny Atta	1 July 2020 to 30 June 2021

The Hon. Gayle Tierney, MP acted in the office of the Minister for Education from 27 December 2020 to 6 January 2021.

Ms Ingrid Stitt, MP acted in the office of the Minister for Education, Minister for Training and Skills and Minister for Higher Education from 7 January 2021 to 10 January 2021.

The Hon. James Merlino, MP acted in the office of the Minister for Training and Skills and Minister for Higher Education from 20 to 29 July 2020, 19 to 20 October, 11 to 25 January, and 8 to 13 April, and acted in the office of the Minister for Early Childhood from 22 to 26 December 2020.

⁹³ The 2020 year comparison has been re-stated to include the Chief Finance Officer position to provide a meaningful comparative.

⁹⁴ Total remuneration includes executives who have been seconded during the year. The Department is reimbursed under these arrangements.

⁹⁵ The increase from prior year reflects higher turnover of executives in 2020–21, implementation of State Budget initiatives and the pandemic response.

⁹⁶ Annualised employee equivalent is based on the time fraction over the reporting period. The increase from prior year reflects the implementation of State Budget initiatives and the pandemic response.

Tony Bates, Deputy Secretary, Financial Policy and Information Services Group acted as Secretary from 28 December 2020 to 10 January 2021.

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:

	2021 number	2020 number
\$540,000 - \$549,999	1	1
Total remuneration ⁹⁷	\$543,000	\$545,000

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 that the portfolio ministers receive. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported in the Department of Parliamentary Services' Financial Report.

Compensation ⁹⁸	2021 (\$m)	2020 (\$m)
Short-term employee benefits	4.5	4.0
Post-employee benefits	0.3	0.3
Other long-term benefits	0.1	0.1
Total	4.9	4.4

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, for example, stamp duty and other government fees and charges. Further employment of processes in the Victorian public sector occurs on terms and conditions consistent with the Public Administration Act 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 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 or their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

⁹⁷ The drop in total remuneration is due to the application of pro-rata calculation methodology.

⁹⁸ Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 9.3). The 2020 year comparison has been re-stated to include the Chief Finance Officer position.

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 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.

	2021 (\$m)	2020 (\$m)
Grants paid during the year		
VRQA	17.2	15.6
VCAA	70.4	67.5
Rent provided free of charge during the year		
VRQA	0.5	0.5
VCAA	2.6	2.6
Payments made during the year		

9.6 Reserves

	2021 (\$m)	2020 (\$m)
Physical asset revaluation surplus		
Balance at beginning of financial year	12,211.5	12,219.5
Revaluation increment/(decrement) of land during the year	2,826.4	–
Revaluation increment/(decrement) of buildings during the year	(2.9)	(8.2)
Revaluation increment/(decrement) of leasehold buildings during the year	9.5	1.9
Prior year adjustments	–	(0.1)
Impairment losses	–	(1.6)
Balance at the end of the financial year	15,044.5	12,211.5

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

	2021 (\$m)	2020 (\$m)
Audit fees – Victorian Auditor-General's Office	0.6	0.6
Total remuneration of auditors	0.6	0.6

9.8 Other accounting policies

Contributions by owners

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its distribution) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Department.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

9.9 Australian Accounting Standards and interpretation issues that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020–21 reporting period. These accounting standards have not been applied to the Department's Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- AASB 2020-1 Amendments to Australian Accounting Standards—Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted. However, the AASB has recently issued AASB 2020–1 Amendments to Australian Accounting Standards—Classification of Liabilities as Current or Non-current—Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. The Department will not adopt the standard early.

The Department is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Department's reporting:

- AASB 17 Insurance Contracts.
- AASB 1060 General Purpose Financial Statements—Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).
- AASB 2020-2 Amendments to Australian Accounting Standards—Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.
- AASB 2020-3 Amendments to Australian Accounting Standards—Annual Improvements 2018–2020 and Other Amendments.
- AASB 2020-7 Amendments to Australian Accounting Standards—Covid-19-Rent Related Concessions: Tier 2 Disclosures.

- AASB 2020-8 Amendments to Australian Accounting Standards—Interest Rate Benchmark Reform—Phase 2.
- AASB 2020-9 Amendments to Australian Accounting Standards—Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments.

9.10 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

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

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

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

The expense that 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

Interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, 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 to provide incentives to departments to identify and dispose of under-utilised or surplus assets in a timely manner.

Commitments

Include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Community service obligation

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

The amount included in the operating statement representing total change in equity other than transactions with owners as owners.

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.

Current replacement cost

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.

Depreciation

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'.

Economic obsolescence

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.

Equity

Assets less liabilities—an economic measure of wealth.

Effective interest method

Calculation of 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

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

Voluntary payments 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

Includes 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 that 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

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability

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 that 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

Guidelines 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 re-statement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

Functional obsolescence

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 outdated 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 be either operating or capital in nature.

Although 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 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

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 that are mainly non-market in nature, those that are largely for collective consumption by the community, and those that 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

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

Includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Lease

Rights conveyed in a contract, or part of a contract for the right-to-use an asset (the underlying asset) for a period of time in exchange for consideration.

Net result

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

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 equity that is due to transactions and can be attributed directly to government policies.

Non-financial assets

All assets that are not 'financial assets'. These include land, buildings, plant and equipment, heritage buildings, and intangible assets.

Non-produced assets

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

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'. See also 'net result' in this glossary.

Other economic flows included in net result

Included in the net result that 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; and fair value changes of financial instruments.

Other economic flows—other comprehensive income

Comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other AAS. 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

A reduction or loss of an asset value as a result of its physical deterioration caused by wear and tear or increasing age. The asset eventually becomes obsolete.

Produced assets

Includes buildings, plant and equipment and certain intangible assets. Intangible produced assets may include computer software, and research and development costs (which do 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 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 include sale of goods and services income.

Service concession arrangement

A contract effective during the reporting period between a grantor and an operator in which:

- the operator has the right of access to the service concession asset (or assets) to provide public services on behalf of the grantor for a specified period of time
- the operator is responsible for at least some of the management of the public services provided through the asset and does not act merely as an agent on behalf of the grantor
- the operator is compensated for its services over the period of the service concession arrangement.

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

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.

9.11 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

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Appendix 1 Disclosure index

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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 in the portfolio and the forecast financial information published in the 2020–21 Budget Paper No. 5 Statement of Finances (BP5). The budget portfolio outcomes comprise the 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 in 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:

- the Department (including government schools)
- ACFE
- VCAA
- VRQA
- 12 TAFE institutes.

