



Department
of Education

Department
of Education

Annual Report 2022–23



Acknowledgement

The department proudly acknowledges Victoria's Aboriginal communities and their rich and enduring cultures.

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 pay respect to Elders past and present, and we work to support emerging Aboriginal leaders.

We recognise Aboriginal people as Victoria's first teachers, artists and scientists, and we value the ongoing contribution of First Nations people and communities to Victorian life and how this enriches us all.

We embrace the spirit of reconciliation as we work together to deliver the Victorian Government's commitment to Voice, Treaty and Truth.

Throughout this document the term Koorie is used to refer to both Aboriginal and Torres Strait Islander people. Use of the terms Aboriginal, Aboriginal and Torres Strait Islander and Indigenous are retained in the names of programs and initiatives and unless noted otherwise are inclusive of all Aboriginal and Torres Strait Islander peoples.

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Responsible body's declaration

The Hon. Ben Carroll MP
Deputy Premier, Minister for Education and Minister for Medical Research

The Hon. Lizzie Blandthorn MP
Minister for Children and Minister for Disability

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's Annual Report for the year ending 30 June 2023.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenny Atta', is positioned above a horizontal line.

Jenny Atta
Secretary
Department of Education
25 October 2023

Secretary's foreword

I am pleased to present the Department of Education's *2022–23 Annual Report*. Over the past 12 months, the department and its partners have continued to provide high-quality education for every Victorian child and young person, including additional support where it is needed most.

During this period, Victoria celebrated 150 years of free, secular and compulsory education. Our shared vision that every child and young person deserves a high-quality education, regardless of background or circumstance, remains a strong driver for the department.

A number of Victoria's schools and early childhood education and care (ECEC) services in the north west and north east parts of the state were impacted by the devastating floods of October 2022, which were among the worst in Victoria's history. Our staff and sector partners worked together to ensure continuity of learning across this period.

Following the machinery of government changes on 1 January 2023, the department's revised remit focuses on improving educational outcomes for children and young people from birth to 18 years.

As we work together with our First Nations communities to deliver the Victorian Government's commitment to Voice, Treaty and Truth, our ambition for Koorie children and young people has never been stronger. As articulated in *Dhelk Wukang 2022–26*, our Aboriginal Inclusion Plan, the department is taking action to ensure a greater Koorie voice across our programs and projects.

Over the last year the *Best Start, Best Life* reforms continued to be successfully rolled out. Landmark achievements for 2022–23 include approximately 2,800 services statewide moving to offering between 5 and 15 hours of Three-Year-Old Kindergarten, and a high take-up of this offer from families. Free Kinder was introduced in 2023 as a new, permanent feature of the kindergarten funding system. Work is well under way to establish the first 4 Early Learning Centres by 2025, and to determine sites for another 26 centres.

In partnership with the sector, the department is expanding places through kindergarten building projects to support the roll-out of Three-Year-Old Kindergarten and Pre-Prep. To 2022–23, 31 new Kinders on School Sites were opened or funded to open in future years, 10 Building Block Partnerships were agreed, which will support 68 new and expanded kindergarten projects, and we have continued to implement a significantly expanded Building Block Capacity grant program, in partnership with local government and others.

The department's early childhood regulator was able to increase its rate of quality assessments to more than 1,000 services in 2022 after disruptions caused by COVID-19 restrictions. The early childhood education sector performed well in 2022, with 91% of assessed Victorian services receiving an overall rating of Meeting National Quality Standard (NQS) or above. To better support quality provision, Victorian services are now using the Early Years Assessment and Learning Tool. This is a high-quality, validated tool that enables kindergarten teachers and educators to make consistent observations and assessments of children's learning.

In 2022, the department completed a successful pilot of Child Link. Child Link helps authorised professionals to identify a range of services that children aged 0–18 have engaged with, and supports the Child Information Sharing Scheme, to promote and protect the wellbeing and safety of children.

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

This was a milestone year for senior secondary school reforms, with the introduction of the Victorian Certificate of Education (VCE) Vocational Major, and the Victorian Pathways Certificate. These changes will provide all students with the option of an applied learning pathway. More than 50,000 school students are participating in accredited vocational programs in 2023. Building on an initial investment in 2018–19, the Head Start school-based apprenticeship program was expanded to all government secondary schools in 2023.

Victorian students again performed strongly in NAPLAN (the National Assessment Program – Literacy and Numeracy), ranking first or second in 8 out of 10 domains in primary school, including all 5 domains at the important foundational Year 3 level. The 2022 NAPLAN had the highest

proportion of Victorian Year 5 students in the top 2 bands for spelling, with around 3,100 more students in these bands compared with 2014. Victorian students also improved their performance at the secondary level with the equal highest proportion of Year 9 students nationally in the top 2 bands for reading in 2022. Students in regional Victoria narrowed the achievement gap in Year 7 and Year 9 reading.

The Tutor Learning Initiative continued for a second year, supporting students who had fallen behind in their learning. During the 2022 school year, tutors supported almost 160,000 students in government and low-fee non-government schools.

With the introduction of the Framework for Improving Student Outcomes placing wellbeing alongside learning as core outcomes for every student, the department introduced a range of wellbeing and mental health supports. In 2023, 1,116 schools received an allocation through the Schools Mental Health Menu, as well as a staffing complement at every government and low-fee non-government primary school and mental health practitioners at 400 government secondary schools.

