



**Department of
Education
and Training**
Annual Report
2021–22



Aboriginal acknowledgement

The department proudly acknowledges Victoria's Aboriginal communities and their rich culture, and pays respect to their Elders past and present.

We acknowledge Aboriginal people as Australia's first peoples and as the Traditional Owners and custodians of the land and water on which we rely.

We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us.

We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

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The Hon. Natalie Hutchins, MP
Minister for Education and Minister for Women

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

Ms Ingrid Stitt, MP
Minister for Early Childhood and Pre-Prep, 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 2022.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenny Atta', is positioned above the typed name.

Jenny Atta
Secretary
Department of Education and Training
06 September 2022

Secretary's letter

I am pleased to present the Department of Education and Training's Annual Report for 2021–22.

Over the past year, the department has focused on improving education outcomes for all Victorians. Amidst the uncertainty prompted by the COVID-19 pandemic, Victoria's education sectors have, and continue to, play a critical role in Victoria's social and economic response.

As we entered the third year of the COVID-19 pandemic, our focus shifted to ensuring face-to-face learning resumed uninterrupted. Every level of Victoria's early childhood, education and training and skills systems have demonstrated an extraordinary commitment to the delivery of high-quality programs and services.

In January 2022, one million children safely returned to commence the new school year and our youngest learners started kindergarten on time. A full suite of COVIDSafe measures protected our community and minimised disruption to learning, including access to COVID-19 vaccinations for school communities, delivering 51,000 air purification devices to government and low-fee non-government schools, and the provision of 80 million free Rapid Antigen Tests (RATs) to children, students and staff in schools and early childhood services. Additional measures were put in place to ensure adequate staffing in schools to manage short-term COVID-19 and winter illness related impacts.

Access to high-quality early childhood services is central to giving every child the best start in life. Victoria's early childhood education and care services continue to improve with almost 92% of services meeting or exceeding the National Quality Standard for educational programs and practice. This has improved every year since 2015. In addition, 98% of early childhood education and care services met or exceeded the National Quality Standard for collaborative partnerships with families and communities. This is another measure that has steadily improved since 2017.

In 2021, funded kindergarten programs were made free or low cost for more than 100,000 families. Free Kinder formed part of the economic recovery support for Victorians during 2021, providing increased job security for around 4,700 teachers and 6,300 educators, as well as supporting workforce participation.

This year, our universal funded kindergarten program for 3-year-olds marked a major milestone, with the program available for at least 5 hours in around 2,700 providers across the state. We also enhanced engagement with vulnerable and disadvantaged children. In 2021, the Early Start Kindergarten program was accessed by about 400 refugee and asylum seeker families, and the proportion of 3-year-old Aboriginal children enrolled in the program increased to nearly 76%.

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

In the 2021 National Assessment Program of Literacy and Numeracy (NAPLAN) tests, a greater proportion of Victorian students achieved above the national minimum standards than any other Australian state or territory. This result was all the more

welcomed, given the challenges students and teachers faced during the COVID-19 pandemic. There have been significant improvements in Year 3 and 5 students' reading since 2015, with the proportion of students in the top 2 NAPLAN bands increasing by 8.3 and 7.9 percentage points. Our Year 7 students achieved the highest scores of any jurisdiction in reading and numeracy, and our Year 9 students achieved the highest scores for spelling. We were delighted to see more Aboriginal students in Years 3 and 5 achieving in the top 3 NAPLAN bands in reading increase by 8.3 and 13.0 percentage points respectively.

We are reforming senior secondary school education to build the aspirations and skills of young people in Victoria, set them up for future careers, and meet the needs of the modern economy. From 2023, the Victorian Certificate of Education (VCE) Vocational Major will replace the Victorian Certificate of Applied Learning (VCAL). The department is working with all government secondary schools to lay the foundations and ensure the best possible start to the new certificates in 2023.

Our updated Framework for Improving Student Outcomes (FISO 2.0) placed wellbeing alongside learning as a core outcome for every Victorian student. The Royal Commission into Victoria's Mental Health System made recommendations to mental health and wellbeing treatment, care, and support, including a focus on early intervention. In response, a School Mental Health Fund has been established, accompanied by a menu of evidence-based programs and initiatives. These have been designed to give schools confidence in identifying programs, staff and resources that improve mental health and wellbeing outcomes for their students. Mental health practitioners were placed in all government secondary schools to provide students with direct counselling and related activities, including family support and referral to specialist services.

We continue to support an inclusive and equitable schooling system through programs such as Glasses for Kids and Affordable School Uniforms. During 2021–22, the Glasses for Kids program provided vision screenings to more than 5,600 students and free glasses to more than 1,300 students. The Affordable School Uniforms program also supported students experiencing financial disadvantage. From July 2021 to June 2022, approximately 67,200 students from 1,329 government schools received more than 255,800 items through the program.

Schools play a key role in supporting students to thrive by providing positive and inclusive learning environments. During 2021–22, approximately 600 Victorian government schools transitioned to our new Disability Inclusion funding and support model. The department's design of new schools and upgrades also ensure that facilities support a learning environment that does not disadvantage children with learning or physical disability.

The department continued to deliver its substantial school infrastructure program through investments in new schools, significant upgrades and modernisation projects. Since July 2017, the department has delivered 253 school infrastructure projects. This included opening 14 new schools in 2022 and completing a further 67 modernisation projects during 2021–22.

We continue to reshape our training and skills sector to meet Victoria's changing and growing needs. To achieve this goal, the department is strengthening interactions with industry, students and communities through the new Victorian Skills Authority (VSA) and

is establishing a more connected system that plans for and responds to skills demand effectively.

A vibrant Technical and Further Education (TAFE) network combined with programs, such as Big Build Apprenticeships and Free TAFE for priority courses, ensures we create relevant skills pathways for students, apprentices and trainees right across Victoria. In 2021, training subsidies supported 157,000 TAFE network course enrolments. Of these, 86% related to qualifications that lead to jobs and economic growth. Nearly 55,000 enrolments in the Free TAFE for priority courses were recorded, up from about 30,000 in 2020. In addition, the Big Build Apprenticeships program received over 1,800 expressions of interest.

Training activities were strong in 2021 and the availability of practical placements increased. An outstanding level of training quality has been maintained for 5 years, with the vocational education and training (VET) student satisfaction with training continuing to rise. At the same time, we are seeing increased enrolments from regional areas, with almost 85,000 government-subsidised course enrolments contributed by regional students in 2021. The Adult Community and Further Education (ACFE) Board has continued to provide an important point of access in the community for those learners seeking to engage in pre-accredited training through more than 260 Learn Locals across the state.

For universities, during 2021–22 we continued to rollout the \$350 million Victorian Higher Education State Investment Fund. Through the fund, Victorian universities have been supported to deliver capital works, applied research and research partnerships focused on boosting Victoria's productivity and economy.

I want to thank all administrative staff, educators, teachers, principals, support staff and specialists who deliver exceptional services every day across early childhood education and care, schools, and TAFE and training organisations. It is through their hard work, commitment, and adaptability that we have been able to achieve all this.

I look forward to continuing to work with all sectors across the early childhood, education and training portfolios to deliver the best possible outcomes for Victorians.

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 2021–25* 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 (VPS) 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 approximately 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 2021–22.

The department's services by sector in 2021–22

Early childhood	School education	Training and skills, and higher education
Birth to 8 More than 400,000 children and families	5 to 18 More than 1,014,200 students	15 to 65+ More than 328,800 government-subsidised enrolments in 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"> • TAFE • Dual-sector universities • Private registered training providers • Learn Locals

There are a diverse range of public, private and not-for-profit providers serving Victorians and international students of all ages:

- More than 4,590 approved education and care services providing long day care, kindergarten, outside-school-hours care, and family day care
- Approximately 270 licensed children's services providing limited-hour services such as occasional care
- 1,557 government schools
- 729 non-government schools (498 Catholic schools and 231 independent schools)
- 12 TAFE institutes
- 10 universities operating under state legislation (4 of which are dual-sector that also provide VET)
- 269 government-contracted registered training organisations (RTOs), including community-based, not-for-profit, industry-based and private organisations
- 263 Learn Local organisations, which are community owned, not-for-profit organisations, and Adult Education Institutions registered with the ACFE Board to deliver pre-accredited training

Progress against the department's 2021–25 Strategic Plan initiatives

The department is delivering its objectives through 32 key strategic initiatives. A progress summary of these initiatives is provided below.

Strategic Plan initiatives progress summary

Initiative	2021–22 progress summary
Early childhood education	
Child Information Sharing Scheme	Following the rollout of Phase 2 of the Scheme, the department implemented a range of change management activities in line with recommendations made in the 2-year review of the Scheme. The department also trained over 12,900 professionals on the Child and Family Violence Information Sharing Scheme by the end of 2021–22.
Early Childhood Workforce Strategy	The department consulted with the kindergarten sector on an updated strategy to support the attraction, retention and quality of the kindergarten workforce. In December 2021, the department released the Next Steps in Victoria's Kindergarten Workforce Strategy. The strategy includes a directory of 28 workforce programs, supports and new initiatives, such as the creation of a new traineeship program funded by Jobs Victoria.
Increase kindergarten participation and engagement for vulnerable and disadvantaged children	In 2021, the department implemented Early Start Kindergarten for refugee and asylum seekers. This was accessed by about 400 refugee and asylum seekers, taking total enrolments in Early Start Kindergarten to a record 3,245. The proportion of 3-year-old Aboriginal children enrolled in Early Start Kindergarten increased from 68.2% in 2020, to 75.6% in 2021.
Three-Year-Old Kindergarten	In 2022, the Three-Year-Old Kindergarten initiative was expanded to cover all Victorian local government areas. Around 2,700 services across Victoria are now delivering at least 5 hours of kindergarten each week.
Schools	
Differentiated support for school improvement	During 2021–22, 207 schools were supported through the Differentiated support for school improvement program.
Education Plans	The department launched the Bayswater Plan in March 2022 and Shepparton Education Plan's Stage 4 Tertiary years in March 2022. During 2021–22, the 8 Education Plans transformed local educational outcomes for approximately 33,000 students in 89 government schools across Victoria.
Excellence in teacher education reforms	Over 900 experienced government, Catholic, independent and early childhood teachers completed the Effective Mentoring Program. Over 800 graduate teachers from Victorian government schools attended Graduate Teacher Conferences. Pre-service teachers also received immersive professional placements through 10 partnerships between 6 universities and over 150 schools.

Initiative	2021–22 progress summary
Improving student health and wellbeing	<p>The department commenced a project to identify and build supports for 132 visiting teachers with expertise and experience in specific disabilities and impairments. The Visiting Teacher Service gives schools and teachers guidance in supporting engagement and participation of students with disability and additional needs. This benefits over 2,700 students across the state.</p> <p>During 2021–22, the department also established a Health and Wellbeing Key Contact (HWKC) function. According to a review of HWKC function, 89% of school contacts support the HWKC function continuing.</p>
Inclusion for all	<p>As part of the reform’s 5-year staged roll-out, approximately 600 Victorian government schools have transitioned to the new Disability Inclusion funding and support model. The department also commenced new initiatives focused on building inclusive education capability.</p>
Learning specialists leading excellence in teaching and learning	<p>In 2021–22, over 800 learning specialists participated in professional learning, and 15 communities of practice were established across metropolitan and regional schools. Approximately 1,800 participants attended the Middle Leaders in Schools online conference.</p>
Literacy and Numeracy Strategy	<p>Through the Middle Years Literacy and Numeracy Support initiative, in Terms 3 and 4 of 2021, 10,333 Year 8 and 10 students were supported by 1,545 teachers. In Terms 1 and 2 of 2022, 14,122 Year 8, 9 and 10 students were supported by 1,625 teachers.</p> <p>In addition, the department’s Tutor Learning Initiative has engaged over 7,760 teaching professionals to provide targeted learning support to approximately 200,000 students.</p>
Marrung: Aboriginal education plan 2016–26	<p>In 2021 the Extended Koorie Literacy and Numeracy Program provided support to 377 Koorie students. In addition, community understanding and safety training has been delivered to 1,408 government school campuses.</p>
Outside-School-Hours Care Establishment Grants	<p>In 2021–22, the department allocated grants to 201 schools across the state. This has created up to 5,000 additional outside-school-hours care places in schools where there were previously no services.</p>
Responding to the recommendations from the Royal Commission into Family Violence	<p>The department has implemented recommendations of the Royal Commission. More than 1,950 Victorian government, Catholic and independent schools are implementing and embedding the Respectful Relationships initiative, including all government schools.</p>
Responding to the recommendations from the Royal Commission into Victoria’s Mental Health System	<p>In October 2021, the department published an interim Schools Mental Health Menu to support school planning, in response to the recommendations made in this Royal Commission report. The menu is a list of evidence-based programs and initiatives across the 3 tiers of intervention, which are designed to give schools confidence in identifying programs, staff and resources that will improve mental health and wellbeing outcomes for their students.</p>

Initiative	2021–22 progress summary
School infrastructure program	Of the 553 school infrastructure project commitments made in the 2018–19 State Budget, 253 are completed. This included opening 14 new schools in 2022 and completing a further 67 modernisation projects during 2021–22. The remaining 300 project commitments are in progress and are on track to be completed by 31 December 2024.
Senior secondary pathways reform	During 2021–22, the department supported accreditation and public release of the new VCE Vocational major and the new Victorian Pathways Certificate. Enrolment numbers in the Head Start Apprenticeships and Traineeships program increased to 1,920.
Transforming the first years of the teaching profession	In Semester 2 of 2021, the Career Start pilot provided support for 380 graduate teachers through a structured induction program. In Semester 1 of 2022, over 730 graduate teachers participated in the pilot.
Victorian Academy of Teaching and Leadership (VATL)	The Academy commenced on 1 January 2022 and opened its flagship location in March 2022. The Teaching Excellence Program is delivering advanced professional learning for 250 highly skilled teachers from government, Catholic and independent schools.
Victorian professional learning communities (PLC) initiative	In Semester 2 of 2021, 130 Victorian government schools received intensive support and training to commence PLC implementation. In 2021–22, 1,169 schools were implementing PLCs, with the department providing intensive coaching and implementation support to 237 government schools.
Higher education and skills	
Big Build Apprenticeships	Apprenticeships Victoria has received over 1,800 expressions of interest to participate in the Big Build Apprenticeships program and has engaged with around 50 major projects.
Building better TAFEs	The GOTAFE Seymour Health and Services Training Facility was completed and is now operational. The Gordon Culinary School in Geelong, South West TAFE Warrnambool Campus Learning and Library Hub, and Stage 2 of the Chisholm Institute Frankston redevelopment are in their construction phases. Melbourne Polytechnic Collingwood Campus redevelopment is in tender phase and is shortly anticipated to be in its construction phase. Bendigo Kangan Institute Broadmeadows and GOTAFE Archer Street are in the design stage. All projects are expected to be completed by June 2025.
Free TAFE for priority courses	In 2021, 54,965 students enrolled in Free TAFE. This contributed towards more than 157,000 government-subsidised course enrolments in the TAFE network. Students commencing in Free TAFE accounting and bookkeeping qualifications also increased by 65%.
Responding to the Skills for Victoria's Growing Economy Review	The VSA was launched on 1 July 2021 to reshape the Victorian training and skills system. The VSA Advisory Board was subsequently established in October 2021.
Skills for major projects	The New Footscray Hospital Jobs Hub has been established, combining the work of Multiplex's Connectivity Centre and the Victoria University Skills and Jobs Centre.

Initiative	2021–22 progress summary
Victorian Higher Education State Investment Fund	The \$350 million Victorian Higher Education State Investment Fund supports all 10 universities with capital works, applied research and research infrastructure. In 2021, grant agreements were fully executed across 55 projects.
Corporate	
Asset Strategy	As part of the department’s refreshed Asset Strategy 2021–31, a set of Strategic Asset Management Plans were developed for each asset portfolio. The early childhood plan consists of 13 actions, one of which has been completed. The schools plan consists of 43 actions and sub-actions, 7 of which have been completed. The higher education and skills plan consists of 7 actions, one of which has been completed. The corporate plan has 12 actions, 2 of which have been completed. All remaining actions are on track.
Climate Change Adaptation Action Plan for the education and training sector	The Adaptation Action Plan 2022–26 for the education and training system was tabled in parliament and published on the department’s public website in February 2022. The plan contains 22 actions that the department is undertaking to support the system adapt to climate change impacts.
DET Victorian Public Service (VPS) People Strategy 2021–24	During 2021–22, the department continued to measure and monitor the impact of hybrid working, implement the Executive Development Strategy, and develop evidence-based resources and programs to further embed the mental health and wellbeing charter. The department also delivered its Disability Employment Plan 2019–22 and Aboriginal Employment Plan 2020–26 and launched its Gender Equality Action Plan 2022–25.
Embedding the benefits of flexible and new ways of working	During 2021–22, the department launched a Hybrid Roadmap which included establishing a digital coaches network. The department delivered workshops to support the implementation of the new VPS flexible working policy, implemented its online system for managing recording agreements and promoted a range of resources to support the implementation.
Safe and Well in Education Framework and Strategy 2019–24	During 2021–22, the department delivered the COVID-19 Assurance Program to 1,269 schools. In addition, the Policy and Advisory Library has received over 8.3 million page views since 2020.
Wirralung Ganai 2019–21 (Aboriginal Inclusion Plan)	55 Yan Ngitj (Aboriginal Inclusion ambassadors) have been increasing engagement in Aboriginal inclusion through pop quizzes, guest speakers, book clubs, events and yarns, visual displays, walks to sites of significance, and delivering Welcome to Country. The department is finalising a new Aboriginal Inclusion Plan, building on the previous plans. The new plan focuses on making the department a culturally safe place that values and respects Aboriginal voice and expertise, ensures an active commitment to Aboriginal self-determination, and includes workplace inclusion in corporate areas and schools.

Changes to the department during 2021–22

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

As part of a machinery of government restructure, the department's professional learning functions for Victorian teachers and school leaders (formerly known as the Bastow Institute of Educational Leadership) was transferred to the VATL. The VATL was established on 1 January 2022 as a new public entity.

As result of the establishment of the VATL, the department incurred \$0.2 million in direct costs relating to rebranding. There are no anticipated future costs attributable to the machinery of government change.

Department of Education and Training	Costs incurred (\$ million)
Direct costs	
Consultants and contractors	-
Relocation	-
Telephony	-
IT and records management	-
Rebranding	0.2
Redundancies	-
New staff	-
Other	-
Total costs	0.2

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
<p>Achievement</p> <p>Raise standards of learning and development achieved by Victorians using education, training, and early childhood education services</p>	<ul style="list-style-type: none"> Children developmentally 'on track' on the Australian Early Development Census (AEDC) in the language and cognitive skills domains¹ Proportion 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 assessment² Average score in science (Programme for International Student Assessment (PISA) 15-year-olds) in Victoria compared to global top performers³ Percentage of positive responses to teacher collaboration within school³ Year 12 or equivalent completion rates of young people³ VET course completions Certificate III or above course completions Proportion of graduates with improved employment status after training 	<ul style="list-style-type: none"> 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

¹ This indicator refers to government and non-government schools.

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

³ These indicators refer to government schools.

Objectives	Indicators	Outputs
<p>Engagement</p> <p>Increase the number of Victorians actively participating in education, training, and early childhood education services</p>	<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 and gender • VET enrolments by administrative regions • VET enrolments by skills shortage category courses • VET enrolments by specialised category courses • VET participation by learners facing barriers • VET participation by unemployed learners • Proportion of VET students satisfied with 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, and workforce development • Support services delivery • Support for students with disabilities
<p>Wellbeing</p> <p>Increase the contribution education, training, and early childhood education services make to good health and quality of life for all Victorians, particularly children and young people</p>	<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, and workforce development • Support services delivery • Support for students with disabilities

⁴ These indicators refer to government schools.

Objectives	Indicators	Outputs
<p>Productivity</p> <p>Increase the productivity of our services.</p>	<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, and workforce development • 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 4 objectives of:

- achievement
- engagement
- wellbeing
- productivity.

In 2021–22, the department continued supporting Victorian children, students and their communities. As we entered the third year of the COVID-19 pandemic, the department's focus shifted to ensuring face-to-face learning resumed uninterrupted across education settings. This was supported through the introduction of a full suite of COVIDSafe measures. However, the COVID-19 pandemic has continued to affect the delivery of some services and programs.

Education and training were critical to Victoria's social and economic response to the COVID-19 pandemic. For example, TAFEs delivered free training courses for school leavers, young people and job seekers, as well as supported the community more broadly with free infection prevention and control training.

Objective 1: Achievement

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

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

Early childhood education

During 2021, the department supported the early childhood education sector during periods of public health restrictions to ensure that children continued learning in services or at home, service providers remained viable, and teachers and educators continued to be employed.

Access to high-quality ECEC services is central to giving every Victorian child the best start in life. Victorian services continue to perform well against the National Quality Standards for ECEC services, with 91.9% meeting or exceeding NQSA1 in 2021. This is a steady improvement in the quality of educational program and practice since 2015 from 87.0%.

The most recent AEDC in 2021 indicated that more than 82% of Victorian children in their first year of school were developmentally 'on track' on the language and cognitive skills domain.

School education

The delivery of school education services in Victoria during 2021 continued to feature periods of remote and flexible learning in response to the COVID-19 pandemic.

Substantial adjustments were made to ensure Victorian schools rapidly and successfully adapted to the changing circumstances.

The department continues to monitor progress against NAPLAN-based BP3 measures, with a focus on improving student achievement in reading and numeracy. The department is implementing the *Marrung: Aboriginal Education Plan 2016–26* to target learning and development improvements for Aboriginal Victorians.

There have been strong improvements across most year levels relative to the 2015 NAPLAN results. In the 2021 NAPLAN tests, a greater proportion of Victorian students achieved above the national minimum standards than any other Australian state or territory. Key 2021 NAPLAN outcomes include:

- increases of 8.3 and 7.9 percentage points in the top 2 bands of Years 3 and 5 Reading, and an increase of 1.6 and 1.1 percentage points in Years 3 and 5 Numeracy respectively, since 2015. Year 7 Numeracy results have also increased 6.5 percentage points since 2015.
- Aboriginal student achievement in primary school increasing 8.3 and 13.0 percentage points in the top 3 bands in Years 3 and 5 Reading and 1.0 and 3.9 percentage points in Years 3 and 5 Numeracy since 2015. Year 7 Numeracy results for Aboriginal students have increased 4.0 percentage points since 2015.

While these results are very pleasing, the department continues to monitor the cumulative impact of the pandemic on student learning and wellbeing.

A key program that supports the development of graduate and returning teachers to achieve full registration is the Effective Mentoring Program. In 2021, 1,033 experienced teachers completed the Effective Mentoring Program, exceeding the target of 900. This supported those experienced teachers to more effectively mentor graduate and returning teachers in schools and early childhood settings.

The Victorian PLC initiative provided professional learning to 368 schools during 2021. This comprised professional learning for 130 schools new to the initiative, coaching for 152 schools to strengthen implementation, and workshops for a further 86 schools to strengthen PLC structures within their schools.

The Tutor Learning Initiative was introduced in 2021 to support students whose learning was most disrupted by the COVID-19 pandemic. The program was available to both government and non-government schools and engaged more than 7,760 teachers and tutors. Through the program, targeted learning support was provided to approximately 200,000 students in 2021.

Higher education and skills

Victoria's education and training system is helping to rebuild the Victorian economy by ensuring we have the right number of skilled workers in the right industries and that Victorians most impacted by the pandemic have the best possible reskilling opportunities and employment prospects.

Training activities and programs recovered in 2021 as student confidence levels grew and the availability of practical placements increased. There were 328,811 government subsidised enrolments in the system in 2021, which exceeded the target of 317,500. Student satisfaction remained high as providers continued to deliver high-quality training.

The Free TAFE for priority courses initiative had enrolments of approximately 55,000, and above the target. This contributed to more than 157,000 government-subsidised course enrolments in the TAFE network, exceeding the target of 145,000. In 2021, there were almost 53,000 government-subsidised apprenticeship course enrolments, exceeding expectations and the target of 49,900.

Departmental indicators against achievement

Indicators	Unit	2017	2018	2019	2020	2021
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	%	–	84.6	–	–	82.6
Proportion of early childhood services meeting or exceeding NQSA1—Educational program and practice						
School education						
Students meeting the expected standard in national and international literacy and numeracy assessments⁶						
Proportion of students above the bottom 3 NAPLAN bands ⁷ :						
Year 3—Literacy	%	78.3	79.9	78.5	–	81.3
Year 3—Numeracy	%	71.7	71.6	71.8	–	68.2
Year 5—Literacy	%	66.9	70.4	69.7	–	73.8
Year 5—Numeracy	%	61.8	62.2	64.0	–	64.3

⁵ The AEDC is held every 3 years, with the 2021 AEDC data collection being the fifth collection. Data source: AEDC 2021 Report – [Findings from the AEDC](#).

⁶ Victorian government and non-government schools.

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

Indicators	Unit	2017	2018	2019	2020	2021
Year 7—Literacy	%	60.8	59.7	62.0	–	61.7
Year 7—Numeracy	%	64.2	61.1	64.2	–	62.3
Year 9—Literacy	%	50.4	53.0	52.3	–	49.7
Year 9—Numeracy	%	53.6	57.5	55.4	–	51.9
Proportion of students in the top 2 NAPLAN bands ⁷ :						
Year 3—Literacy	%	56.5	58.3	58.0	–	61.9
Year 3—Numeracy	%	44.3	43.8	44.7	–	40.0
Year 5—Literacy	%	39.7	43.0	40.4	–	44.8
Year 5—Numeracy	%	30.6	31.1	33.3	–	33.0
Year 7—Literacy	%	30.9	28.5	30.7	–	30.7
Year 7—Numeracy	%	35.0	31.1	36.2	–	34.3
Year 9—Literacy	%	20.5	21.7	22.6	–	21.8
Year 9—Numeracy	%	23.8	27.2	25.7	–	21.4
Proportion of Year 4 students reaching international benchmarks (Progress in International Reading Literacy Study (PIRLS))—Reading ⁸	%	–	–	–	–	–
Proportion of Year 4 students achieving the intermediate international benchmark (Trends in International Mathematics and Science Study (TIMSS))—Mathematics ⁹	%	–	–	72.0	–	–

⁸ Source: PIRLS, 2021. Data collected every five years, international and national reports for PIRLS 2021 will be released in December 2022 and will be reported in the department's 2022–23 Annual Report, contingent on international publication timelines.

⁹ Source: S. Thomson, N. Wernert, S. Rodrigues, & E. O'Grady, 2020, *TIMSS 2019 Australia. Volume 1: 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.

Indicators	Unit	2017	2018	2019	2020	2021
Proportion of Year 8 students achieving the intermediate international benchmark (TIMSS)— Mathematics ⁹	%	–	–	67.1	–	–
Proportion of 15-year-old students achieving at or above proficient standard (level 3) in PISA reading literacy ¹⁰	%	–	62.3	–	–	–
Proportion of 15-year-old students achieving at or above proficient standard (level 3) in PISA mathematical literacy ¹⁰	%	–	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	%	61.2	60.9	61.0	62.9	58.8

¹⁰ PISA data is collected every 3 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 the department's 2022–23 Annual Report, contingent on international publication timelines.

¹¹ Top performing PISA jurisdictions are defined as the top 25% 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.

Indicators	Unit	2017	2018	2019	2020	2021
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	%	87.7	90.5	90.4	89.9	89.0
Higher education and skills						
VET course completions						
VET completions	number	94,300	101,300	94,200	71,600	85,800
Certificate III or above completions						
Certificate III or above completions	number	75,000	78,700	71,600	53,800	65,600
Proportion of graduates with improved employment status after training						
Proportion of graduates with improved employment status after training ¹³	%	47.1	51.4	50.1	55.4	55.7

Objective 2: Engagement

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

Engagement with early childhood education, school, and training and skills services has changed through the COVID 19 pandemic and associated restrictions. In 2021, we continued to see improvements across early childhood education and training and skills settings.

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 Victorian children the best start in life.

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>.

¹³ Source: Victorian Student Satisfaction Survey (multiple years). The survey is of students who completed or left training in the previous year. Results have been rearranged to refer to the year of the Survey. Therefore, the 2021 result (latest available) in this table is of student training experiences in 2020, based on the 2021 Satisfaction Survey. Due to 2 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.

In 2021, 92.9% of children were enrolled in kindergarten in the year before school. This was higher than in the previous 3 years and shows strong engagement in 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.

Collaborative efforts in recent years have improved participation, particularly for Aboriginal children, and 3-year-olds known to Child Protection and who are eligible for Early Start Kindergarten. Three-Year-Old Kindergarten continued targeted supports for children who have a disability, developmental delay, or who are vulnerable or disadvantaged.

In 2021, the participation of Aboriginal children in kindergarten was similar to the overall participation rate. Early Start Kindergarten was extended to include children of refugee and asylum seeker backgrounds and its participation rate increased by 8 percentage points to approximately 76%.

Early Start Kindergarten and the Access to Early Learning Program ensures that children experiencing vulnerability or disadvantage are able to fully participate in quality, universal early education and care. In 2021, a total of 3,245 3-year-olds accessed a funded kindergarten program through the Early Start Kindergarten grant and Access to Early Learning Program. This is the highest number of children ever supported through these programs and includes approximately 400 children from a refugee or asylum seeker background.

Victoria's ECEC sector continues to provide high levels of care, with the vast majority of providers performing strongly against national standards. In 2021, 98.0% of Victorian ECEC services met or exceeded NQSA6. This improvement has been increasing since 2016.

School education

Student attendance and engagement were a significant focus for the department during 2021 to maintain wellbeing and social connection while progressing learning outcomes.

Although the average number of days absent per FTE student in government schools increased from 2020 to 2021, absent rates remain below pre-pandemic for most year levels.

During 2021, absence rates for Aboriginal students were higher than previous years, which may reflect concern regarding familial vulnerability during the COVID-19 pandemic. It is positive, however, that Victoria's Aboriginal students in Years 1 to 10 in government schools have the highest attendance rate in Australia at 84.2%¹⁴.

The department collaborated with program providers to support a range of flexible education delivery options to support student participation during the extended lockdown in Term 3, 2021. This included onsite and online delivery,

¹⁴ 2022 Report on Government Services - Table 4A.18

outside-of-school-hours delivery, and flexibility in the deployment of staff and supports for absent students.

Participation in school sports is an indicator of student engagement. In 2021, over 400,000 student participation opportunities were provided via interschool sports. This was achieved despite the disruptions to School Sport Victoria programs during 2021. School Sports Victoria programs have resumed in 2022, including interschool sport, an expanded play program, and preparations for state representative teams to participate in the School Sport Australia Championships in 2022.

Online resources were developed to support schools to deliver theory-based elements of a water safety curriculum while indoor and outdoor pools were closed during 2021. In October 2021, the School Swimming Outside of School Hours Voucher program was announced to support students to catch up on pool-based swimming programs during 2022.

Positive engagement with schooling improves student achievement. Most Victorian students believe that their school provides a stimulating learning environment. Primary school student perceptions of stimulating learning increased in 2021, while secondary school students reported a slight decline from previous years.

Higher education and skills

VET provides critical skills that lead learners to jobs and strengthen Victoria's economy. In 2021, an increase in enrolments was supported by the continued uptake of Free TAFE, which reported 16% more enrolments compared to 2020. The Free TAFE initiative reduces the financial barriers for students so they can train in courses that lead to in-demand jobs that support the Victorian economy.

The department also recognised that some people affected by the impact of the COVID-19 pandemic on the labour market during 2020 and 2021 may want to retrain to change occupations or careers. TAFEs and other training providers were given an allocation of eligibility exemptions to offer in 2021. The eligibility exemptions allowed a person to retrain for a different career and get subsidised training, regardless of their previous qualification level.

Teaching continues to be of a high standard, with 86.6% of VET students satisfied with teaching quality. This high level of performance has remained stable for the last 5 years.

Departmental indicators against engagement

Indicators	Unit	2017	2018	2019	2020	2021
Early childhood development						
Participation in a kindergarten service in the year before school						
Participation in a kindergarten service in the year before school	%	93.4	92.1	91.8	89.1	92.9
Proportion of ECEC services meeting or exceeding NQSA6 – Collaborative partnerships with families and communities						
Proportion of ECEC services meeting or exceeding NQSA6	%	96.2	96.9	97.4	97.8	98.0
School education						
Mean number of student absence days per FTE per year						
Year 5	number	15.5	15.6	16.4	13.6	14.9
Year 6	number	16.3	16.3	17.3	13.8	15.7
Years 7–10	number	20.2	20.4	21.3	18.9	22.7
Years 11–12	number	16.6	16.9	17.3	14.8	16.8
Mean number of unapproved student absence days per FTE per year in primary schools						
Years 1–6	number	5.0	3.8	3.6	5.3	5.4
Mean number of unapproved student absence days per FTE per year in secondary schools						
Years 7–12	number	7.8	6.6	6.4	8.3	9.2
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:						
Years 4–6	%	81.1	81.0	81.3	77.6	79.2
Years 7–9 ¹⁵	%	52.0	54.3	55.1	57.8	53.2
Years 10–12 ¹⁵	%	52.3	54.2	55.6	59.3	54.3
Higher education and skills						
Accredited VET enrolments by student age and gender						
15–19 years	number	53,500	49,900	50,800	45,700	47,000
20–24 years	number	65,200	60,700	62,900	61,400	68,100

¹⁵ In 2020–21, the results were reported against the wrong year levels (Years 7–10 and Years 11–12). This has been corrected in this Annual Report.