Comprehensive operating statement for the year ended 30 June 2021

	Notes	2021 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Net results from continuing operations					
Income from transactions					
Output appropriations	a	16,133.9	16,273.6	(1)	(139.7)
Special appropriations		5.8	6.0	(4)	(0.2)
Interest	b	7.0	17.6	(60)	(10.6)
Sale of goods and services	c	637.0	694.4	(8)	(57.5)
Grants	d	69.1	44.5	55	24.6
Other income	e	327.2	364.7	(10)	(37.5)
Total income from transactions		17,179.9	17,400.8	(1)	(221.0)
Expenses from transactions					
Employee benefits	f	(8,894.0)	(8,673.8)	3	(220.1)
Depreciation and amortisation		(558.9)	(575.1)	(3)	16.2
Interest expense		(27.8)	(29.0)	(4)	1.2
Grant and other transfers	g	(1,647.4)	(1,795.5)	(8)	148.1
Capital asset charge		(1,996.3)	(1,996.0)	0	(0.3)
Other operating expenses	h	(3,425.7)	(3,923.3)	(13)	497.6
Total expenses from transactions		(16,549.9)	(16,992.6)	(3)	442.7
Net result from transactions (net operating balance)		629.9	408.2	54	222.7
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	i	(2.5)	(7.8)	(68)	5.3
Share of net profits/(losses) of associates and joint-venture entities, excluding dividends	j	2.9	(1.8)	(263)	4.7

	Notes	2021 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Net gain/(loss) on financial instruments and statutory receivables/payables	k	(4.4)	(3.4)	32	(1.1)
Other gains/(losses) from other economic flows	l	53.1	(0.5)	(9,814)	53.7
Total other economic flows included in net result		49.1	(13.5)	(465)	62.6
Net result		679.0	394.7	72	284.3
Changes in non- financial assets revaluation surplus	m	2,830.4	(21.7)	(13,115)	2,852.2
Other	n	(2.0)	12.3	(117)	(14.3)
Total other economic flows—other comprehensive income		2,828.4	(9.5)	(29,909)	2,837.9
Comprehensive result		3,507.4	385.2	810	3,128.5

Notes:

- a. The variance below the published budget mainly relates to carryover requested into 2021–22 across State initiatives and Commonwealth initiatives. These include State initiatives such as Victorian Higher Education State Investment Fund, Apprenticeships Growth Strategy, TAFE Facilities Modernisation Program and TAFE Asset Maintenance Program.
- b. The variance below the published budget is mainly due to schools earning lower interest revenue than anticipated.
- c. The variance below the published budget primarily relates to lower than anticipated collection of school and TAFE own sourced revenue due to the COVID-19 pandemic and Stage 4 restrictions.
- d. The variance above the published budget is primarily driven by higher than anticipated grants received from other Victorian government departments. This includes grants for Apprenticeships Victoria, the Asbestos removal program, the Victorian African Communities Action Plan, Bushfire Mental Health Supports, Working for Victoria Fund – Youth Employment Program and the Working for Victoria Fund TAFE and Training Sector.
- e. The variance below the published budget is primarily due to schools' third-party other revenue (for example, locally raised funds from school fetes and fundraising events, and voluntary contributions made by parents), which was lower than expected due to the COVID-19 pandemic.
- f. The variance above the published budget primarily reflects salary expenditure relating to funding decisions for school education programs approved as part of the 2021–22 Budget.
- g. The variance below the published budget is primarily due to re-phases approved by the Treasurer into the forward years that were only approved as part of the 2021–22 Budget. This includes Ready for school: kinder for every three-year-old, Non-Government School Infrastructure Fund, and Kindergarten refurbishment and minor works program. This is also driven by carryover requested into 2021–22 for several initiatives including: Victorian Higher Education State Investment Fund and Non-Government Schools Infrastructure Fund.
- h. The variance below the published budget is primarily due to lower purchases of supplies and consumables by schools and TAFEs in the first half of 2020-21 due to the COVID-19 pandemic and Stage 4 restrictions. This is also driven by revised delivery timelines where funding was re-phased into future years for maintenance-related programs, and schools incurring less maintenance expenditure than expected.
- i. The variance above the published budget primarily relates to unbudgeted building disposals.
- j. The variance above the published budget primarily relates to TAFEs recognising a share of profits from joint ventures, which was not reflected in the budget.
- k. The variance below the published budget is mainly due to the review and write-off of bad and doubtful debts.
- l. The variance above the published budget mainly reflects revisions in the annual and long service leave provisions due to movements in the wage inflation and present value discount rates issued by the DTF.
- m. The variance above the published budget primarily relates to an upward land revaluation of 25 per cent for the 2020–21 managerial revaluation of land assets under Financial Reporting Direction 103I.
- n. The variance below the published budget is primarily due to accumulated fund transfers from reserves in TAFEs being higher than expected.

Balance sheet as at 30 June 2021

	Notes	2021 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Assets					
Financial assets					
Cash and deposits	a	1,966.9	1,910.0	3	56.8
Receivables from government	b	2,582.7	2,477.4	4	105.3
Other receivables	c	216.4	172.4	26	44.0
Other financial assets	d	40.5	31.9	27	8.6
Total financial assets		4,806.5	4,591.7	5	214.8
Non-financial assets					
Inventories	e	1.0	1.0	(6)	(0.1)
Non-financial assets classified as held for sale, including disposal group assets	f	0.2	7.0	(97.0)	(6.8)
Property, plant and equipment	g	31,815.6	29,414.1	8	2,401.5
Investment properties		118.9	116.9	2	2.0
Intangible assets	h	62.7	70.1	(10)	(7.3)
Other	i	123.6	69.5	78	54.1
Total non-financial assets		32,122.0	29,678.5	8	2,443.4
Total assets		36,928.5	34,270.2	8	2,658.2
Liabilities					
Payables	j	911.9	1,041.4	(12)	(129.5)
Borrowings		630.7	617.3	2	13.4
Provisions		2,132.4	2,095.8	2	36.5
Total liabilities		3,675.0	3,754.6	(2)	(79.6)
Net assets		33,253.5	30,515.7	9	2,737.8
Equity					
Accumulated surplus/(deficit)	k	5,074.5	4,804.4	6	270.1
Reserves	l	16,490.9	13,638.9	21	2,852.0
Contributed capital	m	11,688.0	12,072.4	(3)	(384.4)
Total equity		33,253.5	30,515.7	9	2,737.8