Implementation of Disability Inclusion is providing more opportunities for students of every ability to thrive at school and in life. These reforms are in the third year of a 5-year staged roll-out, with approximately 600 schools now transitioned to the new funding and support model. There is also a greater awareness and emphasis on supporting children and young people who have invisible disabilities or who are neurodivergent to be engaged and supported in the school environment.

In 2022–23, the department continued to support an equitable schooling system. The Glasses for Kids program provided vision screenings to more than 6,690 students and free glasses to more than 1,300 students. The Affordable School Uniforms program supported students experiencing vulnerability and disadvantage with approximately 71,500 students from government schools receiving more than 290,600 items through the program.

The department continues to deliver a substantial infrastructure program with the opening of 13 new schools and the completion of 83 modernisation projects in 2022–23. This investment creates welcoming and functional learning spaces to support teaching and learning. Our new government schools also provide competition-grade sports facilities and performance spaces that are used by the wider community.

Supporting our educators, teachers, support staff and principals has never been more important. Significant efforts are being made to recruit more early childhood educators and teachers and develop and retain our workforces. The department is undertaking a comprehensive program of work to build and maintain a sustainable pipeline of teachers and educators, and to support existing staff.

I want to thank all administrative staff, educators, teachers, principals, support staff and specialists who deliver exceptional services every day to support the education and care of children and young people right across the state.

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

Jenny Atta
Secretary

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Introduction

The department was established on 1 January 2023, focusing on serving the educational needs of Victorian children and young people. This followed the machinery of government change that transferred the Training and Skills and Higher Education portfolios to the Department of Jobs, Skills, Industry and Regions (DJSIR). The transferred portfolios are reported in DJSIR's annual report, except in clearly labelled instances in this report.

The department's 2022–23 Annual Report sets out operational and financial activities, as well as progress and outcomes regarding to the department's purposes and functions. Additional information is also published alongside this report, available from the department's [Annual Reports website](#).

Section 1: About the department

This section sets out the vision and values that underpin the purpose and operations of the department. It provides information about the department's ministers, senior personnel, governance and organisational structure.

Vision and values

The department's vision is:

A great education for every child and young person – so they can thrive now, and in the future, for a fairer, smarter and more prosperous state.

Guiding principles were developed as part of the *2023–27 Strategic Plan* that set clear expectations around how the department works and how the department wants to be known for.

2023–27 Strategic Plan guiding principles

Guiding principles	
Hearts in, minds on:	We bring our passion, knowledge and skills to improve outcomes
Our best work matters:	We do high quality work that makes a difference to people's lives
Be curious and work together:	We listen, collaborate and value challenge and diversity
Seize the day:	We are proactive, seek to solve problems, and adapt to deliver
See the whole picture:	We are guided by evidence and seek to understand the broader context

The department is committed to the 7 Victorian public sector (VPS) values that underpin the behaviours the community expects of all public sector employees. Actions guided by these values strengthen the capacity of the department to operate effectively, and to achieve its vision, purpose and functions.

Victorian public sector values



Responsiveness



Integrity



Impartiality



Accountability



Respect



Leadership



Human Rights

Purpose and function

The department provides a wide range of learning and development support and services. As of 1 January 2023, the department has a consolidated focus on achieving education outcomes for children and young people across Victoria.

The department provides policy leadership, plans for the future of education in Victoria and leads key cross-sector collaboration. The department plays an important system steward role by providing support, guidance, oversight and assurance across early childhood and school education systems.

The department's services by sector in 2022–23

Early childhood (birth to 8)	School education (5 to 18)
ECEC services, with a focus on kindergarten programs	Primary education Secondary education Special education Language
More than 400,000 children and families Up to 140,000 children in kindergarten programs	More than 1,032,000 students <ul style="list-style-type: none">approximately 654,000 students in government schoolsapproximately 213,000 students in Catholic schoolsapproximately 165,000 students in independent schools
More than 4,900 approved education and care services of all types 2,900 funded kindergarten services	1,566 government schools 724 non-government schools

Ministers

As at 30 June 2023, the department supports 2 ministers: the Hon. Natalie Hutchins MP, Minister for Education and Minister for Women and Ms Ingrid Stitt MP, Minister for Early Childhood and Pre-Prep and Minister for Environment.

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 Victorian Government investment in school infrastructure and programs.

Minister for Early Childhood and Pre-Prep and Minister for Environment – 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 since September 2020 and the Minister for Environment since December 2022.

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 ECEC services, including for children with disability or developmental delay.

Senior Executives

Secretary – Ms Jenny Atta PSM

Jenny Atta has been Secretary for 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 and pre-prep and school education ministers in the management and administration of their portfolios.

Jenny joined the department in December 2015 as Deputy Secretary, Infrastructure and Finance Services. In this role, Jenny was responsible for the management and oversight of the department's financial, procurement and information technology services, along with strategic advice and planning for State Budget processes, and infrastructure policy and delivery. This followed a range of senior roles in the Victorian Public Service, including with the Department of Treasury and Finance (DTF) and the former Department of Human Services.

Jenny holds a Bachelor of Applied Science and a Master of Public Policy and was awarded a Public Service Medal (PSM) in 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 design and implementation of Victoria's nation-leading suite of preschool reforms, including Free Kinder, Three-Year-Old Kindergarten, Pre-Prep, and a full suite of quality, equity and participation programs.

Kim has lead responsibility for collaborating with other levels of government, peak bodies, providers and the profession to steward the kindergarten sector more broadly. This includes responsibility for funding, regulation, stakeholder engagement, and local support. Kim's group is home to the whole-of-government effort to improve information sharing to promote the wellbeing and safety of children and young people.