Indicators	Unit	2017	2018	2019	2020	2021
25–44 years	number	110,800	100,000	108,500	105,200	118,900
45–64 years	number	56,100	49,500	51,400	45,700	48,800
Female	number	144,600	133,500	143,400	135,000	149,900
Male	number	147,000	131,800	135,100	126,400	136,600
VET enrolments by administrative region						
South western	number	129,500	114,000	118,200	110,200	120,000
North western	number	76,300	72,700	71,500	61,500	67,400
North eastern	number	60,600	55,700	58,600	52,500	58,100
South eastern	number	81,300	73,500	81,000	74,100	85,700
VET enrolments by skills shortage category courses						
Government-subsidised enrolments in skill demand occupations	number	111,500	99,900	104,900	106,900	⁻¹⁶
VET enrolments by specialised category courses						
Government-subsidised enrolments in specialist occupations	number	69,800	68,400	71,500	69,200	⁻¹⁶
VET participation by learners facing barriers						
Indigenous people	number	5,000	4,900	5,300	4,900	5,300
People with a disability	number	31,100	29,100	30,100	25,100	26,700
VET participation by unemployed learners						
VET participation by unemployed learners	number	75,400	62,800	66,100	61,000	66,400
Proportion of VET students satisfied with the teaching in their course						
Proportion of VET students satisfied with the teaching in their course ¹⁷	%	85.6	85.6	84.4	86.3	86.6

¹⁶ Responsibility for reporting on skills in demand has transferred to the VSA which was established in July 2021 in response to the recommendations of the Skills for Victoria's Growing Economy Review. The VSA is developing the first Victorian Skills Plan, which will outline occupations in demand across Victoria using an improved methodology. This will form the basis of ensuring alignment of enrolments to occupational demand.

¹⁷ Source: National Centre for Vocational Education Research (NCVER) National Student Outcomes Survey Government-funded qualification completer outcomes: time series of key findings 2012–2021 Table 3. Results have been rearranged to refer to the year of the survey to align with results published by NCVER. Title of measure has been revised to align with title as published by NCVER.

Objective 3: Wellbeing

Increase the contribution education, training, and early childhood education 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 2021. The updated Framework for Improving Student Outcomes (FISO 2.0) placed wellbeing alongside learning as a core outcome for Victorian government school students.

Early childhood education

Wellbeing indicators are positive for most Victorian children starting school. Results from the 2021 School Entrant Health Questionnaire, a survey of parents with children starting school, showed that more than 78% of children are at low risk of behavioural problems. The proportion of children entering school with no general development issues has also declined since 2019.

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 supports children's engagement in kindergarten programs. The funding helps build child development in 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 in these areas. In 2021, all eligible funded kindergartens in the state received an allocation of School Readiness Funding, including all Aboriginal Community Controlled Organisations. The funding reached more than 2,700 kindergarten services and approximately 87,000 children.

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.

Nearly 80% of primary students and more than 50% of secondary students, reported feeling connected to their schooling. Results from 2021 indicated that the proportion of primary school students feeling connected to their schooling increased slightly, while secondary school student results declined.

Student Support Services responded to the changing COVID-19 environment by adapting service delivery and providing remote support to at-risk and vulnerable students, including voice calls and video conferencing. When face-to-face learning resumed, Student Support Services continued to work as part of integrated health and wellbeing teams to support student wellbeing, and promote positive health and educational outcomes.

School Wide Positive Behaviour Support coaches maintained their engagement with schools, and continued to provide online professional learning, including during the periods of remote and flexible learning in 2021. In addition, Mental Health Practitioners have provided direct student counselling and related activities, including family support and referral to specialist services, and supported students and schools through mental health prevention and promotion activities.

Students have been supported through the Glasses for Kids program, which invited Foundation to Year 3 students at 115 targeted schools to participate. This included vision screening 5,629 students and providing free glasses to 1,344 students.

The Affordable School Uniforms program also provided government school students experiencing financial disadvantage with school uniforms and other essential items. Between July 2021 and 30 June 2022, 67,244 students from 1,329 schools received support.

The School Breakfast Clubs program continued to offer free and healthy food for students in 1,000 Victorian government primary, secondary, P-12 and specialist schools, including during periods of remote and flexible learning. Between 1 July 2021 and 30 June 2022, the program served over 6 million meals and delivered cooking classes to families at 23 schools.

Higher education and skills

VET student satisfaction levels continue to rise, as seen in their overall satisfaction with training which has risen from 85.3% in 2017 to 87.7% in 2021.

Departmental indicators against wellbeing

Indicators	Unit	2017	2018	2019	2020	2021
Early childhood development						
Proportion of children who have no behavioural issues on entry into Prep¹⁸						
Proportion of children who have no behavioural issues on entry into Prep	%	82.7	80.3	77.9	78.0	78.7
Proportion of children who have no general developmental issues identified by parents on entry into Prep	%	43.8	35.0	36.6	36.0	33.1
Children developmentally 'on track' on the AEDC social competence and emotional maturity domains¹⁹						
Social competence domain	%	–	77.3	–	–	77.8
Emotional maturity domain	%	–	77.7	–	–	78.4

¹⁸ In 2021, 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.

¹⁹ The AEDC is held every 3 years, with the 2021 AEDC data collection being the fifth collection. Data source: AEDC 2021 Report – [Findings from the AEDC](#).

Indicators	Unit	2017	2018	2019	2020	2021
School education²⁰						
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	%	81.7	81.2	81.0	79.2	79.5
Years 7–9 ²¹	%	56.0	56.7	56.0	59.9	53.2
Years 10–12 ²¹	%	52.8	53.1	53.3	59.4	50.1
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						
Years 4–6	%	74.7	80.0	81.6	83.3	80.9
Years 7–9	%	73.3	78.8	80.5	88.2	83.4
Years 10–12	%	81.4	85.4	87.5	92.5	89.2
Proportion of Victorian government school students who 'agreed' or 'strongly agreed' that their teacher sets clear rules / manages misbehaviour effectively						
Years 4–6	%	80.1	79.9	79.8	77.0	78.6
Years 7–9	%	56.1	57.8	58.1	61.8	57.3
Years 10–12	%	56.0	56.9	57.5	62.7	57.2
Higher education and skills						
Level of student satisfaction with VET						
Proportion of government-funded graduates satisfied with training overall ²²	%	85.3	85.2	85.7	87.4 ²³	87.7

²⁰ These school education measures relate to Victorian government schools.

²¹ In 2020–21 the results were reported against the wrong year levels (Years 7–10 and Years 11–12). This has been corrected in this Annual Report.

²² Source: National Centre for Vocational Education Research (NCVER) National Student Outcomes Survey. Government-funded qualification completer outcomes: time series of key findings 2012–2021 Table 3. Title of measure has been revised to align with title as published by NCVER.

²³ The 2020 results have been readjusted to the year of the survey to align with results published by NCVER.

Objective 4: Productivity

Increase the productivity of our services.

Early childhood education

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 \$3,448 per child to \$3,774.

In addition, in 2021 approximately 98% of funded kindergarten services across Victoria participated in the time-limited Free Kinder initiative and were provided additional funding of \$2,122 per eligible child in a funded sessional kindergarten service and \$2,000 per eligible child in a funded long day care service. The Free Kinder initiative supported kindergarten participation and provided families with economic support as part of the COVID-19 pandemic recovery.

School education

Investment in Victoria's schooling continues to grow with government real recurrent expenditure per FTE student in primary schools increasing to \$16,345 in 2019–20 (most recent available data). Government real recurrent expenditure per FTE student in secondary schools increased to \$20,277. Analysis of data published in the Productivity Commission's Report on Government Services indicates that Victorian Government expenditure in government schools and all schools increased more than any other state or territory between 2014–15 and 2019–20, at 30.1% and 28.4% respectively.²⁴ The report also indicates Victorian Government expenditure per FTE in government schools increased more than any other state or territory between 2014–15 and 2019–20, at 16.4%.²⁵

Higher education and skills

Investment in VET has 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 \$20.01 per hour in 2020 (2020 dollars).

Victoria's 38% increase in expenditure per student contact hour (2020 dollars) from \$14.51 in 2019 to \$20.01 in 2020 was the largest increase among all jurisdictions. This was partly due to additional time-limited government support for TAFEs and training providers to provide high quality training during the COVID-19 pandemic.

²⁴ Calculations drawn from the 2022 RoGS, table 4A.10

²⁵ Calculations drawn from the 2022 RoGS, table 4A.14

Departmental indicators against productivity

Indicators	Unit	2017	2018	2019	2020	2021
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% in 2021) who access a kindergarten program in the year prior to school	\$ per child	3,448	3,549	3,638	3,682	3,774 ²⁶
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 (2019–20 dollars) ²⁷	\$ per FTE student	15,445	15,975	16,345	— ²⁸	— ²⁹
Dollar per secondary school student per financial year						
Government real recurrent expenditure (including user cost of capital) per FTE student in secondary schools (2019–20 dollars)	\$ per FTE student	19,196	19,884	20,277	— ²⁹	— ²⁹
Higher education and skills						
Dollar per VET student contact hour per calendar year						
Victorian Government real recurrent expenditure per annual hour (2020 dollars)	\$ per hour	15.53	16.02	14.51	20.01	— ²⁹

²⁶ In 2021, funded kindergarten services participating in the time-limited Free Kinder initiative were funded an additional \$2,122 per eligible child in sessional kindergarten services and \$2,000 per eligible child in long day care services.

²⁷ Government expenditure refers to Australian and Victorian Government expenditure. Time series financial data are adjusted to 2019–20 dollars as reported in Table 4A.15. 2017 data relates to 2017–18, 2018 to 2018–19, 2019 to 2019–20, 2020 to 2020–21 and 2021 to 2021–22.

²⁸ 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 2020–21 results to be released in 2023 and 2021–22 results in 2024.

²⁹ The Productivity Commission's *Report on Government Services* Table 5A.2 is published in early February each year. There is a time lag in reporting of financial data, with the 2021 results expected to be released in February 2023.

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 2022.

The department's 7 outputs 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, and link to the department's objectives of achievement, engagement, wellbeing and productivity.

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.

Strategy, review and regulation performance measures

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Number of RTO quality audits and school reviews undertaken annually	number	120	102	17.6	✓

The above performance measure relates to the school cyclical review program for independent schools only. The 2021–22 actual is higher than target, due to the school cyclical review program for independent schools being reconfigured to deal with the backlog arising from the COVID-19 pandemic.

Quality					
Education peak bodies that rate the Victorian Registration and Qualifications Authority (VRQA) effective or highly effective in performing its regulatory function	%	93	90	3.3	✓

The above performance measure relates to the calendar year.

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Regulated schools and RTOs that rate the VRQA effective or highly effective in performing its regulatory function	%	93	90	3.3	✓
<i>The above performance measure relates to the calendar year.</i>					
Percentage of government schools where an enrolment audit is conducted	%	32.5	32.5	0.0	✓
<i>The above performance measure relates to the calendar year and government schools only.</i>					
Cost					
Total output cost	\$ million	115.4	117.8	-2.1	✓
<i>No footnote required.</i>					
Key:	✓ Target achieved or exceeded	○ Target not achieved — less than 5% variance	■ Target not achieved — more than 5% variance		

Early childhood education

This output involves the provision of kindergarten and children's services. Services include the monitoring of education and care services and specialist services to improve access to kindergartens among children experiencing disadvantage. This output provides early intervention and parenting support. It also includes a range of services and support for children with a developmental delay or disability and their families.

Early childhood education performance measures

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Children funded to participate in kindergarten in the year before school	number	80,926	80,000	1.2	✓
<i>The above performance measure relates to the calendar year and includes first- and second-year kindergarten participants.</i>					
Aboriginal children funded to participate in kindergarten in the year before school	number	1,497	1,550	-3.4	○
<i>The above performance measure relates to the calendar year and includes first- and second-year Aboriginal kindergarten participants.</i>					
Kindergarten participation rate in the year before school	%	92.9	96.0	-3.2	○
<i>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.</i>					
Kindergarten participation rate for Aboriginal children in the year before school	%	92.9	96.0	-3.2	○
<i>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.</i>					
Children funded to participate in kindergarten in the year 2 years before school	number	5,810	5,000	16.2	✓
<i>The above performance measure relates to the calendar year and includes children in Early Start Kindergarten and the phased rollout of Three-Year-Old Kindergarten. The 2021–22 actual is higher than the target due to the ongoing roll out of Three-Year-Old Kindergarten.</i>					
Children funded to participate in Early Start Kindergarten or Access to Early Learning in the year 2 years before school	number	3,245	3,000	8.2	✓
<i>The above performance measure relates to the calendar year. Early Start Kindergarten is available to children known to Child Protection; Aboriginal children; and refugee and asylum seeker children. The 2021–22 actual is higher than the target due to the benefits of outreach and other engagement work to support the enrolment and ongoing participation of children eligible for Access to Early Learning and Early Start Kindergarten.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Average number of inspections per service	number	0.73	0.85	-14.1	■

The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target due to inspection rates being impacted by COVID-19 restrictions between July and October 2021, resulting in postponement of visits to premises.

Number of Early Years Management funded services	number	995	1,000	-0.5	○
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The above performance measure relates to the calendar year.

Proportion of approved eligible services assessed and rated	%	14.0	25.0	-44.0	■
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The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target due to lower-than-expected assessment and ratings visits conducted in the period of COVID-19 restrictions between July and October 2021.

Quality

Education and care services offering a funded kindergarten program assessed as exceeding the National Quality Standard	%	38.4	46	-16.5	■
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The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target due to the impact of COVID-19 restrictions on assessment and ratings visits.

Education and care services offering a funded kindergarten program assessed as meeting or exceeding the National Quality Standard	%	91.5	91	0.5	✓
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The above performance measure relates to the calendar year.

Parent satisfaction with kindergarten services	%	90	90	0.0	✓
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The above performance measure relates to the calendar year. It is based on a parent opinion survey that is administered to all funded kindergarten services.

Cost

Total output cost	\$ million	894.9	973.4	-8.1	✓
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The 2021–22 actual is lower than the target primarily due to carryover and budget rephasing into 2022–23, mainly related to delays in payments to local governments and non-government providers for three-year-old kinder related capital works. These are offset by new funding decisions during 2021–22.

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 2 outputs of:

- school education—primary output provides services to develop essential skills and learning experiences to engage young minds in the primary sector
- 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.

These outputs contribute 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. The BP3 targets for Koorie students measure—at Years 3, 5, 7 and 9—the percentage of Aboriginal students above the bottom 3 NAPLAN bands in reading and numeracy. NAPLAN results for Victorian Koorie students are above the national Aboriginal cohort across all 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	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Investment in non-government schools (primary)	\$ million	562.1	524.6	7.2	✓
<i>The 2021–22 actual is higher than the target primarily due to new funding decisions during 2021–22. These are offset by a re-phase of capital grants for non-government schools into 2022–23.</i>					
Percentage of government primary school students receiving equity funding	%	25	25	0.0	✓
<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	209	200	4.5	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Number of assistant principals participating in leadership development programs, including the Aspiring Principals Program	number	1,348	700	92.6	✓
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target because (a) it is likely that an increased number of participants enrolled in 2021 programs as a result of postponed enrolments in 2020 due to the impact of COVID-19 restrictions, and (b) the former Bastow leadership development programs offered in 2021 supported additional assistant principals to participate.</i>					
Number of principals participating in leadership development programs	number	1,255	1,100	14.1	✓
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target because (a) it is likely that an increased number of participants enrolled in 2021 programs as a result of postponed enrolments in 2020 due to the impact of COVID-19 restrictions, and (b) the former Bastow leadership development programs offered in 2021 supported additional principals to participate.</i>					
Number of school staff who are not principals or assistant principals participating in leadership development programs	number	3,226	3,000	7.5	✓
<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 2021–22 actual is higher than the target because (a) it is likely that an increased number of participants enrolled in 2021 programs as a result of postponed enrolments in 2020 due to the impact of COVID-19 restrictions, and (b) the former Bastow leadership development programs offered in 2021 supported additional other school-based staff (such as teachers) to participate.</i>					
Number of teachers completing mentoring training	number	1,033	900	14.8	✓
<i>The above performance measure relates to the calendar year and includes early childhood teachers. The 2021–22 actual is higher than the target due to greater accessibility to the Effective Mentoring Program seminars, which were predominantly delivered online, and scheduling of 3 additional seminars to meet Career Start pilot demands.</i>					
Number of Victorian schools participating as a 'lead school' for the Respectful Relationships initiative	number	402	382	5.2	✓
<i>The above performance measure relates to primary and secondary schools. The 2021–22 actual is higher than the target due to a higher-than-expected number of schools that expressed interest and were assessed as suitable to participate as a 'lead school'.</i>					
Number of school-based staff who have participated in whole-school Respectful Relationships professional learning initiative	number	35,000	35,000	0.0	✓
<i>The above performance measure relates to the calendar year and refers to primary and secondary schools.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
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	2,034	1,590	27.9	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is higher than the target due to a greater than expected amount of content becoming available within the library for construction of tests.</i>					
Number of schools supported with strategic business and financial support	number	745	700	6.4	✓
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target due to greater uptake of support services by schools.</i>					
Number of school staff attending strategic business and financial support training	number	2,520	2,500	0.8	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Proportion of eligible schools in receipt of funding for the Swimming in Schools program	%	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	1,078	1,140	-5.4	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is lower than the target with COVID-19 affecting onsite service delivery to schools.</i>					
Number of schools utilising the Local Administrative Bureau	number	58	88	-34.1	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is lower than the target due to the COVID-19 pandemic impacts resulting in longer than anticipated project initiation and recruitment activities.</i>					
Number of schools working with School-wide Positive Behaviour Support	number	428	400	7.0	✓
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target due to additional area coaches supporting a higher number of schools than initially forecast.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Utilisation of annual hours allocated to schools for onsite IT technical support	%	100	99	1.0	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Quality					
Average days lost due to absence at Year 5	number	14.9	14.1	5.7	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target due to the impact of the COVID-19 pandemic. This includes parent choice on student attendance (reflecting the characteristics of and risks for families), and the resumption of onsite learning resulting in increased absences due to illness. The rate covers all absences, including those due to illness and parent choice.</i>					
Average days lost due to absence at Year 6	number	15.7	14.5	8.3	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target due to the impact of the COVID-19 pandemic. This includes parent choice on student attendance (reflecting the characteristics of and risks for families), and the resumption of onsite learning resulting in increased absences due to illness. The rate covers all absences, including those due to illness and parent choice.</i>					
Average days lost due to absence for Aboriginal students in Years Prep to 6	number	28.4	24.0	18.3	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target due to the impact of the COVID-19 pandemic. This includes parent choice on student attendance (reflecting the characteristics of and risks for families), and the resumption of onsite learning resulting in increased absences due to illness. 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	%	83.8	85	-1.4	○
<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 3 months after review	%	99	100	-1.0	○
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Percentage of Aboriginal students above the bottom 3 bands for numeracy in Year 3 (NAPLAN testing)	%	39.1	46.7	-16.3	■
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 2.88 percentage points, which is specific to the measure in 2021.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Percentage of Aboriginal students above the bottom 3 bands for numeracy in Year 5 (NAPLAN testing)	%	33.6	35.2	-4.5	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 3.25 percentage points, which is specific to the measure in 2021.</i>					
Percentage of Aboriginal students above the bottom 3 bands for reading in Year 3 (NAPLAN testing)	%	55.6	58.2	-4.5	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 3.09 percentage points, which is specific to the measure in 2021.</i>					
Percentage of Aboriginal students above the bottom 3 bands for reading in Year 5 (NAPLAN testing)	%	45.9	44.6	2.9	✓
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 2.90 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students above the bottom 3 bands for numeracy in Year 3 (NAPLAN testing)	%	68.2	73.8	-7.6	■
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.02 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students above the bottom 3 bands for numeracy in Year 5 (NAPLAN testing)	%	64.3	66.0	-2.6	○
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.01 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students above the bottom 3 bands for reading in Year 3 (NAPLAN testing)	%	81.3	82.0	-0.9	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 0.73 percentage points, which is specific to the measure in 2021.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Percentage of students above the bottom 3 bands for reading in Year 5 (NAPLAN testing)	%	73.8	72.5	1.8	✓
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 0.90 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students in the top 2 bands for numeracy in Year 3 (NAPLAN testing)	%	40.0	46.7	-14.3	■
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.07 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students in the top 2 bands for numeracy in Year 5 (NAPLAN testing)	%	33.0	35.3	-6.5	○
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.12 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students in the top 2 bands for reading in Year 3 (NAPLAN testing)	%	61.9	60.7	2.0	✓
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 0.99 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students in the top 2 bands for reading in Year 5 (NAPLAN testing)	%	44.8	45.1	-0.7	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.08 percentage points, which is specific to the measure in 2021.</i>					
Years 5–6 students' opinion of their connectedness with the school	number (1–5)	4.1	4.4	-6.8	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is lower than the target likely due to the impact of changes to survey timing, structure and delivery to account for the impacts of the COVID-19 pandemic, reducing the comparability of results for 2021.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Proportion of identified schools that subsequently improved their performance	%	62.0	67.0	-7.5	■

The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is lower than the target due to the schools identified to receive additional school improvement practices during 2020 and 2021 experiencing a lower level of support compared to schools in previous years. This was due to the school improvement workforce being redeployed to support agile COVID-19 regional operating models.

Proportion of participants rating the impact of the Victorian Academy of Teaching and Leadership's professional learning on their own development and practice as 'significant' or above (all programs)	%	82.0	78.0	5.1	✓
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The above performance measure relates to the calendar year. The 2021–22 actual is higher than the target due to continuous improvement in the VATL's professional learning design and delivery.

Proportion of participants who are satisfied with the Victorian Academy of Teaching and Leadership's professional learning and development training (all programs)	%	77.0	82.0	-6.1	■
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The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target as a result of some programs being delivered online and in hybrid settings for the first time. The VATL responded to this feedback by implementing continuous improvement plans.

Cost					
Total output cost	\$ million	5,750.6	5,765.9	-0.3	✓

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 services 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	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Investment in non-government schools (secondary)	\$ million	602.4	541.2	11.3	✓
<i>The 2021–22 actual is higher than the target primarily due to new funding decisions during 2021–22. These are offset by a re-phase of capital grants for non-government schools into 2022–23.</i>					
Number of school students enrolled in VCAL	number	27,624	21,650	27.6	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is higher than the target due to an increasing proportion of students undertaking VCAL as it becomes more established as an alternative qualification to the VCE.</i>					
Number of school students participating in accredited vocational programs	number	49,560	48,500	2.2	✓
<i>The above performance measure relates to the calendar year.</i>					
Number of school-based apprentices/trainees	number	3,172	3,700	-14.3	■
<i>The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target due to the reduction in school-based apprentices/traineeships enrolments in light of disruption to industry and schools as a result of COVID-19 restrictions.</i>					
Proportion of all secondary schools offering vocational options to students as part of their secondary school certificate	%	96.3	96.0	0.3	✓
<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	10,700	0.0	✓
<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	%	30.5	30.5	0.0	✓
<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	570	325	75.4	✓
<i>The 2021–22 actual is higher than the target due to the popularity of the program, and the virtual delivery mode enabling greater access to students.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Number of partner secondary schools accessing a Tech School	number	157	160	-1.9	○

The above performance measure relates to the calendar year and refers to government and non-government schools who are partnered to a Tech School.

Proportion of employment-based pathways-qualified teachers retained in Victorian government school workforce (within 2 years) after completing the pathway	%	70	65	7.7	✓
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The above performance measure relates to the calendar year. The 2021–22 actual is higher than the target due to a higher than forecast number of 2018 Teach for Australia teacher graduate cohort remaining employed in Victorian government schools as at 2021.

Quality					
Average days lost due to absence in Years 11 and 12	number	16.8	16.1	4.3	○

The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target due to the impact of the COVID-19 pandemic. This includes parent choice on student attendance (reflecting the characteristics of and risks for families), and the resumption of onsite learning resulting in increased absences due to illness. The rate covers all absences, including those due to illness and parent choice.

Average days lost due to absence in Years 7–10	number	22.7	19.0	19.5	■
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The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target due to the impact of the COVID-19 pandemic. This includes parent choice on student attendance (reflecting the characteristics of and risks for families), and the resumption of onsite learning resulting in increased absences due to illness. The rate covers all absences, including those due to illness and parent choice.

Average days lost due to absence for Aboriginal students in Years 7 to 12	number	41.3	35.0	18.0	■
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The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target due to the impact of the COVID-19 pandemic. This includes parent choice on student attendance (reflecting the characteristics of and risks for Koorie families), and the resumption of onsite learning resulting in increased absences due to illness. The rate covers all absences, including those due to illness and parent choice. This cohort is small and data is subject to volatility.

Median VCE study score	number	29	29	0.0	✓
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The above performance measure relates to the calendar year and refers to government schools only.

Proportion of positive responses to school satisfaction by parents of government secondary school students	%	78.2	80	-2.3	○
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The above performance measure relates to the calendar year and refers to government schools only.

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Percentage of Aboriginal students above the bottom 3 bands for numeracy in Year 7 (NAPLAN testing)	%	28.4	29.7	-4.4	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 3.13 percentage points, which is specific to the measure in 2021.</i>					
Percentage of Aboriginal students above the bottom 3 bands for numeracy in Year 9 (NAPLAN testing)	%	21.9	27.9	-21.5	■
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 2.58 percentage points, which is specific to the measure in 2021.</i>					
Percentage of Aboriginal students above the bottom 3 bands for reading in Year 7 (NAPLAN testing)	%	29.9	29.2	2.4	✓
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 3.05 percentage points, which is specific to the measure in 2021.</i>					
Percentage of Aboriginal students above the bottom 3 bands for reading in Year 9 (NAPLAN testing)	%	20.7	26.3	-21.3	■
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 2.65 percentage points, which is specific to the measure in 2021.</i>					
Percentage of school leavers completing a VCE VET program in a school progressing to further education, training or work	%	95.2	95.0	0.2	✓
<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	%	87.0	85.0	2.4	✓
<i>The above performance measure relates to the calendar year.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Percentage of students above the bottom 3 bands for numeracy in Year 7 (NAPLAN testing)	%	62.3	64.7	-3.7	○
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.65 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students above the bottom 3 bands for numeracy in Year 9 (NAPLAN testing)	%	51.9	57.9	-10.4	■
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.91 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students above the bottom 3 bands for reading in Year 7 (NAPLAN testing)	%	61.7	61.1	1.0	✓
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.61 percentage points which is specific to the measure in 2021.</i>					
Percentage of students above the bottom 3 bands for reading in Year 9 (NAPLAN testing)	%	49.7	53.3	-6.8	○
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.69 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students in the top 2 bands for numeracy in Year 7 (NAPLAN testing)	%	34.3	36.7	-6.5	○
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.67 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students in the top 2 bands for numeracy in Year 9 (NAPLAN testing)	%	21.4	27.6	-22.5	■
<i>The above performance measure relates to the calendar year. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.74 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students in the top 2 bands for reading in Year 7 (NAPLAN testing)	%	30.7	31.2	-1.6	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.53 percentage points, which is specific to the measure in 2021.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Percentage of students in the top 2 bands for reading in Year 9 (NAPLAN testing)	%	21.8	23.0	-5.2	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is within the margin of error associated with NAPLAN testing for this cohort. NAPLAN results, as with any assessment measure, are subject to a small margin of error. This is reflected in a confidence interval of ± 1.45 percentage points, which is specific to the measure in 2021.</i>					
Percentage of students who remain at school from Year 7 to Year 12	%	91.5	93.0	-1.6	○
<i>The above performance measure relates to the calendar year.</i>					
Percentage of VCAL certificates satisfactorily completed by school students	%	69.2	77.0	-10.1	■
<i>The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target due to a higher than usual proportion of students enrolled in the VCAL Foundation and Intermediate levels finding studies challenging in light of COVID-19 restrictions.</i>					
Years 7–9 students' opinion of their connectedness with the school	Number (1–5)	3.4	3.7	-8.1	■
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is lower than the target due to the impact of changes to survey timing, structure and delivery to account for the impacts of the COVID-19 pandemic, reducing the comparability of results for 2021.</i>					
Percentage of students in out of home care receiving targeted supports in school (LOOKOUT Education Support Centres)	%	83.0	85.0	-2.4	○
<i>The above performance measure relates to the calendar year.</i>					
Proportion of Navigator program participants re-engaged in schooling	%	60.0	70.0	-14.3	■
<i>The above performance measure relates to the calendar year. The 2021–22 actual is lower than target due to COVID-19 restrictions and long periods of remote and disrupted learning in 2020 and 2021, which made returning disengaged young people to education significantly more challenging.</i>					
Percentage of Year 9 students in government schools that complete an online assessment using a career diagnostic tool	%	82.0	86.0	-4.7	○
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Proportion of Year 10–12 students with a Career Action Plan	%	83.1	86.0	-3.4	○

The above performance measure relates to the calendar year and refers to government schools only.

Cost					
Total output cost	\$ million	4,883.7	4,713.1	3.6	○

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 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. This output includes the functions of training system design, industry engagement, and contracting and monitoring of training service quality. Training services include accredited VET and pre-accredited adult community and further education services.

Training, higher education and workforce development performance measures

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Number of government-subsidised course enrolments	number	328,811	317,500	3.6	✓

The above performance measure relates to the calendar year.

Number of government-subsidised course enrolments in the TAFE network	number	157,626	145,000	8.7	✓
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The above performance measure relates to the calendar year. The 2021–22 actual is higher than the target due to the higher continuing enrolments from 2020 students who were not able to complete their studies due to the COVID-19 pandemic.

Number of government-subsidised pre-accredited module enrolments funded through the ACFE Board	number	42,645	48,400	-11.9	■
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The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target due to the continuing impact of the COVID-19 pandemic on training activity in 2021.

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Number of government-subsidised apprenticeship course enrolments	number	52,841	49,900	5.9	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is higher than the target due to higher continuing enrolments from 2020 students who were not able to complete their studies due to the COVID-19 pandemic.</i>					
Proportion of government-subsidised enrolments related to qualifications that will lead to jobs and economic growth	%	86.3	83.0	4.0	✓
<i>The above performance measure relates to the calendar year.</i>					
Number of government-subsidised course enrolments by students living in regional Victoria	number	84,811	81,300	4.3	✓
<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	58,296	58,000	0.5	✓
<i>The above performance measure relates to the calendar year.</i>					
Number of government-subsidised foundation module enrolments	number	108,505	150,000	-27.7	■
<i>The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target due to the continuing impact of the COVID-19 pandemic in 2021 and the substitution from accredited foundation training to other types of training.</i>					
Number of government-subsidised course enrolments by students eligible for fee concession	number	63,299	67,500	-6.2	■
<i>The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target due to the continuing impact of the COVID-19 pandemic in 2021, as well as the increasing proportion of training delivered through Free TAFE and JobTrainer programs, where students are not required to report fee concession eligibility.</i>					
Number of enrolments in the Free TAFE for priority courses initiative	number	54,965	50,000	9.9	✓
<i>The above performance measure relates to the calendar year. The 2021–22 actual is higher than the target due to higher continuing enrolments from 2020 students who were not able to complete their studies due to the COVID-19 pandemic.</i>					

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quality					
Proportion of employers of apprentices and trainees who are satisfied with training	%	75.3	78.1	-3.6	○
<i>The above performance measure relates to the calendar year. Data for 2021–22 actual relate to the 2021 Victorian Employer Satisfaction Survey of 2020 training experiences.</i>					
Proportion of VET completers who are satisfied with their training	%	86.5	85.7	0.9	✓
<i>The above performance measure relates to the calendar year. Data for 2021–22 actual relate to the 2021 Victorian Student Satisfaction Survey of 2020 training experiences.</i>					
Proportion of VET completers with an improved employment status after training	%	55.7	54.4	2.4	✓
<i>The above performance measure relates to the calendar year. Data for 2021–22 actual relate to the 2021 Victorian Student Satisfaction Survey of 2020 training experiences.</i>					
Proportion of VET completers who achieved their main reason for training	%	85.3	84.1	1.4	✓
<i>The above performance measure relates to the calendar year. Data for 2021–22 actual relate to the 2021 Victorian Student Satisfaction Survey of 2020 training experiences.</i>					
2-year completion rate for non-apprentice commencements in government subsidised Australian Qualifications Framework (AQF) qualifications	%	46.0	46.3	-0.6	○

The above performance measure relates to the calendar year. Data for the 2021–22 actual is the proportion of enrolments which commenced in 2020 that completed at the end of 2021.

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
6-year completion rate for apprentice commencements in government subsidised AQF qualifications	%	62.8	58.0	8.3	✓

The above performance measure relates to the calendar year. The 2021–22 actual is higher than the target due to higher completions by apprentices who were not able to complete their studies due to the COVID-19 pandemic.

Cost					
Total output cost	\$ million	2,304.1	2,599.8	-11.4	✓

The 2021–22 actual is lower than the target primarily due to lower expenses from third party revenue and budget rephasing into 2022–23. These are offset by new funding decisions during 2021–22.

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	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Eligible primary school students in receipt of camps, sports and excursions fund	number	128,086	135,400	-5.4	■

The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target due to a decrease in the number of eligible students in the primary cohort and lower- than- expected applications from parents, in light of COVID-19 restrictions and extended periods of learning from home.

Eligible secondary school students in receipt of camps, sports and excursions fund	number	99,741	91,800	8.7	✓
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The above performance measure relates to the calendar year. The 2021–22 actual is higher than the target due to an increase in the number of eligible students in the secondary cohort and more parents submitting applications for their children than expected.

Investment in student welfare and support	\$ million	398.7	343.2	16.1	✓
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The 2021–22 actual is higher than the target, primarily reflecting funding approved after the release of the 2021–22 Budget, such as the Positive Start initiative.

Investment in travelling allowances and transport support (not including special needs students)	\$ million	45.5	45.9	-0.9	○
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No footnote required.

Performance measures	Unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Health assessments of pre- aged students by school nurses	number	60,256	70,500	-14.5	■

The above performance measure relates to the calendar year. The 2021–22 actual is lower than the target due to the impact of COVID-19 restricting school nursing operations.

School students (government) supported by conveyance allowance	number	9,849	9,255	6.4	✓
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The above performance measure relates to the calendar year. The 2021–22 actual is higher than the target due to a greater than anticipated number of applications, particularly from students at newly established government schools.

School students (non- government) supported by conveyance allowance	number	29,471	28,922	1.9	✓
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The above performance measure relates to the calendar year.

Schools allocated a nurse through the secondary school nursing program	number	198	198	0.0	✓
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The above performance measure relates to the calendar year and refers to government schools only.