Notes:

- a. The variance above the published budget mainly reflects:
 - schools' cash and deposits which are higher than budget due to remote learning conditions, leading to lower operational costs as well as timing of payables balances. An increase in school payables means reduced cash outflows, and subsequently higher than budgeted cash balances
 - TAFEs' cash and deposits which are higher than budget mainly due to timing of capital purchases of non-financial assets and timing of payments during the COVID-19 pandemic.
- b. The variance above the published budget is mainly due to the timing of the drawdown in the State Administration Unit. The State Administration Unit balance is impacted by the movements in Prepayments and Other Financial Assets, Payables, Employee Benefits and Other Provisions.
- c. The variance above the published budget mainly reflects:
 - the timing of receipts from corporate debtors of overseas students, and expenditure reimbursement for Quarantine Accommodation Projects from the DPC
 - TAFEs debtors for student fees and services provided to third-party organisations.
- d. The variance above the published budget mainly reflects lower than anticipated levels of prepaid operating expenditures.
- e. The variance below the published budget mainly reflects lower levels of inventory held for distribution in the ordinary course of TAFEs' business operations.
- f. The variance below the published budget mainly reflects lower than anticipated TAFEs assets and departmental land held for sale.
- g. The variance above the published budget mainly reflects an upward land revaluation of 25 per cent for the 2020–21 managerial revaluation of land assets under Financial Reporting Direction 103I.
- h. The variance below the published budget mainly reflects the depreciation of software by the Department and TAFEs.
- i. The variance above the published budget mainly reflects higher than anticipated levels of biological assets held by TAFEs.
- j. The variance below the published budget is mainly due to lower accruals/payables due to the introduction of Fair Payments Policy, which shortened the invoice credit payment terms from 30 days to 10 days from 1 January 2021 where the value of goods and services is under \$3 million.
- k. The variance above the published budget reflects the accumulated net results of operating balances and other economic flows.
- l. The variance above the published budget mainly reflects an upward land revaluation of 25 per cent for the 2020–21 managerial revaluation of land assets under Financial Reporting Direction 103I.
- m. The variance below the published budget mainly reflects lower than budget capital appropriation claimed, primarily due to revised implementation of capital programs into future years.

Statement of cash flows for the year ended 30 June 2021

	Notes	2021 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Cash flows from operating activities					
Receipts					
Receipts from government	a	15,741.5	15,989.0	(2)	(247.5)
Receipts from other entities	b	646.5	702.0	(8)	(55.5)
Interest received	c	7.0	17.6	(60)	(10.6)
Other receipts	d	311.4	367.2	(15)	(55.9)
Total receipts		16,706.4	17,075.8	(2)	(369.4)
Payments					
Payments of grants and other transfers	e	(1,616.7)	(1,793.7)	(10)	177.0
Payments to suppliers and employees	f	(12,335.1)	(12,487.1)	(1)	151.9
Capital asset charge		(1,996.3)	(1,996.0)	–	(0.3)
Interest and other costs of finance paid	g	(27.3)	(28.9)	(5)	1.6
Total payments		(15,975.4)	(16,305.6)	(2)	330.1
Net cash flows from/(used in) operating activities		730.9	770.2	(5)	(39.3)

	Notes	2021 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Cash flows from investing activities					
Net investments	h	2.0	5.5	(63)	(3.5)
Payments for non-financial assets	i	(1,688.9)	(2,177.9)	(22)	489.0
Proceeds from sale of non-financial assets	j	7.8	4.4	76	3.4
Net loans to other parties		(1.8)	3.4	(154)	(5.2)
Net cash flow from/(used in) investing activities		(1,680.8)	(2,164.6)	(22)	483.7
Cash flows from financing activities					
Owner contributions by State Government	k	915.7	1,309.9	(30)	(394.2)
Repayment of right of use leases	l	(39.1)	(47.4)	(17)	8.3
Net borrowings	m	(4.1)	(2.4)	70	(1.7)
Net cash flows from/ (used in) financing activities		872.5	1,260.2	(31)	(387.6)
Net increase/(decrease) in cash and cash equivalents		(77.3)	(134.2)	(42)	56.8
Cash and cash equivalents at the beginning of the financial year		2,044.2	2,044.2	–	–
Cash and cash equivalents at the end of the financial year		1,966.9	1,910.0	3	56.8

Notes:

- a. The variance below the published budget mainly relates to carryover requested into 2021–22 across state initiatives and Commonwealth initiatives. These include state initiatives such as Victorian Higher Education State Investment Fund, Apprenticeships Growth Strategy, TAFE Facilities Modernisation Program and TAFE Asset Maintenance Program.
- b. The variance below the published budget primarily relates to lower than anticipated collection of school and TAFE own sourced revenue due to the COVID-19 pandemic and Stage 4 restrictions.
- c. The variance below the published budget is mainly due to schools earning lower interest revenue than anticipated.
- d. The variance below the published budget is primarily due to schools' third-party other revenue (for example, locally raised funds from school fetes and, fundraising events, and voluntary contributions made by parents) which was lower than expected due to the COVID-19 pandemic.
- e. The variance below the published budget is primarily due to re-phases approved by the Treasurer into the forward years that were only approved as part of the 2021–22 Budget. This includes Ready for school: kinder for every three-year-old, Non-Government School Infrastructure Fund and Kindergarten refurbishment and minor works program. This is also driven by carryover requested into 2021–22 for several initiatives, including Victorian Higher Education State Investment Fund and Non-Government Schools Infrastructure Fund.
- f. The variance below the published budget is primarily due to lower purchases of supplies and consumables by schools and TAFEs in the first half of 2020–21 due to the COVID-19 pandemic and Stage 4 restrictions. This is also driven by revised delivery timelines where funding was re-phased into future years for maintenance related programs, and schools incurring less maintenance expenditure than expected.
- g. The variance below the published budget is mainly driven by lower than budgeted interest lease expense on right-of-use assets.
- h. The variance below the published budget is primarily driven by loss in equity investments in TAFEs, but is partially offset by TAFEs recognising a share of profits from joint ventures, which was not reflected in the published budget.
- i. The variance below the published budget relates to approved re-phases into future years primarily due to revised delivery of capital programs into future years.
- j. The variance above the published budget is primarily due to higher than anticipated proceeds from the sale of vehicles and equipment.
- k. The variance below the published budget mainly reflects lower than budget capital appropriation claimed, primarily due to revised implementation of capital programs into future years.
- l. The variance below the published budget primarily relates to lower than budgeted right-of-use lease repayments.
- m. The variance above the published budget primarily relates to the net movement in public account advances with the DTF.