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.

Assistant Deputy Secretary, Kindergarten Expansion and Pre-Prep Reform – Ms Bronwen FitzGerald

Bronwen FitzGerald commenced as Assistant Deputy Secretary of Kindergarten Expansion and Pre-Prep Reform in July 2022. Bronwen leads the implementation of the state-wide roll-out of the 2 *Best Start, Best Life* expansion reforms: universal Three-Year-Old Kindergarten and the transition of Four-Year-Old Kindergarten to a 30-hour per week program of Pre-Prep.

Prior to this role, Bronwen held executive roles in early childhood policy and implementation and social policy in the Department of Education and the Department of Premier and Cabinet (DPC) and has more than 20 years of experience in governance, policy and programs in the Victorian public sector.

Bronwen holds a Bachelor of Arts (Honours) and Bachelor of Laws from the University of Melbourne and an Executive Master of Public Administration from the Australia and New Zealand School of Government (ANZSOG).

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

Tony Bates leads corporate services functions including finance, the oversight of school budgets and the Student Resource Package, as well as procurement, budget strategy and information technology management.

Prior to joining the department, Tony worked at the former 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 performance measurement.

Tony holds a Bachelor of Science (Honours) and Master of Science, and is a member of the Australian Institute of Company Directors, and an alumnus of the ANZSOG Executive Fellows Program. Tony was awarded a PSM in 2016 for outstanding public service to fiscal management in Victoria.

Deputy Secretary, People and Executive Services – Ms Kate Rattigan PSM

Kate Rattigan leads workplace safety, diversity and inclusion, human resources, legal, integrity and assurance, environmental sustainability, communications and compliance. She provides strategic oversight of operational functions, and specialist advice to ministers, the secretary, executives, managers, regional directors and school principals.

Previously, Kate was the department's Executive Director, Legal and General Counsel.

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. In 2022, Kate was awarded a PSM for outstanding public service to leadership and the delivery of improved products and services in the education sector.

Deputy Secretary, Policy Strategy and Performance – Ms Kylie White

Kylie White leads the department's early childhood strategy, education policy and reform, portfolio strategy and planning and performance and evaluation functions.

Previously, Kylie was Deputy Secretary, Environment and Climate Change in the former Victorian Department of Environment, Land, Water and Planning. Prior to that, Kylie was an Executive Director in DPC, established the Latrobe Valley Authority as its first Chief Executive Officer (CEO) and has held senior roles in other departments.

In 2018, Kylie was recognised by Institute of Public Administration Australia as a Victorian Fellow, in recognition of her outstanding contribution to 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

Stephen Fraser leads policy and program development in the department 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, including Regional Director for the South Western Victoria Region and Executive Director for Implementation. Following a long history in the Victorian Public Service, Stephen spent time in the United Kingdom, as Deputy Chief Executive of 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 leads the operations and teaching learning and school performance functions as well as the 4 regions. David Howes began his career as a teacher in the western suburbs of Melbourne. He has had several senior executive positions in the department. In 2021, David was awarded a PSM 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.

Assistant Deputy Secretary, Operations, Schools and Regional Services – Ms Jeanette Nagorcka

Jeanette Nagorcka leads operations and governance, school provision and establishment, and security and emergency management.

Previously, Jeanette held the position of Executive Director, Adult Community and Further Education, and was Regional Director for the department's North Western Victoria Region.

Jeanette holds a Master of Business Leadership from RMIT University and has previously worked across early childhood, school and adult education, disability and health.

Deputy Secretary, Schools Workforce – Ms Andrea Del Monaco

Andrea Del Monaco leads the schools human resources and schools workforce policy and strategy functions.

Andrea has extensive public sector experience, including senior executive roles at DTF providing advice on the state's public sector workforces, budget outlook and fiscal strategy, financial and resource management frameworks, and government's industrial relations policy settings.

Andrea holds a Bachelor of Economics (Honours) from La Trobe University.

Chief Executive Officer, Victorian School Building Authority – Mr Tom Kirkland

Tom Kirkland leads Victoria's school building program.

Tom has previously worked in delivery of 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 and is currently undertaking a Master of Construction Law.

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

Scott Widmer leads 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 started his career as a lawyer practising in intellectual property litigation and has over 15 years' experience in policy and programs in the public sector, having worked across the department, the former Department of Health and Human Services, the former Department of Justice and DPC.

Scott has degrees in law and arts, and a Master of Public Policy and Management, from the University of Melbourne.

Organisational structure

This section describes each group that makes up the department and provides an organisational chart that illustrates the governing board of the department.

Departmental groups

Early Childhood Education

Early Childhood Education (ECE) plays a key role in operational policy development, program design and contracting to support a child and family-centred, outcomes-focused, integrated system.

ECE has responsibility for the roll-out of *Best Start, Best Life* (including Free Kinder, Pre-Prep, establishing 50 government-owned early learning centres, and universally funded Three-Year-Old Kindergarten) and the implementation of the Victorian Child Information Sharing reform enabling access to and sharing of information between authorised organisations to improve the wellbeing and safety of children.

ECE provides oversight of the kindergarten sector and regulates early childhood services (as required by the *Education and Care Services National Law Act 2010* and the *Children's Services Act 1996*).

Financial Policy and Information Services

Financial Policy and Information Services (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 and early childhood and pre-prep portfolios.