Schools funded for primary welfare officers	number	803	803	0.0	✓
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The above performance measure relates to the calendar year and refers to government schools only.

Quality					
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School satisfaction with student support services	%	67.9	80.0	-15.1	■
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The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is lower than the target due to schools' competing priorities regarding flexible and remote teaching and learning, and constrained resource support.

Cost					
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Total output cost	\$ million	444.6	389.1	14.2	■
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The 2021–22 outcome is higher than the target primarily due to new funding decisions during 2021–22. These are offset by budget rephasing into 2022–23.

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 disability, 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	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Eligible special school students provided with appropriate travel	number	8,925	8,925	0.0	✓
<i>The above performance measure relates to the calendar year.</i>					
Proportion of government school students who receive adjustments to support their access and participation in learning because of disability as defined in the <i>Disability Discrimination Act 1992</i> (Cth)	%	24.6	17.0	44.7	✓
<i>The above performance measure relates to the calendar year. This performance measure refers to government schools only. The 2021–22 actual is higher than the target due to stronger than forecast program demand for targeted engagement with schools.</i>					
Proportion of total government schools resourced through the Disability Inclusion funding and support model	%	38.0	30.0	26.7	✓
<i>The above performance measure relates to the calendar year and refers to government schools only. The 2021–22 actual is higher than the target due to faster than anticipated implementation.</i>					
Proportion of positive responses to school satisfaction by parents of government special school students	%	85.1	85.0	0.1	✓
<i>The above performance measure relates to the calendar year and refers to government schools only.</i>					
Cost					
Total output cost	\$ million	1,285.4	1,363.6	-5.7	✓
<i>The 2021–22 outcome is lower than the target primarily due to budget rephasing into 2022–23.</i>					
Key:	✓ Target achieved or exceeded	○ Target not achieved — less than 5% variance	■ Target not achieved — more than 5% variance		

Discontinued measures for 2021–22

Following assessment by the Public Accounts and Estimates Committee, the performance measures listed below were discontinued for 2021–22.

Discontinued performance measures

Output group	Performance measure name
School education – secondary	Percentage of Year 9 students with a Careers e-Portfolio
Support for students with disabilities	Students funded under the disability program in government schools as a proportion of the total student population

Five-year financial summary

The financial statements presented in this Annual Report relate to the controlled operations of the department, including government schools.

Other entities in the portfolio report separately, so their results are not included in the controlled financial transactions of the department. These include the ACFE Board, Adult Multicultural Education Services (AMES), VATL, Victorian Curriculum and Assessment Authority (VCAA), Victorian Institute of Teaching (VIT), 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 4 years.

Five-year financial summary

Five-year financial summary	2021–22	2020–21	2019–20	2018–19	2017–18
	\$m	\$m	\$m	\$m	\$m
Operating revenue					
Output appropriation ³⁰	14,834.4	16,133.9	14,887.5	13,815.7	12,816.0
Other revenue	926.2	597.9	830.4	927.6	834.7
Total income from transactions	15,760.6	16,731.6	15,717.9	14,743.3	13,650.7
Total expenses from transactions	15,276.4	16,121.4	15,118.1	14,073.5	13,328.5
Net result from transactions	484.2	610.2	599.8	669.8	322.2
Total other economic flows	190.3	50.5	(39.2)	(98.1)	(10.3)
Net result for period	674.5	660.7	560.6	571.7	311.9
Net cash flow from operating activities	813.7	605.7	1220.3	1,047.1	790.0
Total assets	40,627.2	33,535.4	29,228.9	27,846.8	27,771.7
Total liabilities	3,349.1	3,302.9	3,355.5	3,022.0	2,809.3
Net assets	37,278.1	30,232.5	25,873.4	24,824.8	24,962.4

³⁰ Output appropriation is the main source of recurring funding from the Victorian 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 2022 is a surplus of \$484.2 million, compared with a surplus of \$610.2 million in 2021. With the inclusion of other economic flows of \$190.3 million, the net result for the financial year is a surplus of \$674.5 million, compared with a surplus of \$660.7 million in 2021.

The decline in revenue primarily reflects the removal of capital asset charge (CAC) funding due its discontinuation from 1 July 2022. This decrease is partially offset by general inflation-related indexation, RATs received free of charge from the Department of Health and revenue for delivery of output initiatives approved from the State Budget.

The department's decline in expenditure also primarily reflects the discontinuation of the CAC. This decrease is partially offset by higher expenditure incurred for the transition back to onsite learning. This covers additional COVID-19 related expenditure for cleaning, personal protective equipment such as the supply of free RATs to government and non-government schools and higher levels of operational activity in schools. In addition, employee expense increases aligned with the Victorian Government Schools Agreement backpay, enrolment growth and increased statutory on-cost rates also contributed to higher expenditure.

Balance sheet

The department's net assets as at 30 June 2022 were \$37.3 billion, comprising total assets of \$40.6 billion and total liabilities of \$3.3 billion.

The major assets of the department are schools' property, plant and equipment. These represent 88% (\$35.7 billion) of total assets. In 2022, the value of the department's property, plant and equipment increased by \$6.5 billion, primarily due to the upward revaluations of \$5.5 billion (\$3.2 billion in buildings and \$2.3 billion in land) and the 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 \$46.2 million increase in 2022 is due to the timing of cash payments and is partially offset by movement in employee-related costs, particularly the decrease in long service leave provisions.

Cash flows

The net cash flows from operations are impacted by changes in receivables, payables and provisions, arising from the timing of cash payments and receipts against these items.

Disclosure of grants and transfer payments

Appendix 5 outlines the department's assistance to education and training service providers and organisations in 2021–22.

Capital projects

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

During 2021–22, the department completed several capital projects with a total estimated investment (TEI) of \$10 million or greater. 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 2022

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost and latest approved TEI budget (\$ million)	Reason for variance from latest approved TEI budget
Bass Coast College	30/09/2023	30/09/2023	30/11/2021	–	In 2020, the school received \$5 million in funding and in the 2020–21 State Budget \$32.2 million.	37.200	21.269	15.931	Actual TEI cost is subject to project financial close in the defects liability period.
Beaumaris Secondary College – Stage 2	31/03/2022	31/03/2022	28/01/2022	–	18.968	14.468	14.248	0.220	The TEI has decreased by \$4.5 million due to a reprioritisation being redirected from this program to other school projects.
Clyde Secondary College	31/01/2022	31/01/2022	22/12/2021	–	37.908	37.348	35.573	1.775	The TEI has decreased by \$0.56 million due to certain expenditure being reclassified as operating instead of capital, in line with accounting standards.
Deanside Primary School	31/01/2022	31/01/2022	21/01/2022	–	25.793	25.352	23.723	1.629	The TEI has decreased by \$0.441 million due to certain expenditure being reclassified as operating instead of capital in line with accounting standards.

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost and latest approved TEI budget (\$ million)	Reason for variance from latest approved TEI budget
Dohertys Creek P-9 College – Stage 2 – Years 7–9	31/03/2022	31/01/2022	26/11/2021	–	11.230	11.230	9.481	1.749	Actual TEI cost is subject to project financial close in the defects liability period.
Edgars Creek Secondary College	31/12/2022	31/12/2022	2/02/2022	–	22.800	21.982	20.761	1.221	TEI includes reprioritisation in line with revised cost within project schedule.
Endeavour Hills Specialist School	31/01/2022	31/01/2022	21/12/2021	–	45.240	44.845	36.039	8.806	The TEI has decreased by \$0.395 million due to certain expenditure being reclassified as operating instead of capital, in line with accounting standards.
Footscray North Primary School	31/01/2022	31/01/2022	18/02/2022	COVID-19 pandemic (reduced workforce) delayed the project by 3 weeks.	In 2020, the school shared \$130.106 million allocated for school upgrades – growth for 2022 (metropolitan various).	–	–	–	–
Frankston North Education Precinct	31/03/2022	31/03/2022	09/08/2021	–	11.268	11.429	1.775	9.654	TEI includes co-contribution from the schools and reclassification of some costs as operating expenditure.

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost and latest approved TEI budget (\$ million)	Reason for variance from latest approved TEI budget
Gilgai Plains Primary School	31/01/2022	31/01/2022	20/01/2022	–	25.793	25.504	23.102	2.402	The TEI has decreased by \$0.289 million due to certain expenditure being reclassified as operating instead of capital, in line with accounting standards.
Gisborne Primary School – Stage 2	30/06/2021	30/06/2021	9/03/2022	Staging and decanting requirements delayed the project by over 6 months. The project was delivered in 3 separable portions.	10.000	10.000	7.794	2.206	Actual TEI cost is subject to project financial close in the defects liability period.
Greater Shepparton Secondary College	31/03/2022	31/03/2022	1/12/2021	–	119.000	123.022	123.021	0.001	The TEI has increased by \$4.022 million due to a revised project scope, funded by a co-contribution of \$3.962 million from the school and by a co-contribution of \$0.06 million from local government.

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost and latest approved TEI budget (\$ million)	Reason for variance from latest approved TEI budget
Greenvale Secondary College	31/01/2022	31/01/2022	21/12/2021	–	27.942	27.583	27.583	–	The TEI has decreased by \$0.359 million due to certain expenditure being reclassified as operating instead of capital, in line with accounting standards.
McKinnon Secondary College – East Campus	31/03/2022	31/03/2022	15/12/2021	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Miners Rest Primary School	31/12/2022	31/12/2022	11/10/2021	–	15.390	15.390	14.768	0.622	Actual TEI cost is subject to project financial close in the defects liability period.
Port Melbourne Secondary College (formerly Fishermans Bend Secondary School)	31/03/2022	31/03/2022	17/11/2021	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–
Sanctuary Lakes South: Saltwater P-9 College – Stage 2	31/03/2022	31/03/2022	15/11/2021	–	13.060	9.860	9.525	0.335	TEI excludes \$3.2 million reprioritisation in line with revised costs within the project schedule.
St Kilda Primary School	31/03/2022	31/03/2022	14/04/2022	Project delayed 2 weeks obtaining permits from Heritage Victoria.	9.991	9.991	8.026	1.965	Actual TEI cost is subject to project financial close in the defects liability period.

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost and latest approved TEI budget (\$ million)	Reason for variance from latest approved TEI budget
Strathtulloh Primary School	31/01/2022	31/03/2022	21/12/2021	–	25.793	25.310	22.893	2.417	The TEI has decreased by \$0.483 million due to certain expenditure being reclassified as operating instead of capital, in line with accounting standards.
Upwey High School	31/12/2021	31/12/2021	2/12/2021	–	10.000	10.000	10.000	–	–
Victoria University Secondary College	31/12/2022	31/12/2021	17/08/2021	–	23.946	23.946	23.054	0.892	Actual TEI cost is subject to project financial close in the defects liability period.
Warringa Park School	30/06/2021	30/06/2021	28/02/2022	Staging requirements delayed the project by over 6 months.	12.400	14.091	14.041	0.050	TEI includes co-contribution from the school.
Willowbank Primary School	31/01/2022	31/01/2022	15/12/2021	–	24.425	24.166	24.166	–	The TEI has decreased by \$0.259 million due to certain expenditure being reclassified as operating instead of capital, in line with accounting standards.
Wollert Primary School	31/01/2022	31/01/2022	20/12/2021	–	32.143	39.526	39.526	–	TEI includes co-contribution from local government.

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost and latest approved TEI budget (\$ million)	Reason for variance from latest approved TEI budget
Wurun Senior Campus (formerly Fitzroy Gasworks Senior Campus)	31/03/2022	31/03/2022	24/01/2022	–	In the 2019–20 State Budget, the school shared in \$624.8 million allocated for new schools.	–	–	–	–

Governance and organisational structure

The department's ministers

As at 30 June 2022, the department supports 3 ministers: the Hon. Natalie Hutchins MP, Minister for Education and Minister for Women; the Hon. Gayle Tierney MP, Minister for Training and Skills, Minister for Higher Education and Minister for Agriculture; and Ms Ingrid Stitt MP, Minister for Early Childhood and Pre-Prep and Minister for Workplace Safety.³¹

Minister for Education and Minister for Women – The Hon. Natalie Hutchins, MP

Minister Hutchins is the Member for Sydenham and was elected to the Victorian Parliament as the Member for Keilor in 2010. She has been Minister for Education and Minister for Women since June 2022.

Minister Hutchins previously served as Minister for Local Government from December 2014 to September 2017, Minister for Aboriginal Affairs and Minister for Industrial Relations from December 2014 to December 2018, Minister for Women and Minister for Prevention of Family Violence from September 2017 to December 2018, and Minister for Crime Prevention, Minister for Corrections, Minister for Youth Justice and Minister for Victim Support from June 2020 to June 2022.

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

Minister Tierney was elected to the Victorian Parliament as the Member for Western Victoria in 2006 and has held the office of Minister for Training and Skills since November 2016, Minister for Higher Education since November 2018 and Minister for Agriculture since June 2022. In 2020, Minister Tierney was appointed Deputy Leader of the Government in the Legislative Council.

Minister Tierney served as Minister for Corrections from November 2016 to December 2018, and 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 and Adult Community Education systems play 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 8 public universities, their governing bodies and accountability requirements. The Minister

³¹ The Hon. James Merlino, MP was the responsible Minister for Education from 1 July 2021 to 27 June 2022. This is reported and disclosed in Note 9.3 Responsible persons of the financial statements.

for Higher Education 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 Pre-Prep 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 Pre-Prep and the Minister for Workplace Safety since September 2020.

The Minister for Early Childhood and Pre-Prep oversees Victoria's kindergarten system, the staged rollout of universally funded Three-Year-Old Kindergarten and Pre-Prep, 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 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 Institute of Public Administration Australia 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 Victorian 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 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 Healy joined the department as the Deputy Secretary, 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, Department of Jobs, Precincts and Regions, 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 was appointed as Deputy Secretary, People and Executive Services (PES) in June 2016.

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 is the department's environmental sustainability champion, Disability Champion, LGBTIQ+ champion, and executive leader for the Charter of Human Rights. In these roles, Kate influences whole-of-government and departmental actions through the Safe and Well in Education Strategy.

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, Strategy and Performance (PSP) in May 2021.

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

In 2018, Kylie was recognised by the Institute of Public Administration Australia 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.

Deputy Secretary, School Education Programs and Support – Mr Stephen Fraser

As Deputy Secretary, School Education Programs and Support (SEPS), Stephen leads policy and program development to improve learning and wellbeing outcomes for all students, regardless of their background.

Stephen has extensive experience in education policy making and implementation. He has held a range of senior roles in the Department of Education and Training, including Regional Director for the South Western Victoria Region and Executive Director for Implementation.

Following a long history in the VPS, Stephen spent time in the UK, as Deputy Chief Executive for the Education Endowment Foundation.

Stephen holds a Bachelor of Arts (Honours) and Bachelor of Science from Monash University.

Deputy Secretary, Schools and Regional Services – Dr David Howes PSM

David Howes is Deputy Secretary, Schools and Regional Services (SRS). Immediately prior to this, David was Chief Executive Officer (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 Tom Kirkland

Tom Kirkland was formally appointed as CEO of the Victorian School Building Authority (VSBA) in November 2021. Tom has been at the VSBA since its establishment in August 2016, and was previously Executive Director of the Delivery Division.

Tom leads the planning and delivery of the \$12.8 billion investment in school and kindergarten infrastructure. Tom is committed to ensuring teachers and students have exemplary learning spaces and meeting enrolment demand across the state.

Before joining the VSBA, Tom worked in health infrastructure across Australia, including delivering the new Royal Children's Hospital in 2014.

Tom holds a Bachelor of Commerce from Queen's University, Kingston and a Master of Health Administration from the University of Ottawa.

Assistant Deputy Secretary, Budget Reform – Andrea Del Monaco

Andrea Del Monaco joined the department in August 2021 as the Assistant Deputy Secretary, Budget Reform.

Andrea has extensive public sector experience, including senior executive roles at DTF providing advice on the state's budget outlook and fiscal strategy, financial and resource management frameworks, and government's industrial relations policy settings. Andrea's experience includes roles at various Victorian Government departments. Andrea has also worked in the private sector both in Australia and overseas.

Andrea holds a Bachelor of Economics (Honours) from LaTrobe 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 then Department of Health and Human Services (DHHS). Meena has led Health and Human Services Regulation and Reform at DHHS.

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

Acting Assistant Deputy Secretary, Schools and Regional Services – 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. After leading the design and implementation of a more managed, stable and competitive training system in HES, Lee joined SRS as Acting Assistant Deputy Secretary in October 2021.

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, Senior Secondary Pathways Reform Taskforce – Mr Scott Widmer

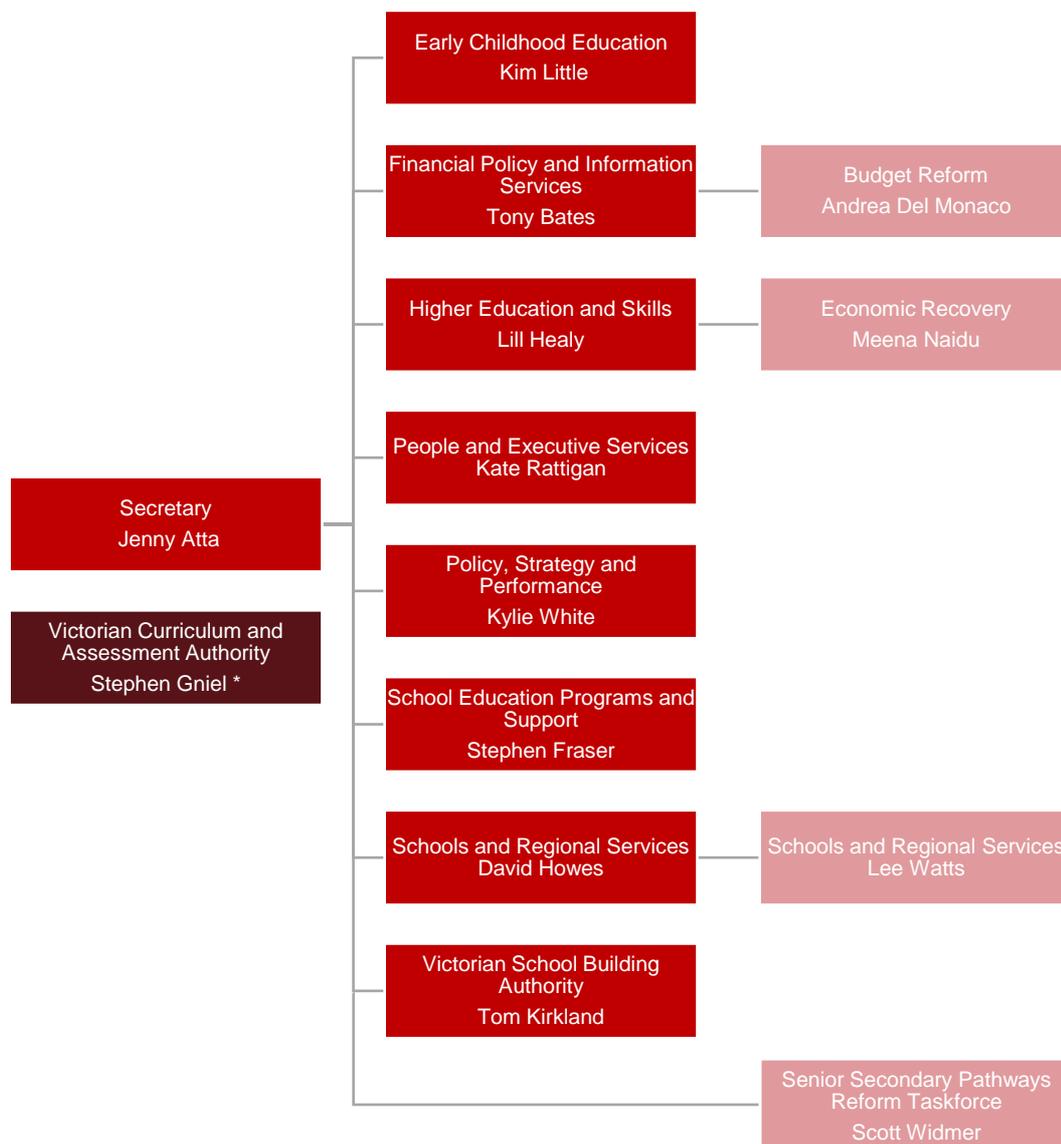
Scott Widmer commenced as Assistant Deputy Secretary, Senior Secondary Pathways Reform Taskforce in February 2021. The role is responsible for leading the development and implementation of a range of reforms that support all Victorian secondary school students to access high-quality vocational and applied-learning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

Scott has over 15 years' experience in policy and programs in the public sector, having worked across Education, Health and Human Services, Justice, and Premier and Cabinet.

Scott started his career as a lawyer practising in intellectual property litigation, and has degrees in Law and Arts, and a Master of Public Policy and Management, from the University of Melbourne.

Organisational structure

Organisational structure at 30 June 2022³²



* Information relating to the VCAA can be found in the VCAA's 2021–22 Annual Report.

³² This chart shows the membership of the department's governing board – the Executive Board.

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 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 services 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 incorporates the Office of TAFE Coordination and Delivery which drives cooperation in planning and quality delivery of TAFE training.

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, environmental sustainability 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, Freedom of Information (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 public bodies, 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, early childhood services and service providers. It guides effective policy and program implementation, creating local opportunities for engagement, partnership and the promotion 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)

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. 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 (SSPRT)

SSPRT leads the design and implementation of Senior Secondary Pathways Reforms. It works in close partnership with the VCAA, which is responsible for designing and implementing the new Victorian senior secondary certificates. SSPRT also coordinates all existing programs and activities that support vocational and applied learning pathways in the senior secondary system, such as the Head Start and Transforming Career Education initiatives.

Governance structure

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

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 public bodies and the department's portfolio 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 public bodies. The Executive Board drives strong leadership and a high-performing culture across the department's sectors.

The Executive Board continues to lead the department's response to the COVID-19 pandemic.

The Executive Board comprises:

- Secretary (Chair)
- all Deputy Secretaries and the CEO of the VSBA
- CEO, VCAA
- 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 comprises:

- Secretary (Chair)
- all Deputy Secretaries and the CEOs of the VSBA and VSA
- all Assistant Deputy Secretaries
- all Regional Directors
- CEO, VATL
- CEO, VCAA.

Committee structure

The department's committee structure and the Audit and Risk Committee (ARC) membership as at 30 June 2022 are reported below. A full list of the department's committees, their purpose, and the extent to which they achieved their purpose is included in the department's *Annual Report 2021–22 Additional Information*, available from www.vic.gov.au/departement-education-and-training-annual-reports.

Two committees report to the Secretary:

- the ARC
- the Executive Remuneration Committee.

Six committees report to the Executive Board:

- the Budget and Financial Management Committee
- the Culture, People and Integrity Committee
- the Government Schools Reform Committee
- the Information Management and Technology Committee
- the Infrastructure Planning and Delivery Committee
- the Procurement and Probity Committee.

Audit and Risk Committee

The ARC assists the Secretary to fulfil governance responsibilities and obligations under the *Financial Management Act 1994* (the FM Act).

The ARC was established in 2003 in compliance with the Standing Directions under the FM Act. The ARC directly advises the Secretary on governance, risk management, audit, compliance 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, People and Executive Services
- Mr Chris Thompson, Regional Director.

Public bodies

The department works in conjunction with the following public bodies:

- 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
- VATL
- VET Development Centre
- VCAA
- Victorian Children’s Council
- VIT
- VRQA
- VSA.

Most public bodies produce their own annual reports.

The public bodies that produce financial year reports (1 July – 30 June) are:

- ACFE Board
- AMES Australia
- VATL³³
- VCAA
- VIT
- VRQA.

The public bodies that produce calendar year reports (1 January – 31 December) are:

- Centre for Adult Education
- TAFE institutes
- VET Development Centre.

The public bodies that are included in Appendix 3 of this report are:

- Children’s Services Coordination Board
- Disciplinary Appeals Boards
- Independent Office for School Dispute Resolution
- Merit Protection Boards
- Victorian Children’s Council
- VSA.

³³ The Assistant Treasurer has provided an exemption for the VATL from the requirement to publish an Annual Report within its first year of operations.

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 7 values means in the department's context, and how employees can demonstrate these values through their actions and decisions.

The department is committed to applying merit and equity principles when appointing staff. The selection processes ensure applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

Occupational health and safety (OHS)

The *Safe and Well in Education Strategy 2019–24* and its corresponding framework aim to provide a holistic focus on physical and psychological health, safety and wellbeing in both schools and corporate workplaces. During 2021–22, the strategy enabled the department to continue responding to and managing COVID-19. This included regularly updating the COVID-19 Safety Management Plan (COVIDSafe Plan) for both schools and corporate workplaces, as well as the COVIDSafe Assurance Checklist for schools.

A total of 737 targeted communications were sent to schools and assistance was provided to 720 schools through the COVIDSafe Assurance Program. Compliance to COVIDSafe controls is strong with randomised assessments showing an average compliance score of 96% in Term 4, 2021, and 90% in Term 1, 2022.

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 8,932 hours from the employee assistance program counselling, manager assist contacts, critical incident response and onsite support counselling services
- enabling workplaces to access 521 hours of conflict resolution services, including mediation, conflict coaching and team facilitations
- providing protective intervention training to equip school staff with the tools to manage and de-escalate challenging student behaviour while maintaining personal safety

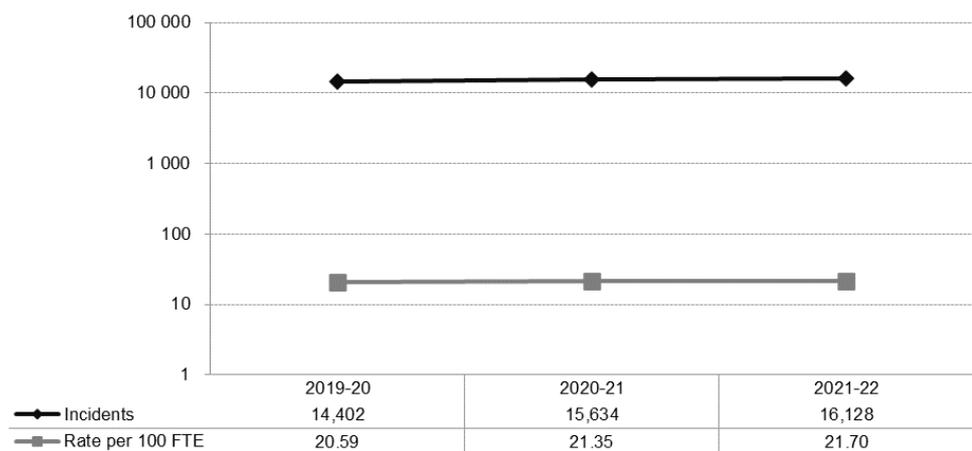
- commencing a holistic review of the Occupational Health and Safety Management System (OHSMS) to make it streamlined, practical and easy to use for schools
- launching EduSafe Plus, which provides a single simplified reporting tool for staff and student incidents, and an OHS and Workers Compensation digital management tool to enhance OHS and Workers Compensation performance and injury management
- creating a Respectful Behaviours in the School Community Policy, which promotes the importance of respectful and collaborative relationships between parents, carers and school staff.

Incident and hazard management

Incidents, including injuries and other hazard-related events, increased from 21.35 per 100 FTE in 2020–21 to 21.70 per 100 FTE in 2021–22. This equates to an increase of 494 reports, totalling 16,128 in 2021–22 compared with 15,634 in 2020–21.

A new version of EduSafe Plus was released which coincided with awareness and promotional activities, including direct communications with all staff, as well as training webinars. This has prompted a significant increase in the number of incidents reported.

Number of incidents and hazards rate per 100 FTE: 2019–20 to 2021–22



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:

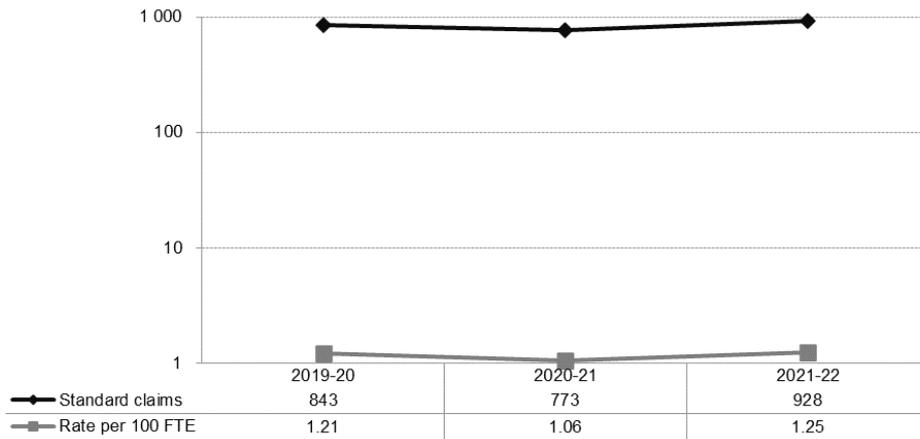
- early triage of new workers’ compensation claims to identify claims that may benefit from centralised support and guidance
- enhanced systems to reduce the administrative burden of claims management
- support to schools to identify suitable duties for injured employees to complete while they recover from their injuries
- 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 increased from 773 in 2020–21 to 928 in 2021–22. This represented an increase per staff member from 1.06 claims per 100 FTE in 2020–21 to 1.25 claims per 100 FTE in 2021–22. This increase in part reflects the return to on-site work and learning in 2022.

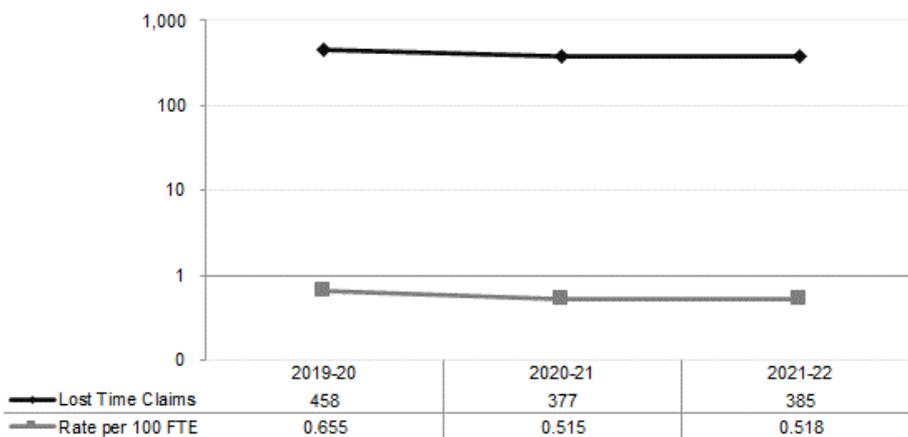
The number of standard claims are comparable to pre-pandemic levels, which were 1.21 claims per 100 FTE in 2019–20.

Number of standard claims and rate per 100 FTE: 2019–20 to 2021–22



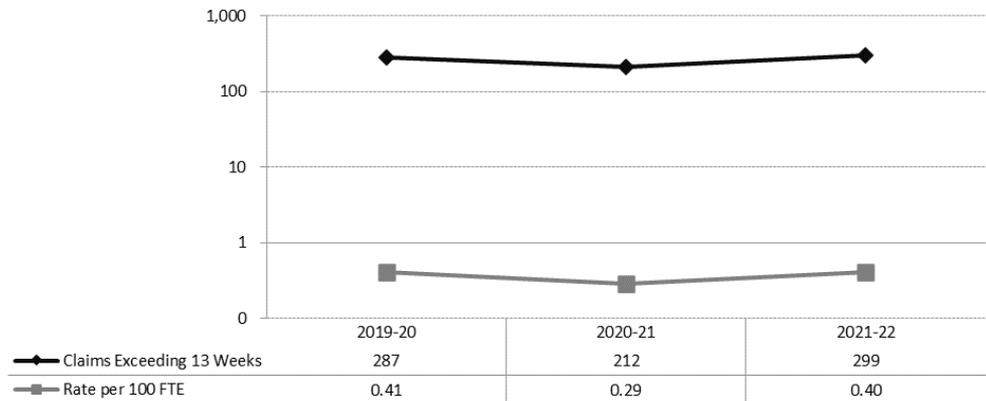
The number of lost time claims decreased from 458 in 2019–20 to 385 in 2021–22. This represented a decrease per staff member from 0.655 per 100 FTE in 2019–20 to 0.518 per 100 FTE in 2021–22.

Lost time claims and rate per 100 FTE: 2019–20 to 2021–22



The number of claims exceeding 13 weeks increased from 287 claims in 2019–20 to 299 claims in 2021–22. This represented a decrease per staff member from 0.41 claims per 100 FTE exceeding 13 weeks in 2019–20 to 0.40 claims per 100 FTE exceeding 13 weeks in 2021–22.

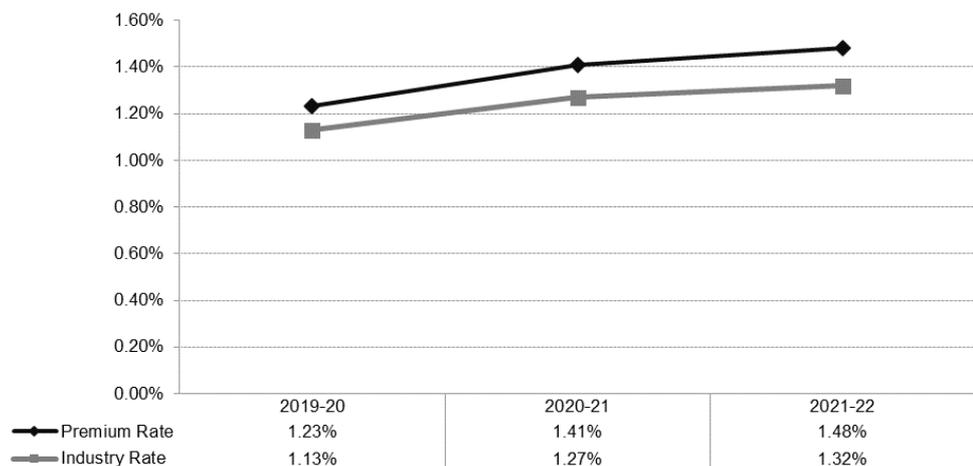
Claims exceeding 13 weeks and rate per 100 FTE: 2019–20 to 2021–22



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.