Statement of changes in equity for the year ending 30 June 2021

	Notes	Accumulated surplus/ (deficit) (\$m)	Contributions by owner (\$m)	Revaluation surplus (\$m)	Other reserves (\$m)	Total equity (\$m)
Actual						
Opening balance at 1 July 2020		4,397.5	10,822.1	13,659.5	1.1	28,880.2
Comprehensive result		677.1	–	2,830.4	(0.1)	3,507.4
Transactions with owners in their capacity as owners		–	865.9	–	–	865.9
Closing balance 30 June 2021		5,074.5	11,688.0	16,489.9	1.1	33,253.5
Budget						
Opening balance 1 July 2020		4,397.5	10,822.1	13,659.5	1.1	28,880.2
Comprehensive result		406.9	–	(21.7)	0.1	385.2
Transactions with owners in their capacity as owners		–	1,250.3	–	–	1,250.3
Closing balance 30 June 2021 (published budget)		4,804.4	12,072.4	16,637.7	1.2	30,515.7
Variance to budget						
Opening balance 1 July 2020		–	–	–	–	–
Comprehensive result	a	270.1	–	2,852.2	(0.1)	3,122.2
Transactions with owners in their capacity as owners	b	–	(384.4)	–	–	(384.4)
Closing balance 30 June 2021		270.1	(384.4)	2,852.2	(0.1)	2,737.8
Variance (%)		6	(3)	21	(10)	9

Notes:

- a. The variance in revaluation surplus above the published budget reflects an upward land revaluation of 25 per cent for the 2020–21 managerial revaluation of land assets under Financial Reporting Direction 103I for the revaluation surplus. The variance in accumulated surplus above the published budget reflects the accumulated net results of operating balances and other economic flows. The variance in accumulated surplus below the published budgets reflects the accumulated net results of operating balances and other economic flows.
- b. The variance below the published budget mainly reflects lower than budget capital appropriation claimed, primarily due to revised implementation of capital programs into future years.

Administered items statement for the year ending 30 June 2021

	Notes	2021 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Administered income					
Sale of goods and services		84.8	87.6	(3)	(2.8)
Grants	a	3,919.1	3,841.3	2	77.9
Other income	b	0.5	1.9	(71)	(1.3)
Total administered income		4,004.5	3,930.8	2	73.8
Administered expenses					
Expenses on behalf of the state		(0.1)	–	n/a	(0.1)
Grants and other transfers	c	(3,905.5)	(3,833.9)	2	(71.7)
Payments into the Consolidated Fund	d	(58.3)	(73.8)	(21)	15.5
Total administered expenses		(3,963.9)	(3,907.7)	1	(56.2)
Income less expenses		40.6	23.1	76	17.5
Net gain/(loss) on non-financial assets	e	(34.7)	(23.0)	51	(11.7)
Total other economic flows included in net result		(34.7)	(23.0)	51	(11.7)
Net result		5.9	0.1	11,712	5.9
Comprehensive result		5.9	0.1	11,712	5.9
Administered assets					
Cash and deposits		–	–	–	–
Receivables	f	42.9	37.0	16	5.9
Other financial assets		–	–	–	–
Total administered assets		42.9	37.0	16	5.9
Administered liabilities					
Payables		–	–	–	–
Total administered liabilities		–	–	–	–
Net assets	42.9	37.0	16	5.9	42.9

Notes:

- a. The variance above the published budget primarily relates to higher than budgeted Commonwealth Quality Schools funding for non-government schools.
- b. The variance below the published budget is mainly driven by outdated budget for property rental revenue for which revenue is no longer received.
- c. The variance above the published budget primarily relates to the on-passing of the Commonwealth funding explained in Note (a).
- d. The variance below the published budget is driven primarily by the return to the State Administrative Unit.
- e. The variance below the published budget is due to lower than budgeted land and building disposals which cannot be reliably forecasted. This is partially offset by lower than budgeted land sales.
- f. The variance above the published budget is due to higher-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.

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* and supports the coordination of Government actions relating to children. The Board reports annually to the Minister for Education and other ministers through the State of Victoria's Children reports. These reports 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 two times in 2020–21. Members are shown below.

Children's Services Coordination Board members as at 30 June 2021

Member	Position
Ms Jenny Atta (Chair)	Secretary, Department of Education and Training
Mr David Martine	Secretary, Department of Treasury and Finance
Mr Euan Wallace	Secretary, Department of Health
Mr Jeremi Moule	Secretary, Department of Premier and Cabinet
Ms Rebecca Falkingham	Secretary, Department of Justice and Community Safety
Ms Sandy Pitcher	Secretary, Department of Families, Fairness and Housing
Mr Shane Patton	Chief Commissioner, Victoria Police

Victorian Children's Council

The Victorian Children's Council was established under the Child Wellbeing and Safety Act. The Council supports the Premier and Ministers for Education, Early Childhood, 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, supporting 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 met seven times in 2020–21, with additional working group meetings as needed. The Department provides secretariat support to the Victorian Children's Council.

Victorian Children's Council members as at 30 June 2021

Member	Primary area of expertise
Professor Frank Oberklaid, AM (Chair)	Child health and paediatric medicine Consultant paediatrician, and Foundation Director of the Centre for Community Child Health at the Royal Children's Hospital Co-Research Group Leader at the Murdoch Children's Research Institute
Dr Anne Kennedy	Early childhood education, social disadvantage Consultant and fellow, the Graduate School of Education, University of Melbourne, and former Chairperson, Community Child Care Association Victoria
Mr David Huggins	Child development, social work and education Consultant and former Assistant Director, Student Services, Catholic Education Office
Ms Deb Tsorbaris	Child protection, family services CEO, Centre for Excellence in Child and Family Welfare
Professor Jim Watterston	Education Dean, Melbourne Graduate School of Education, University of Melbourne

Member	Primary area of expertise
Ms Kerry Stubbings	Local government and planning Consultant and former Director, Community Services, City of Knox
Dr Lisa J. Griffiths	Family services, disability and education CEO, OzChild
Ms Muriel Bamblett, AO	Aboriginal children and families, child protection, out-of-home care, family services CEO, Victorian Aboriginal Child Care Agency, and Adjunct Professor, La Trobe University
Ms Raylene Harradine	Aboriginal children and families, child protection, out-of-home care, family services, justice CEO, Bendigo & District Aboriginal Cooperative
Mr Robert Boucher	Education Principal, Swifts Creek School
Ms Sandie de Wolf, AM (Deputy Chair)	Family services, child protection Formerly CEO, Berry Street
Dr Susana Gavidia-Payne	Child development and early intervention Adjunct Professor, RMIT University, and former President, Victorian chapter of Early Childhood Intervention Australia
Ms Tina Hosseini	Adolescent development and behaviours, multicultural communities Research Fellow, Swinburne University
Mr Warren Cann	Parenting, family support CEO, Parenting Research Centre and Founding Director, Raising Children Network

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. Each Disciplinary Appeals Board comprises a chairperson, a secretary's nominee and a minister's nominee.