People and Executive Services

People and Executive Services (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

Policy, Strategy and Performance provides an integrated approach to policy, strategy, planning, risk, reporting and performance, enabling the department and ministers to make evidence-informed decisions that drive current and future system-wide reforms to improve outcomes for all Victorian children and young people. The intensive focus on using evidence, systems and design thinking, performance monitoring and engagement provides foundational capabilities for the department to embed educational improvement and deliver the department's strategic vision.

School Education Programs and Support

School Education Programs and Support (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 ensure all learners are engaged and active.

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

Schools and Regional Services

Schools and Regional Services (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, ECEC 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 ECEC services and schools.

Schools Workforce

Schools Workforce (SW) objectives are to grow the overall supply of teachers in Victoria, better distribute quality teachers to geographical and subject areas of need and support hard-to-staff schools to recruit and retain teachers. The purpose of SW is to deliver workforce supply initiatives, so schools are provided with a sustainable workforce who are supported, inspired and have expertise to deliver excellence for Victoria's students. SW develops school workforce supply and demand strategies and initiatives that support the attraction and retention of teachers in Victorian government schools while providing high-quality school human resources operations, and policy and employee relations advice.

Victorian School Building Authority

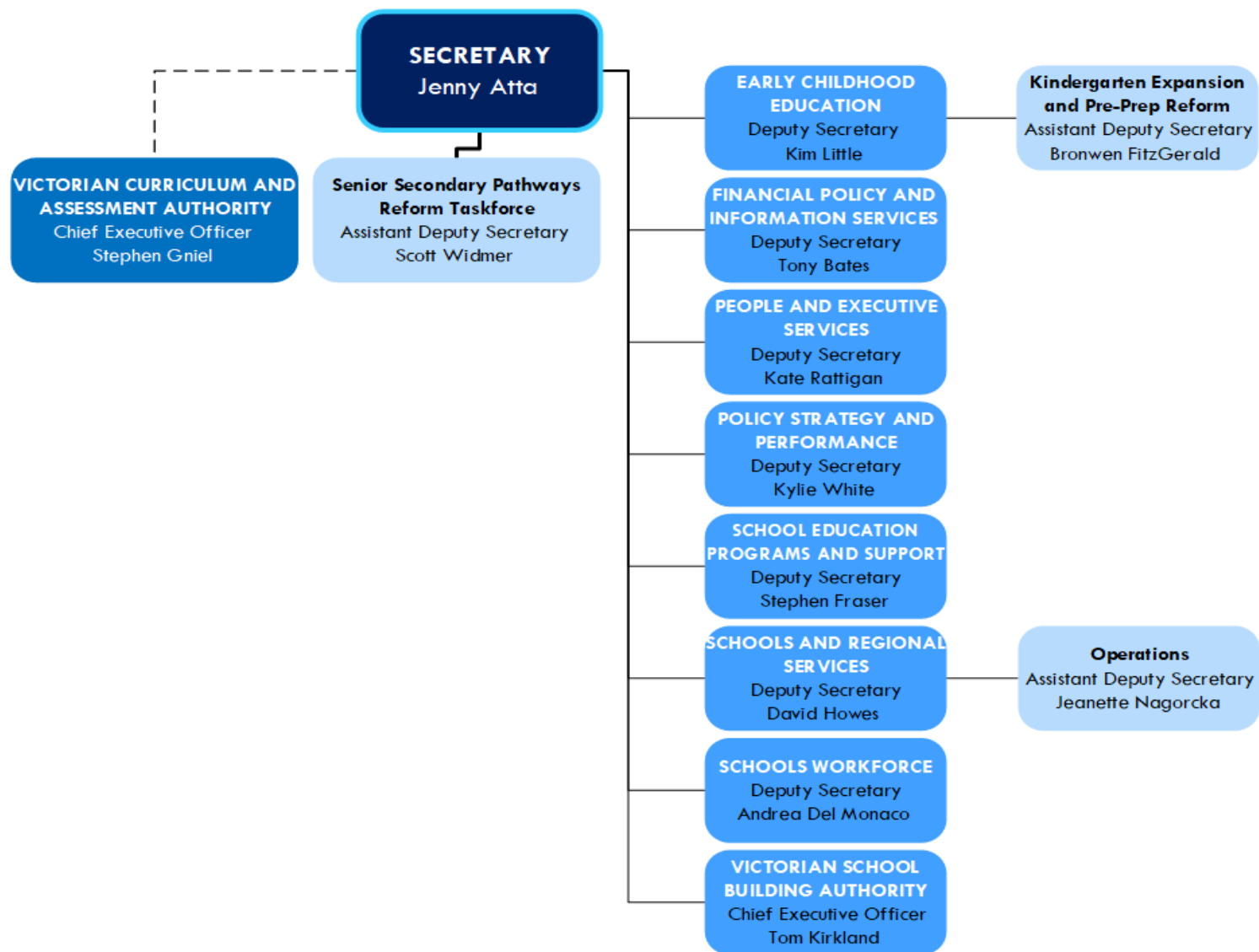
The Victorian School Building Authority (VSBA) designs, builds, maintains and upgrades schools and kindergartens to cater for Victoria's rapidly growing population and to meet the changing needs of modern education. The VSBA brings a different approach to planning education infrastructure, with greater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

Senior Secondary Pathways Reform Taskforce

The Senior Secondary Pathways Reform Taskforce (SSPRT) leads the design and implementation of the Senior Secondary Pathways Reforms, in close partnership with the Victorian Curriculum and

Assessment Authority (VCAA). The VCAA is responsible for designing and implementing the new Victorian senior secondary certificates. SSPRT leads the design and implementation of 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 and Vocational Education and Training (VET) Delivered to School Students (VDSS).