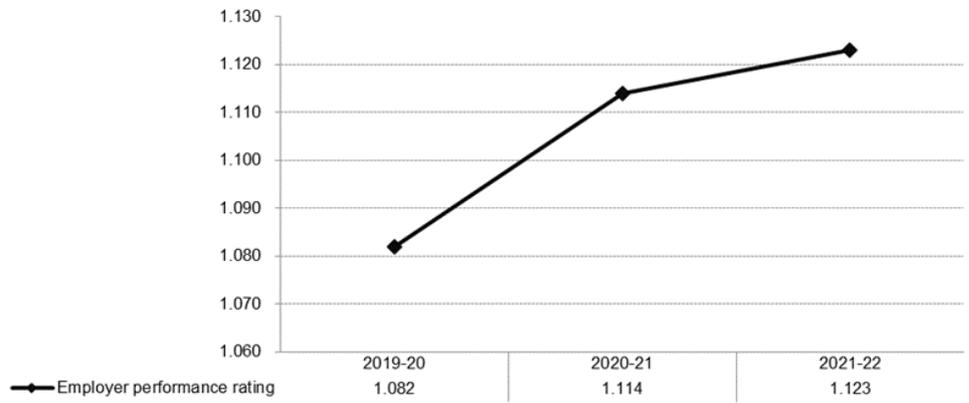
The department’s premium increased from \$97.7 million (excluding goods and services tax (GST)) in 2020–21 to \$112.5 million (excluding GST) in 2021–22. This increase was the net effect of an increase in the department’s remuneration, and an increase in industry rate from 1.27% in 2020–21 to 1.32% in 2021–22. The increase in the department’s premium rate was driven by an increase in the industry’s premium rate from 1.41% in 2020–21 to 1.48% in 2021–22.

Premium rate: 2019–20 to 2021–22



The department's EPR reflects the employer's claims experience compared with employers across the industry. The EPR has increased from 1.114 in 2020–21 to 1.123 in 2021–22, but the rate of increase has slowed compared to 2019–20 to 2020–21, which marks an improvement.

Employer performance: 2019–20 to 2021–22



Performance against OHS and workers' compensation management measures³⁴

Measure	Key performance indicator	2019–20	2020–21	2021–22
Incidents	Number of incidents ³⁵	13,297	14,280	14,999
	Rate per 100 FTE	19.0	19.5	20.2
	Number of incidents requiring first aid and/or medical treatment ³⁶	5,190	4,886	Not available
Hazards	Total number of hazards reported	1,105	1,354	1,129
	Rate per 100 FTE	1.6	1.9	1.3
Claims	Number of standard claims	843	773	928
	Rate per 100 FTE	1.2	1.1	1.3
	Number of lost time claims	458	377	385
	Rate per 100 FTE	0.7	0.5	0.5
	Number of claims exceeding 13 weeks	287	212	299
	Rate per 100 FTE	0.4	0.3	0.4
Fatalities	Fatality claims	–	–	–
Claim costs	Average cost per standard claim (\$)	96,182	120,885	149,507
RTW ³⁷	Percentage of claims with RTW plan < 30 days	–	–	–
OHSMS development and implementation/ review and improvement	Number of policies, procedures, guidelines and templates reviewed and/or updated	58	150	173

³⁴ The department's OHS and workers compensation measures are inclusive of the VSA. Data is sourced from the Victorian WorkCover Authority (VWA).

³⁵ The increase to the 'Number of incidents' in recent years can be attributed to fewer periods of remote learning. In the pre-pandemic reporting period of 2018–19, the number of incidents was 14,923. Additionally, a new version of EduSafe Plus was released in 2021–22. This coincided with a number of hazard and incident reporting awareness and promotional activities, including direct communications with all staff and training webinars.

³⁶ As a result of a major system upgrade and design change, the department is unable to provide this figure due to changes in the way information is captured and stored in the system's database.

³⁷ The department is unable to report on this indicator because RTW plans are developed locally and their data is not collected centrally. The department is improving processes required to report on this measure as part of the EduSafe Plus Project.

Measure	Key performance indicator	2019–20	2020–21	2021–22
	School audits completed ³⁸	325	47	26
	Average OHSMS audit score (schools) ³⁹	80	87	82
	Percentage of corrective actions completed—incident reports	55	57	55
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 ⁴⁰	—	—	—
	Senior management commitment—OHSMS review ⁴¹	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	63	64	46
	Senior management involvement in consultation and communication ⁴²	—	—	—

³⁸ The impacts of the COVID-19 pandemic continued to limit the ability to conduct audits in the reporting period. The OHS Assurance Program (previously known as the OHS Audit Program) undertook a series of improvements. The new program was launched as an opt-in pilot in Terms 1 and 2, 2022.

³⁹ The results of the new Assurance Program in 2021–22 are not directly comparable to prior results within the OHS Audit Program.

⁴⁰ 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.

⁴¹ Senior management reviews the OHSMS, its performance and relevant development actions.

⁴² Senior executives, executives, principals and management OHS nominees attend periodic OHS committees. Currently, the data needed to determine the percentage of participation is not captured centrally.

Measure	Key performance indicator	2019–20	2020–21	2021–22
	Compliance with agreed structure of above	Completed	Completed	Completed
Risk management	Percentage of internal audits/inspections conducted as planned	79	62	90
	Percentage of reported incidents investigated ⁴³	55	57	55
	Number of improvement notices issued by WorkSafe inspector ⁴⁴	98	56	68
	Percentage of issues actioned as part of the total issues identified in:			
	<ul style="list-style-type: none"> • internal audits • health and safety representatives provisional improvement notices⁴⁵ • WorkSafe notices 	50 – 100	6 – 100	32 – 100
Training	Percentage of managers and staff who have received OHS training:			
	<ul style="list-style-type: none"> • induction • management training (OHS for principals) • contractors and temporary staff⁴⁶ 	79 74 –	77 71 –	64 73 –
	Percentage of health and safety representatives trained ⁴⁷ :			
	<ul style="list-style-type: none"> • acceptance of role (initial training) 	68	77	73

⁴³ Refers to percentage of reported incidents investigated by WorkSafe.

⁴⁴ Improvement notices for the purposes of this report include prohibition notices, non-disturbances notices, and other notices issued by WorkSafe Victoria.

⁴⁵ The department is unable to report on this indicator 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 Employee Wellbeing and Operational Policy Reforms.

⁴⁶ Currently, the department does not maintain contractor training records centrally to be able to report on this measure.

⁴⁷ The updated checklist now only asks a single question relating to both the initial training and the refresher, therefore the data for 'acceptance of role (initial training)' and retraining 'annual refresher' is identical.

Measure	Key performance indicator	2019–20	2020–21	2021–22
	<ul style="list-style-type: none"> retraining (annual refresher) 	51	70	73
	Total number of mental health training sessions	73	13 people managers and human resources staff 8 executives	8 (mental health webinars)
Absenteeism	Total number of days of absence due to injury or illness	628,411	627,543	679,070
	Rate per 100 FTE	898	857	913
People Matter survey results	Response rate (%)	49	71	71
	Percentage of respondents who think the department provides a safe work environment	–	86	65
Prosecutions	Total number of prosecutions	–	–	–
Mental health and wellbeing	Mental health audit ⁴⁸	–	–	92
	Calendar of mental health and wellbeing activities ⁴⁹	Yes	Yes	Yes

⁴⁸ The new OHS Assurance Program includes assessment of compliance against the Employee Mental Health and Wellbeing Policy. A pilot to provide additional support is ongoing.

⁴⁹ Mental health and wellbeing activities have been organised centrally.

Comparative workforce data

The following tables disclose the head count and FTE of all active public service employees of the department ^{50 51 52 53}.

VPS staff employment levels as at June 2021 and June 2022

		June 2022							June 2021						
		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	3,318	3,031.7	1,953	749	2,465.0	616	566.7	3,302	2,986.7	1,896	839	2,461.2	567	525.5
	Men	1,288	1,258.4	881	70	932.1	337	326.3	1,248	1,212.4	885	76	938.9	287	273.5
	Self-described	12	11.3	9	1	9.6	2	1.7	9	8.7	6	1	6.9	2	1.8
	Age⁵⁴														
	Under 25	81	70.5	34	5	37.3	42	33.2	66	59.3	23	1	23.6	42	35.7
	25-34	981	921.1	551	126	634.9	304	286.2	954	888.7	551	135	639.0	268	249.7
	35-44	1,469	1,342.2	814	350	1,055.6	305	286.6	1,384	1,258.0	763	344	997.4	277	260.6
	45-54	1,113	1,061.6	768	161	884.2	184	177.4	1,084	1,023.4	735	194	872.4	155	151.0
	55-64	750	710.8	540	111	616.1	99	94.7	844	782.5	579	165	688.6	100	93.9
65+	224	195.3	136	67	178.6	21	16.7	227	196.0	136	77	186.0	14	9.9	

⁵⁰Employees have been correctly classified in workforce data collections.

⁵¹This table includes employees of the VCAA, VRQA, ACFE, VATL, Merit Protection Boards and Disciplinary Appeals Boards. Employees in VCAA, VRQA and ACFE are also reported in those authorities' annual reports.

⁵²'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.

⁵³'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.

⁵⁴Age of staff is calculated as at 30 June each year.

		June 2022							June 2021						
		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	3,919	3,712.0	2,461	545	2,852.2	913	859.8	3,634	3,441.4	2,321	509	2,683.3	804	758.1
	VPS 1	1	1.0	-	-	-	1	1.0	27	25.5	-	-	-	27	25.5
	VPS 2 ⁵⁵	140	117.1	69	18	81.6	53	35.5	114	99.2	70	17	80.6	27	18.7
	VPS 3	503	477.1	338	66	384.3	99	92.8	460	433.3	323	66	368.0	71	65.4
	VPS 4	744	714.0	478	85	537.3	181	176.7	660	633.1	439	81	495.8	140	137.2
	VPS 5	1,770	1,667.1	1,018	291	1,226.4	461	440.7	1,585	1,488.9	920	258	1,103.1	407	385.9
	VPS 6	761	735.8	558	85	622.6	118	113.1	788	761.3	569	87	635.8	132	125.5
	Senior employees ⁵⁶	146	142.8	129	13	138.8	4	4.0	121	119.0	109	11	118.0	1	1.0
	Senior Technical Specialist (STS)	29	28.5	22	3	24.5	4	4.0	28	27.4	24	3	26.4	1	1.0
	Senior Executive Service (SES) ⁵⁷	117	114.3	107	10	114.3	-	-	93	91.6	85	8	91.6	-	-
	Other	553	446.6	253	262	415.7	38	30.9	804	647.5	357	396	605.8	51	41.7
	Allied health	553	446.6	253	262	415.7	38	30.9	576	473.3	283	257	442.8	36	30.5
	Nurses ⁵⁸	-	-	-	-	-	-	-	228	174.2	74	139	163.0	15	11.2
Total employees	4,618	4,301.4	2,843	820	3,406.7	955	894.7	4,559	4,207.8	2,787	916	3,407.0	856	800.8	

⁵⁵ The category VPSG2 includes graduate recruits.

⁵⁶ 17 employees were acting in long-term senior positions as at 30 June 2022.

⁵⁷ SES include SES1–3 and the Secretary.

⁵⁸ Nurses were transferred to the Education Support class in August 2021 and are now included in the Government Teaching Service figures.

Government teaching service staff employment levels as at June 2021 and 2022

		June 2022							June 2021						
		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	62,690	52,405.2	28,294	23,456	43,449.7	10,940	8,955.5	62,143	51,798.6	28,169	23,620	43,348.3	10,354	8,450.3
	Men	18,740	17,340.3	12,486	2,856	14,397.6	3,398	2,942.7	18,608	17,187.6	12,449	2,911	14,379.3	3,248	2,808.2
	Self-described	341	267.2	57	67	96.2	217	171.0	58	48.6	23	16	34.1	19	14.5
	Age														
	Under 25	3,709	3,153.8	787	673	1,238.5	2,249	1,915.3	3,473	2,982.1	750	618	1,162.5	2,105	1,819.5
	25–34	21,649	19,816.3	12,533	3,464	14,679.6	5,652	5,136.7	21,724	19,899.9	12,734	3,477	14,891.9	5,513	5,008.0
	35–44	20,442	16,997.0	9,811	7,541	14,602.9	3,090	2,394.1	19,727	16,353.0	9,579	7,403	14,237.3	2,745	2,115.7
	45–54	18,458	15,745.3	9,378	6,886	14,042.0	2,194	1,703.4	18,298	15,493.6	9,201	7,169	14,000.3	1,928	1,493.3
	55–64	14,234	11,859.2	7,064	6,185	11,158.5	985	700.7	14,499	12,034.4	7,208	6,336	11,391.1	955	643.3
65+	3,279	2,441.0	1,264	1,630	2,222.0	385	219.0	3,088	2,271.8	1,169	1,544	2,078.6	375	193.3	
Classification data	Executive class	168	166.8	157	3	158.8	8	8.0	171	169.6	162	2	163.0	7	6.6
	Principal class ⁵⁹	3,424	3,387.7	3,308	116	3,387.7	-	-	3,385	3,349.3	3,270	115	3,349.3	-	-
	Teacher class ⁶⁰	51,920	46,507.6	30,237	11,659	37,574.5	10,024	8,933.1	52,066	46,546.1	30,363	11,686	37,698.9	10,017	8,847.2
	Education support class	26,259	19,950.6	7,135	14,601	16,822.5	4,523	3,128.1	25,187	18,969.7	6,846	14,744	16,550.5	3,597	2,419.2
	Total employees	81,771	70,012.8	40,837	26,379	57,943.5	14,555	12,069.2	80,809	69,034.7	40,641	26,547	57,761.8	13,621	11,273.0

⁵⁹ Principal class includes principals, assistant principals and liaison principals.

⁶⁰ 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
< \$160,000	5 ⁶¹	1 ⁶²
\$160,000 – \$179,999	2 ⁶³	3 ⁶⁴
\$180,000 – \$199,999	13 ⁶⁵	13 ⁶⁶
\$200,000 – \$219,999	27	9
\$220,000 – \$239,999	3	3
\$240,000 – \$259,999	9 ⁶⁷	-
\$260,000 – \$279,999	21 ⁶⁸	-
\$280,000 – \$299,999	8	-
\$300,000 – \$319,999	14 ⁶⁹	-
\$320,000 – \$339,999	3	-
\$340,000 – \$359,999	1	-
\$360,000 – \$379,999	5	-
\$380,000 – \$399,999	2	-
\$400,000 – \$419,999	2	-
\$420,000 – \$439,999	1	-
Total	116	29

⁶¹ This band includes a SES on a part-time basis at 0.8 FTE, 3 SES on a part-time basis at 0.6 FTE and a SES on a part-time basis at 0.4 FTE.

⁶² This band includes a STS on a part-time basis at 0.7 FTE.

⁶³ This band includes 2 SES on a part-time basis at 0.8 FTE.

⁶⁴ This band includes a STS on a part-time basis at 0.9 FTE.

⁶⁵ This band includes 3 SES on a part-time basis at 0.9 FTE.

⁶⁶ This band includes a STS on a part-time basis at 0.9 FTE.

⁶⁷ This band includes a SES at a 50/52 employment mode.

⁶⁸ This band includes a SES at a 50/52 employment mode.

⁶⁹ This band includes 2 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 commitment to deepening diversity and inclusion improves active participation, belonging and all people maintaining their uniqueness. Staff are valued and supported, regardless of their age, ethnicity, race, abilities, religion, socioeconomic status, culture, sex, sexual orientation, and gender identity. The department has several plans and strategies that support this including, its VPS People Strategy 2021–24, Disability Employment Plan 2019–22, Gender Equality Action Plan for 2022–25 and Aboriginal Employment Plan 2020–26.

Providing equal opportunity and echoing the voices of diverse staff and communities is important. 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 2022	Progress as at 30 June 2021
Gender profile at executive levels⁷⁰	50% women	61.5% women	54.4% women
	50% men	38.5% men	45.6% men
Aboriginal employment targets	2% who are Aboriginal and/or Torres Strait Islander peoples	0.3%	0.4%
Disability employment targets	12% by 2025	0.4%	0.3%

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 DET African Australian Network, the DET Enablers Network, the Koorie Staff Network, the DET Pride Network and the DET Women of Colour Network. Staff are also encouraged to participate in the sector-wide VPS staff networks.

⁷⁰ The self-described category is nil for this entry.

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

- making all respectful workplaces e-learning modules in the department mandatory staff training
- supporting Aboriginal participation in a range of Barring Djinang programs. This included staff participation in the Career Development Program and Leadership Development Program, and new candidates in the Aboriginal Internship program, VPS graduate program – Aboriginal pathways and YES trainee program
- establishing the DET Women of Colour Network and the DET African Australian Network
- commencing the RISE program in the department in 2021 to promote neurodiversity in the workplace, through an alternative recruitment pathway for people with autism
- launching the Gender Equality Action Plan in May 2022, which was developed following consultations with 15,000 staff
- achieving a Silver employer award in the Australian Workplace Equality Index. This recognised the significant work undertaken to reduce barriers and promote inclusion for LGBTIQ+ staff at the department.

Senior Executive Service data

The following tables disclose information about the SES of the department and its public entities as at 30 June 2022.

Total number of SES (head count) in the department by gender

Class	All		Men		Women		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-3	9	+1	5	+1	4	-	-	-
SES-2	54	+14	22	+3	32	+11	-	-
SES-1	53	+9	19	-	34	+9	-	-
Total	116	+24	46	+4	70	+20	-	-

Reconciliation of executive numbers (head count) excluding public entities

	2022	2021
Executives (financial statement Note 9.2) ⁷¹	117	98
Accountable Officer (Secretary)	1	1
Less separations ⁷²	(10)	(11)
Less Executives employed by other departments	(1)	(1)
Total executive numbers as at 30 June	107	87

⁷¹ Note 9.2 in the financial statements lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations.

⁷² This item reflects all executive officers who have separated from the department, including those who transferred to another government department.

Number of SES (headcount) in the department's public entities

Entity	All		Men		Women		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
AMES Australia	6.0	-	1.0	-1.0	5.0	+1.0	-	-
Bendigo Kangan Institute	12.0	+2.0	5.0	-1.0	7.0	+3.0	-	-
Box Hill Institute	6.0	-4.0	2.0	-	4.0	-4.0	-	-
Chisholm Institute	9.0	+2.0	4.0	+1.0	5.0	+1.0	-	-
Gippsland Institute of TAFE	5.0	+2.0	2.0	-1.0	3.0	+3.0	-	-
Gordon Institute of TAFE	5.0	-	3.0	-	2.0	-	-	-
Goulburn Ovens Institute of TAFE	5.0	+1.0	2.0	-	3.0	+1.0	-	-
Holmesglen Institute	10.0	-	4.0	-	6.0	-	-	-
Melbourne Polytechnic	13.0	-3.0	7.0	-1.0	6.0	-2.0	-	-
South West Institute of TAFE	5.0	+4.0	1.0	-	4.0	+4.0	-	-
Sunraysia Institute of TAFE	1.0	-	1.0	-	-	-	-	-
VCAA	6.0	+1.0	3.0	-	3.0	+1.0	-	-
VET Development Centre	1.0	-	1.0	-	-	-	-	-
VIT	1.0	-	1.0	-	-	-	-	-
VRQA	4.0	+1.0	3.0	+1.0	1.0	-	-	-
William Angliss Institute of TAFE	3.0	-	2.0	-	1.0	-	-	-
Wodonga Institute of TAFE	5.0	+3.0	2.0	-	3.0	+3.0	-	-
Total	97.0	+9.0	44.0	-2.0	53.0	+11.0	0.0	0.0

Other disclosures

Victoria's Social Procurement Framework

The department implemented its Social Procurement Strategy in February 2019. The strategy prioritises 5 social procurement objectives, which are:

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

In 2021–22, the department spent a total of \$17.6 million through direct engagement of 119 verified social benefit suppliers. This represents an increase of around \$6.2 million on 2010–21. The total spend includes a direct engagement worth \$1.8 million with 33 verified Victorian Aboriginal businesses.

The increase in 2021–22 expenditure is driven by engagements of social enterprises and Victorian Aboriginal businesses for major construction projects and related services, as well as the engagement of a social enterprise, as part of the distribution of air purifier units to schools.

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. This includes engagement with the Social Procurement Assurance team at the DTF on procurements estimated to be above \$20.0 million.

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.

In 2022, a revised Project Management Framework was developed to mandate the application of the Building Equality Policy. The department has updated its construction

procurement plan templates and construction procurement guides to reflect the requirements of the policy to create employment opportunities for women through school construction activities.

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 2021–22, the department commenced or completed a total of 152 Local Jobs First projects, totalling \$1.8 billion. This includes 145 standard projects and 7 strategic projects. Metropolitan Victoria projects averaged 68% local content, and those based in regional Victoria averaged 70% local content. The statewide projects averaged 45% local content.

Projects commenced – Local Jobs First Standard

During 2021–22, the department commenced 96 Local Jobs First Standard Projects, valued at \$775 million. The projects based in metropolitan Victoria averaged 74% local content, projects based in regional Victoria expect to use 62% local content and statewide projects expect to use 50% local content.

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

- an average of 70% local content overall
- a total of 897,162 work hours created and 2,685,828 work retained⁷³
- an estimated 292,448 new apprenticeships and traineeships work hours created
- an estimated 448,275 work hours for apprenticeships and traineeships retained.

MPSG projects provided an estimated 91,219 annual work hours to 88 apprentices, trainees, and cadets.

Projects completed – Local Jobs First Standard

During 2021–22, the department completed 49 Local Jobs First Standard Projects, with a total value of \$322 million. The projects based in metropolitan Victoria averaged 76% local content, and those based in regional Victoria averaged 70% local content and statewide projects averaged 45% local content.

The expected outcomes based on reported and extrapolated information are:

- an average of 73% local content

⁷³ Since January 2022, all Victorian government departments and agencies are required to use the Victorian Management Centre portal to record the committed and actual hours worked. This is a change to the methodology used in previous years where departments reported on positions created and retained.

- a total of 58,917 work hours created and 145,756 work retained
- an estimated 15,638 new apprenticeships and traineeships work hours created an estimated 32,935 work hours for apprenticeships and traineeships retained.

MPSG projects provided an estimated total of 17,479 annual work hours to 300 apprentices, trainees and cadets.

Projects commenced – Local Jobs First Strategic

During 2021–22, the department commenced 3 Local Jobs First Strategic Projects, valued at \$359 million. The projects based in metropolitan Victoria expect to use 86% local content and statewide projects expect to use 84% local content.

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

- an average of 85% local content
- a total of 93,771 work hours created and 1,008,150 work retained
- an estimated 32,504 new apprenticeships and traineeships work hours created an estimated 81,306 work hours for apprenticeships and traineeships retained.

MPSG projects provided an estimated total of 113,810 annual hours to 32 apprentices, trainees, and cadets.

Projects completed – Local Jobs First Strategic

During 2021–22, the department completed 4 Local Jobs First Strategic Projects, with a total value of \$346 million. All projects were based in metropolitan Victoria and averaged 29% local content.

The outcomes based on the reported information are:

- an average of 29% local content
- a total of 37,882 work hours created and 33,548 work retained
- an estimated 37,881 new apprenticeships and traineeships work hours created an estimated 33,548 work hours for apprenticeships and traineeships retained.

MPSG projects provided an estimated total of 71,430 annual work hours to 300 apprentices, trainees and cadets.

Reporting requirements – grants

For grants provided during 2021–22, a total of zero 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 2021–22

Campaign	Summary	Start/end	Advertising (media)	Creative and campaign development	Research and evaluation	Print and collateral	Other	Total
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.	18 May – 30 June 2022	394,974	255,480	21,608	–	–	672,062
TAFE Brand	The campaign aimed to challenge perceptions of TAFE and the TAFE Victorian brand by showcasing the high quality of Victoria's TAFE courses, qualifications and successful outcomes of learners.	1 July 2021 – 31 May 2022	–	549,690	57,960	–	–	607,650
TAFE Boost	The campaign aimed to support existing TAFE enrolment campaigns through a departmental investment boost.	21 March – 30 June 2022	150,000	–	–	–	–	150,000
Free TAFE	The campaign aimed to support the Free TAFE initiative by promoting the range of courses available and encouraging enrolments. It included targeted social media to address local needs. Key messages included being job-ready and financially rewarding.	1 – 30 June 2022	–	170,544	45,000	–	–	215,544
Skills Set Skills First	The campaign sought to raise awareness among industry experts about the opportunity to be a TAFE teacher by raising awareness of the teaching vacancies and encouraging industry experts or other audiences to consider a career change, or a return to work.	1 July 2021 – 31 December 2021	331,310	12,310	–	–	16,500	360,120
Career Quickstarter	The campaign aimed to raise awareness about the introduction of Skills First Skill Sets and the Funded Skills Set List. It also sought to inform providers, students, employers and industry about policy settings (including eligibility), available training and the process.	30 September 2021 – 31 May 2022	–	37,580	29,940	–	–	67,520

Campaign	Summary	Start/end	Advertising (media)	Creative and campaign development	Research and evaluation	Print and collateral	Other	Total
Three-Year-Old Kinder: public awareness and enrolment	<p>The 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 and 2023.</p> <p>A dedicated campaign aimed to raise awareness of Three-Year-Old Kindergarten and to encourage enrolment among culturally and linguistically diverse groups and families.</p>	21 July 2021 – 30 June 2022	1,755,471	211,780	11,000	109,436	375,676	2,463,365
Three-Year-Old Kinder: workforce recruitment	The campaign aimed to increase enrolments in workforce pathways by promoting early childhood teaching as a career, and financial support to study. It also sought to promote the financial incentives available for qualified early childhood teachers in both Victoria and interstate (excluding New Zealand) to take up a position at priority services across Victoria.	5 September 2021 – 30 June 2022	3,941,570	162,485	46,723	15,656	482,008	4,648,443
Kinder Tick	<p>The campaign aimed to inform families about the Kinder Tick and encouraged families to enroll in Victorian Government funded and approved kindergarten programs.</p> <p>The Kinder Tick brand helps families identify Victorian Government-funded and approved kindergarten programs in both long day care and standalone (sessional) kindergarten settings.</p>	3 September 2021 – 30 June 2022	542,349	19,098	–	18,746	1,776	581,969
Teacher Recruitment 'Teach the Future'	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. The campaign targeted year 12 school leavers and career switchers.	1 August 2021 – 30 June 2022	2,721,836	460,323	184,264	1,420	186,950	3,554,793
Senior Secondary Pathways (Many talents One VCE)	The campaign aimed to raise awareness of the new VCE Vocational Major replacing VCAL from 2023. The campaign targeted students, parents/guardians, and people from diverse cultural communities.	22 May – 30 June 2022	277,000	51,157	69,850	–	–	398,007
Active Schools 'Get Your Move On'	<p>The campaign aimed to increase the number of Victorian students participating in physical activity outside school hours. It also 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>This campaign launched in April 2021 and will continue until June 2023.</p>	1 July 2021 – 30 June 2022	705,115	23,272	49,990	30,160	482,835	1,291,373

Campaign	Summary	Start/end	Advertising (media)	Creative and campaign development	Research and evaluation	Print and collateral	Other	Total
Keeping our schools and early childhood services COVID Safe campaign	The campaign aimed to raise awareness of the return to face-to-face learning in Term 1, 2022 and the promotion of RATs, wearing face masks as required, and staying home if unwell.	31 January – 25 April 2022	167,073	50,199	–	–	–	217,272

Consultancy expenditure

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

In 2021–22, the department and the VSA recorded 42 consultancies whose total fees were \$10,000 or greater. The total expenditure incurred in 2021–22 in relation to these consultancies is \$9.9 million (excluding GST). Details of the individual consultancies are outlined in [Department of Education and Training Annual Report 2021–22 Additional Information](http://www.vic.gov.au/department-education-and-training-annual-reports) <www.vic.gov.au/department-education-and-training-annual-reports>.

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

In 2021–22, there were 2 consultancies whose total fees were less than \$10,000.

Information and communication technology expenditure

In accordance with the VPS' Information and Communication Technology (ICT) reporting standard, the department's ICT expenditure is reported below. This includes ICT expenditure incurred by the VSA.

ICT expenditure

Measure	\$ million
Business as usual ICT expenditure	383.2
Non-business as usual ICT expenditure	
• Operating expenditure	5.8
• Capital expenditure	29.3
Total ICT non-business as usual expenditure	35.1
Total ICT expenditure	418.3

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 2022. Details of contracts are disclosed in the Victorian Government contracts' publishing system at www.buyingfor.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 one formal complaint through its procurement complaints management system in 2021–22 relating to an open market procurement in which the supplier queried the award process. It was found that all procurement policies and processes had been adhered to. An independent probity advisor had also been appointed to oversee the procurement.

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 on 7 September 2021 for specified procurement projects relating to the safety of students and staff at education settings in response to the COVID-19 pandemic. These protocols were still in place as at 30 June 2022.

Total value of procurements made under critical incident protocols

Goods and services purchased under critical incident protocols	\$ (ex GST)
Goods purchased under protocols in 2021–22	138,518,357
Services purchased under protocols in 2021–22	13,546,872
Total	152,065,229

Freedom of Information

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

People can apply to access documents 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.vic.gov.au/freedom-information-requests-department-education-and-training.

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 who are 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 2021–22, the department received 761 FOI requests. Of these:

- 690 were from individuals seeking access to their own records
- 14 were requests from members of parliament
- 35 were from media organisations
- 22 were from members of the public seeking policy-related and other miscellaneous documents.

The Office of the Victorian Information Commissioner was asked to review 22 requests, and 3 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.vic.gov.au/freedom-information-requests-department-education-and-training.

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
VCAA	Level 7 2 Lonsdale Street Melbourne 3000	vcaa.foi@education.vic.gov.au	(03) 9032 1700
VRQA	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
Victorian Institute of Teaching	Level 9 628 Bourke Street Melbourne 3000	vit@vit.vic.edu.au	(03) 8601 6100

Agency	Postal address	Email	Telephone
Disciplinary Appeals Boards	Level 4 2 Lonsdale Street Melbourne 3000	dab@education.vic.gov.au	(03) 7022 0040
Independent office of School Dispute Resolutions	Level 4 2 Lonsdale Street Melbourne 3000	school.resolution@education.vic.gov.au	(03) 7022 1199
VATL	41 St Andrews Place Melbourne 3000	academy@education.vic.gov.au	(03) 8199 2900
VSA	GPO Box 4367 Melbourne 3001	www.skillsauthority.vic.gov.au	(03) 9059 5107

Further information regarding FOI can be found at www.vic.gov.au/freedom-information-requests-department-education-and-training.

Compliance with the DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the department made 8 data sets available on the DataVic website in 2021–22. The information listed below and elsewhere in this Annual Report is available in electronic readable format at www.data.vic.gov.au.

The information includes:

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

Compliance with the Building Act

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 major works 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 2021–22 is provided below.