The Disciplinary Appeals Boards had one appeal pending as at 1 July 2020 and received a further five appeals by 30 June 2021.

The Senior Chairperson of the Merit Protection Boards administers the Disciplinary Appeals Boards and selects members to 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. 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.

Chairpersons of the Disciplinary Appeals Boards to 31 July 2020		
Ms Annette Eastman	Ms Paula Robinson	Mr Phillip Davies
Ms Catherine Healy	Dr Peter Condliffe	Mr Robert Howard
Mr Ian Scott	Mr Peter Harris	Mr Russell Daily
Ms Jordana Millman	Mr Peter Kempson	Mr William O'Shea

Chairpersons of the Disciplinary Appeals Boards from 1 August 2020		
Ms Catherine Healy	Dr Peter Condliffe	Mr William O'Shea
Mr Ian Scott	Mr Peter Harris	
Ms Paula Robinson	Mr Richard Besley	

Secretary's nominees, who have knowledge and experience in education, education administration or public sector administration, were appointed under sections 2.4.73(2) and 2.4.74 of the Education and Training Reform Act. Secretary's nominees are shown below.

Secretary's nominees to the Disciplinary Appeals Boards to 31 July 2020		
Mr Brian O'Dea	Ms Lola Wenn	Mr Robert Loader
Ms Claire Bolster	Ms Marilyn McMahon	Mr Ross Bevege
Mr David Alsop	Ms Michonne Van Rees	Mr Russell Isaac
Mr Ian Bentley	Mr Peter Norden	Ms Vicki Augustinus
Ms Karen O'Dowd	Dr Richard Gould	

Secretary's nominees to the Disciplinary Appeals Boards from 1 August 2020		
Mr Brendan White	Mr Darren Youngs	Mr Peter Norden
Mr Brian O'Dea	Ms Marilyn McMahon	Dr Richard Gould
Ms Claire Bolster	Ms Moira Findlay	

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.

Minister's nominees to the Disciplinary Appeals Boards to 31 July 2020		
Mr Christopher Chant	Ms Karen Terry	Ms Sandra Greenhill
Dr David Finnerty	Ms Leonie Fitzgerald	Mr Stephen McGarrigle
Mr Dennis Pratt	Ms Maureen O'Flaherty	Ms Vincenzina (Enza) Calabro
Ms Glenda Splatt	Ms Moira Findlay	Mr Wayne Smith
Ms Janet Evison	Ms Rhonda Warburton	
Minister's nominees to the Disciplinary Appeals Boards from 20 October 2020		
Mr Daryl Bennett	Mr Nicolas Ryan	Ms Samantha Fleming
Mr George Porter	Mr Paul Newson	Ms Susan Seneviratne
Ms Larissa Field	Ms Rachel Carlyon	
Ms Leonie Fitzgerald	Ms Robyn Anderson	
Minister's nominees to the Disciplinary Appeals Boards from 1 August 2020		
Ms Rhonda Warburton		

Appointments are for five years. The next appointments are scheduled for August 2025.

Merit Protection Boards

The Merit Protection Boards and Review of Action Boards provide an independent mechanism to hear appeals and grievances of employees of the Department and associated education and training statutory authorities.

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 other acts
- advise the Minister or the Secretary about referred matters relating to merit and equity in the teaching service
- hear reviews and appeals relating to decisions prescribed by the regulations or Ministerial Order
- hear reviews and appeals on behalf of the Secretary, if the Secretary has delegated their function or power to a Merit Protection Board.

The Senior Chairperson, Ms Alison 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 public service employees of the Department and members of the teaching service, including principals, teachers and school-based non-teaching staff. Appeals and grievances may relate to 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 or regional centres.

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 makes a recommendation to the Senior Chairperson, who in turn makes 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 2022.

Chairpersons of the Merit Protection Boards from 22 September 2019		
Ms Alison Murphy (Senior Chairperson, full-time)	Ms Meagan Cook	Ms Sandra Greenhill
Ms Rowena Archer	Mr Rick Gervasoni	Mr Vernon Hilditch
Secretary's nominees to the Merit Protection Boards from 22 September 2019		
Ms Rowena Archer	Mr Graham Friedman	Mr George Porter
Ms Clare Berger	Ms Sandra Greenhill	Ms Paula Robinson
Dr Mary Cannon	Mr Andrew Harnett	Ms Glenda Splatt
Mr Christopher Chant	Mr Peter Hibbins	Mr Timothy Wall
Mr Jason Coningsby	Ms Sally Lasslett	Ms Jane Warren
Ms Meagan Cook	Ms Julia McKean	Mr Brendan White
Dr David Finnerty	Ms Gillian Oscar	

Minister's nominees to the Merit Protection Boards from 22 September 2019

Mr Steven Adams	Ms Rebekah Fewkes	Mr Matthew McKittrick
Ms Tanya Burton	Ms Moira Findlay	Ms Natalie Harvey-Nelson
Ms Rachel Carlyon	Mr Rick Gervasoni	Ms Leanne Preece
Mr Nathan Chisholm	Ms Karen Harris	Mr Edward Strain
Ms Michelle Costa	Mr Vernon Hilditch	Ms Rhonda Warburton
Ms Penelope Ellis	Mr Douglas Lunt	Mr Aaron Wolaniuk
Ms Janet Evison	Ms Susan Mattingley	

Appeals and grievances

Teaching service appeals and grievances 2020–21

Category	Received			Upheld			Conciliated			Disallowed			Withdrawn			Abandoned, 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 ⁹⁹	62	34	–	12	3	–	2	2	–	17	9	–	13	7	–	14	12	–	4	1	–	96
Selection	6	6	–	–	2	–	–	–	–	1	1	–	–	1	–	5	2	–	–	–	–	12
Total	68	40	–	12	5	–	2	2	–	18	10	–	13	8	–	19	14	–	4	1	–	108

Public service appeals and grievances 2020–21

Category	Received			Upheld			Conciliated			Disallowed			Withdrawn			Abandoned, 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 ¹⁰⁰	3	2	–	–	–	–	–	1	–	–	–	–	–	1	0	3	0	–	–	–	–	5
Selection	13	8	–	2	2	–	–	–	–	3	2	–	1	2	0	7	2	–	–	–	–	21
Total	16	10	–	2	2	–	–	1	–	3	2	–	1	3	–	10	2	–	–	–	–	26

⁹⁹ Most personal grievance were about complaints not being managed in accordance with departmental policy and the translation from fixed term to ongoing employment process not being managed in accordance with departmental policy.