Organisational chart¹



¹ This chart shows the membership of the department's governing board – the Executive Board. Information relating to the VCAA can be found in the VCAA's 2022–23 Annual Report

Governance structure

The department is led by the Secretary, who reports to the Minister for Education and the Minister for Early Childhood and Pre-Prep. The Secretary is supported and advised by several boards and committees.

Executive Board

The Executive Board (EB) provides stewardship through providing a whole-of-department perspective. EB supports 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.

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

EB oversees the financial and operational performance of the department by monitoring delivery of key priorities and ensuring integration and alignment across groups and public bodies. EB drives strong leadership and a high-performing culture across the department's sectors.

EB comprises:

- Secretary (Chair)
- all deputy secretaries and the CEO, VSBA
- CEO, VCAA
- one of the assistant deputy secretaries, rotating on a quarterly basis.

Committee structure

The department's committee structure and the Audit and Risk Committee (ARC) membership as at 30 June 2023 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 *2022–23 Annual Report – Additional Information*, available from the department's [Annual Reports website](#).

Two committees report to the Secretary:

- ARC
- Executive Remuneration Committee.

Seven committees report to EB:

- Budget and Financial Management Committee
- Culture, People and Integrity Committee
- Information Management and Technology Committee
- Infrastructure Planning and Delivery Committee
- Kinder Reform Standing Committee (formerly Kindergarten Reform Implementation Board)
- Procurement and Probity Committee
- School Policy and Priorities Committee (formerly Government Schools Reform Committee).

Audit and Risk Committee

ARC supports the Secretary to fulfil governance responsibilities and obligations under the *Financial Management Act 1994* (FMA).

ARC was established in 2003 in compliance with the Standing Directions under the FMA. ARC directly advises the Secretary on governance, risk management, audit, compliance and control assurance activities.

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, South Western Victoria Region.

Public bodies

The department works in conjunction with the following public bodies:

- Children's Services Coordination Board
- Disciplinary Appeals Boards
- Independent Office for School Dispute Resolution
- Merit Protection Boards
- Victorian Academy of Teaching and Leadership (the Academy)
- VCAA
- Victorian Children's Council
- Victorian Institute of Teaching (VIT)
- Victorian Registration and Qualifications Authority (VRQA).

Most public bodies produce their own annual reports.

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

- The Academy
- VCAA
- VIT
- VRQA.

The public bodies 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.

Section 2: Year in review

This section reports on strategic plan initiatives, changes to the department, machinery of government costs, progress against departmental objectives, outputs and indicators, discontinued operations and also provides a financial summary.

Progress against the department's 2022–26 Strategic Plan initiatives

The department is delivering its objectives through 23 strategic plan initiatives. A progress summary of these initiatives is provided below.

2022–26 Strategic Plan initiatives progress summary

Strategic Plan initiative	2022–23 progress summary
Early childhood education	
<i>Best Start, Best Life</i>	During 2022–23, substantial progress was made in key <i>Best Start, Best Life</i> reforms. Free Kinder was introduced as an ongoing part of the kindergarten funding system from the beginning of 2023, with approximately 97% of funded services opting in. The first 30 locations, including sites for the first 4 government-owned and affordable early learning centres to open in 2025, have been identified and planning and consultation for these is well under way. Planning is also progressing for the implementation of 30 hours of Pre-Prep from 2025.
Child Information Sharing Scheme	The Whole of Victorian Government Child Information Sharing Scheme (CISS) Change Plan continues to be implemented. The CISS Capacity Building Grants Program funded organisations to build workforce capability and confidence using the CISS and the associated Family Violence Information Sharing Scheme. The Child Link implementation pilot was completed and evaluated. Phased implementation continues to adapt to workforce needs and monitor use of Child Link in practice.
Increase kindergarten participation and engagement for children experiencing vulnerability and disadvantage	Participation of children experiencing vulnerability and disadvantage continued to increase through Early Start Kindergarten (ESK). ESK had 4,205 children enrolled in 2022, an annual increase of over 1,000. ESK was accessed by over 900 refugee and asylum seeker children in 2022, an increase of more than 500 compared to 2021. The proportion of 3-year-old Koorie children enrolled also increased from 75.5% in 2021 to 90.7% in 2022.
Three-Year-Old Kindergarten	In 2022, Three-Year-Old Kindergarten was rolled out across the state. Uptake was strong, with 60,455 children enrolled in the program. In 2023, the state-wide introduction of flexible hours commenced. Services can now determine how many hours of funded Three-Year-Old Kindergarten they deliver per week, with a minimum of 5 hours and a maximum of 15 hours.
Schools	
Differentiated support for school improvement	During 2022–23, 110 schools were supported under this program, including through the contribution of Leadership Partners and Teaching Partners.
Disability Inclusion	As part of the reform's 5-year staged roll-out, approximately 850 Victorian government schools have transitioned to the new Disability Inclusion funding and support model. The department continued to roll out and embed initiatives focused on building inclusive education capability.
Education Plans	During 2022–23, a new Education Plan for Merri-bek North commenced, and implementation for the existing 8 Education Plans continued. Education Plans now involve 93 government schools across Victoria.
Lifting student literacy and numeracy outcomes 2022–26	In 2022, the Tutor Learning Initiative enabled tutors to provide targeted learning support to approximately 160,000 students across government and non-government schools. The Middle Years Literacy and Numeracy Support (MYLNS) initiative provided support to more than 14,000 students in government secondary schools.