Major works sites

School ⁷⁴	School	School	School
Ainslie Parklands PS	Aintree PS	Aireys Inlet PS	Aitken Hill PS
Alamanda K-9 C	Albanvale PS	Alexandra PS	Alexandra SC
Alfredton PS	Alkira SC	Alphington PS	Altona C
Altona Green PS	Altona Meadows PS	Altona PS	Anakie PS
Antonio Park PS	Apollo Bay P-12 C	Ardeer PS	Armadale PS
Armstrong Creek School	Arnolds Creek PS	Ascot Vale Heights School	Ascot Vale PS
Ascot Vale West PS	Ashburton PS	Aspendale PS	Athol Rd PS
Auburn PS	Auburn South PS	Avenel PS	Avoca PS
Bacchus Marsh C	Bacchus Marsh PS	Bairnsdale SC	Ballarat PS
Ballarat SS	Bandiana PS	Banyule PS	Baringa SS
Barton PS	Barwon Valley School	Bass Valley PS	Bayside P-12 C
Bayside SDS	Bayswater South PS	Bayswater West PS	Beaconsfield Upper PS
Bealiba PS	Beaufort ECC	Beaumaris PS	Beeac PS
Beechworth PS	Belgrave South PS	Bell Park North PS	Bell PS
Bellbrae PS	Belmont HS	Belmore S	Berendale S
Beulah PS	Beverford District PS	Beverley Hills PS	Big Hill PS
Black Hill PS	Black Rock PS	Blackburn HS	Blackburn Lake PS
Bonbeach PS	Boneo PS	Boronia West PS	Box Hill HS
Briar Hill PS	Brighton Beach PS	Broadford PS	Broadford SC
Broadmeadows SDS	Brunswick East PS	Buangor PS	Bundarra PS
Bundoora PS	California Gully PS	Camberwell PS	Cambridge PS
Camms Road PS	Campbells Creek PS	Camperdown C	Carlisle River PS
Carlton PS	Carrington PS	Carwatha P-12 C	Casey Fields PS
Castlemaine North PS	Castlemaine SC	Chalcot Lodge PS	Charles La Trobe P-12 C
Chatham PS	Clifton Springs PS	Clunes PS	Cobram and District SS

⁷⁴ C: College, CS: Consolidated School, ECC: Early Childhood Centre, ELS: English Language School, HS: High School, K: Kindergarten, PS: Primary School, S: School, SC: Secondary College, SDS: Special Development School, SS: Specialist School

School ⁷⁴	School	School	School
Coburg HS	Coburg West PS	Cockatoo PS	Coimadai PS
Colac PS	Collingwood ELS	Copperfield C	Craigieburn PS
Craigieburn SC	Cranbourne East PS	Cranbourne East SC	Cranbourne Park PS
Cranbourne PS	Cranbourne West PS	Croxton SS	Croydon Hills PS
Croydon SDS	Dallas K	Dandenong North PS	Dandenong Valley SDS
Darnum PS	Darraweit Guim PS	Davis Creek PS	Deanside K
Dederang PS	Delacombe PS	Diamond Creek East PS	Diamond Valley SDS
Diggers Rest PS	Dimboola Memorial SC	Dingley PS	Dohertys Creek P-9 C
Don Valley PS	Doncaster SC	Dromana PS	Dromana SC
Drouin PS	Drouin SC	Drouin West PS K	Dunolly PS
Eagle Point PS	Eaglehawk PS	Eaglehawk SC	East Loddon P-12 C
Eastwood PS and Deaf Facility	Edenhope C	Edgars Creek PS	Edgars Creek SC
Elevation SC	Elisabeth Murdoch C	Elphinstone PS	Eltham North PS
Eltham PS	Emerald SC	Emerson S	Eppalock PS
Epping PS	Epsom PS	Eskdale PS	Essendon East Keilor District C
Essendon North PS	Essex Heights PS	Eucalyptus Parade K	Euroa PS
Featherbrook C	Footscray City PS	Footscray HS	Footscray North PS
Footscray PS	Foster SC	Fountain Gate PS	Fountain Gate SC
Frankston SDS	Fyans Park PS	Gaayip-Yagila PS	Gardenvale PS
Garrang Wilam PS	Gilgai Plains PS	Gisborne SC	Glen Huntly PS
Gleneagles SC	Glenroy Central PS	Glenroy West PS	Greenhills PS
Grey Street PS	Halls Gap PS	Hampden SS & Terang C	Hampton Park PS
Harkaway PS	Harrietville PS	Hayes Hill PS	Healesville HS
Healesville PS	Heatherwood S	Heathmont C	Heathmont East PS
Hesket PS	Hoddles Creek PS	Holy Child K	Holyoake Parade PS
Hopetoun P-12 C	Horsham C	Huntly PS	Hurstbridge PS
Horsham C	Irymple PS	Irymple South PS	Jennings Street S

School ⁷⁴	School	School	School
Jindivick PS	John Henry PS	Kambrya C	Kangaroo Flat PS
Kangaroo Ground PS	Kensington PS	Kerrimuir PS	Kew PS
Keysborough Gardens PS	Keysborough PS K	Kiewa Valley PS	Kilberry Valley PS
Kinglake PS	Kinglake West PS	Kingsbury PS	Kingsley Park PS
Kismet Park PS	Knox Central PS	Knox Park PS	Koo Wee Rup PS
Koroit and District PS	Korumburra SC	Kunyang PS	Kurnai C
Kyabram P-12 C	Kyneton HS	Kyneton PS	Lalor Gardens PS
Lalor PS	Lalor PS K	Lalor SC	Lancefield PS
Landsborough PS	Lara PS	Launching Place PS	Laurimar PS
Le Page PS	Lilydale Heights C	Lilydale HS	Little Bendigo PS
Lockwood PS	Lockwood South PS	Lollypop Creek PS	Longwood PS
Lorne P-12 C	Lyndale Greens PS	Lyndale SC	Lyndhurst PS
Lyndhurst SC	Macarthur PS	Macclesfield PS	Macedon PS
Mackellar PS	MacRobertson Girls HS	Maffra SC	Maiden Gully PS
Mallacoota K	Manor Lakes P-12 C	Maribyrnong SC	Marnebek S
Maryborough Education Centre	McClelland SC	Meadows PS	Melba SC
Melrose PS	Melton SC	Melton SS	Melton West PS
Mentone Park PS	Merbein P-10 C	Merino CS	Mernda Central P-12 C
Merriang SDS	Merrifield West Secondary S	Merrijig PS	Metung PS
Mickleham PS	Middle Park PS	Middleton Drive K	Mill Park Heights PS
Mitta Mitta PS	Monash SDS	Monbulk PS	Moolap PS
Moomba Park PS	Mooroolbark East PS	Mooroopna North PS	Mordialloc C
Moreland PS	Morwell Park PS K	Mossfiel PS	Mount Alexander 7-12 C
Mount Beauty PS	Mount Beauty SC	Mount Eliza North PS	Mount Erin SC
Mount Ridley P-12 C	Mount Ridley Special S	Mount Rowan SC	Mount View PS
Mount Waverley Heights PS	Mount Waverley North PS	Mount Waverley SC	Movelle PS K

School ⁷⁴	School	School	School
Narre Warren South P-12 C	Newborough PS	Newbury PS	Newhaven PS
Newlands PS	Nichols Point PS	Niddrie PS	Noble Park ELS
Noble Park SC	Northcote HS	Northern Bay P-12 C	Northern S For Autism
Northcote HS	Northern Bay P-12 C	Norwood SC	Nowa Nowa PS
Nullawarre and District PS	Nullawil PS	Numurkah PS	Nungurner PS
Oakleigh PS K	Oberon HS	Ocean Grove PS	Officer Rix Road PS
Officer SC	Officer SS	Old Orchard PS	Orchard Grove PS
Orrvale PS	Osbornes Flat PS	Outdoor S	Oxley PS
Parkdale PS	Parkdale SC	Parktone PS	Pascoe Vale Girls SC
Pascoe Vale North PS	Pascoe Vale PS	Pender's Grove PS	Peninsula Specialist C
Pentland PS	Peter Lalor SC	Pinewood PS	Plenty Parklands PS
Point Cook P-9 C	Portland South PS	Preston HS	Preston PS
Preston South PS	Puckapunyal PS	Pyalong PS	Ramleigh Park PS
Rangebank PS	Rangeview PS	Raywood PS	Red Cliffs East PS
Red Cliffs PS	Red Hill CS	Reservoir East PS K	Reservoir PS
Reservoir West PS	Riddells Creek PS	Ringwood Heights PS	Ringwood North PS
Ringwood SC	Riverdale East PS	Riverwalk PS	Rockbank Murray Road PS
Rockbank PS	Rosamond SS	Rosebud SC	Rosedale PS
Rosehill SC	Rosewood Downs PS	Rowville PS	Rubicon Outdoor S
Rushworth P-12 C	Ruskin Park PS	Sale C	Saltwater P-9 C
Sandringham C	Sassafras PS	Scoresby SC	Seabrook PS
Seaford PS	Selby PS	Seville PS	Shepparton East PS
Sherbourne PS	Silvan PS	Somers PS	Somerville PS
South Oakleigh SC	Southern Autistic S	Specimen Hill PS	Springhurst PS
Springside West SC	Springvale Park SDS	St Andrews PS	St Leonards PS
Stanhope PS	Strathewen PS	Strathmore North PS	Strathulloh PS
Streeton PS	Sunbury C	Sunbury Downs C	Sunbury Heights PS

School ⁷⁴	School	School	School
Sunbury PS	Sunshine C	Sunshine Heights PS	Surf Coast SC
Surfside PS	Surrey Hills PS	Swan Hill PS	Sydenham - Hillside PS
Sydney Road Community S	Talbot PS	Talgarno PS	Tallarook PS
Taradale PS	Tarneit Missen House PS	Tarneit Rise PS	Tarneit Senior C
Taylors Lakes SC	Tecoma PS	Teesdale PS	Templestowe Heights PS
The Basin PS	Thomastown SC	Thornbury HS	Tinternvale PS
Toolern Vale and District PS	Tooradin PS	Torquay Coast PS	Torquay P-6 C
Traralgon C	Traralgon South PS	Tulliallan PS	Tylden PS
Ultima PS	Undera PS	University HS	University Park PS
Upper Ferntree Gully PS	Upper Yarra SC	Upwey PS	Vermont South Special S
Verney Road S	Waaia-Yalca South PS	Wahgunyah PS	Wallan PS
Wallington PS	Wandong PS	Wangaratta District SS and Appin Park PS	Wangaratta West PS
Wantirna PS	Warracknabeal Education Precinct	Warragul Regional C	Warrandyte PS
Warringa Park S	Warrnambool C	Watsonia PS	Wedge Park PS
Wellington SC	Welshpool and District PS	Wesburn PS	Westall PS
Western Autistic S	Westmeadows PS	Whealers Hill SC	Williamstown HS
Williamstown PS	Winters Flat PS	Woody Yaloak PS	Wodonga Middle Years C
Wodonga PS	Wollert East SC	Wollert West PS	Wonthaggi SC
Woodford PS	Woodmans Hill SC	Woori Yallock PS	Wycheproof P-12 C
Wyndham Central SC	Wyndham Park PS	Wyndham Vale PS	Yackandandah PS
Yarra Hills SC	Yarra Ranges SDS	Yarram SC	Yarraman Oaks PS
Yarrambat PS	Yarrowonga P-12 C	Yinnar PS	York Street K
Yuille Park P-8 Community C			

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

During 2021–22, the department had 303 building permits, 132 occupancy permits, and 158 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 Make Safe and Emergency Maintenance 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

One emergency order was issued in 2021–22, due to a classroom fire. This building was removed.

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

During 2021–22, no buildings were required to be brought into conformity with building standards.

Compliance with the Public Interest Disclosures Act

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 (IBAC):

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

Phone: 1300 735 135

Website: 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

www2.education.vic.gov.au/pal/report-fraud-or-corruption/overview

Disclosures under the Public Interest Disclosure Act

	2021–22	2020–21	2019–20	2018–19
The number of disclosures made by an individual to the department and notified to IBAC: assessable disclosures.	7	10	8	18

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.

The 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 2021–22 were 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

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 2021–22, the department continued its implementation of the almost \$1.6 billion Disability Inclusion reform across Victorian government schools. Disability Inclusion is delivering a new strengths-based Disability Inclusion Profile, a new tiered funding model providing more resources to schools to support students with disability, and investment in building skills and knowledge in inclusive education across the school system.

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 Disability Inclusion reforms which will replace the existing Program for Students with Disabilities over a 5-year implementation period between 2021 and 2025. Other programs include 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 the Carers Recognition Act

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) 24 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 and the VSA's 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

- New data from one site has been added to the reportable site list through the ESP this year, thus improving efficiency and accountability.
- To allow precise reporting, 4 sites have been removed from the reportable site list because data has not been available through the ESP.
- Almost three quarters of the department-owned operational fleet are hybrid vehicles, and the department no longer owns diesel-fuelled vehicles.

All consumption data is for the period from 1 April 2021 to 31 March 2022, to allow for a full reporting year and to improve accuracy for annual reporting. Variance in consumption for most indicators in 2021–22 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, and TAFEs. 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 details used for reporting calculations are shown in the table below.

Full-time equivalent staff and net lettable area

Indicator	2021–22	2020–21	2019–20
Office FTE	5,071.2	4,667.7	4,500.8
Office net lettable area	73,216.3	74,775	74,775
Number of offices	32	35	35

In 2021–22 the department’s FTE increased by 8.6% from the previous year.

Energy usage

The data below was collected through the ESP. It represents 97% of the department’s office-based locations for electricity and 69% of the department’s office-based locations for gas. The department continues to work with the SSP’s contractor, Jones Lang LaSalle to improve these figures.

Energy consumption

Indicator	2021–22	2020–21	2019–20
E1. Total energy usage segmented by primary source (MJ)	27,397,516	28,866,316	33,277,172
Electricity (MJ)—excluding green power	23,748,592	22,764,191	26,434,947
Natural gas (MJ)	3,648,924	6,102,125	6,842,225
Green power (MJ)	–	–	–
LPG (MJ)	–	–	–
E.2 Total greenhouse gas emissions from energy consumption (tonnes CO₂-e)	6,521	6,511	8,601
Electricity (tonnes CO ₂ -e)—excluding green power	6,333	6,197	8,221
Natural gas (tonnes CO ₂ -e)	188	314	379
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)	5,715	6,971	7,394
E.5 Units of office energy used per office area (MJ/m²)	403	439	473
Voluntary/optional indicators			
2 Lonsdale Street, Melbourne (base building and tenancy)	5.5 stars	5.0 stars	4.5 stars
80 Collins Street, Melbourne (base building)	4.0 stars	5.0 stars	4.5 stars
35 Collins Street, Melbourne (base building)	4.5 stars	4.0 stars	–
7-15 McLaren Street, Bendigo (whole building)	6.0 stars	6.0 stars	–

Actions undertaken

- Certification was achieved for 6 Star Green Star rating and Gold WELL of Level 3, 35 Collins Street, Melbourne.
- A new site (Ringwood) has been added to the reporting list that reports electricity consumption.

Target

The department will contribute to the state's target to reduce greenhouse gas emissions from 2005 levels by 28–33% by 31 March 2025. Department-specific targets are to be confirmed.

Explanatory notes

Total energy consumption reduced by 5% from 2020–21. Electricity consumption increased by 4% but natural gas consumption decreased by 40%. The variation in electricity and gas for 2021–22 can be attributed to the intermittency of staff's presence in offices across Victoria due to the impact of the COVID-19 pandemic. The department is continuously looking for opportunities to improve reporting and further reduce energy consumption.

The data collected through the ESP represents 97% of office accommodation for electricity and 69% of office accommodation for gas. Jones Lang LaSalle (SSP's contractor) has informed the department that some sites do not have access to gas data. The limitation of not having access to gas data has been considered when calculating the percentage of sites that report natural gas.

Invoiced and accrued data have been used for this section. Invoiced data accounts for 61% and accrued data accounts for 39% for electricity. For gas, invoiced data accounts for 89% and accrued data accounts for 11%. Generally, sites with accrued data are sites where Jones Lang LaSalle needs to request data directly from the landlord rather than receiving regular invoices from the utility provider.

Waste and recycling

The data below was collected through the ESP and represents 59% of its sites across Victoria. The department continues to address waste generation through a variety of re-use and recycling methods and initiatives.

Waste and recycling

Indicator	2021–22	2020–21	2019–20
Ws1: Total units of waste disposed of by destination (kg)	42,050	94,844	107,531
Landfill	14,175	21,452	41,161
Comingled recycling	3,667	5,633	12,685
Paper and card	3,655	6,277	15,486
Secure documents	16,946	54,105	31,987
Organics	3,607	7,378	6,212

Indicator	2021–22	2020–21	2019–20
Ws2: Total units of waste disposed of per FTE by destination (kg/FTE)	19	45	46
Landfill	8	13	18
Comingled recycling	2	4	5
Paper and card	2	5	7
Secure documents	5	17	14
Organics	2	6	3
Ws3: Recycling rate (%)	58	77	62
Ws4: Greenhouse gas emissions associated with waste disposal (tonnes CO₂-e)	23	34	58
Voluntary/optional indicators			
Recycling services (kg)	508	1,318	–
Soft plastics recycled (kg)	1	–	–

Actions undertaken

- By February 2022, the department phased-out problematic single-use plastics, including straws, cutlery, plates, drink stirrers, expanded polystyrene food and drink containers, and cotton bud sticks within its department offices, in preparation of the statewide ban from February 2023.
- The department continues to establish 3-stream (landfill, recycling and organic) waste management practices in all office accommodations (new included).
- A soft plastics recycling scheme is being trialled on our sites in Level 3 at 35 Collins Street and 2 Treasury Place.
- The department continues to divert disused recycled office supplies from landfill using recycling services, although it has been strongly impacted by the COVID-19 pandemic.

Target

The department will contribute to the state’s target to halve the volume of organic material going to landfill from 2020 levels by 2030. Department-specific targets are to be confirmed.

Explanatory notes

The department continues to share its waste collection points at the Treasury Precinct with other tenants. Each bin collection point serves several organisations making it difficult to accurately measure waste contributed solely by the department. A calculation provided by SSP’s contractor, Jones Lang LaSalle, has been used to calculate waste disposed of at 2 Treasury Place.

Compared to last year, all streams have had a considerable decrease. Waste directed to landfill decreased by 34%, comingled recycling decreased by 35%, organics decreased by 51%, paper and card decreased by 42% and secure documents decreased by 69%, despite the increase in FTE. The reduction in waste generation for 2021–22 can be attributed to the intermittent presence of staff on sites due to the impact of the COVID-19 pandemic.

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% of FTE. However, the waste audit was not undertaken. Due to the COVID19 pandemic, most office-based staff were working from home and waste audits would not have been representative of normal operating conditions, therefore not providing significant value to the report. The department is looking for further opportunities to improve waste reporting and continue waste reduction.

Paper

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

Paper purchasing and usage

Indicator	2021–22	2020–21	2019–20
P1: Total units of A4 equivalent copy paper used (reams)	4,201	3,799	27,543
P2: Units of A4 equivalent copy paper used per FTE (reams/FTE)	0.8	0.8	7
P3: Percentage of 75–100% recycled content copy paper purchased	51	64	59
P3: Percentage of 50–74% recycled content copy paper purchased	–	–	–
P3: Percentage of 0–49% recycled content copy paper purchased	49	36	41
Voluntary/optional indicators			
Percentage of certified paper used	100	–	–
Percentage of publications available electronically	–	–	–

Actions undertaken

As part of the State Purchase Contract arrangement during 2021–22, there has been a continued focus on redirecting product selection for white A4 copy paper purchases to a 100% recycled product.

A new departmental corporate printing policy was released in late 2021, giving staff clear requirements on expectations around acceptable printing. FollowMe Print has been rolled out across the department so staff can use their building access pass to securely print documents at any printer. In addition to reducing paper waste, FollowMe Print contributes to improved security, sustainability and workforce mobility.

Groups and regions were provided with their first paper usage report in February 2022, outlining how printing and mail digitisation practices have changed, compared to pre-pandemic and how groups and regions compare to each other.

Target

Updated department-specific targets are to be confirmed.

Explanatory notes

Total copy paper usage in 2021–22 saw a slight increase from the 2020–21 period, likely due to staff returning to work in office locations. The target of maintaining less than one ream per FTE has been met, with less than one (0.83) reams of paper being used per FTE.

Maintaining the target is dependent on department staff maintaining the current reduced levels of copy/printer paper usage when returning to the office. Staff commitment to a ‘paperless office’ strategy and only printing when necessary is key to meeting this target.

The department is working towards automated printing reporting so that teams can easily track printing and target support to areas that require printing as part of an existing manual process. Printer fleet reduction is underway with redundant printers decommissioned and additional requirements for printers met by reallocation from the existing fleet.

The proportion of copy paper purchased with the highest recycled content has decreased to 51% in 2021–22, compared to 64% in 2020–21.

The department will continue to drive higher levels of recycled content purchases in 2022–23 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 72% of the department’s office sites cover about 84% of FTEs.

Water consumption

Indicator	2021–22	2020–21	2019–20
W1: Total units of metered water consumed by water source (kilolitres)	11,756	12,305	18,723
W2: Units of metered water consumed in offices per FTE by usage type (kilolitres/FTE)	2.8	3.3	5.7

Indicator	2021–22	2020–21	2019–20
W3: Units of metered water consumed in offices per unit of office space (kilolitres per metre squared)	0.20	0.20	0.42
Voluntary/optional indicators:			
Details of National Australian Built Environment Rating System water rating/s achieved (star rating)			
2 Lonsdale Street, Melbourne (base building and tenancy)	5.0 stars	–	–
80 Collins Street, Melbourne (base building)	5.0 stars	–	–
35 Collins Street, Melbourne (base building)	4.5 stars	–	–
35 Collins Street, Melbourne (Level 3 tenancy)	6.0 stars	–	–
7–15 McLaren Street, Bendigo (whole building)	6.0 stars	–	–

Actions undertaken

The department undertook a refurbishment of the tenancy on Level 3, 35 Collins Street. It is the first department in Victoria to achieve both Gold WELL V2.0 and Green Star 6 ratings for a new fitout.

Target

Updated department-specific targets are to be confirmed.

Explanatory notes

Total water consumption decreased by 5% compared to last year. Low water consumption for 2021–22 might be attributed to the intermittence of staff's presence 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 for these sites has been calculated based on the percentage of the net lettable area held by the department's buildings.

Transportation

Of the department-owned operational fleet of 371⁷⁵ vehicles:

- 74.1% are hybrid electric vehicles
- 25.9% are petrol-fuelled
- none are diesel-fuelled.

⁷⁵ The total fleet during 2021–22 was 373 vehicles. However, two vehicles were used by VCAA, and have been excluded from the department's Annual Report. Last year's figures included a wellbeing vehicle that has been disposed of and not replaced.

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.

The data reported below for 2019–20 relates to transport that occurred in the financial year. Data from 2020–21 and going forward relates to the period from 1 April to 31 March, to align transport data with other emissions data in this report.

Energy consumption of operational vehicles

Indicator	2021–22	2020–21	2019–20
T1: Total energy usage consumption by fleet vehicles (MJ)	3,734,815	2,595,797	10,706,341
Diesel	85,975 ⁷⁶	134,889	308,542
LPG	–	–	–
Unleaded	1,729,991	1,562,315	7,718,546
Hybrid	1,918,849	898,593	2,679,253
T2: Total distance travelled by fleet vehicles (km)	1,612,022	1,249,238	5,887,186
Diesel	17,752	51,274	99,970
LPG	–	–	–
Unleaded	613,670	667,184	3,890,864
Hybrid	980,600	530,780	1,896,352
T3: Total greenhouse gas emissions from fleet vehicles (tonnes CO₂-e)	266	185	763
Diesel	6	10	23
LPG	–	–	–
Unleaded	123	111	550
Hybrid	137	64	191
T4: Greenhouse gas emissions from fleet vehicles per 1,000km (tonnes CO₂-e)			
Diesel	0.36	0.19	0.23
LPG	–	–	–

⁷⁶ The department reports diesel energy usage for vehicles hired via the SSP. There are no diesel vehicles in the department's operational fleet.

Indicator	2021–22	2020–21	2019–20
Unleaded	0.20	0.13	0.14
Hybrid	0.14	0.10	0.10
Total distance travelled by air (km)	84,259	55,910	2,395,060

T5: Percentage of staff using sustainable transport to get to and from work by locality			
CBD	92	– ⁷⁷	–
Regional	7	–	–
Voluntary indicators			
Number of petrol hybrid, electric and plug-in hybrid electric vehicles	274	168	178

Actions undertaken

The department leases environmentally friendly operational vehicles, including 4-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 department will contribute to the state’s target to reduce greenhouse gas emissions from 2005 levels by 28–33% by 31 March 2025. Department-specific targets are to be confirmed.

Explanatory notes

In 2021–22 the department’s vehicle usage continued to be 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 161 new vehicles on order, of which 18 are electric (Zero Emission Vehicles), 3 are diesel vehicles and 140 are hybrid, to replace vehicles that have reached the end of their lease terms.

The data used to calculate the percentage of staff using sustainable transport to get to and from work by locality was collected from the department’s Hybrid Working Survey 2021. In this case, sustainable transport refers to taking public transport only. The department is working to improve the collection of data to accommodate for this section of the Annual Report.

⁷⁷ 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.

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	2021–22	2020–21	2019–20
G1: Total greenhouse gas emissions from energy use (tonnes CO ₂ -e)	6,521	6,511	8,601
G2: Total greenhouse gas emissions from vehicle fleet (tonnes CO ₂ -e)	266	185	618
G3: Total greenhouse gas emissions from air travel (tonnes CO ₂ -e)	17	10	577
G4: Total greenhouse gas emissions from waste disposal (tonnes CO ₂ -e)	23	34	58
G5: Greenhouse gas emissions offset purchased (tonnes CO ₂ -e)	103	(10)	(577)
Voluntary indicators			
Total greenhouse gas emissions from water consumption (tonnes CO ₂ -e) ⁷⁸	16	14	23
Grand total greenhouse gas emissions created by the department	6,740	6,744	9,300

Actions undertaken

In 2021–22, the department had a net zero carbon footprint for its corporate travel including air travel, accommodation, and car rental by purchasing 103 tonnes of greenhouse gas emissions offset.

Target

The department will contribute to the state's target to reduce greenhouse gas emissions from 2005 levels by 28–33% by 31 March 2025. Department-specific targets are to be confirmed.

Explanatory notes

The increase of total greenhouse gas emissions from energy and water consumption compared to last year – despite having used less energy and water overall – is that the conversion factors are slightly higher this year, compared to last year's, for both indicators.

⁷⁸ Greenhouse gas emissions from water consumption is calculated using the Environmental Protection Authority methodology and emissions factor for water consumption as stated from section 3.8 Reticulated water, Greenhouse gas (GHG) inventory and management plan 2020–21.

The department's total greenhouse gas emissions retained a very similar figure compared to last year's data. These figures can largely be attributed to the impacts of the COVID-19 pandemic with staff working from home.

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.

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

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'. The department is working to improve this initiative.

Additional information available on request

FRD 22 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 the details of assessments and measures undertaken to improve the OHS of employees available in the Occupational Health and Safety and Workers Compensation section of this report.

The requirements listed below are included in the department's Annual Report 2021–22 Additional Information, available from www.vic.gov.au/department-education-and-training-annual-reports.

They 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 changes in prices, fees, charges, rates and levies charged by the department
- 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 general statement on industrial relations in the department and details of time lost through industrial accidents and disputes
- 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.

Financial Management Compliance Attestation Statement

I, Jenny Atta, certify that the Department of Education and Training, has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink, appearing to read 'J. Atta', with a stylized flourish at the end.

Jenny Atta

Secretary

Department of Education and Training

Melbourne

06 September 2022

About this report

In accordance with FRD 10, 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 2022, and the financial position of the department as at 30 June 2022.

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 06 September 2022.



Jenny Atta
Secretary
Department

Melbourne
06 September 2022



Tonella Costa
Chief Finance Officer
Department

Melbourne
06 September 2022

Victorian Auditor-General's Report



Victorian Auditor-General's Office

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 2022• 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 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 2022 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 APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
The 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 of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

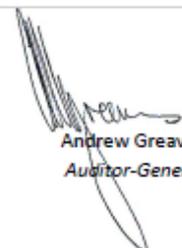
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

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

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

MELBOURNE
8 September 2022



Andrew Greaves
Auditor-General

Comprehensive operating statement for the financial year ended 30 June 2022

	Notes	2022 (\$m)	2021 (\$m)
Continuing operations			
Revenue and income from transactions			
Output appropriations	2.3.1	14,834.4	16,133.9
Special appropriations	2.3.2	6.2	5.8
Grants	2.4.1	48.3	62.2
Sale of goods and services	2.4.2	235.4	234.2
Other income	2.4.3	636.3	295.5
Total revenue and income from transactions		15,760.6	16,731.6
Expenses from transactions			
Employee expenses	3.1.1	(8,351.2)	(8,021.7)
Interest expenses	7.1.1(b)	(24.3)	(24.9)
Depreciation and amortisation	5.1.1	(470.8)	(458.0)
Grant and other payments	3.1.2	(2,838.4)	(2,547.4)
Capital asset charge	3.1.3	–	(1,996.3)
Other operating expenses	3.1.4 / 9.6	(3,591.7)	(3,073.1)
Total expenses from transactions		(15,276.4)	(16,121.4)
Net result from transactions (net operating balance)		484.2	610.2
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	9.1	19.4	0.2
Net gain/(loss) on financial instruments	9.1	(2.2)	(2.4)
Other gains/(losses) from other economic flows	9.1	173.1	52.7
Total other economic flows included in net result		190.3	50.5
Net result		674.5	660.7
Other economic flows – other comprehensive income: Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.5	5,384.8	2,833.0
Total other economic flows – other comprehensive income		5,384.8	2,833.0
Comprehensive result		6,059.3	3,493.7

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

Balance sheet as at 30 June 2022

	Notes	2022 (\$m)	2021 (\$m)
Assets			
Financial assets			
Cash and deposits	7.3	1,590.9	1,482.6
Receivables	6.1	3,195.1	2,758.4
Other financial assets	5.3	1.6	0.4
Total financial assets		4,787.6	4,241.4
Non-financial assets			
Intangible assets	5.2	66.0	50.5
Property, plant and equipment	5.1	35,664.6	29,129.3
Other non-financial assets	6.2	109.0	114.2
Total non-financial assets		35,839.6	29,294.0
Total assets		40,627.2	33,535.4
Liabilities			
Payables	6.3	890.3	668.4
Other liabilities	6.3.3	60.2	71.4
Borrowings	7.1	577.3	582.3
Provisions	3.1.1(b)	1,821.3	1,980.8
Total liabilities		3,349.1	3,302.9
Net assets		37,278.1	30,232.5
Equity			
Accumulated surplus/(deficit)		4,897.8	4,223.5
Physical asset revaluations surplus	9.5	20,429.3	15,044.5
Contributed capital		11,951.0	10,964.5
Net worth		37,278.1	30,232.5
Contingent assets and contingent liabilities	8.2	(62.9)	(64.5)
Commitments for expenditure	7.5.3	3,975.0	2,615.4

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 2022

	Physical asset revaluation surplus [Note 9.5] (\$m)	Accumulated surplus/ (deficit) (\$m)	Contributed capital (\$m)	Total Equity (\$m)
Balance at 1 July 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 ⁷⁹	–	–	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
Net results for the year	–	674.5	–	674.5
Prior-year adjustments	–	(0.2)	–	(0.2)
Other comprehensive income for the year	5,384.8	–	–	5,384.8
Capital appropriations ⁷⁹	–	–	1,047.7	1,047.7
Administrative restructure – net assets transferred	–	–	(6.5)	(6.5)
Contributed capital transfers (out)	–	–	(54.7)	(54.7)
Balance at 30 June 2022	20,429.3	4,897.8	11,951.0	37,278.1

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

⁷⁹ Reflects capital (Additions to the Net Asset Base) appropriation funding for the state capital program (Note 2.3.1(a)).

Cash flow statement for the financial year ended 30 June 2022

	Notes	2022 (\$m)	2021 (\$m)
Cash flows from operating activities			
Receipts			
Receipts from government		14,422.0	15,725.3
Receipts from other entities		889.5	950.8
GST recovered from the Australian Taxation Office (ATO)		542.8	510.6
Interest received		5.5	4.0
Total receipts		15,859.8	17,190.7
Payments			
Payments of grants and other transfers		(2,786.7)	(2,925.2)
Payments to suppliers and employees		(12,171.8)	(11,583.1)
GST paid to the ATO		(19.9)	(13.0)
CAC payments		–	(1,996.3)
Short-term, low-value and variable lease payments		(43.3)	(43.8)
Interest and other costs of finance paid		(24.4)	(23.6)
Total payments		(15,046.1)	(16,585.0)
Net cash flows from/(used in) operating activities	7.3.1	813.7	605.7
Cash flows from investing activities			
Purchases of non-financial assets		(1,746.9)	(1,574.1)
Proceeds from investments		1.5	2.8
Payments for investments		(1.9)	(0.4)
Sale of plant and equipment		7.7	3.1
Proceeds from loan and advances ⁸⁰		1.0	0.2
Payment of loan and advances ⁸¹		(12.1)	(1.5)
Cash transferred on activities transferred out – administrative restructuring		0.3	–
Prior-year adjustments		(0.2)	(0.5)
Net cash flows from/(used in) investing activities		(1,750.6)	(1,570.4)
Cash flows from financing activities			
Owner contributions received from Victorian Government		1,047.7	915.7
Cash transferred on activities transferred out – administrative restructuring		(6.8)	–
Proceeds from borrowings		85.1	63.3
Repayment of borrowings and principal portion of lease liabilities		(80.8)	(88.9)
Net cash flows from/ (used in) financing activities		1,045.2	890.1
Net increase/(decrease) in cash and deposits		108.3	(74.6)
Cash and deposits at the beginning of the financial year		1,482.6	1,557.2
Cash and deposits at the end of the financial year	7.3	1,590.9	1,482.6

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

⁸⁰ Includes inter-departmental loans repayments made by TAFEs for the Greener Government Buildings program.

⁸¹ Includes an advance to Fordview Pty Ltd to build South Drive Rd to enable access to the McKinnon Secondary College site for school building works.

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 2022. 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.

Consistent with the requirements of the Australian Accounting Standards Board (AASB) 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) 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.

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 in future periods that are affected by the revision. Judgements and assumptions made by management in the application of Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

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 FM Act and applicable AAS, which include interpretations issued by the 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 06 September 2022.

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 2 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.

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 3 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 (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case,

the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

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

Note 2 Funding delivery of our services

Objectives and funding	Structure
<p>The department leads the delivery of education and development services to children, young people and adults, both directly through government schools and indirectly through the regulation and funding of early childhood services, non-government schools and training programs.</p> <p>The department implements Victorian Government policy on early childhood services, school education and training, and higher education services. The department manages Victorian government schools and drives improvement in primary and secondary government education.</p> <p>The department provides support and advisory services to the Minister for Education, the Minister for Training and Skills and the Minister for Higher Education, as well as a number of statutory bodies.</p> <p>The department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs that are further described in Note 4.</p>	<p>2.1 Summary of revenue and income that fund the delivery of our services</p> <p>2.2 Appropriations</p> <p>2.3 Summary of compliance with annual parliamentary and special appropriations</p> <p style="padding-left: 20px;">2.3.1 (a) Summary of compliance with annual parliamentary appropriations</p> <p style="padding-left: 20px;">(b) Annotated income agreements appropriations</p> <p style="padding-left: 20px;">2.3.2 Summary of compliance with special appropriations</p> <p>2.4 Income from transactions</p> <p style="padding-left: 20px;">2.4.1 Grants</p> <p style="padding-left: 20px;">2.4.2 Sales of goods and services</p> <p style="padding-left: 20px;">2.4.3 Other income</p>

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

Revenue and income from transactions

	Notes	2022 (\$m)	2021 (\$m)
Income from transactions			
Output appropriations	2.3.1	14,834.4	16,133.9
Special appropriations	2.3.2	6.2	5.8
Grants	2.4.1	48.3	62.2
Sale of goods and services	2.4.2	235.4	234.2
Other income	2.4.3	636.3	295.5
Total income from transactions		15,760.6	16,731.6

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 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 ⁸²	Section 30 ⁸³	Section 32	Section 35 advances	Total parliamentary authority	Appropriations applied	Variance ⁸⁴
2022 controlled										
Provisions for outputs	14,473.9	–	–	609.9	(47.2)	69.2	–	15,105.8	14,834.4	271.4
Additions to net assets	1,409.9	–	–	25.9	47.2	21.3	–	1,504.3	1,047.7	456.6
Total	15,883.8	–	–	635.8	–	90.5	–	16,610.1	15,882.1	728.0

⁸² Total does not align to note 2.3.1b due to rounding.