¹⁰⁰ Most personal grievances were about leave not being managed in accordance with departmental policy.

Merit protection training

It is a requirement that all departmental 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 teaching service and public service staff.

The training programs are conducted statewide. In 2020–21 training was delivered online, 56 seminars were conducted, and training provided for 1,323 teaching service and public service staff.

Number of employees trained by region¹⁰¹ (includes re-accreditation)

Region	Principals	Teachers	Education support class	VPS	Total
North Eastern Victoria	40	80	36	18	174
North Western Victoria	34	98	35	43	210
South Eastern Victoria	84	122	56	23	285
South Western Victoria	79	230	71	30	410
Central	1	–	–	243	244
Total	238	530	198	357	1,323

Other activities

The Merit Protection Boards provided advice to the Department on merit and equity issues relating 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 about the workings of the Merit Protection Boards.

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.

¹⁰¹ Region is where the participant was located. In previous years Region was where the training took place. With training now conducted online, employees can enrol in any session regardless geographical location.

Independent Office for School Dispute Resolution

The Independent Office for School Dispute Resolution has two main roles.

The first is to help resolve continuing complex and intractable disputes arising from complaints by parents or students about government schools.

The Office strengthens the existing complaints resolution process of the Department by offering an alternative third tier of escalation, which operates from an independent perspective. The Office helps affected parties whose complaints have not been resolved at the school or regional level to generate a mutually acceptable resolution, so that a student can re-engage with education, and effective working relationships among parents and schools can be rebuilt. If resolution is not possible, the Office may make recommendations for resolution to the Department about the specific complaint or make general recommendations about managing similar conflicts more effectively.

The second role is to help build the complaint management and resolution capability of the Victorian education system. The Office accomplishes this through a variety of programs that focus on developing communication, relationship management, and conflict resolution skills, as well as recommending systemic changes, commenting on policy initiatives, and maintaining stakeholder engagement.

During its fourth year of operation, in addition to its usual complaint resolution work, the Office:

- implemented the remainder of the recommendations of the independent evaluation conducted in 2018–19
- developed a suite of capability building programs and started implementation of the programs at the regional and school levels
- refined its conflict coaching
- implemented the elements of its Strategic Plan that could be completed in light of the COVID-19 pandemic
- supported the Department's COVID-19 pandemic response programs with custom training presentations on conflict management
- provided the Department with commentary and consultation on a variety of complaint management–related policies and initiatives
- continued to refine its internal systems, documentation, and reporting to more accurately reflect its work and experience
- updated and refined its Strategic Plan and set priorities and initiatives for the coming year
- maintained its outreach to stakeholders across the education community.

The Office has refined its reporting to create more clarity, by using the terms 'capability building' for all skill development work not related to specific situations, and 'conflict coaching' for work with specific individuals, schools or regions experiencing situations that are unusual in complexity or seriousness, but where no specific complaint currently exists. The goal is to support early resolution of matters and avoid unnecessary conflicts. As anticipated, the conflict coaching has expanded in significance and scope over the past year.

The Office completed almost all the work set out in last year's Strategic Plan. The COVID-19 pandemic affected the Office's ability to complete some initiatives. More urgent

priorities existed for schools and regions, and items that would have been conducted in person were not able to be completed. The Office has pivoted to online delivery of some programs and has now created a foundation set of programs intended to raise the general capability of departmental staff at the regional level and the capability of principals at the school level. These programs are being expanded and additional programs are under development.

The Strategic Plan has been updated and initiatives have been set for the coming year.

The complaints being referred to the Office are increasingly complex and difficult, often with longstanding and entrenched disagreement between parties. This may be a result of the Department improving its management of complaints, preventing escalation to the Office. The challenges for the Office are:

- to maintain a cutting-edge capacity for resolution and capability building, to reduce the impact on students, parents, staff, and the Department of a limited number of specific complaints
- to refine its delivery methods and resources to build capability in the current and future COVID-19 pandemic-affected environment.

The Office now has sufficient experience and information to make more general recommendations to regions and the Department, as well as to support improved individual conflict management performance by school and regional leadership. In the coming year, the Office aims to provide recommendations that improve the structural elements and practices of the education system. This will reduce complaints and the negative impacts for school staff as well as for parents and students.

The COVID-19 pandemic has been challenging. The stress of changing school conditions and the need to develop and deliver remote learning, combined with the uncertainty and stress in the broader community, has had a measurable impact on complaints. Effective resolution of these conflicts and complaints will be an avenue for recovery of equilibrium and re-establishment of high confidence in the Victorian public education system—outcomes that the Office strives to support.

Chair and Deputy Chair of the Independent Office for School Dispute Resolution

Name	Position
Mr Frank Handy	Chair
Ms Jo-Anne Mazzeo	Deputy Chair

Matter types by source of contact

Case type	Source of Contact						
	Advocate	Department	Region	School	Parent	Third party	Total
Enquiry	3	1	3	–	74	11	92
Refer and monitor ¹⁰²	–	–	1	–	14	1	16
Complaint	–	5	4	–	3	2	14
Capability building ¹⁰³	–	12	12	4	0	6	34
Conflict coaching	–	6	4	6	1	1	18
Community awareness	–	–	–	–	–	–	–
Total	3	24	24	10	92	21	174

¹⁰² Refer and monitor cases: on occasion these 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 external organisation, including support and advocacy services.

¹⁰³ Presentations, training and skill building programs to build the ability of Department staff to avoid or reduce the incidences of unnecessary conflict, resolve conflict, manage ongoing challenging behavior, maintain staff resilience and ability in the face of conflict, and related topics, either at the request of the Department or at the initiative of the Office.