Strategic Plan initiative	2022–23 progress summary
Marrung: Aboriginal Education Plan 2016–26	69% of Marrung actions are on track, ongoing or completed, representing significant progress towards achieving the vision of Marrung. Self-determination in Education Reform consultation and co-design process has been completed with over 3,000 people participating in 180+ conversations and the development of reform directions to strengthen self-determination in education. Due to the machinery of government changes, the wording of actions now pertaining to DJSIR has been updated and DJSIR has agreed to continue to implement those actions.
School infrastructure program	More than 354 school infrastructure projects are now complete. This included opening 13 new schools in 2022–23 and completing 83 school modernisation projects. A further 284 infrastructure projects are in progress and remain on track to be completed by 31 December 2025.
Senior secondary pathways reform	The new VCE Vocational Major and Victorian Pathways Certificate were introduced in 2023. Additional funding supported the ongoing implementation of the recommendations of the Firth Review through: the state-wide expansion of the Head Start program; further boosting VET teacher, trainer and school capacity to deliver high quality vocational and applied learning; and improving VET access to existing VET certificates for government school students, including reducing the costs of VET materials and a communications campaign.
Student Mental Health Reforms	The Schools Mental Health Fund enables schools to purchase from the Schools Mental Health Menu, launched in 2022. In 2023, <ul style="list-style-type: none"> • More than 1,116 schools received their allocation for the Mental Health Menu • the Mental Health in Primary Schools program is being expanded to 393 government and low fee non-government primary schools, and is on track to be delivered in 498 schools • more than 400 schools currently have a mental health practitioner employed on site.
Victorian professional learning communities initiative	During 2022–23, 249 government schools received intensive support and training to commence implementation of professional learning communities in their schools.
Workforce	
Career Start – Transforming the first years of the teaching profession	During 2022–23, the Career Start pilot supported a total of 847 graduate teachers in government schools through a structured induction program.
Early Childhood Workforce Strategy	The department consulted with the early childhood sector on the strategy to support attraction, retention and quality of the Victorian early childhood workforce. The strategy refresh builds on the Next Steps in the Victorian Early Childhood Workforce Strategy from December 2021. It incorporates additional investments to reflect the <i>Best Start, Best Life</i> reforms and build on consultation findings.
Excellence in teacher education reforms	The next tranche of Teach Today and Teach Tomorrow programs were commissioned. Almost 300 pre-service teachers graduated and an additional 235 were actively engaged. Over 180 pre-service teachers engaged in the Access Quality Teaching program and over 240 were supported to complete a rural or regional placement. Over 1,000 immersive professional placements were delivered through partnerships between 7 universities and 150 schools. The Teach Rural pilot was implemented with placements completed in Semester 1, 2023.
Targeted initiatives to attract more teachers	<ul style="list-style-type: none"> • Financial support to 150 teachers filling hard-to-staff positions. • A migration specialist service to support all government schools recruiting international teachers. International teachers for hard-to-staff schools were provided with migration and relocation supports, incentives and reimbursement of registration costs. • Recruitment assistance, casual relief teacher supports and targeted support to over 200 government schools facing acute staffing challenges. • A teacher re-engagement program to encourage inactive registered teachers to return to the teaching workforce. Over 70 were successfully placed in schools, and others are providing casual relief or undertaking training.

Strategic Plan initiative	2022–23 progress summary
Corporate	
Asset strategy	The School Strategic Asset Management Plan (SAMP) has 46 actions and sub-actions, 32 of which have been completed. The Early Childhood SAMP has 13 actions, 6 of which have been completed. All remaining actions in both plans are on track.
Climate Change Adaptation Action Plan	The action plan includes 22 actions and 4 sub-actions, 9 are in progress, 11 in the planning stage and 6 pending. In 2022–23, a working group was established, and an implementation plan developed that sets out governance arrangements, action leads, timeframes and resourcing.
The department's Victorian Public Service People Strategy 2021–24	Key achievements in 2022–23 included: <ul style="list-style-type: none"> • establishment of the People Strategy and Operations Division • enhanced HR services through the creation of a HR business partnering model and the Workforce Strategy Branch • reviewed payroll and recruitment processes which informed improvement initiatives • piloted a Respectful Workplaces Behaviour Program • achieved a 75% participation rate for the People Matter survey • established an ongoing Environmental Sustainability team developed the Corporate Office Policy – Smarter Working Places.
Gender Equality Action Plan 2022–25	The department launched its Gender Equality Action Plan in May 2022, along with its year one implementation plan and the Gender Audit 2021 Summary report, as required by the <i>Gender Equality Act 2020</i> . In 2022–23, the department closed out the Year One Implementation Plan, with nearly all actions either completed or transitioned to business as usual. A small number of incomplete actions have been rolled over to the Year Two Implementation Plan.
Implementation of the Hybrid Roadmap	The 2023 Hybrid Working survey found that hybrid working is embedded in the department and staff continue to report high levels of wellbeing, productivity, and confidence to lead in a hybrid organisation. Specific digital capability projects brought a measurable improvement to the digital skills of participants and increased willingness to adopt new technology.
Safe and Well in Education Framework and Strategy 2019–24	The Safe and Well in Education Strategy 2019–24 is the overarching health, safety and wellbeing strategy for employees. In 2022–23, the department continued to improve occupational health and safety support for corporate and school staff through programs including the: <ul style="list-style-type: none"> • Early Intervention Program, which was accessed by 300 principal-class employees • Proactive Wellbeing Support Program, which was accessed by 150 principal class employees • Small Schools Facilities and Occupational Health and Safety (OHS) Support Program which provided more than 200 face-to-face visits and 1,000 instances of virtual support • new OHS assurance program and 189 OHS assurance audits, including offering pre- and post-OHS audit support.