⁸³ The \$47.2 million appropriation transfer from provision of outputs to additions to the net assets primarily includes \$31.0 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 extra additions to net assets funding.

⁸⁴ The provision for outputs variance of \$271.4 million is largely driven by a reduction in demand for training and school programs of \$123.6 million including \$69.0 million for training subsidies, Free TAFE Fee Waivers and Concessions, \$11.4 million for Disability Inclusion, \$5.2 million for Doctors in Schools and \$4.6 million for Sanitary items in schools as well as carryover requested into 2022–23 across state (\$72.1 million) initiatives and Commonwealth (\$36.3 million) initiatives. The carryover includes state initiatives, such as \$18.5 million for air purification and shade sails for schools, \$12.8 million for Non-Government Schools Infrastructure Fund, \$7.7 million for 2020–21 Building Better TAFEs Fund, \$7.0 million for Essential Maintenance and Compliance, and \$6.1 million for Minor Capital Works Fund. This also includes the Commonwealth initiative of \$35.5 million for the Preschool Reform Agreement.

The additions to net assets variance of \$456.6 million is largely driven by \$325.5 million of carryover requested into 2022–23. This includes initiatives such as \$213.9 million for Upgrades and Modernisation, \$46.5 million for New Schools Construction, \$28.7 million for Land Acquisition and \$11.8 million for Ready for school: kinder for every three-year-old. Amounts have been rounded to the nearest million. Figures may not equate due to rounding.

	Annual appropriation	Advance from Treasurer	Section 3(2)	Section 29	Section 30 ⁸⁵	Section 32	Section 35 advances	Total parliamentary authority	Appropriations applied	Variance ⁸⁶
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

⁸⁵ 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 extra additions to net assets funding.

⁸⁶ 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 3-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.

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	2022 (\$m)	2021 (\$m)
Sales of goods and services			
Bastow Institute courses and events		0.5	0.4
Casual relief teaching panel rebate fees		0.2	–
EduPay administration fees		1.1	2.5
Overseas student program fees		50.9	76.7
Housing rent		0.8	1.0
School bus fees		0.7	0.7
Total		54.2	81.4
Revenue from municipal councils			
Receipts from municipal councils – School capital program		24.5	14.9
Receipts from municipal councils – Other capital program		1.4	–
Total		25.9	14.9
Commonwealth specific-purpose payments			
National skills and workforce development		405.1	406.2
Universal access to early education		90.0	130.2
Preschool Reform Agreement		44.3	–
National school chaplaincy program		12.6	12.5
Revitalising TAFE campuses across Australia		3.0	4.8
Piloting Joint Monitoring and Data Sharing – Better child care regulation initiative		0.5	–
Infection Control Training Fund		–	10.4
Total		555.5	564.1
Total annotated income agreements	2.3.1(a)	635.6	660.4

2.3.2 Summary of compliance with special appropriations

	Purpose	2022 (\$m)	2021 (\$m)
Funded from revenue:			
Section 5.6.8 of the Education and Training Reform Act	Volunteers workers' compensation	0.3	0.1
Section 10 of the FM Act	National school chaplaincy program	5.1	4.8
Section 10 of the FM Act	Support for students with a disability	0.8	0.7
Section 10 of the FM Act	Independent public schools	–	0.2
Total special appropriation revenue		6.2	5.8

2.4 Income from transactions

2.4.1 Grants

	2022 (\$m)	2021 (\$m)
Income recognised as income of not-for-profit entities		
Grants to acquire a recognisable non-financial asset	14.9	21.3
Specific purpose without any sufficiently specific performance obligations	33.4	40.9
Total grants	48.3	62.2

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 AAS.

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 AASB 15

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

	2022 (\$m)	2021 (\$m)
Sales of goods and services		
Schools revenue – including sales of classroom material, before and after-school care, and other trading operations	214.3	233.0
Provision of services	21.1	1.2
Total sales of goods and services	235.4	234.2

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.

Revenue from:

- sale of goods is recognised when 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 service 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

	2022 (\$m)	2021 (\$m)
Other income		
Schools revenue – including parents' voluntary contributions and other locally raised funds	344.5	281.9
Interest on bank deposits	5.5	4.0
Other revenue	286.3	3.3
Land received free of charge	–	6.3
Total other income	636.3	295.5

Other income is recognised upon the receipt of the funds or resources 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
<p>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 disaggregated information in relation to the income and expenses by output.</p>	<p>3.1 Expenses incurred in delivery of services</p> <p>3.1.1 Employee benefits in the comprehensive operating statement</p> <p>3.1.2 Grants and other payments</p> <p>3.1.3 Capital asset charge</p> <p>Other operating expenses</p>

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	2022 (\$m)	2021 (\$m)
Expenses from transactions			
Employee expenses	3.1.1	8,351.2	8,021.7
Grant and other payments	3.1.2	2,838.4	2,547.4
Capital asset charge	3.1.3	–	1,996.3
Other operating expenses	3.1.4/9.6	3,591.7	3,073.1
Total expenses incurred in delivery of services		14,781.3	15,638.5

3.1.1 (a) Employee benefits in the comprehensive operating statement

	2022 (\$m)	2021 (\$m)
Employee expenses		
Salaries and wages	6,796.7	6,456.2
Superannuation	703.1	632.8
Annual leave and long service leave expense	337.8	494.7
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	513.6	438.0
Total employee expenses	8,351.2	8,021.7

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).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the department is demonstrably committed to terminating the employment of current employees, according to a detailed formal plan, without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

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.

	2022 (\$m)	2021 (\$m)
Current provisions		
Employee benefits⁸⁷ – annual leave		
Unconditional and expected to be settled within 12 months	109.7	111.8
Unconditional and expected to be settled after 12 months	19.7	19.2
Employee benefits⁸⁷ – long service leave		
Unconditional and expected to be settled within 12 months	174.0	155.3
Unconditional and expected to be settled after 12 months	977.0	1,103.9
Employee benefits⁸⁷ – other		
Other provisions	13.4	1.5
Total	1,293.8	1,391.7
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months	49.4	43.3
Unconditional and expected to be settled after 12 months	199.7	222.9
Total	249.1	266.2
Other – make good and refunds/reimbursements ⁸⁸	9.4	2.0
Total current provisions	1,552.3	1,659.9
Non-current provisions		
Employee benefits ⁸⁷	222.0	264.6
Other on-costs related to employee benefits	43.4	50.7
Total	265.4	315.3
Other – make good ⁸⁸	3.6	5.6
Total non-current provisions	269.0	320.9
Total provisions	1,821.3	1,980.8

⁸⁷ Provisions for employee benefits consist of amounts for annual leave, long service leave and other employee benefits accrued by employees, not including on-costs.

⁸⁸ Make good and refunds/reimbursement provisions do not form part of employee benefits, but do form part of total current provisions.

Reconciliation of movements in on-cost provisions

2022	Total (\$m)
Opening balance	316.9
Additional provisions recognised	75.9
Reductions arising from payments/other sacrifices of future economic benefits	(61.5)
Reductions resulting from re-measurement	(12.7)
Unwind of discount and effect of changes in the discount rate	(26.1)
Closing balance	292.5
Current	249.1
Non-current	43.4

Wages and salaries, 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.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates, which are current at the reporting date. These liabilities are measured at present value, as the department does not expect to wholly settle them within 12 months.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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. This is because the department 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.

Funds	Paid contributions for the year 2022 (\$m)	Paid contributions for the year 2021 (\$m)
Defined benefit plans		
State superannuation schemes	64.8	68.9
Other – state employees retirement benefits scheme	1.6	1.6
Defined contribution plans		
VicSuper	463.9	423.3
Other	172.8	139.0
Total	703.1	632.8

There are no contributions outstanding as at 30 June 2022 and 30 June 2021.

3.1.2 Grants and other payments

	2022 (\$m)	2021 (\$m)
Grant and other payments		
Grants to VATL	30.7	–
Grants to VCAA	81.3	70.4
Grants to VRQA	16.9	17.2
Grants to TAFE	871.6	808.7
Grants to ACFE Board	32.1	31.2
Grants to non-government schools	1,035.7	958.4
Grants to external organisations	741.0	631.1
Other payments	29.1	30.4
Total grants and other payments	2,838.4	2,547.4

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

Grants can be paid as general-purpose grants, which 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

	2022 (\$m)	2021 (\$m)
Capital asset charge	–	1,996.3

A capital asset charge (CAC) was a charge levied on the budgeted written-down value of controlled non-current physical assets in a department's balance sheet. In previous years, CAC had been used to demonstrate the opportunity cost of utilising government assets.

It should be noted that the CAC policy was discontinued in 2021–22 and also reflected in the 2021–22 Budget. While the inclusion of CAC was previously reflected in output cost, it did not reflect a net distribution of funds from the department, because the department was funded from the budget for its CAC expense, and the department always then immediately paid the same amount back into the consolidated fund.

3.1.4 Other operating expenses

	2022 (\$m)	2021 (\$m)
Administration	604.4	496.8
Maintenance	276.0	279.1
School requisites	1,031.2	762.4
IT-related costs	204.6	203.6
Service agreement payments	1,141.3	1,139.4
Short-term and low-value leases	43.3	43.8
Remuneration of auditors ⁸⁹	10.6	10.5
Settlement of litigation	1.6	1.0
Other expenses	245.1	133.3
Finance expenses and fees	2.1	2.4
Ex-gratia expenses ⁹⁰	–	0.1
Bad and doubtful debts	31.5	0.7
Total other operating expenses	3,591.7	3,073.1

Other operating expenses include cost of goods sold and 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.

⁸⁹ All auditing remuneration, including production of these financial statements (Note 9.6).

⁹⁰ 2021 reflects an ex-gratia payment made in connection with licensing arrangements from the former Shepparton High School site.

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 occurs.

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 2022, 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

4.3 Restructuring of administrative arrangements

4.1 Department output

4.1.1 Descriptions and objectives

Departmental outputs achieved during the year ended 30 June 2022, 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 2 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

This 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

This 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

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

Support for students with disabilities

This 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 2022

	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	112.3	889.6	10,209.1	1,896.0	443.9	1,283.5	14,834.4
Special appropriations	–	–	5.4	–	–	0.8	6.2
Grants	–	4.9	38.2	4.5	0.3	0.4	48.3
Sales of goods and services	–	–	234.9	–	0.5	–	235.4
Other income	0.1	0.4	634.2	1.0	(0.1)	0.7	636.3
Total revenue and income from transactions	112.4	894.9	11,121.8	1,901.5	444.6	1,285.4	15,760.6
Expenses from transactions							
Employee expenses	(72.6)	(85.4)	(6,822.5)	(69.2)	(207.9)	(1,093.6)	(8,351.2)
Interest expense	–	–	(24.3)	–	–	–	(24.3)
Depreciation and amortisation	(8.1)	(9.1)	(425.9)	(4.4)	(3.2)	(20.1)	(470.8)
Grants and other payments	(18.9)	(49.1)	(1,263.2)	(1,283.1)	(211.5)	(12.6)	(2,838.4)
Other operating expenses	(12.8)	(751.3)	(2,101.7)	(544.8)	(22.0)	(159.1)	(3,591.7)
Total expenses from transactions	(112.4)	(894.9)	(10,637.6)	(1,901.5)	(444.6)	(1,285.4)	(15,276.4)
Net result from transactions (net operating balance)	–	–	484.2	–	–	–	484.2
Other economic flows included in net results							
Net gain/(loss) on non-financial assets	–	0.1	17.2	–	0.1	2.0	19.4
Net gain/(loss) on financial instruments	–	–	(2.2)	–	–	–	(2.2)
Other gains/(losses) from other economic flows	1.5	1.8	141.4	1.4	4.3	22.7	173.1
Total other economic flows included in net result	1.5	1.9	156.4	1.4	4.4	24.7	190.3
Net result	1.5	1.9	640.6	1.4	4.4	24.7	674.5
Other economic flows—other comprehensive income							
Changes in physical asset revaluation surplus	–	–	4,865.7	–	27.3	491.8	5,384.8
Total other economic flows—other comprehensive income	–	–	4,865.7	–	27.3	491.8	5,384.8
Comprehensive result	1.5	1.9	5,506.3	1.4	31.7	516.5	6,059.3

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

	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	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)
CAC	(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

4.1.3 (a) Departmental outputs: Controlled assets and liabilities as at 30 June 2022

	Strategy, review and regulation (\$m)	Early childhood development (\$m)	School education (\$m)	Higher educated and skills (\$m)	Support services delivery (\$m)	Support for students with disabilities (\$m)	Departmental total (\$m)
Assets							
Financial assets	25.1	181.0	3,578.9	420.5	149.6	432.5	4,787.6
Non-financial assets	19.0	225.5	31,745.8	9.5	154.2	3,685.6	35,839.6
Total assets	44.1	406.5	35,324.7	430.0	303.8	4,118.1	40,627.2
Liabilities							
Liabilities	26.0	49.0	2,648.5	149.4	92.3	383.9	3,349.1
Total Liabilities	26.0	49.0	2,648.5	149.4	92.3	383.9	3,349.1
Net assets	18.1	357.5	32,676.2	280.6	211.5	3,734.2	37,278.1

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

	Strategy, review and regulation (\$m)	Early childhood development (\$m)	School education (\$m)	Higher educated and skills (\$m)	Support services delivery (\$m)	Support for students with disabilities (\$m)	Departmental total (\$m)
Assets							
Financial assets	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

4.2 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	
	2022 (\$m)	2021 (\$m)
Administered income from transactions		
Sales of goods and services	73.1	82.5
Commonwealth on-passing to non-government schools		
<i>General recurrent grants</i>	4,187.6	3,803.0
<i>Other</i>	91.3	101.3
Fines and regulatory fees	2.4	2.3
Other income	33.7	15.4
Total administered income from transactions	4,388.1	4,004.5
Administered expenses from transactions		
Commonwealth on-passing to non-government schools		
<i>General recurrent grants</i>	(4,187.6)	(3,803.0)
<i>Other</i>	(91.3)	(102.4)
Other	(0.2)	(0.2)
Administered paid to consolidated fund	(60.7)	(58.3)
Total administered expenses from transactions	(4,339.8)	(3,963.9)
Total administered net result from transactions (net operating balance)	48.3	40.6
Administered other economic flows included in the administered net result		
Net gain/(loss) on non-financial assets	(43.6)	(34.7)
Total administered other economic flows	(43.6)	(34.7)
Administered net result	4.7	5.9
Total administered comprehensive result	4.7	5.9
Administered financial assets		
Cash and deposits	1.3	1.3
Receivables	50.9	41.6
Total administered assets	52.2	42.9

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.

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 to non-government schools

The department's administered grants mainly comprise of funds from the Commonwealth to assist the Victorian 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.

4.3 Restructuring of administrative arrangements

In September 2021, the government amended the *Education and Training Act 2006 (Victorian Academy of Teaching and Leadership) Act 2021* to establish a new statutory body, the VATL, from 1 January 2022. As part of the machinery of government restructure, the department (as transferor) relinquished its professional learning functions for Victorian teachers and school leaders to VATL (the transferee). This resulted in a \$6.5 million reduction in net assets within the department's financial statements for Note 4.1 Department Output.

As VATL is a statutory body that consolidates within the department's portfolio for reporting purposes, there are no financial impacts for output costs reported under the Report of Operations (p. 33 to 53) or to amounts reflected in the budget portfolio outcomes (p. 218 to 233).

Restructuring of administrative arrangements	2022 Transfer out: Output – school education (\$m)
Assets	
Other financial assets	(6.5)
Property, plant and equipment	(0.3)
Liabilities	
Other liabilities	(0.3)
Net assets recognised/(transferred)	(6.5)
Net capital contribution from the Crown	(6.5)

Comparative amounts for the prior year have not been adjusted. The net assets assumed by VATL as a result of the administrative restructure was recognised in the balance sheet at the carrying amount of those assets in the department's balance sheet immediately before the transfer. The net asset transfers were treated as a contribution of capital.

No income has been recognised by VATL in respect of the net asset transferred from the department.

Note 5 Key assets available to support output delivery

Introduction

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

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

Structure

5.1 Property, plant and equipment

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

5.1.1 Depreciation and amortisation

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

5.2 Intangible assets

5.3 Other financial assets

5.3.1 Ageing analysis of other financial assets

5.1 Total property, plant and equipment

	2022 (\$m)	2021 (\$m)
Land		
At fair value	16,238.3	13,856.5
Buildings		
At fair value	17,080.0	14,191.3
Less accumulated depreciation	-	(1,078.9)
Total buildings	17,080.0	13,112.4
Heritage buildings		
At fair value	120.7	104.5
Less accumulated depreciation	-	(12.0)
Total heritage buildings	120.7	92.5
Leasehold buildings		
At fair value	688.3	614.8
Less accumulated depreciation	(20.7)	(43.0)
Total leasehold buildings	667.6	571.8
Leasehold improvements		
At fair value	33.6	31.8
Less accumulated depreciation	(23.4)	(18.5)
Total leasehold improvements	10.2	13.3
Plant and equipment		
At fair value	602.0	581.2
Less accumulated depreciation	(494.3)	(480.2)
Total plant and equipment	107.7	101.0
Work in progress		
Buildings at cost	1,427.3	1,366.9
Plant and equipment at cost	12.8	14.9
Total work in progress	1,440.1	1,381.8
Total property, plant and equipment	35,664.6	29,129.3

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	
	2022 (\$m)	2021 (\$m)	2022 (\$m)	2021 (\$m)	2022 (\$m)	2021 (\$m)
Leasehold buildings at fair value	688.3	614.8	(20.7)	(43.0)	667.6	571.8
Plant and equipment at fair value	44.4	43.5	(15.6)	(16.5)	28.8	27.0
Net carrying amount	732.7	658.3	(36.3)	(59.5)	696.4	598.8

	Leasehold buildings		Plant and equipment		Total	
	2022 (\$m)	2021 (\$m)	2022 (\$m)	2021 (\$m)	2022 (\$m)	2021 (\$m)
Opening balance	571.8	574.7	27.0	29.6	598.8	604.3
Additions	18.8	4.1	8.2	2.6	27.0	6.7
Lease modifications	–	9.5	–	–	–	9.5
Revaluation increments/(decrements)	96.3	–	–	–	96.3	–
Disposals	–	–	(2.8)	(1.3)	(2.8)	(1.3)
Depreciation	(19.3)	(16.5)	(3.6)	(3.9)	(22.9)	(20.4)
Closing balance	667.6	571.8	28.8	27.0	696.4	598.8
Total as at 30 June represented by						
Gross book value	688.3	614.8	44.4	43.5	732.7	658.3
Accumulated depreciation and impairment	(20.7)	(43.0)	(15.6)	(16.5)	(36.3)	(59.5)
Total as at 30 June	667.6	571.8	28.8	27.0	696.4	598.8

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, a 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 8.3.

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, therefore, a community service obligation (CSO) is applied and these assets are classified as Level 3 under the current replacement cost (CRC) method.

The annual fair value assessment for land includes, the use of the land indices published by the Valuer-General Victoria (VGV) as per the requirements of FRD 103 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. There is no observable market value. These assets are classified as Level 3 under the CRC method.

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 CRC.

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.

Refer to Note 8.3.2 for additional information on fair value determination of property, plant and equipment.

5.1.1 Depreciation and amortisation

	2022 (\$m)	2021 (\$m)
Depreciation and amortisation		
Property, plant and equipment		
Buildings	404.5	391.7
Leasehold buildings ⁹¹	19.3	16.5
Leasehold improvements	4.8	4.9
Plant and equipment	31.6	32.9
Software	10.6	12.0
Total depreciation and amortisation	470.8	458.0

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.

⁹¹ Of the amounts included in 'leasehold buildings', \$15.1 million (2021: \$14.8 million) for assets contracted under the public private partnership (PPP) arrangements.

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

Asset class: Useful life years	2022	2021
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 CRC and fair value less costs to sell.

The department, in conjunction with 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 April 2022. The impact of the VGV indices on the fair value since 30 June 2021 triggered a managerial revaluation increase of \$2,201 million for land assets and \$3,184 million for buildings.

The market that the assets are valued in is impacted by the fluctuating environmental and market conditions including the continued coronavirus (COVID-19) outbreak. The valuer has advised this creates valuation uncertainty. The value assessed at the valuation date may therefore change over a relative short period of time.

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

2022	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	13,856.5	13,112.4	92.5	571.8	13.3	101.0	1,381.8	29,129.3
Adjusted balance at 1 July 2021	13,856.5	13,112.4	92.5	571.8	13.3	101.0	1,381.8	29,129.3
Additions	190.2	14.5	4.2	18.8	–	34.5	1,416.5	1,678.7
Transfers to completed assets	–	1,348.8	–	–	1.8	7.6	(1,358.2)	–
Disposals	–	(55.0)	–	–	(0.1)	(3.5)	–	(58.6)
Revaluation increments/(decrements) ⁹²	2,200.7	3,059.8	28.0	96.3	–	–	–	5,384.8
Transfer (to)/from assets held for sale	(9.1)	–	–	–	–	(0.3)	–	(9.4)
Depreciation	–	(400.5)	(4.0)	(19.3)	(4.8)	(31.6)	–	(460.2)
Closing balance	16,238.3	17,080.0	120.7	667.6	10.2	107.7	1,440.1	35,664.6

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
Adjusted balance at 1 July 2020	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) ⁹²	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

⁹² The large upward revaluation from the annual fair value assessment using indices published by the VGV as per the requirements of FRD 103 Non-Financial Physical Assets.

5.2 Intangible assets

2022	Software at cost (\$m)	Software work in progress (\$m)	Total (\$m)
Opening balance	157.4	31.1	188.5
Additions	1.7	25.4	27.1
Disposals	(1.4)	–	(1.4)
Transfers between classes	30.3	(30.3)	–
Closing balance	188.0	26.2	214.2
Accumulated amortisation			
Opening balance	(138.0)	–	(138.0)
Amortisation expense	(10.6)	–	(10.6)
Write back due to disposals	0.4	–	0.4
Closing balance	(148.2)	–	(148.2)
Net book value at end of financial year	39.8	26.2	66.0

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

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.

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

	2022 (\$m)	2021 (\$m)
Term deposits held by schools	1.6	0.4

Amounts held by schools with a maturity of 3 months or more are disclosed as 'Other financial assets'.

5.3.1 Ageing analysis of other financial assets

2022	Carrying amount (\$m)	Not past due and not impaired (\$m)	Past due but not impaired			
			Less than 1 month (\$m)	1-3 months (\$m)	3 months to 1 year (\$m)	Over 1-year (\$m)
Term deposits	1.6	1.6	-	-	-	-
Total	1.6	1.6	-	-	-	-

2021	Carrying amount (\$m)	Not past due and not impaired (\$m)	Past due but not impaired			
			Less than 1 month (\$m)	1-3 months (\$m)	3 months to 1 year (\$m)	Over 1-year (\$m)
Term deposits	0.4	0.4	-	-	-	-
Total	0.4	0.4	-	-	-	-

Note 6 Other assets and liabilities

Introduction	Structure
This section sets out those assets and liabilities that arose from the department's operations.	<ul style="list-style-type: none"> 6.1 Receivables <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 6.3.1 Ageing analysis of contractual payables 6.3.2 Deferred capital grant revenue 6.3.3 Other liabilities

6.1 Receivables

	2022 (\$m)	2021 (\$m)
Statutory		
Amounts owing from Victorian Government	3,001.3	2,582.7
GST receivables	95.8	88.4
Total statutory receivables	3,097.1	2,671.1
Contractual		
Contractual receivables before impairment		
Other receivables ^{93,94}	104.6	72.8
Loan receivables	37.3	57.7
Total	141.9	130.5
Allowance for impairment of losses of contractual receivables	(43.9)	(43.2)
Total contractual receivables	98.0	87.3
Made up of:		
Current receivables	2,897.7	2,387.3
Non-current receivables	297.4	371.1
Total receivables	3,195.1	2,758.4

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.

⁹³ 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.

⁹⁴ 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.

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 2022	Carrying amount (\$m)		Past due but not impaired			
			Less than 1 month (\$m)	1–3 months (\$m)	3 months to 1 year (\$m)	Over 1 year (\$m)
Expected loss rate		22%	4%	11%	2%	45%
Receivables	141.9	18.0	3.2	4.2	29.8	86.7
Loss allowance	43.9	4.0	0.1	0.5	0.6	38.7

1 July 2021	Carrying amount (\$m)		Past due but not impaired			
			Less than 1 month (\$m)	1–3 months (\$m)	3 months to 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

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows.

6.1.1 Movement in the allowance for impairment losses of contractual receivables

	2022 (\$m)	2021 (\$m)
Balance at the beginning of the year	(43.2)	(43.0)
Reversal of unused provision recognised in the net result	0.9	1.0
Increase in provision recognised in the net result	(1.6)	(3.4)
Reversal of provision of receivables written off during the year as uncollectable	–	2.2
Balance at end of the year	(43.9)	(43.2)

AASB 9 requires that receivables are assessed for expected credit losses on a regular basis. Provision for impairment is recognised when there is objective evidence that the department will not be able to collect a receivable. Receivables are written off against the carrying amount when there is no reasonable expectation of recovery.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

6.2 Other non-financial assets

	2022 (\$m)	2021 (\$m)
Prepayments	57.1	83.8
Non-financial assets held for sale	9.4	0.2
Other	42.5	30.2
Total other non-financial assets	109.0	114.2

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

	2022 (\$m)	2021 (\$m)
Current payables		
Contractual		
Salaries, wages and on-costs	174.7	59.2
Accrued grants and transfer payments	170.0	118.1
Deferred capital grant revenue	–	1.3
Schools creditors	12.2	11.9
Capital expenditure	157.3	217.8
Operating expenditure	259.1	184.9
Advances received	17.8	5.0
Total	791.1	598.2
Statutory		
Taxes payable	42.2	20.7
Advance from Public Account	57.0	49.5
Total	99.2	70.2
Made up of:		
Current payables	876.1	663.4
Non-current payables	14.2	5.0
Total payables	890.3	668.4

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

2022	Carrying amount (\$m)	Nominal amount (\$m)	Maturity Dates				
			Less than 1 month (\$m)	1–3 months (\$m)	3 months to 1 year (\$m)	1–5 years (\$m)	>5 years (\$m)
Payables	791.1	791.1	777.0	6.0	7.0	0.4	0.7
Total	791.1	791.1	777.0	6.0	7.0	0.4	0.7

2021	Carrying amount (\$m)	Nominal amount (\$m)	Maturity Dates				
			Less than 1 month (\$m)	1–3 months (\$m)	3 months to 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

6.3.2 Deferred capital grant revenue

	2022 (\$m)	2021 (\$m)
Grant consideration for capital works recognised that was included in the deferred grant liability balance (adjusted for AASB 1058) at the beginning of the year	1.3	12.0
Grant consideration for capital works received during the year ⁹⁵	14.5	10.9
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(15.8)	(21.6)
Closing balance of deferred grant consideration received for capital works	-	1.3

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

The department has recognised a previously deferred portion of the grant consideration as a liability for outstanding works in the current year. 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 Grants).

6.3.3 Other liabilities

	2022 (\$m)	2021 (\$m)
Contract liabilities	53.7	64.2
Other liabilities	6.5	7.2
Total other liabilities	60.2	71.4

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.

⁹⁵ Grant consideration is net of funds returned to the grantor when consideration received exceeds completed project costs.

Contract liabilities

	2022 (\$m)	2021 (\$m)
Carrying amount at beginning of the year	64.2	76.0
Add: Payments received for performance obligations yet to be completed during the period	40.1	64.9
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(50.6)	(76.7)
Total contract liabilities	53.7	64.2
Represented by		
Current contract liabilities	53.7	64.2
Non-current contract liabilities	–	–
	2022 (\$m)	2021 (\$m)
Revenue recognised from performance obligations satisfied in previous periods	37.0	9.9

Note 7 Financing our operations

Introduction	Structure
<p>This section provides information on the sources of finance utilised by the department during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the department.</p> <p>This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 8.1 provides additional, specific financial instrument disclosures.</p>	<p>7.1 Borrowings</p> <p style="padding-left: 20px;">7.1.1 (a) Maturity analysis of borrowings</p> <p style="padding-left: 20px;">7.1.1 (b) Interest expense</p> <p>7.2 Leases</p> <p style="padding-left: 20px;">7.2.1 (a) Right-of-use assets</p> <p style="padding-left: 20px;">7.2.1 (b) Amounts recognised in the Comprehensive Operating Statement</p> <p style="padding-left: 20px;">7.2.1 (c) Amounts recognised in the Cash Flow Statement</p> <p style="padding-left: 20px;">7.2.1 (d) Finance lease liabilities – department as lessee</p> <p>7.3 Cash flow information and balances</p> <p style="padding-left: 20px;">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 style="padding-left: 20px;">7.5.1 Total commitments payable</p> <p style="padding-left: 20px;">7.5.2 PPP commitments</p> <p style="padding-left: 20px;">7.5.3 Commitments other than PPP</p>

7.1 Borrowings

	2022 (\$m)	2021 (\$m)
Current borrowings		
Lease liabilities ⁹⁶		
PPP-related lease liabilities	39.9	39.2
Non-PPP-related lease liabilities	8.7	7.8
Advance from public account ⁹⁷	6.2	1.0
Other current borrowings ⁹⁸	0.7	0.9
Total current borrowings	55.5	48.9
Non-current borrowings		
Lease liabilities ⁹⁶		
PPP-related lease liabilities	482.2	492.8
Non-PPP-related lease liabilities	18.9	12.2
Advance from public account ⁹⁷	19.2	26.4
Other non-current borrowings ⁹⁸	1.5	2.0
Total non-current borrowings	521.8	533.4
Total borrowings	577.3	582.3

⁹⁶ 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.

⁹⁷ 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.

⁹⁸ 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

2022	Carrying amount (\$m)	Nominal amount (\$m)	Maturity dates				
			Less than 1 month (\$m)	1–3 months (\$m)	3 months to 1 year (\$m)	1–5 years (\$m)	>5 years (\$m)
Borrowings	577.3	882.9	1.6	12.0	43.7	209.8	615.8
Total	577.3	882.9	1.6	12.0	43.7	209.8	615.8

2021	Carrying amount (\$m)	Nominal amount (\$m)	Maturity dates				
			Less than 1 month (\$m)	1–3 months (\$m)	3 months to 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

7.1.1(b) Interest expense

	2022 (\$m)	2021 (\$m)
Interest on leases liabilities	24.3	24.9
Total interest expense	24.3	24.9

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 3 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 2022, the department was committed to short-term and low-value leases and the total commitment at that date was \$43 million (2021: \$44 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 playgrounds 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.

	2022 (\$m)	2021 (\$m)
Interest expense on lease liabilities	24.3	24.9
Expenses relating to short-term and low value leases	43.3	43.8
Variable lease payments, not included in the measurement of lease liabilities	1.5	–
Total amount recognised in the statement of comprehensive statement	69.1	68.7

7.2.1 (c) Amounts recognised in the cash flow statement

The following amounts relating to leases are recognised in the cash flow statement for the year ending 30 June 2022.

	2022 (\$m)	2021 (\$m)
Total cash outflow for leases	(96.2)	(94.1)

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 3 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 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 119 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:

- 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 remeasure its lease liabilities. Accordingly, the department did not apply the practical expedient available under AASB 2020-4 Amendments to AAS – 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 remeasurement 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	
	2022 (\$m)	2021 (\$m)	2022 (\$m)	2021 (\$m)
PPP-related lease liabilities				
Not longer than one year	41.4	40.6	39.9	39.2
Longer than one year, but not longer than 5 years	172.7	169.5	144.6	141.9
Longer than 5 years	612.1	652.1	337.6	350.9
Non-PPP lease liabilities				
Not longer than one year	9.0	8.2	8.7	7.8
Longer than one year, but not longer than 5 years	16.5	11.4	15.8	11.0
Longer than 5 years	3.5	1.4	3.1	1.2
Minimum future-lease payments	855.2	883.2	549.7	552.0
Less future finance charges	(305.5)	(331.2)	–	–
Present value of minimum lease payments	549.7	552.0	549.7	552.0
Included in the financial statements as:				
Current borrowings lease liabilities		Note 7.1	48.6	47.0
Non-current borrowings lease liabilities		Note 7.1	501.1	505.0
Total aggregate carrying amount of borrowings⁹⁹		Note 7.1	549.7	552.0
			2022 (\$m)	2021 (\$m)
Assets pledged as security				
Non-PPP leases (VicFleet and right-of-use leases)			13.2	10.7
Partnership Victoria in schools assets			502.8	513.2
Total assets pledged as security			516.0	523.9

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

⁹⁹ 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.

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 model, Learning Communities Victoria is responsible for the finance, design, construction and maintenance of the new schools over the 25-year contract period. The department retains school ownership and responsibility for delivering educational services.

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%), 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 3 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.

	2022 (\$m)	2021 (\$m)
Amounts held by schools	1,437.4	1,341.8
Bank accounts held in trust	146.9	120.1
Other bank accounts	6.6	20.7
Total cash and deposits	1,590.9	1,482.6

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 3 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

	2022 (\$m)	2021 (\$m)
Net results for the reporting period	674.5	660.7
Non-cash movements		
Net (gain)/loss on sale of non-financial assets	(18.7)	(0.2)
Depreciation and amortisation	470.8	458.0
Assets received free of charge	-	(6.3)
Other	31.5	-
Non-cash movements in assets liabilities		
Decrease/(increase) in current receivables	(506.8)	(405.4)
Decrease/(increase) in non-current receivables	49.7	(12.3)
Decrease/(increase) in other non-financial assets	26.7	(56.9)
Increase/(decrease) in current payables	262.1	(199.9)
Increase/(decrease) in other liabilities	(11.2)	(7.9)
Increase/(decrease) in current employee entitlements	(113.0)	162.0
Increase/(decrease) in non-current employee entitlements	(51.9)	13.9
Net cash inflow from/(used in) operating activities	813.7	605.7

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:

2022	Opening balance as at 1 July 2021 (\$m)	Total receipts (\$m)	Total payments (\$m)	Closing balance as at 30 June 2022 (\$m)
Controlled trusts				
State treasury trust	51.1	42.7	(35.9)	57.9
Inter-departmental trust	35.5	48.7	(37.4)	46.8
School capital contributions	–	44.7	(44.1)	0.6
School Sports Victoria	1.5	2.5	(1.4)	2.6
Commonwealth treasury trust	32.0	41.9	(34.9)	39.0
Total controlled trusts	120.1	180.5	(153.7)	146.9
Administered trusts				
Prizes and scholarships	1.6	0.1	(0.2)	1.5
Commuter club	0.3	–	–	0.3
On-passing from the Commonwealth	0.6	4,279.0	(4,274.3)	5.3
Total administered trusts	2.5	4,279.1	(4,274.5)	7.1

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
Inter-departmental 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

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.