Outcome of matters received

Case type	Outcome									
	Resolved ¹⁰⁴	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	89	–	–	–	–	–	2	–	1	92
Refer and monitor	12	–	–	–	–	–	3	1	–	16
Complaint	11	–	1	–	–	–	–	–	2	14
Total	112	–	1	–	–	–	5	1	3	122

¹⁰⁴ Resolution of all enquires is achieved through the provision of information, redirection to school/region/Department, or escalation into a complaint managed by the Office (in a limited number of cases).

Enquiry and refer and monitor: Topics

Topic	Total enquiry	Total refer and monitor
Bullying	8	3
Complaint management	17	5
COVID-19	1	–
Curriculum provision/content	1	–
Disability	4	–
Discrimination against parent/carers	–	–
Enrolment/transition	7	1
Family law/parenting matters	2	1
General	–	–
Grading and assessment	2	–
In progress ¹⁰⁵	–	–
No jurisdiction ¹⁰⁶	18	1
Not specified	–	–
Parent payments	2	–
School disciplinary penalty	5	–
School procedure errors	3	–
Staff conduct	11	1
Student attendance/engagement	1	–
Student discipline	0	1
Student health and wellbeing	6	2
Student welfare	–	–
Student support/reasonable adjustment	4	2
Transport	–	–
Total	92	17

¹⁰⁵ 'In progress' refers to current cases the Office has not finalised.

¹⁰⁶ '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 have not been through previous tiers of the Department's complaints process.

Complaints: primary issues¹⁰⁷

	Primary Issue	Total
Analysis of complaints	Complaint management process or policy gap in school or region	–
	Complaint management skill or capacity gap in region	–
	Complaint management skill or capacity gap in school	1
	Other	–
	Parent presentation raises potential mental health concerns	–
	Procedural weakness or failure in handling complaint at regional level	–
	Procedural weakness or failure in handling complaint at school level	1
	Relationship and communication breakdown at regional level	–
	Relationship and communication breakdown at school level	4
	Separated or divorced parent relationship impacts on complaint	–
	Unreasonable parent expectations or behaviour	1
	Analysis of complaints total	7
Regional level	Delay in handling complaint	1
	Failure to follow regional policy or procedure (other than disability)	–
	Failure to require or support proper accommodation of disability	2
	Failure to require school to change/respond to complaint issues	1
	Failure to respond to issues raised	1
	Other	1
	Request from the Department for capacity coaching	–

¹⁰⁷ The Office defines its issues categories in three levels. Levels one and two reflect the complainant's definition of the complaint at the school and regional levels respectively, while level three reflects the Office's assessment of the cause of the complaint when it is resolved. As individual matters may have multiple issues at each level of presentation or analysis, issue totals significantly exceed complaint totals.

	Primary Issue	Total
	Regional level total	6
School level	Failure to address anti-social behaviour of other students	1
	Failure to educate to standard	–
	Failure to ensure safety/wellbeing of student	–
	Failure to follow policy or procedure (other than disability)	1
	Failure to properly accommodate disability	5
	Inappropriate teacher/staff behaviour	3
	Loss of confidence in school leadership	3
	Other	–
	Request from the Department for capacity coaching	–
	School level total	13
Not Specified	Not specified	3
	Not specified total	3

Appendix 4 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 Board
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
ATO	Australian Tax Office
BP3	Budget Paper No. 3
BFMC	Budget and Financial Management Committee
CAC	Capital Asset Charge
CEO	Chief Executive Officer
CFO	Chief Finance Officer
COVID-19	SARS-CoV-2 (Coronavirus)
CPC	Culture and People Committee
CSO	Community Service Obligation
Department	Department of Education and Training
DHHS	Department of Health and Human Services
DPC	Department of Premier and Cabinet
DRC	Depreciated Replacement Cost
DTF	Department of Treasury and Finance
ECE	Early Childhood Education group
ECEC	Early Childhood Education and Care
EPR	Employer Performance Rating
FOI	Freedom of Information
FOI Act	<i>Freedom of Information Act 1982</i>
FM Act	<i>Financial Management Act 1994</i>
FPIS	Financial Policy and Information Services group
FRD	Financial Reporting Direction
FTE	Full-time Equivalent
GSRC	Government Schools Reform Committee
GST	Goods and Services Tax
HES	Higher Education and Skills group
ICT	Information and Communication Technology

Acronym	Full title
IMTC	Information Management and Technology Committee
IC	Integrity Committee
IPDC	Infrastructure Planning and Delivery Committee
LGBTIQ+	Lesbian, gay, bisexual, trans, intersex, queer
MPSG	Major Project Skills Guarantee
NABERS	National Australian Built Environment Rating System
NAPLAN	National Assessment Program of Literacy and Numeracy
NQSA	National Quality Standard Area
OHS	Occupational Health and Safety
OHSMS	Occupational Health and Safety Management System
PES	People and Executive Services group
PID Act	<i>Public Interest Disclosures Act 2012</i>
PIRLS	Progress in International Reading Literacy Study
PISA	Programme for International Student Assessment
PPC	Procurement and Probity Committee
PPP	Public Private Partnership
PSP	Policy, Strategy and Performance group
RTO	Registered Training Organisation
RTW	Return to Work
SEPS	School Education Programs and Support group
SRS	Schools and Regional Services group
STEM	Science, technology engineering and mathematics
TAFE	Technical and Further Education
TEI	Total Estimated Investment
TIMSS	Trends in International Mathematics and Science Study
VCE	Victorian Certificate of Education
VCAA	Victorian Curriculum and Assessment Authority
VCAL	Victorian Certificate of Applied Learning
VET	Vocational Education and Training
VIPP	Victorian Industry Participation Policy
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 support and improve the delivery of education and training services.

The Department has a rigorous grants policy in place to ensure that all staff, including contractors and consultants who are responsible for administering grants, act in accordance with legislative obligations, and that all payments represent value for money and contribute to achieving the Department's objectives.

Applying the definition of grants used in the Victorian Auditor-General's report Grants to Non-Government Organisations: Improving Accountability, the table below lists the Department's 2020–21 grant payments. This table 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 AAS (see Note 3.1.2).