Changes to the department

A machinery of government change, effective from 1 January 2023, transferred responsibility of the Training and Skills and Higher Education portfolios to the DJSIR. Departmental objectives relating to these portfolios were transferred in part to DJSIR, with associated outputs transferred in full, as outlined in the table below.

In line with reporting requirements and guidance from DTF, the financial statements in this report include the Training and Skills and Higher Education portfolios from 1 July 2022 to 31 December 2022. Expenditure on consultancies and contractors is also reported by the department for this period. All other disclosures relating to the Training and Skills and Higher Education portfolios are the responsibility of DJSIR to report.

Changes to the department during 2022–23

Objective	Indicators	Outputs
Achievement Raise standards of learning and development achieved by Victorians using education and training.	VET course completions Certificate III or above course completions Proportion of graduates with improved employment status after training	Training, higher education, and workforce development
Engagement Increase the number of Victorians actively participating in education and training.	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	Training, higher education, and workforce development
Wellbeing Increase the contribution that education and training make to quality of life for all Victorians, particularly children and young people	Level of student satisfaction with VET	Training, higher education, and workforce development
Productivity Increase the productivity of our services.	\$ per VET student contact hour	Training, higher education, and workforce development

Direct costs attributable to machinery of government changes

As a result of the transferred responsibility for the Training and Skills and Higher Education portfolios to DJSIR on 1 January 2023, the department incurred \$1.6 million in direct costs relating to information technology (IT), records management and rebranding. There is \$0.3 million in anticipated future rebranding costs attributable to the machinery of government change.

Department of Education	Costs incurred (\$ million)
IT and records management	1.0
Re-branding	0.6
Total costs	1.6

Departmental objectives, outputs and indicators

The department's progress is reported under the objectives, outputs and indicators set out in the *2022–23 State Budget Paper No. 3 – Service Delivery (BP3)*.

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)

Objective	Indicators	Outputs
Achievement Raise standards of learning and development achieved by Victorians using education and training	Children developmentally 'on track' on the Australian Early Development Census (AEDC) in the language and cognitive skills domains ² Proportion of early childhood services meeting or exceeding National Quality Standard Area 1 (NQSA1—educational program and practice) Primary students meeting the expected standard in national and international literacy and numeracy assessment ³ Secondary students meeting the expected standard in national and international literacy and numeracy assessment ³ Average score in science (Programme for International Student Assessment (PISA) 15-year-olds) in Victoria compared to global top performers ³ Percentage of positive responses to teacher collaboration within primary schools ⁴ Percentage of positive responses to teacher collaboration within secondary schools ⁴ Year 12 or equivalent completion rates of young people ⁴	Strategy, review and regulation Early childhood education School education – primary School education – secondary Support services delivery Support for students with disabilities
Engagement Increase the number of Victorians actively participating in education and training	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 primary student absent days per full-time equivalent (FTE) per year ² Mean number of secondary student absent days FTE per year ⁴ Mean number of unapproved student absence days per FTE per year in primary schools ² Mean number of unapproved student absence days per FTE per year in secondary schools ⁴ Primary students with a positive opinion about their school providing a stimulating learning environment ² Secondary students with a positive opinion about their school providing a stimulating learning environment ⁴	Strategy, review and regulation Early childhood education School education – primary School education – secondary Support services delivery Support for students with disabilities

² This indicator refers to government and non-government schools.

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

⁴ These indicators refer to government schools.

Objective	Indicators	Outputs
Wellbeing Increase the contribution that education and training make to quality of life for all Victorians, particularly children and young people	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 Primary students feeling connected to their school ² Secondary students feeling connected to their school ⁴ Primary students with a positive opinion about their school providing a safe and orderly environment for learning ² Secondary students with a positive opinion about their school providing a safe and orderly environment for learning ⁴	Strategy, review and regulation Early childhood education School education – primary School education – secondary Support services delivery Support for students with disabilities
Productivity Increase the productivity of our services	\$ per kindergarten student per year \$ per primary school student per year \$ per secondary school student per year	Strategy, review and regulation Early childhood education School education – primary School education – secondary Support services delivery Support for students with disabilities

Progress towards achieving objectives

The department monitors the outcomes of children and young people as they move through early childhood education and school. Progress is measured through 4 objectives:

- achievement
- engagement
- wellbeing
- productivity.

Three-Year-Old Kindergarten was successfully rolled out to all local government areas across Victoria in 2022. All Victorian children now have access to 2 years of play-based early learning before starting school, a critical time for cognitive and emotional development. Significant investment to expand and strengthen the early childhood workforce has supported the implementation of this initiative.

In 2022, education settings continued to operate in the context of the long-term impacts of the COVID-19 pandemic years, with outbreaks of seasonal influenza and COVID-19 creating particular challenges for education services. The department provided more than 80 million free rapid antigen tests to children, students and staff in schools and ECEC services throughout 2022.