In 2021, 2 controlled trusts accounts were opened by the department to manage:

- School capital contributions from government schools to fund increases in the size of their capital works program, over and above the original 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

2022	Less than 1 year (\$m)	Between 1-5 years (\$m)	Over 5 years (\$m)	Total (\$m)
PPP commitments	25.7	115.1	477.4	618.2
Capital expenditure commitments payable	1,341.5	42.1	–	1,383.6
Operating and lease commitments payable	0.7	–	–	0.7
Other commitments payable	1,383.5	295.6	187.7	1,866.8
Total commitments (inclusive of GST)	2,751.4	452.8	665.1	3,869.3
Less GST recoverable	241.0	33.7	48.8	323.5
Total commitments (exclusive of GST)	2,510.4	419.1	616.3	3,545.8

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
Operating and lease commitments payable	0.7	0.7	–	1.4
Other commitments payable	1,314.9	398.2	164.8	1,877.9
Total commitments (inclusive of GST)	2,022.4	725.7	646.9	3,395.0
Less GST recoverable	175.2	57.3	50.0	282.5
Total commitments (exclusive of GST)	1,847.2	668.4	596.9	3,112.5

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. 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 2022 (\$m)	Nominal value 2022 (\$m)	Present value 2021 (\$m)	Nominal value 2021 (\$m)
Commissioned PPPs				
Partnerships Victoria in schools – Operations and maintenance	141.9	241.5	139.0	243.1
New schools PPP	217.4	376.7	211.5	373.3
Total commitments for PPPs	359.3	618.2	350.5	616.4

7.5.3 Commitments other than PPPs

	2022 nominal value (incl. GST) (\$m)	2021 nominal value (incl. GST) (\$m)
Capital expenditure commitments: Plant, buildings and equipment	1,383.6	899.3
Operating lease commitments	0.7	1.4
Other expenditure commitments	1,866.8	1,877.9
Total commitments other than PPPs	3,251.1	2,778.6

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
<p>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.</p> <p>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.</p>	<p>8.1 Financial instrument specific disclosures</p> <ul style="list-style-type: none">8.1.1 Financial instruments – net holding gain/(loss) on financial instruments by category8.1.2 Financial risk management objectives and policies <p>8.2 Contingent assets and liabilities</p> <ul style="list-style-type: none">8.2.1 Contingent assets8.2.2 Contingent liabilities8.3 Fair value determination

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 if both the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the department to collect contractual cash flows
- the assets' contractual terms give rise to cash flows that are solely payments of 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
- receivables (excluding statutory receivables)
- term deposits with maturity greater than 3 months.

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.

This category includes:

- payables (excluding statutory payables)
- borrowings (including lease liabilities).

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

2022	Cash and deposits (\$m)	Financial assets at amortised cost (\$m)	Financial liabilities at amortised cost (\$m)	Total (\$m)
Contractual financial assets:				
Cash and deposits - department	153.5	–	–	153.5
Cash and deposits - schools	1,437.4	–	–	1,437.4
Receivables	–	98.0	–	98.0
Term deposits	1.6	–	–	1.6
Total contractual financial assets	1,592.5	98.0	–	1,690.5
Contractual financial liabilities				
Payables	–	–	805.3	805.3
Borrowings	–	–	577.3	577.3
Total contractual financial liabilities	–	–	1,382.6	1,382.6
2021	Cash and deposits (\$m)	Financial assets at amortised cost (\$m)	Financial liabilities at amortised cost (\$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 liabilities	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

8.1.1 Financial instruments – Net holding gain/(loss) on financial instruments by category

2022 (\$m)	Net holding gain/(loss)	Total interest income/(expense)	Fee income/(expense)	Impairment loss	Total
Contractual financial assets:					
Financial assets at amortised cost – other than on derecognition	0.8	5.5	(2.1)	(33.0)	(28.8)
Contractual financial liabilities					
Financial liabilities at amortised cost – other than on derecognition	(1.5)	(24.3)	–	–	(25.8)
2021 (\$m)					
Contractual financial assets:					
Financial assets at amortised cost – other than on derecognition	–	4.0	(2.4)	(3.0)	(1.4)
Contractual financial liabilities					
Financial liabilities at amortised cost – other than on derecognition	–	(24.9)	–	–	(24.9)

Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, financial assets at amortised cost and debt instruments that are classified as financial assets at fair value through other comprehensive income, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost
- for financial asset and liabilities that are mandatorily measured at or designated at fair value through net result, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

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, although it is immaterial.

8.1.2 Financial risk management objectives and policies

As a whole, the department's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liabilities above, are disclosed in Note 8.3.1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the department's financial risks within the government policy parameters.

The department's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The department manages these financial risks, in accordance with its financial risk management policy.

The department uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer of the department.

8.2 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.

8.2.1 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.

The department had no contingent assets as at 30 June 2022.

8.2.2 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
- 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
 - 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

	2022 (\$m)	2021 (\$m)
Claims for damages	62.9	64.5
Total quantifiable contingent liabilities	62.9	64.5

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 4 TAFEs financially until 30 April 2023, 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 Box Hill, Melbourne Poly, TAFE Gippsland and William Angliss Institute.

8.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Department.

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 assets and liabilities that are carried at fair value include land, buildings, infrastructure, plant and equipment.

In addition, the fair value of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes.

The department determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into 3 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.

The VGV, the department's independent valuation agency, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the disclosures provided include:

- the 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
 - 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).

8.3.1 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 by the end of the 2021–22 reporting period.

The department's contractual financial assets and liabilities are measured at amortised cost. None of the classes of financial assets and liabilities are readily traded on organised markets in standardised form, hence the fair value disclosures are not required.

8.3.2 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 2022

2022	Fair value measurement at end of reporting period using:			
	Carrying amount as at 30 June 2022 (\$m)	Level 1 (\$m)	Level 2 (\$m)	Level 3 (\$m)
Land at fair value				
Non-specialised land	1,736.5	–	1,736.5	–
Specialised land	14,501.8	–	–	14,501.8
Total land at fair value	16,238.3	–	1,736.5	14,501.8
Buildings at fair value				
Specialised buildings	17,747.6	–	–	17,747.6
Heritage buildings	120.7	–	–	120.7
Total buildings at fair value	17,868.3	–	–	17,868.3
Plant and equipment at fair value				
Plant and equipment	117.9	–	–	117.9
Total plant and equipment at fair value	117.9	–	–	117.9

Fair value measurement hierarchy for assets as at 30 June 2021

2021	Fair value measurement at end of reporting period using:			
	Carrying amount as at 30 June 2021 (\$m)	Level 1 (\$m)	Level 2 (\$m)	Level 3 (\$m)
Land at fair value				
Non-specialised land	1,274.6	–	1,274.6	–
Specialised land	12,581.9	–	–	12,581.9
Total land at fair value	13,856.5	–	1,274.6	12,581.9
Buildings at fair value				
Specialised buildings	13,684.2	–	–	13,684.2
Heritage buildings	92.5	–	–	92.5
Total buildings at fair value	13,776.7	–	–	13,776.7
Plant and equipment at fair value				
Plant and equipment	114.3	–	–	114.3
Total plant and equipment at fair value	114.3	–	–	114.3

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with FRD 103 *Non-financial Physical Assets*, issued by the Assistant Treasurer. A full revaluation normally occurs every 5 years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. VGV conducts scheduled revaluations every 5 years. 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% 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

Specialised 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.

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.

The VGV performed the valuation of the department's specialised and non-specialised land as at 30 June 2018.

Buildings

Specialised 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 CRC method, which represents the highest and best use under AASB 13 *Fair Value Measurement*.

The CRC method 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, using the CRC method by the VGV. The effective date of the last independent valuation was 30 June 2018.

Heritage 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 CRC method, which represents the highest and best use under AASB 13 *Fair Value Measurement*.

The CRC method 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 heritage 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, using the CRC method by the VGV. 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 CRC. 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.

Valuation of land and buildings

An assessment of land and buildings was conducted using indices calculated by the VGV for 2022, which resulted in revaluation increments for both land and buildings. Refer to Note 9.5 Reserves for the quantum of the revaluation increment.

Reconciliation of Level 3 fair value 30 June 2022

2022	Specialised land (\$m)	Specialised buildings (\$m)	Heritage buildings (\$m)	Plant and equipment (\$m)
Opening balance	12,581.9	13,684.2	92.5	114.3
Purchases (sales)	(2.1)	33.3	4.2	34.5
Transfers in (out) of Level 3	(9.0)	1,293.8	–	5.5
Gain or losses recognised in net result				
Depreciation	–	(419.8)	(4.0)	(36.4)
Subtotal	12,570.8	14,591.5	92.7	117.9
Gain or losses recognised in other economic flows — other comprehensive income				
Revaluation	1,931.0	3,156.1	28.0	–
Subtotal	1,931.0	3,156.1	28.0	–
Closing balance	14,501.8	17,747.6	120.7	117.9

Reconciliation of Level 3 fair value 30 June 2021

2021	Specialised land (\$m)	Specialised buildings (\$m)	Heritage buildings (\$m)	Plant and equipment (\$m)
Opening balance	9,941.8	13,083.9	96.5	120.3
Purchases (sales)	153.9	4.1	–	26.4
Transfers in (out) of Level 3	6.3	993.8	–	5.4
Gain or losses recognised in net result				
Depreciation	–	(404.2)	(4.0)	(37.8)
Subtotal	10,102.0	13,677.6	92.5	114.3
Gain or losses recognised in other economic flows — other comprehensive income				
Revaluation	2,479.9	6.6	–	–
Subtotal	2,479.9	6.6	–	–
Closing balance	12,581.9	13,684.2	92.5	114.3

Description of significant unobservable inputs to Level 3 valuations

2022 and 2021	Valuation technique	Significant unobservable inputs
Land	Market approach	CSO
Specialised buildings	Current replacement cost	Direct cost per square metre Useful life of specialised buildings
Heritage buildings	Reproduction cost	Direct cost per square metre Useful life of heritage buildings
Plant and equipment	Current replacement cost	Direct cost per square metre Useful life of plant and equipment

Note 9 Other disclosures

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

9.1 Other economic flows included in net results

	2022 (\$m)	2021 (\$m)
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposals of non-financial assets	3.4	0.2
Asset previously not recognised	16.0	-
Total net gain/(loss) on non-financial assets	19.4	0.2
(b) Net gain/(loss) on financial instruments		
Impairment of loans and receivables	(0.7)	(2.4)
Net gain/(loss) on lease liabilities	(1.5)	-
Total net gain/(loss) on financial instruments	(2.2)	(2.4)
(c) Net gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	173.1	52.7
Total other gains/(losses) from other economic flows	173.1	52.7

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

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 are recognised from the date that the criteria are met. They include, 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.

9.2 Remuneration of executives and other personnel

9.2.1 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 benefits 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	
	2022 (\$m)	2021 (\$m)
Short-term employee benefits	26.0	22.8
Post-employee benefits	2.4	1.9
Other long-term benefits	0.6	0.6
Termination benefits	0.5	0.3
Total remuneration¹⁰⁰	29.5	25.6
Total number of executives¹⁰¹	138	116
Total annualised employee equivalents¹⁰²	108.7	96.0

9.3 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 2021 to 27 June 2022
	The Hon. Natalie Hutchins MP	27 June 2022 to 30 June 2022
Minister for Training and Skills Minister for Higher Education	The Hon. Gayle Tierney MP	1 July 2021 to 30 June 2022
Minister for Early Childhood Minister for Early Childhood and Pre-Prep	The Hon. Ingrid Stitt MP	1 July 2021 to 27 June 2022
		27 June 2022 to 30 June 2022
Secretary	Jenny Atta	1 July 2021 to 30 June 2022

The Hon. Ingrid Stitt, MP acted in the office of the Minister for Education from 3 to 10 July 2021 and from 26 December 2021 to 10 January 2022, and in the office of the Minister for Training and Skills and Minister for Higher Education from 3 to 10 July 2021 and 7 to 10 January 2022.

The Hon. Gayle Tierney, MP acted in the office of the Minister for Education on 11 July 2021 and 14 to 24 April 2022, and in the office of Minister for Early Childhood from 15 to 25 April 2022.

¹⁰⁰ Total remuneration includes executives that have been seconded during the year. The department is reimbursed under these arrangements.

¹⁰¹ The increase from prior year predominantly reflects higher turnover of executives in 2021–22 (not necessarily for increases in executive positions), implementation of State Budget initiatives and the pandemic response.

¹⁰² 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.

The Hon. James Merlino, MP acted in the office of the Minister for Early Childhood from 11 to 30 July 2021 and from 23 to 29 January 2022, and in the office of Minister for Training and Skills and Minister for Higher Education from 21 to 22 September 2021 and from 11 to 27 January 2022.

Kate Rattigan, Deputy Secretary, PES, acted as Secretary from 17 to 25 July 2021.

David Howes, Deputy Secretary, SRS, acted as Secretary from 29 to 31 December 2021.

Kim Little, Deputy Secretary, ECE, acted as Secretary from 1 to 16 January 2022.

Tony Bates, Deputy Secretary, FPIS, acted as Secretary from 2 to 7 March 2022.

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 below.

	2022 number	2021 number
\$540,000 – \$549,999	–	1
\$550,000 – \$559,999	1	–

9.4 Related parties

The department is a wholly owned and controlled entity of the State of Victoria.

The department contains no agencies consolidated pursuant to section 53(1)(b) of the FM Act into the department's financial statements.

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.

Significant transactions with government-related entities

The department received funding from and made payments to the consolidated fund of \$15,888.3 million (2021: \$17,055.4 million) and \$60.7 million (2021: \$58.3 million) respectively.

During the year, the department had the following government-related entity transactions, which are deemed collectively significant and include:

- appropriations received from the consolidated fund to fund service delivery from 'provisions for outputs' and 'additions to the net assets' (Note 2.3)
- annotated income agreements paid to the consolidated fund for 'sales of goods and services' and 'revenue from municipal councils' (Note 2.3.1(b)).

Key management personnel of the department include the portfolio ministers, the Hon. Natalie Hutchins MP and the Hon. James Merlino MP, the Secretary, Jenny Atta, Chief Financial Officer, Tonella Costa and Deputy Secretaries and members of the Executive Board, which include:

- Deputy Secretary, FPIS, Tony Bates
- Deputy Secretary, PES, Kate Rattigan
- Deputy Secretary, PSP, Kylie White
- Deputy Secretary, ECE, Kim Little
- Deputy Secretary, HES, Lill Healy
- Deputy Secretary, SEPS, Stephen Fraser
- Deputy Secretary, SRS, David Howes
- CEO, VSBA, Tom Kirkland
- Assistant Deputy Secretary, SSPRT, Scott Widmer
- Assistant Deputy Secretary, Economic Recovery (HESG), Meena Naidu
- Assistant Deputy Secretary, Regional Services Group, Lee Watts
- Assistant Deputy Secretary, Budget Reform (FPIS), Andrea Del Monaco.

The compensation detailed below excludes the salaries and benefits the portfolio ministers receive. The ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported in the state's Annual Financial Report.

Compensation ¹⁰³	2022 (\$m)	2021 (\$m)
Short-term employee benefits	5.0	4.5
Post-employee benefits	0.4	0.3
Other long-term benefits	0.1	0.1
Termination benefits	0.2	-
Total	5.7	4.9

Transactions with key management personnel and other related parties

Given the breadth and depth of Victorian government activities, related parties transact with the VPS in a manner consistent with other members of the public, for example, with stamp duty and other government fees and charges. Further employment of processes in the VPS occurs on terms and conditions consistent with the Public Administration Act, and the 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.

Related party transactions

Secretary

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.

¹⁰³ Note that KMPs include acting arrangements within the roles and are also reported in the disclosure of remuneration of executive officers as applicable (Note 9.2.1).

The secretary is on the Advisory Board for the Melbourne Institute of Applied Economic and Social Research. The secretary receives no remuneration for their role on this advisory board.

Deputy Secretary, SRS

The Deputy Secretary, SRS, is a member of the board of VATL, to which the department paid grants on normal commercial terms during the financial year. As these roles are ex-officio, the Deputy Secretary, SRS, receives no remuneration to perform these roles.

	2022 (\$m)	2021 (\$m)
Grants paid during the year		
VATL	30.7	-
VCAA	81.3	70.4
VRQA	16.9	17.2
Rent provided free of charge during the year		
VRQA	0.5	0.5
VCAA	2.6	2.6
Payments made during the year		

9.5 Reserves

The physical asset revaluation surplus is used to record increments and decrements on the revaluation of non-financial physical assets.

	2022 (\$m)	2021 (\$m)
Physical asset revaluation surplus		
Balance at beginning of financial year	15,044.5	12,211.5
Revaluation increment/(decrement) of land during the year	2,200.7	2,826.4
Revaluation increment/(decrement) of buildings during the year	3,087.8	(2.9)
Revaluation increment/(decrement) of leasehold buildings during the year	96.3	9.5
Balance at the end of the financial year	20,429.3	15,044.5

9.6 Remuneration of auditors

This table reflects the amount paid or due and payable to the Auditor-General for auditing the financial statements of the department pursuant to the *Audit Act 1994*.

	2022 (\$m)	2021 (\$m)
Audit or review of the financial statements – Victorian Auditor-General's Office	0.6	0.6
Total remuneration of auditors	0.6	0.6

9.7 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.

9.8 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 AAS and interpretation issues that are not yet effective

Certain new and revised AAS have been issued, but are not effective for the 2021–22 reporting period. These accounting standards have not been applied to these financial statements. The department is reviewing its existing policies and assessing the potential implications of these accounting standards, as follows:

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 2020-6 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 early adopt the Standard.

The department is in the process of analysing the impacts of the AAS. 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, as follows:

- AASB 2020-3 Amendments to AAS — Annual Improvements 2018–2020 and Other Amendments
- AASB 2021-2 Amendments to AAS — Disclosure of Accounting Policies and Definitions of Accounting Estimates
- AASB 2021-7 Amendments to AAS — Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.

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 (CAC)

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 underutilised 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, which 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
 - 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
 - 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 VPS 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 results, 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, resulting from 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 time period
- 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 2 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 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

The Annual Report of the department is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the department's compliance with statutory disclosure requirements.

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Appendix 2 Budget portfolio outcomes

The budget portfolio outcomes provide a comparison between the actual financial statements of all general government sector entities in the portfolio and the forecast financial information published in the 2021–22 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 Board
- VATL
- VCAA
- VRQA
- 12 TAFE institutes.

At the date of publication, the Victorian Auditor General's Office had not yet finalised the financial audits of ACFE, VCAA and VRQA.

Comprehensive operating statement for the year ended 30 June 2022

	Notes	2022 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Net results from continuing operations					
Income from transactions					
Output appropriations	a	14,834.4	15,120.5	(2)	(286.0)
Special appropriations		6.2	6.2	–	–
Interest	b	6.9	14.8	(53)	(7.8)
Sale of goods and services	c	623.5	872.4	(29)	(248.9)
Grants	d	52.7	33.2	59	19.5
Fair value of assets and services received free of charge or for nominal consideration	e	284.9	–	n/a	284.9
Other income	f	379.7	409.9	(7)	(30.2)
Total income from transactions		16,188.3	16,456.9	(2)	(268.5)
Expenses from transactions					
Employee benefits	g	(9,277.5)	(9,381.9)	(1)	104.4
Depreciation and amortisation	h	(573.6)	(605.2)	(5)	31.6
Interest expense	i	(26.7)	(29.3)	(9)	2.6
Grant and other transfers	j	(1,839.1)	(1,905.7)	(3)	66.7
Other operating expenses		(3,961.7)	(4,000.7)	(1)	39.0
Total expenses from transactions		(15,678.6)	(15,922.8)	(2)	244.2
Net result from transactions (net operating balance)		509.8	534.1	(5)	(24.3)
Net gain/(loss) on non-financial assets					
Net gain/(loss) on non-financial assets	k	15.7	(1.4)	(1,188)	17.1
Share of net profits/(losses) of associates and joint-venture entities, excluding dividends	l	4.6	–	n/a	4.6

	Notes	2022 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Net gain/(loss) on financial instruments and statutory receivables/payables	m	(4.0)	(0.0)	197,945	(4.0)
Other gains/(losses) from other economic flows	n	174.7	–	n/a	174.7
Total other economic flows included in net result		191.0	(1.4)	(13,354)	192.4
Net result		700.8	532.6	32	168.1
<hr/>					
Changes in non-financial assets revaluation surplus	o	5,577.1	(9.2)	(60,720)	5,586.3
Other	p	(6.1)	0.3	(2,220)	(6.4)
Total other economic flows – other comprehensive income		5,571.0	(8.9)	(62,612)	5,579.9
Comprehensive result		6,271.8	523.7	1,098	5,748.1

Notes:

- a. The variance below the published budget is largely driven by a reduction in output appropriations recognised as revenue, due to lower than anticipated demand for training and school programs as well as carryover requested into 2022–23 across state and Commonwealth initiatives. The carryover includes state initiatives such as air purification and shade sails for schools, Non-Government Schools Infrastructure Fund, 2020–21 Building Better TAFEs Fund, Essential Maintenance and Compliance, and the Minor Capital Works Fund.
- 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 TAFE fees for services. The published budget for TAFE fees for services did not take into account the severity of the impacts of the COVID-19 pandemic in 2021 and the ongoing impacts in 2022, including the lower than forecast rates of unemployment resulting in lower demand for training.
- d. The variance above the published budget primarily relates to grants received from other Victorian Government departments, which were not reflected in the published budget. This includes several grants, such as the Future Agriculture Skills Capacity Fund Secondary Schools program, Early Childhood Educator Traineeship Program, the Combustible Cladding Rectification program, the Victorian Public Service Training Program and the Recovery Coordination and Workforce Wellbeing program.
- e. The variance above the published budget is primarily driven by RATs received from the Department of Health for on-passing free of charge to government and non-government schools, which was not factored in as part of the 2021–22 Budget.
- f. The variance below the published budget primarily relates to lower than anticipated collection of own-source revenue by schools. For example, locally raised funds from school fetes, fundraising events and voluntary contributions made by parents. It was anticipated that schools' non-third-party revenue would return to levels seen prior to the COVID-19 pandemic. However, there have been ongoing impacts on schools' ability to collect revenue in 2021–22.
- g. The variance below the published budget primarily reflects lower salary expenditure due to marginally lower enrolments in government schools in 2021–22. This reduction was driven by the continuation of the COVID-19 pandemic into 2021, which was not factored in as part of the 2021–22 Budget.
- h. The variance below the published budget is primarily due to capital rephases approved by the Treasurer into the forward years that were mainly due to COVID-19 related impacts on the school construction program. The rephase of these capital initiatives have flow on effects to depreciation expenditure. These include the Minor Capital Works Fund, New Schools Construction and Education plans, Ready for school: kinder for every three-year-old, Relocatable buildings program, and Upgrades and Modernisation.
- i. The variance below the published budget is primarily due to the department and TAFEs incurring lower interest expenditure than anticipated.
- j. The variance below published budget primarily relates to re-phases approved by the Treasurer into the forward years. These include the Non-Government Schools Infrastructure Fund, Ready for school: kinder for every three-year-old, Children's facilities capital program, and Kindergarten refurbishment and minor works program.
- k. The variance above the published budget primarily relates to the recognition of the VATL building at 603 Queensberry St, North Melbourne.
- l. 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.

- m. The variance below the published budget is mainly due to the review and write-off of bad and doubtful debts.
- n. 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 DTF to calculate the present value of leave liabilities.
- o. The variance above the published budget primarily relates to an upward land revaluation of 21% following the application of VGV's land indices, in line with the requirements of FRD 103.
- p. The variance below the published budget is primarily due to accumulated funds transfers from reserves in TAFEs being higher than expected.

Balance sheet as at 30 June 2022

	Notes	2022 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Assets					
Financial assets					
Cash and deposits	a	2,042.3	1,917.6	7	124.7
Receivables from government	b	3,001.1	2,687.3	12	313.8
Other receivables	c	209.2	170.5	23	38.7
Other financial assets	d	33.5	31.4	7	2.1
Total financial assets		5,286.0	4,806.8	10	479.3
Non-financial assets					
Inventories	e	0.9	1.0	(11)	(0.1)
Non-financial assets classified as held for sale, including disposal group assets	f	9.4	8.1	17	1.4
Property, plant and equipment	g	38,642.7	30,791.7	25	7,851.0
Investment properties		122.4	116.9	5	5.5
Intangible assets	h	73.7	50.8	45	22.8
Other	i	91.7	69.7	32	22.1
Total non-financial assets		38,940.9	31,038.2	25	7,902.7
Total assets		44,226.9	35,845.0	23	8,381.9
Liabilities					
Payables	j	1,100.0	993.4	11	106.6
Borrowings	k	617.8	573.1	8	44.7
Provisions	l	1,990.9	2,203.2	(10)	(212.3)
Total liabilities		3,708.7	3,769.7	(2)	(61.0)
Net assets		40,518.2	32,075.3	26	8,442.9
Equity					
Accumulated surplus/(deficit)	m	5,769.2	5,330.8	8	438.4
Reserves	n	22,068.0	13,630.0	62	8,438.1
Contributed capital	o	12,680.9	13,114.4	(3)	(433.5)
Total equity		40,518.2	32,075.3	26	8,442.9

Notes:

- a. The variance above the published budget mainly reflects:
 - That schools' cash and deposits were higher than budget, primarily due to the published budget being established from June 2020 closing balances, which did not factor in increased operating cash surpluses earned during remote learning when schools had lower operational costs, due to reductions in running costs and the lower volume of onsite activities. In addition, timing differences in schools' payables balances, due to schools' term break starting from the last week of June 2022, also contributed to higher than budgeted bank balances.
 - TAFEs' cash and deposits, which are higher than budget mainly due to timing of payments during the COVID-19 pandemic and timing of grants received.
- b. The variance above the published budget is mainly due to the timing of the drawdown in the State Administrative Unit (SAU). The SAU balance is impacted by movement in the output appropriation surplus, other financial assets, payables and provisions.
- c. The variance above the published budget mainly reflects the timing of receipts from corporate receivables, including international education student fees. This is partially offset by lower than budgeted TAFE debtors, due to timing of receivables for goods and services provided by third party organisations.
- d. The variance above the published budget mainly reflects one day of prepaid salaries, due to timing differences between cash payment of salaries at 30 June 2022.
- 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 above the published budget mainly reflects higher than anticipated departmental land held for sale.
- g. The variance above the published budget mainly reflects an upward land revaluation of 21% for the 2021–22 managerial asset revaluation under FRD 103, and the continued implementation of the government's school capital program. The published budget, established in June 2020, does not incorporate asset revaluations, undertaken in both June 2021 and 2022.
- h. The variance above the published budget mainly reflects increase in acquisition of software, offset by the software depreciation of 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 above the published budget is mainly due to timing of schools' payables for operating expenditures and TAFE student fees received in advance, offset by corporate payables, which are lower than published budget, due to timing of payments and reduction in accruals.
- k. The variance above the published budget mainly reflects the higher than anticipated right-of-use lease liabilities for corporate, net of lower than anticipated right-of-use lease liabilities for TAFEs.
- l. The variance below published budget mainly reflects the impact of the revised wages inflation rate and discount rate on the long service and annual leave liabilities, and timing of school holiday term on annual leave.
- m. The variance above the published budget reflects the accumulated net results of operating balances and other economic flows.
- n. The variance above the published budget mainly reflects an upward asset revaluation of 21% for the 2021–22 managerial asset revaluation under FRD 103. The published budget, established in June 2020, does not incorporate asset revaluations, undertaken in both June 2021 and 2022.

- o. 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 2022

	Notes	2022 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Cash flows from operating activities					
Receipts					
Receipts from government	a	14,437.3	14,907.5	(3)	(470.2)
Receipts from other entities	b	546.7	859.6	(36)	(312.8)
Interest received	c	6.9	14.8	(53)	(7.8)
Other receipts	d	537.2	400.8	34	136.4
Total receipts		15,528.2	16,182.7	(4)	(654.5)
Payments					
Payments of grants and other transfers	e	(1,826.4)	(1,903.9)	(4)	77.5
Payments to suppliers and employees	f	(12,701.2)	(13,267.6)	(4)	566.4
Interest and other costs of finance paid	g	(27.6)	(29.2)	(6)	1.7
Total payments		(14,555.2)	(15,200.8)	(4)	645.6
Net cash flows from/(used in) operating activities		973.0	981.9	(1)	(9.0)

	Notes	2022 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Cash flows from investing activities					
Net investments	h	12.2	0.5	2,330	11.7
Payments for non-financial assets	i	(1,953.3)	(2,323.8)	(16)	370.5
Proceeds from sale of non-financial assets	j	9.0	0.8	979	8.2
Net loans to other parties	k	(14.7)	3.4	(536)	(18.1)
Net cash flow from/(used in) investing activities		(1,946.8)	(2,319.1)	(16)	372.3
Cash flows from financing activities					
Owner contributions by the Victorian Government	l	1,047.7	1,409.9	(26)	(362.3)
Repayment of right-of-use leases	m	(16.2)	(43.8)	(63)	27.6
Net borrowings	n	17.7	(5.9)	(403)	23.6
Net cash flows from/(used in) financing activities		1,049.2	1,360.3	(23)	(311.0)
Net increase/(decrease) in cash and cash equivalents		75.4	23.1	226	52.3
Cash and cash equivalents at the beginning of the financial year	o	1,966.9	1,894.5	4	72.4
Cash and cash equivalents at the end of the financial year		2,042.3	1,917.6	7	124.7

Notes:

- a. The variance below the published budget is largely driven by a reduction in demand for training and school programs, including for training subsidies, Free TAFE Fee Waivers and Concessions, Disability Inclusion, Doctors in Schools and Sanitary items in schools, as well as carryover requested into 2022–23 across State initiatives and Commonwealth initiatives. The carryover includes state initiatives such as air purification and shade sails for schools, Non-Government Schools Infrastructure Fund, 2020–21 Building Better TAFEs Fund, Essential Maintenance and Compliance, and Minor Capital Works Fund. This also includes the Commonwealth initiative, Preschool Reform Agreement.
- 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 during the first half of 2021–22.
- 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 primarily relates to TAFE fees for services. The published budget TAFE fees for services figures did not account for the severity of the impacts of the COVID-19 pandemic in 2021 and the ongoing impacts in 2022.
- e. The variance below the published budget is primarily due to capital re-phases approved by the Treasurer into the forward years that were only approved as part of the 2022–23 Budget. The rephase of these capital initiatives have flow on effects to depreciation expenditure. These include the Minor Capital Works Fund, New Schools Construction and Education plans, Ready for school: kinder for every three-year-old, the Relocatable buildings program and Upgrades and Modernisation.
- f. The variance below the published budget primarily reflects lower salary expenditure, due to marginally lower enrolments in government schools in 2021–22 than expected. This reduction was driven by the continuing impact of the COVID-19 pandemic into 2021, which was not factored in as part of the 2021–22 Budget. This is also driven by revised delivery timelines, where funding was rephased 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 above the published budget is primarily driven by gain 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 primarily relates to rephases approved by the Treasurer into the forward years mainly due to COVID-related impacts on the school construction program. These include: Upgrades and Modernisation, Minor Capital Works Fund, Land acquisition, Ready for school: kinder for every three-year-old, New Schools construction and education plans, and the Relocatable buildings program 2021–22. This is also driven by carryover requested into 2022–23. This includes initiatives such as Upgrades and Modernisation, New Schools Construction, Land acquisition and Ready for school: kinder for every three-year-old.
- 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 loans provided to other parties.
- l. 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.
- m. The variance below the published budget primarily relates to lower than budgeted right-of-use lease repayments.

- n. The variance above the published budget primarily relates to the net movement in public account advances with DTF.
- o. The variance above the published budget relates to revisions in opening balances from published budget to actual closing balances on 30 June 2022.