Department grant and transfer payments by activity

Grant activity	Payment (\$)
2021 Teacher Professional Learning and Student Activity	54,461
Apprenticeship Innovation Fund Women in Trades	1,663,113
Apprenticeships Group Training Organisations	3,197,943
Apprenticeships National Skills Week	5,000
Apprenticeships Support Officer Program	4,045,626
Apprenticeships World Skills	202,267
Asylum Seeker VET Supports Program	100,000
Australian National Academy of Music workforce development activities	193,168
Be Fit. Be Well program	78,000
Be Wise presentations	112,500
Blended Arts rural/regional outreach program	119,100
Blended Science program	96,358
Building Better TAFEs	64,265,914
Building Blocks (including children's facilities capital program)	45,020,000
Building Leadership Capacity in Government Schools	210,240
Bushfire relief	16,500

Challenging Stereotypes in STEM	17,334
Children's Week 2020	71,112
Cladding Safety Victoria	1,465,818
Clontarf Football Academy	550,000
Community language schools funding	10,591,821
Community language schools preschool funding 2020	51,122
Community Sector Engagement	774,098
Courage to Care	125,000
Cultural Safety Training for Diverse Workplaces and Career Mentors for Multicultural Learners	195,000
Curriculum maintenance managers	35,000
deafConnectEd	433,400
Develop and expand a state school alumni network	123,750
Digital learning	1,420,750
Disability Friendly Schools	1,650,000
Disability programs	1,069,218
Doctors in Secondary Schools	4,012,942
Education First Youth Foyers	72,000
Enhancing Mental Health Support in Secondary Schools	2,370,721
eSmart schools	1,127,500
Evaluating the Students Affected by Family Violence to Reengage with School program	8,254
Family violence program	1,690,120
Feeling It	200,125
Free TAFE practical placements 2021	4,228,999
Free TAFE skills for economic recovery funding	1,300,000
Funding for new and refurbishing existing facilities (Geelong)	12,141,000
Future Innovators	132,000
GOTAFE Mobile Skills and Jobs Centre	667,051

Grants to language-specific teacher associations	251,065
Greek student film festival	10,000
Growing Victoria	3,650,000
Higher Apprenticeship Pilots	258,519
Higher Apprenticeships and Traineeships (Social Services)	600,000
Ignite: Teach the Teacher	108,000
Improving Outcomes for Rural and Regional Students and Schools	796,620
Improving Outcomes for Specialist School Students and Families	156,200
In2Science eMentoring	88,000
Industry Engagement Framework Program	380,000
Industry Placement Program	1,664,410
Innovative Initial Teacher Education	910,800
International Specialised Skills Institute Program	2,420,000
Jewish Student Advisory Group	18,250
JobTrainer Auxiliary Support 2021	8,750,000
Knox Innovation Opportunity and Sustainability Centre	938,250
Language-specific Model United Nations Conferences	18,140
Leadership Development for Primary School Principals and School Leaders	303,443
Learn and Earn Pilots	138,750
Life Education Victoria	375,000
Lighthouse Project	450,000
LOOKOUT	440,391
Managing and Maintaining the Delivery of Certificate I in Developing Independence	30,000
Mathematics Teaching Toolkit/Arc Platform	331,997
Mental Health Toolkit	34,628
Modern Language Teachers' Association of Victoria	109,956
Multicultural Education Aides Professional Learning	100,000

Multicultural Learning Partnership	70,000
National Disability Insurance Scheme	55,754
National Exceptional Teaching for Disadvantaged Schools	83,430
Navigator program	13,728,118
New Footscray Hospital Demonstration Product	659,000
On Track Connect 2021 and School-Employer Engagement	15,745,656
Parent Engagement in School Education	482,831
Parent Engagement in School Education (Independent)	151,329
Partners in prevention	300,000
Positive Education Project	30,000
Practice Advice Line for Mental Health Practitioners in secondary schools	70,866
Professional Development for Training Providers—VDC	1,850,500
Professional Development program	40,000
Professional Family Violence Specialists Support Initiative	8,400
Professional Learning for Casual Relief Teachers	240,000
Professional Learning Program for VET Trainers	1,538,768
Project REAL and Northern Centre for Excellence in School Engagement	400,000
Public Water Safety Initiative	824,500
Quality Apprenticeships to Drive Job Opportunities	4,013,375
Quality Learning and Assessment Materials	1,695,000
Raising Expectations program	300,000
Raising Rural and Regional Student Aspirations	525,000
Reconnect program	13,026,238
Refugee Education Support program	2,677,510
Respectful Relationships funding to non-government schools	376,000
Retraining Industry Professionals to become VET Teachers	1,008,986
Retrenched Apprentices Register and Support Services	989,565
Return to Work eLearning Platform	1,936,484

Revitalising TAFE Campuses Port of Sale	1,489,000
School Breakfast Clubs program	18,840,822
School Health Support and School Care program	648,702
School Holiday Providers	900,000
School-Focused Youth Services	10,049,774
Schools Standing Up to Racism	50,000
Skilling the Bay in 2021 and 2022	1,590,000
Social Cohesion Through Education	580,000
Stars Koorie Girls Academy	160,000
State Schools' Relief	8,054,257
STEM Centre of Excellence	300,000
Strengthening Student Representation	49,533
Stronger TAFE	104,600,000
Support for Goethe-Institut Programs for Teachers and Students of German 2020	24,970
Support for Italian teaching in Victorian government schools: 2020–21	550,000
TAFE Asset Maintenance Building Works Package	49,196,281
TAFE Boost Funding 2021	38,400,000
TAFE Common Placement Platform	4,243,030
TAFE Community Service Funding 2021	48,800,000
TAFE digital learning materials development	1,425,000
TAFE Teaching Scholarship Program	2,370,000
Teaching Academies of Professional Practice (ETE)	350,000
Tech Futures Course Development	3,376,035
Tech Futures Course Packaging	1,200,000
Tech School: COVID-19	274,769
Tech School: Equipment renewal fund	3,044,854
Tech School: Innovation grant	5,000

Tech School: Rural and regional STEM camps	89,496
The Geelong Project	602,000
Training Package Programs	125,500
TransformUs	100,000
VCAL Teachers Scholarship Program: Graduate Certificate of Applied Learning and Teaching	1,646,346
VET Catch Up	286,188
VicTESOL Professional Learning	25,000
Victorian African Communities Action Plan	2,840,282
Victorian Early Years Awards	115,000
Victorian Higher Education State Investment Fund	152,394,999
Victorian Maths Challenge Phase 2—Infinite Voyage app	114,400
Victorian Students Parliamentary program	69,290
Virtual Science program	118,600
Walk the Talk	100,000
We Thrive	22,000
Work Placement Brokerage	1,080,000
Working for Victoria e-Learning delivery	4,717,906
Wurreker, early childhood and schools	3,836,354
Youth Employment Program	250,000
Youth Learning Pathways	200,000