Statement of changes in equity for the year ending 30 June 2022

	Notes	Accumulated surplus/ (deficit) (\$m)	Contributions by owner (\$m)	Revaluation surplus (\$m)	Other reserves (\$m)	Total equity (\$m)
Actual						
Opening balance at 1 July 2021		5,074.5	11,688.0	16,489.9	1.1	33,253.5
Comprehensive result		694.7	–	5,577.1	(0.0)	6,271.8
Transactions with owners in their capacity as owners		–	992.9	–	–	992.9
Closing balance 30 June 2022		5,769.2	12,680.9	22,067.0	1.1	40,518.2
Budget						
Opening balance 1 July 2021		4,798.2	11,698.0	13,637.7	1.2	30,135.1
Comprehensive result		532.6	–	(9.2)	0.3	523.7
Transactions with owners in their capacity as owners		–	1,416.4	–	–	1,416.4
Closing balance 30 June 2022 (published budget)		5,330.8	13,114.4	13,628.5	1.5	32,075.3
Variance to budget						
Opening balance 1 July 2021		276.3	(10.0)	2,852.2	(0.1)	3,118.4
Comprehensive result	a	162.0	–	5,586.3	(0.3)	5,748.1
Transactions with owners in their capacity as owners	b	–	(423.5)	–	–	(423.5)
Closing balance 30 June 2022		438.4	(433.5)	8,438.5	(0.4)	8,442.9
Variance (%)		8	(3)	62	(28)	26

Notes:

- a. The variance in revaluation surplus above the published budget relates to an upward land revaluation of 21%, following the application of the VGV's land indices, in line with the requirements of FRD 103 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.
- 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 2022

	Notes	2022 actual (\$m)	Published budget (\$m)	Variation (%)	Variation (\$m)
Administered income					
Sale of goods and services	a	76.0	98.7	(23)	(22.7)
Grants	b	4,304.9	4,197.3	3	107.6
Other income	c	7.3	1.9	287	5.4
Total administered income		4,388.1	4,297.9	2	90.3
Administered expenses					
Expenses on behalf of the state		(0.1)	–	n/a	(0.1)
Grants and other transfers	d	(4,279.1)	(4,197.4)	2	(81.7)
Payments into the consolidated fund	e	(60.7)	(100.4)	(40)	39.7
Total administered expenses		(4,339.9)	(4,297.8)	1	(42.1)
Income less expenses		48.2	0.0	96,392	48.2
Net gain/(loss) on non-financial assets	f	(43.6)	–	n/a	(43.6)
Total other economic flows included in net result		(43.6)	–	n/a	(43.6)
Net result		4.6	0.0	9,138	4.6
Comprehensive result		4.6	0.0	9,138	4.6
Administered assets					
Cash and deposits				n/a	–
Receivables	g	52.1	7.6	584	44.5
Other financial assets		–	–	n/a	–
Total administered assets		52.1	7.6	584	44.5
Administered liabilities					
Payables	h	(4.7)	–	n/a	(4.7)
Total administered liabilities		(4.7)	–	n/a	(4.7)
Net assets		47.5	7.6	523	39.9

Notes:

- a. The variance below the published budget primarily relates to the department's fees for services that are accessed as section 29 appropriation, in particular overseas student program fees, which are lower due to the impact of the COVID-19 pandemic on international students.
- b. The variance above the published budget primarily relates to higher than budgeted Commonwealth Quality Schools funding for non-government schools.
- c. The variance above the published budget primarily relates to an insurance settlement received and subsequently on-passed to a school.
- d. The variance above the published budget primarily relates to the on-passing of the Commonwealth funding explained in Note (b).
- e. The variance below the published budget is driven primarily by the return to the SAU.
- f. The variance below the published budget primarily relates to a net loss of value of buildings and land sold, slightly offset by gross proceeds of sale of land and accumulated depreciation of assets sold.
- g. The variance above the published budget is due to higher-than-expected receivables 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*, and contribution from councils.
- h. The variance above the published budget reflects the timing of Commonwealth grants to be on-passed to non-government schools.

Appendix 3 Public boards and Administrative Office 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, the Minister for Early Childhood and Pre-Prep, the Minister for Health, and the Minister for Child Protection and Family Services. 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 one time in 2021–22. Members are shown below.

Children's Services Coordination Board members as at 30 June 2022

Member	Position
Ms Jenny Atta (Chair)	Secretary, Department of Education and Training
Mr David Martine	Secretary, DTF
Mr Euan Wallace	Secretary, Department of Health
Mr Jeremi Moule	Secretary, DPC
Ms Rebecca Falkingham	Secretary, Department of Justice and Community Safety
Ms Brigid Sunderland	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 and Pre-Prep, Health, and Child Protection and Family Services, 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 6 times in 2021–22, 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 2022

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 and District Aboriginal Cooperative
Mr Robert Boucher	Education Principal, Swifts Creek School
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 2 appeals pending as at 1 July 2021 and received a further 6 appeals by 30 June 2022.

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 5 years. Chairpersons of the Disciplinary Appeals Boards are shown in the table below.

Chairpersons of the Disciplinary Appeals Boards from 1 August 2020

Mr Richard Besley	Ms Catherine Healy	Mr Ian Scott
Dr Peter Condliffe	Mr William O'Shea	
Mr Peter Harris	Ms Paula Robinson	

Secretary's nominees, who have knowledge and experience in education, education administration or public sector administration, were appointed under sections 2.4.73(2)(c) and 2.4.74 of the Education and Training Reform Act. Secretary's nominees are shown below.

Secretary's nominees to the Disciplinary Appeals Boards from 1 August 2020

Ms Claire Bolster	Ms Marilyn McMahon	Mr Brendan White
Ms Moira Findlay	Mr Peter Norden	Mr Darren Youngs
Dr Richard Gould	Mr Brian O'Dea	

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 from 1 August 2020

Ms Rhonda Warburton

Minister's nominees to the Disciplinary Appeals Boards from 20 October 2020

Ms Robyn Anderson	Ms Leonie Fitzgerald	Mr Nicolas Ryan
Mr Daryl Bennett	Ms Samantha Fleming	Ms Susan Seneviratne
Ms Rachel Carlyon	Mr Paul Newson	
Ms Larissa Field	Mr George Porter	

Appointments are for 5 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. They 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, Mr Steve Metcalfe, is a full-time member of the Merit Protection Boards. Ms June Weir is the Registrar for the Boards and there are 2 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 have previously been heard in the metropolitan area or regional centres. During 2021–22 appeals and grievances were heard online as a consequence of the COVID-19 impact.

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 3 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) ¹⁰⁴	Ms Meagan Cook	Ms Sandra Greenhill
Ms Rowena Archer	Mr Rick Gervasoni ¹⁰⁵	Mr Vernon Hilditch

Chairpersons of the Merit Protection Boards from 4 October 2021

Mr Steve Metcalfe (Senior Chairperson, full-time)

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 ¹⁰⁶	Mr Douglas Lunt
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 Matthew McKittrick	Ms Rhonda Warburton
Ms Penelope Ellis	Mr Vernon Hilditch	Mr Aaron Wolaniuk
Ms Janet Evison	Ms Susan Mattingley	

¹⁰⁴ Resigned as Senior Chairperson in July 2021. Tenure as Chairperson ended in March 2022.

¹⁰⁵ Acting Senior Chairperson from July 2021 to October 2021.

¹⁰⁶ Resigned in November 2021.

Appeals and grievances

Teaching service appeals and grievances 2021–22

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 ¹⁰⁷	207	66	-	12	1	-	17	5	-	56	21	-	7	3	-	88	27	-	27	9	-	273
Selection	17	15	-	1	-	-	1	1	-	3	3	-	1	1	-	11	9	-	-	1	-	32
Total	224	81	-	13	1	-	18	6	-	59	24	-	8	4	-	99	36	-	27	10	-	305

Public service appeals and grievances 2021–22

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 ¹⁰⁸	3	6	-	-	1	-	-	2	-	-	-	-	1	2	-	1	1	-	1	-	-	9
Selection	8	4	-	-	1	-	-	-	-	3	1	-	2	1	-	3	1	-	-	-	-	12
Total	11	10	-	-	2	-	-	2	-	3	1	-	3	3	-	4	2	-	1	-	-	21

¹⁰⁷ Most personal grievance were about COVID-19 vaccination requirements and complaints not being managed in accordance with departmental policy.

¹⁰⁸ Most personal grievances were about the performance process 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 2021–22, training was delivered online, 37 seminars were conducted, and training was provided for 1,072 teaching service and public service staff.

Number of employees trained by region¹⁰⁹ (includes re-accreditation)

Region	Principals	Teachers	Education support class	VPS	Total
North Eastern Victoria	23	52	25	19	119
North Western Victoria	30	108	42	15	195
South Eastern Victoria	43	89	37	12	181
South Western Victoria	51	113	42	27	233
Central	4	-	1	339	344
Total	151	362	147	412	1,072

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.

¹⁰⁹ Region is where the participant was located

Independent Office for School Dispute Resolution

The Independent Office for School Dispute Resolution (the Office) has 2 primary responsibilities.

The first responsibility 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 the education system, 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 responsibility 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 fifth year of operation, the Office worked on serious and time-consuming matters that, in its view, have been exacerbated by the impact of COVID-19 on schools and the community. In particular, the Office notes that many people in all parts of the education community are extremely anxious and exhausted: there is reduced resilience and emotional capacity, resulting in a high degree of reactivity, while conflicts flare quickly and unexpectedly, and escalate easily. While the number of complaint referrals have not changed significantly, the Office notes that individual cases now seem to require more time and resources than in previous years, and that many cases contain elements that resist lasting resolution. Some cases therefore become exercises in conflict management (rather than resolution) for all involved, and the Office helps to establish a framework that requires some continuing level of input and monitoring to keep all parties able to function for the benefit of the student's education. There is a possibility that this situation will continue for some time, meaning careful attention needs to be paid to the Office's role and resources in order to maintain its effectiveness and responsiveness at its current benchmark.

In response to the current context and in accordance with the Office's Strategic Plan, it has also:

- increased the availability of conflict coaching work offered to departmental staff (including schools and regions) to avoid challenging situations from becoming full blown formal complaints
- updated and refined the material and format of our suite of capability building programs to deliver both online and in-person training
- commenced development of a new website that will in part become a resource for the parent/carer community about the Office's work

- provided the department with commentary and consultation on a variety of complaint-management-related policies and initiatives. In particular, the Office has commented on the Community Safety Order initiative, and has commenced resourcing and planning for its potential impact on the Office's resources
- completed and executed an update to the memorandum of understanding between the Office and the department
- maintained its outreach to stakeholders across the education community. Although there has been a significant change in leadership roles in stakeholder groups, the new leaders remain intensely interested in reducing and resolving conflict in the education system.

As noted last year, the Office now uses the term 'capability building' for all skill development work not related to specific situations, and the term 'conflict coaching' for work with specific individuals, schools or regions. This work is undertaken for situations that are unusual in complexity or seriousness, but where no specific complaint currently exists. Conflict coaching continues to be welcomed at all levels of the department to prevent problems from escalating.

The Office completed a significant portion of the work set out in last year's Strategic Plan. The 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, is being expanded and delivered in-person, which is a far superior delivery mode for skill development. Also, at the request of department divisions, additional programs are being rolled out and advanced skill work for some cohorts is currently in development.

The Strategic Plan is being updated and initiatives are being set for the 2022–23 financial year.

The Office has been working with reduced staffing for the last 2 years, after the departure of one of the Deputy Chairs to a senior role in the mental health and disability sectors. The Office did not immediately request a replacement Deputy Chair, as managing COVID-19 related issues were clearly a higher priority for the attention of Cabinet and the Office was able to function by relying more heavily on the current Deputy Chair's efforts, and with increased support from the Registrar.

In the coming year, the Office will ask Cabinet and the department for the resources and support to accomplish 2 goals of:

- the appointment of a second part-time Deputy Chair to ensure sufficient case management capacity
- the establishment of a panel of consultants with advanced expertise in narrative coaching, process psychology and restorative practice, who can be called on to work on cases where entrenched attitudes and behaviours in the parent/carer and/or school leadership are barriers to resolution.

Accomplishment of these goals will allow more of the Chair's time and the Office's resources to go to capability building, policy and systemic change, and working with the education community to support longer lasting and fundamental improvements to conflict management in the education system. These improvements will reduce the negative impacts of conflict, and reduce the burnout and exhaustion that leads to early departures and loss of expertise and resources. This helps re-build the capacity of, and

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	1	1	2	-	47	-	51
Refer and monitor ¹¹⁰	-	2	3	2	18	2	27
Complaint	-	20	1	-	-	-	21
Capability building ¹¹¹	-	-	-	1	-	-	1
Conflict coaching	-	3	3	4	-	-	10
Community awareness	-	-	-	-	-	-	-
Total	1	26	9	7	65	2	110

¹¹⁰ 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.

¹¹¹ 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	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	20	-	-	-	-	-	1	-	30	51
Refer and monitor	10	-	2	-	-	-	2	1	12	27
Complaint	12	-	-	-	-	1	8	-	-	21
Total	42	-	2	-	-	1	11	1	42	99

Enquiry and refer and monitor: Topics

Topic	Total enquiry	Total refer and monitor
Bullying	4	3
Complaint management	22	14
COVID-19	3	-
Curriculum provision/content	3	1
Disability	2	4
Discrimination against parent/carer	-	1
Enrolment/transition	3	-
Family law/parenting matters	2	1
General	-	-
Grading and assessment	1	1
In progress ¹¹²	-	-
No jurisdiction ¹¹³	4	-
Not specified	-	-
Parent payments	-	-
School disciplinary penalty	1	1
School procedure errors	-	-
Staff conduct	1	-
Student attendance/engagement	3	-
Student discipline	-	-
Student health and wellbeing	2	1
Student welfare	-	-
Student support/reasonable adjustment	-	-
Transport	-	-
Total	51	27

¹¹² 'In progress' refers to current cases the Office has not finalised.

¹¹³ '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 issues¹¹⁴

	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	3
	Parent presentation raises potential mental health concerns	1
	Procedural weakness or failure in handling complaint at regional level	-
	Procedural weakness or failure in handling complaint at school level	-
	Relationship and communication breakdown at regional level	-
	Relationship and communication breakdown at school level	3
	Separated or divorced parent relationship impacts on complaint	-
	Unreasonable parent expectations or behaviour	1
	Analysis of complaints total	9

¹¹⁴ The Office defines its issues categories in 3 levels. Levels one and 2 reflect the complainant's definition of the complaint at the school and regional levels respectively, while level 3 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	Delay in handling complaint	-
	Failure to follow regional policy or procedure (other than disability)	-
	Failure to require or support proper accommodation of disability	-
	Failure to require school to change/respond to complaint issues	1
	Failure to respond to issues raised	-
	Other	1
	Request from the department for capacity coaching	-
	Regional level total	2
School level	Failure to address anti-social behaviour of other students	-
	Failure to educate to standard	2
	Failure to ensure safety/wellbeing of student	2
	Failure to follow policy or procedure (other than disability)	1
	Failure to properly accommodate disability	2
	Inappropriate teacher/staff behaviour	1
	Loss of confidence in school leadership	2
	Other	1
	Request from the department for capacity coaching	-
School level total	11	
Not specified	Not specified	3
	Not specified total	3

Victorian Skills Authority

The VSA was established by the Governor-in-Council under Section 11 of the Public Administration Act as an Administrative Office in relation to the Department of Education and Training, effective 1 July 2021.

The VSA is directly responsible to the Minister for Training and Skills for the general conduct and the effective, efficient and economical management of the functions and activities of the VSA. The CEO of the VSA, as Administrative Office Head, is responsible to the minister for carrying out the VSA's functions, and to the secretary of the department in relation to the general conduct of the VSA and the effective, efficient and economical management of the functions and activities of the VSA.

VSA functions

The establishment of the VSA represents a stronger focus on local skills and training needs, with the VSA working closely with stakeholders across the sector to broker relationships, drive collaboration and share expert advice, to improve the sector within the policy and funding settings set by government. The VSA will deliver on this mandate across 4 workstreams as shown in the following table.

VSA workstreams

Workstream	Detailed functions
Data analysis and insights Working with stakeholders to generate sophisticated data analysis and insights on priority established and emerging training areas, culminating in the development of an annual Victorian Skills Plan	<p>Provide strategic advice to government on how training system can support employment growth, including incorporating advice of the VSA Advisory Board.</p> <p>Produce an annual Victorian Skills Plan (to be approved by the Minister for Training and Skills).</p> <p>Generate, collect and publish data analysis and insights on priority and established training areas (including from existing Industry Advisory Groups and across state and Commonwealth governments), with a focus on making insights accessible and useful for government, industry, the Victorian VET sector and students.</p> <p>Gather and share local insights on regional training requirements to meet local industry and employer needs as well as objectives of government.</p> <p>Engage with the VSA Advisory Board and external stakeholders to generate commitment and co-contribution to create, resource and fulfil the objectives of the Victorian Skills Plan.</p> <p>Provide secretariat support to the VSA Advisory Board.</p> <p>Building on the Victorian Skills Gateway, provide an online platform to share data and insights about the training system to support decisions by industry, communities, providers, and students.</p>

Workstream	Detailed functions
<p>Statewide and local problem-solving</p> <p>Facilitated action with stakeholders to unblock and unlock the right skills supply in the right places, including through Skills and Jobs Centres</p>	<p>Lead the implementation of the industry engagement framework.</p> <p>Work with the VSA Advisory Board, connect and facilitate vocational training with senior secondary education, higher education and workforce planning.</p> <p>Liaise with local and regional stakeholders and employers to understand and support regional workforce development.</p> <p>Broker relationships with stakeholders at a local and statewide level to promote pathways from training into work and address major training market opportunities and barriers.</p> <p>Take on oversight of the Skills and Jobs Centres to achieve a more coordinated, integrated approach.</p>
<p>Quality</p> <p>Driving the quality of teaching and training</p>	<p>Work with providers and the sector to promote the development of a continuous improvement culture.</p> <p>Support professional development training for the Victorian VET sector (including oversight of functions currently performed by the Victorian Development Centre) and promote best-practice teaching, curriculum and assessment.</p> <p>Manage the employer and student satisfaction surveys, sharing insights with Government and the Victorian VET sector.</p> <p>Share data and insights with the Department of Education and Training to improve compliance and quality assurance processes.</p> <p>Work with industry groups within the national training package framework to ensure that Victorian courses are based around current practice, and with educationalists and training providers (including TAFEs) to commission or enable access to high-quality content.</p> <p>Work with regulators and industry bodies to support explore independent or industry-moderated assessment.</p>
<p>Skills development and innovation</p> <p>Driving collaborative innovation in VET, across the whole VET sector</p>	<p>Engage across Victorian Government to support workforce development in priority sectors.</p> <p>Work with industry and government to identify opportunities for innovation in skills development and delivery, including centres of excellence to support best-practice training</p> <p>Provide advice about training and curriculum needs and skills development to inform future market settings.</p>

VSA Advisory Board

The Minister for Training and Skills established the VSA Advisory Board under section 5.2.10 of the Education and Training Reform Act in October 2021 to advise her and the VSA on the strategic direction and long-term performance of the Victorian training system, including input to the development of the Victorian Skills Plan.

The VSA Advisory Board met 5 times in 2021–22. The VSA provides secretariat support to the VSA Advisory Board.

VSA Advisory Board members as at 30 June 2022

Name	Position
Mrs Lisa Line	Chairperson
Mr Neville Atkinson	Member
Mrs Rebecca Casson	Member
Ms Lisa Fitzpatrick	Member
Ms Elaine Gillespie	Member
Mr Bill Hamill	Member
Mr Luke Hilakari	Member
Dr Susie Ho	Member
Ms Emma King	Member
Ms Fiona MacDonald	Member
Ms Maria Peters	Member
Mr Des Powell AM	Member
Mr Gavin Smith	Member
Ms Lill Healy	Ex-officio member Deputy Secretary, HES
Mr Craig Robertson	Ex-officio member CEO, VSA

VSA OHS and Worker's compensation

The VSA's OHS and workers' compensation statistics are included in the department's OHS and workers' compensation figures. This does not include responses against the People Matter survey, which are outlined separately below.

People Matter survey results

Measure	Key performance indicator	2019–20 ¹¹⁵	2020–21 ¹¹⁵	2021–22
People Matter survey results	• Response rate (%)	–	–	100
	• Percentage of respondents who think the VSA provides a safe work environment	–	–	89

¹¹⁵ The VSA was established on 1 July 2021 and therefore did not participate in the 2019–20 or 2020–21 surveys.

VSA comparative workforce data

The following tables disclose the head count and FTE of all active public service employees of the VSA ^{116 117 118 119}

VPS staff employment levels as at June 2021 and June 2022

		June 2022							June 2021						
		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	41	40.4	33	2	34.4	6	6.0	-	-	-	-	-	-	-
	Men	18	17.4	15	-	15.0	3	2.4	-	-	-	-	-	-	-
	Self-described	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Age														
	Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	25-34	11	11.0	9	-	9.0	2	2.0	-	-	-	-	-	-	-
	35-44	20	18.8	16	2	17.4	2	1.4	-	-	-	-	-	-	-
	45-54	15	15.0	12	-	12.0	3	3.0	-	-	-	-	-	-	-
	55-64	13	12.0	11	-	11.0	3	3.0	-	-	-	-	-	-	-
65+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

¹¹⁶ '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.

¹¹⁷ '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.

¹¹⁸ Age of staff is calculated as at 30 June each year.

¹¹⁹ The category VPSG2 includes graduate recruits.

		June 2022							June 2021							
		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	54	52.8	43	2	44.4	9	8.4	–	–	–	–	–	–	–	
	VPS 1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
	VPS 2	1	1.0	1	–	1.0	–	–	–	–	–	–	–	–	–	
	VPS 3	5	5.0	5	–	5.0	–	–	–	–	–	–	–	–	–	
	VPS 4	7	6.0	4	1	4.6	2	1.4	–	–	–	–	–	–	–	
	VPS 5	16	16.0	16	–	16.0	–	–	–	–	–	–	–	–	–	
	VPS 6	25	24.8	17	1	17.8	7	7.0	–	–	–	–	–	–	–	
	Senior employees	5	5.0	5	0	5.0	–	–	–	–	–	–	–	–	–	
	STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	SES	5	5.0	5	–	5.0	–	–	–	–	–	–	–	–	–	
	Total employees	59	57.8	48	2	49.4	9	8.4	–	–	–	–	–	–	–	

VSA Senior Executive Service data

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

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

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160,000	-	-	-	-	-	-
\$160,000 – \$179,999	-	-	-	-	-	-
\$180,000 – \$199,999	-	-	-	-	-	-
\$200,000 – \$219,999	2	-	-	-	-	-
\$220,000 – \$239,999	-	-	-	-	-	-
\$240,000 – \$259,999	1	-	-	-	-	-
\$260,000 – \$279,999	1	-	-	-	-	-
\$280,000 – \$299,999	-	-	-	-	-	-
\$300,000 – \$319,999	-	-	-	-	-	-
\$320,000 – \$339,999	-	-	-	-	-	-
\$340,000 – \$359,999	1	-	-	-	-	-
Total	5	-	-	-	-	-

The following tables disclose information about the VSA's SES.

Total number of SES (headcount) in the department by gender

Class	All		Men		Women		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-3	-	-	-	-	-	-	-	-
SES-2	2	+2	1	+1	1	+1	-	-
SES-1	3	+3	-	-	3	+3	-	-
Total	5	+5	1	+1	4	+4	-	-

Reconciliation of executive numbers (headcount)

	2022	2021
Executives (financial statement Note 9.8) ¹²⁰	5	0
Accountable Officer (Secretary)	0	0
Less separations ¹²¹	0	0
Less executives employed by other departments	0	0
Total executive numbers as at 30 June	5	0

Freedom of Information

The *Department of Education and Training Annual Report 2021–22* contains the information required to be published pursuant to section 7 of the FOI Act. In 2021–22, no FOI requests were received by the VSA.

Public interest disclosures

In 2021–22, no disclosures were made by an individual to the VSA or notified to IBAC.

Information included in the Department of Education and Training Annual Report 2021–22

The VSA reports the following elements of its operations as part of the department. This is included in the *Department of Education and Training Annual Report 2021–22* or the *Department of Education and Training Additional Information 2021–22*.

- OH&S
- Worker's compensation
- Government advertising expenditure
- Social procurement
- Consultancy expenditure
- Disclosure of major contracts
- ICT expenditure
- Office-based environmental impacts
- Grants and transfer payments
- Major promotional, public relations and marketing activities.

¹²⁰ Note 9.2 in the financial statements lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations.

¹²¹ This item reflects all executive officers who have separated from the department, including those who transferred to another government department.

Appendix 4 Acronyms and abbreviations

Acronym	Full title
AASS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ACFE	Adult Community and Further Education
AEDC	Australian Early Development Census
AMES	Adult Multicultural Education Services
ANZSOG	Australian and New Zealand School of Government
ARC	Audit and Risk Committee
BP3	Budget Paper No. 3
BP5	Budget Paper No. 5
CAC	Capital asset charge
CEO	Chief Executive Officer
COVID-19	Coronavirus disease 2019
CRC	Current Replacement Cost
CSO	Community Service Obligation
department	Department of Education and Training
DHHS	Department of Health and Human Services
DPC	Department of Premier and Cabinet
ECE	Early Childhood Education group
ECEC	Early Childhood Education and Care
EPR	Employer Performance Rating
ESP	Energy and Sustainability Platform
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
GST	Goods and Services Tax
HES	Higher Education and Skills group
IBAC	Independent Broad-based Anti-Corruption Commission
ICT	Information and Communication Technology
LGBTIQ+	Lesbian, gay, bisexual, trans, intersex, queer
MPSG	Major Project Skills Guarantee
NAPLAN	National Assessment Program of Literacy and Numeracy
NCVER	National Centre for Vocational Education Research

Acronym	Full title
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
PLC	Professional learning communities
PPP	Public Private Partnership
PSP	Policy, Strategy and Performance group
RAT	Rapid Antigen Test
RTO	Registered training organisation
RTW	Return to Work
SAU	State Administrative Unit
SEPS	School Education Programs and Support group
SES	Senior Executive Service
SRS	Schools and Regional Services group
SSP	Shared Services Provider
SSPRT	Senior Secondary Pathways Reform Taskforce
STEM	Science, Technology, Engineering and Mathematics
STS	Senior Technical Specialist
TAFE	Technical and Further Education
TEI	Total Estimated Investment
TIMSS	Trends in International Mathematics and Science Study
VATL	Victorian Academy of Teaching and Leadership
VCE	Victorian Certificate of Education
VCAA	Victorian Curriculum and Assessment Authority
VCAL	Victorian Certificate of Applied Learning
VET	Vocational Education and Training
VGW	Valuer-General Victoria
VIPP	Victorian Industry Participation Policy
VIT	Victorian Institute of Teaching
VPS	Victorian Public Service
VRQA	Victorian Registration and Qualifications Authority
VSA	Victorian Skills 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 2021–22 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 (\$)
150 th Anniversary of Public Education	26,140
Aboriginal Community Response and Recovery Fund	1,278,985
Aboriginal Self-Determination in Education Reform	1,018,822
Access Quality Teaching (formerly National Exceptional Teachers for Disadvantaged Schools)	320,000
Active Schools Innovation Grants	429,352
Antisemitism Training	34,375
Apprenticeship Innovation Fund	1,707,857
Apprenticeship Innovation Fund Women in Trades	4,983,831
Apprenticeships Support Officer Program	3,561,771
Apprenticeships Victoria TAFE Equipment and Facilities Fund	9,322,391
Asylum Seeker VET Supports Program	104,000
Australian National Academy of Music	217,798
Be Fit Be Well Program	78,000
Be Wise Presentations	123,750
Beyond the Bell	333,334

Grant activity	Payment (\$)
Blended Arts Education Program	197,000
Building Acceptance and Understanding of Autism and Inclusion in Schools	341,000
Building Better TAFEs	58,447,108
Building Blocks (including Refurbishment and Minor Works Program)	62,294,875
Building Leadership Capacity in Government Schools	226,667
Bushfire Area Recovery Creative Grant	362,000
Bushfire Area Recovery Research Grant	80,000
By 5 Innovation Hub (Wimmera Southern Mallee)	770,000
Carmichael Centre	450,000
Child Information Sharing Capacity Building Grants Program	2,061,364
Children's Week 2021	99,123
Cladding Safety Victoria	2,806,754
Clontarf Football Academy	649,000
Cluster and Bastow Partnerships	192,000
Community Sector Engagement, Consultation and Advice	117,182
Construction Skills Pathway Project	2,306,500
Course Accreditation	144,100
COVID-19 Attendance and Enrolment Grants for Non-School Providers	389,730
Cultural Safety Training for Diverse Workplaces and Career Mentors for Multicultural Learners	199,875
Curriculum Maintenance Managers Services	1,690,000
deafConnectEd	578,000
Delivering Abilities Awareness in Schools Resources and Activities	55,000
Digital Learning	1,137,625
Early Career Teacher Retention Innovation Grants 2021	261,517
Early Childhood Bushfire Recovery Grants 2021–22	274,982
Early Childhood Language Program	5,178,747

Grant activity	Payment (\$)
Education Week 2022	20,102
Educational Support for Students with Down Syndrome	148,500
Energy Breakthrough	86,000
Enhanced Mental Health Supports in Secondary School Program	2,873,462
eSmart Schools Program	667,479
F-8 Learning Sequences: Mathematics	277,000
Financial and Technical Leadership	55,727
Financial Literacy in Practice Challenge	25,830
Free TAFE Practical Placements 2022	3,950,000
Funding Support for Hospital School Participants of the Secondary Mathematics and Science Initiative	76,941
Future Innovators Early Years Science, Technology, Engineering and Mathematics (STEM) Program	238,000
Gippsland Mobile Tech School	260,000
Girls in STEM Support	15,578
Global Learning and Engagement	62,827
GOTAFE Commercial Kitchen Equipment	819,588
Greater Shepparton Lighthouse	1,000,000
Group Training Organisation Apprenticeship Safety Officer Boost	1,500,000
Grow the Ourschool Alumni Network	150,000
Health and Drug Education Sessions	398,750
Higher Apprenticeships and Traineeships (Social Services)	3,127,694
I CAN Network	406,000
Ignite the Teacher	110,000
Industry Advisory Groups	1,530,000
Innovative Initial Teacher Education	1,176,992
Innovative Learning Environment for Health and Community Services	508,000
International Specialised Skills Institute	352,000

Grant activity	Payment (\$)
Japanese Language Maintenance Course for Victorian teachers	17,174
LOOKOUT Program	484,430
MacKillop Specialist School	580,800
Managing and Maintaining the Delivery of Certificate I in Developing Independence	33,000
Master of Inclusive Education Scholarships	1,665,456
Mentoring and Learning Support Program	110,000
Middle Years Science Challenges	210,000
Mindfulness Resources for Students in Years 7–10	302,304
Mobile Skills and Jobs Centre	1,320,000
Model United Nations Conference Program	23,127
Modelling Respectful and Equality pilot	479,833
Multicultural Learning Partnership Workplan Implementation	128,125
Navigator Program	16,809,307
Parent Engagement in School Education	298,928
Parent-School Relationship Building	220,000
Positive Start	2,974,298
Positive Start in 2022 Initiative: Camps	45,239,948
Positive Start in 2022 Initiative: Programs	6,821,658
PPEP Talk Period Education	200,000
Premier's Spirit of Democracy	137,735
Prioritised Asbestos Removal Program	718,698
Professional Development for Training Providers	229,500
Professional Learning for Casual Relief Teachers	240,000
Professional Learning—Leadership Development	76,729
Project Real	440,000
Public Water Safety	1,855,613

Grant activity	Payment (\$)
Quality Apprenticeships to Drive Job Opportunities in the Modern Economy	11,240,330
Rail Track Training Infrastructure Project	755,000
Raising Expectations	390,500
Raising Rural and Regional Student Aspirations	548,328
Reconnect Program 2021 Approvals	12,974,225
Regional and Specialist Training Fund	10,266,058
Respectful Relationships Funding to Non-Government Schools	132,000
Responsive Complaints	50,625
Revitalising TAFE Campuses	3,035,000
Rural and Regional Virtual/Blended Science Programs	159,636
Rural Youth Ambassadors	166,000
School Breakfast Clubs Program	15,270,747
School Focused Youth Services	10,540,823
School-Employer Engagement	15,916,123
Science Peer Mentoring Program	80,000
Sessional Service Support Payments	5,624,800
Single Language Association Funding Program	321,860
Skilling the Bay in 2021 and 2022	800,000
Skills and Jobs Centres	12,353,158
Skills for North East Link and New Footscray Hospital	637,124
Skills Lab for Care Economy	1,000,000
Social Cohesion Through Education	726,000
Stars Koorie Girls Academy	176,000
State Schools' Relief	8,604,257
Statewide Vision Resource Centre	92,918
Strategic Partnerships Program	6,357,140

Grant activity	Payment (\$)
Student Teacher Rural Practicum Placements	256,960
Student Voice Awards and Ambassadors	426,000
Support for Community Language Schools	10,131,699
Support for Language Teachers and Students	439,550
Support for Parents of High-Ability Students	27,500
Support the Vic Agriculture Program	2,350,000
Supporting Autistic Girls and Gender Diverse Autistic Students at School	203,500
Supporting Educational Outcomes for Children with Physical Disabilities	110,000
Supporting Koorie Self-determination in Pre-accredited Training	80,000
Supporting Parents and Families of Students with Learning Difficulties in Victorian Schools	163,102
Swimming in Schools	949,000
TAFE Asset Maintenance Building Works Package	4,602,232
TAFE Boost Funding 2022	58,800,000
TAFE Common Platforms	9,840,270
TAFE Defence Tender	200,000
TAFE Facilities Modernisation Program	5,330,000
TAFE Services Fund 2022	204,746,409
TAFE Teaching Scholarship Program	1,570,000
Targeting Youth Offending	1,204,125
Teach for Australia	1,012,740
Teaching Academies of Professional Practice	550,000
Tech Futures Course Packaging	3,091,035
Tech School Remote and Virtual Program Delivery	640,000
Tech Schools Equipment Renewal Fund	3,983,128
Tech Schools Rural and Regional STEM Camps	40,506
Technical Support for Numeracy at Home Resources	104,000

Grant activity	Payment (\$)
The Geelong Project	1,369,911
The Man Cave Workshops	112,750
Training in Infection Control	95,989
Training Product Unit Re-accreditation Projects	573,500
Transform Us	275,000
Upstander Program	137,500
VET Catch Up	21,991
VET Delivered to Secondary Students Transport Fund	1,430,000
VET Development Centre Funding Future of the VET Workforce	550,000
VET Development Centre services	2,838,000
Victoria TAFE Association Capability Support	200,000
Victorian African Communities Action Plan	1,200,000
Victorian Challenge and Enrichment Series	1,121,997
Victorian Early Years Awards 2021	114,000
Victorian Group Training Program	3,198,000
Victorian Higher Education State Investment Fund	154,388,899
Victorian Students Parliamentary Program	77,000
Virtual Authors Program	25,000
VPS Workforce Transition Program	1,708,100
We Thrive	105,111
Workforce Skill Sets Fund	1,194,196
Workforce Training Innovation Fund	23,452,692
Working for Victoria e-Learning Delivery	102,284
Wurreker, Early Childhood and School Grants	4,825,947
Youth Employment Program	20,000