The department rolled out significant initiatives to improve student outcomes, including the Tutor Learning Initiative and Middle Years Literacy and Numeracy Support (MYLNS) programs, as well as mental health, wellbeing and disability inclusion reforms.

Other initiatives included the Mental Health Fund in addition to the Primary School Nursing, Secondary School Nursing, General Practitioners in Schools, Primary Welfare Officer and Mental Health Practitioner in Secondary Schools programs.

The department successfully implemented several programs and initiatives aimed at boosting equity, access and participation in Victorian schools in 2022.

Strengthening the teaching workforce is a key priority for the department. The department supports its workforce by providing free tertiary courses, professional mentoring and financial incentives to help early childhood and school educators upskill or to encourage people to join the sector.

Objective 1: Achievement

Early childhood education

The most recent results of the 2021 AEDC⁵ show that children in Victoria fare better on entry to school than any other state or territory. In the language and cognitive skills domain, 82.6% of Victorian children in their first year of school were developmentally 'on track'. Overall, a lower proportion of children in Victoria are developmentally vulnerable in one or more domains than in all other Australian jurisdictions.

Access to high-quality early childhood education services is central to giving every Victorian child the best start in life. In 2022, 91% of Victorian services with a quality rating received an overall rating of meeting the NQS or above. Victoria's rating is above the national average of 89%.

The department funds the Kindergarten Quality Improvement Program, a professional development initiative that supports kindergartens to improve the quality of their service through intensive, tailored mentoring and access to professional learning workshops and resources. Since 2021, the Kindergarten Quality Improvement Program has supported around 252 identified services with the highest quality improvement needs (rated either Working Towards or Meeting the NQS).

School education

In 2022, Victorian students continued to be top performers in NAPLAN, ranking first or second nationally in 12 out of 20 measures, including all 5 domains at the foundational Year 3 level.

In 2022, Year 3 students scored their best mean reading results, proving themselves the strongest readers in the country. Victoria recorded the second-highest proportion of Year 3 and Year 5 students in the top 2 bands in reading, close to the highest ever proportions in 2021. Additionally, the 2022 NAPLAN saw the equal-highest proportion of Victorian Year 9 students achieving in the top 2 bands of Reading.

Results from the 2021–22 Progress in International Literacy Study (PIRLS) show that more than 4 in 5 Year 4 students reached the international benchmark for reading. This result is comparable to 2016 results, with Victoria achieving the second-highest level of performance nationally.

Numeracy was a national challenge in 2022. The department continues to prioritise improved numeracy outcomes, including by providing teachers with extra training to improve the quality of teaching and learning in mathematics through the Primary Maths and Science Specialists initiative.

In the 2022 school year, the Tutor Learning Initiative provided small-group learning support to more than 160,000 students across government and non-government schools. The MYLNS initiative provided support to more than 14,000 government school students in Years 8–11.

During 2022, some schools experienced temporary workforce constraints due to a sharp rise in student and teacher illness due to COVID-19 and influenza. Despite this, nearly 3 in 5 teachers reported positive collaboration with peers, results which were only slightly lower than in previous years.

Along with all states and territories, Victoria is experiencing teacher supply pressures. These challenges are more acute in specialist schools, schools in rural and remote areas, areas of rapid population growth, and specific subject areas such as science, technology, engineering and mathematics (STEM).

The department is addressing national teacher workforce shortages for Victoria through a range of initiatives intended to support attraction and retention of the teaching workforce. Significantly, from 2023, the maximum face-to-face teaching time in government schools has been reduced by 1.5 hours per week to provide teachers more time to focus on quality instruction.

⁵ The AEDC is held every 3 years, with the 2021 AEDC data collection being the fifth and the most recent collection.

The Academy, established in 2022, provides a nation-leading opportunity for high-achieving teachers and school leaders in metropolitan and regional areas to develop and share their expertise.

Progress towards objective 1: Achievement⁶

Indicators	Unit	2018	2019	2020	2021	2022
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 ⁷	%	84.6	–	–	82.6	–
Proportion of early childhood services meeting or exceeding NQSA1 – Educational program and practice						
Proportion of education and care services assessed as meeting or exceeding the National Quality Standard	%	89.4	89.8	90.8	91.9	93.8
School education						
Students meeting the expected standard in national and international literacy and numeracy assessments⁸						
Proportion of students above the bottom 3 NAPLAN bands ⁹						
Year 3 – Literacy	%	79.9	78.5	–	81.3	78.5
Year 3 – Numeracy	%	71.6	71.8	–	68.2	66.0
Year 5 – Literacy	%	70.4	69.7	–	73.8	73.3
Year 5 – Numeracy	%	62.2	64.0	–	64.3	56.5
Year 7 – Literacy	%	59.7	62.0	–	61.7	61.7
Year 7 – Numeracy	%	61.1	64.2	–	62.3	59.2
Year 9 – Literacy	%	53.0	52.3	–	49.7	52.1
Year 9 – Numeracy	%	57.5	55.4	–	51.9	50.7
Proportion of students in the top 2 NAPLAN bands ⁹						
Year 3 – Literacy	%	58.3	58.0	–	61.9	59.6
Year 3 – Numeracy	%	43.8	44.7	–	40.0	38.4
Year 5 – Literacy	%	43.0	40.4	–	44.8	43.5
Year 5 – Numeracy	%	31.1	33.3	–	33.0	26.5
Year 7 – Literacy	%	28.5	30.7	–	30.7	29.7
Year 7 – Numeracy	%	31.1	36.2	–	34.3	33.1
Year 9 – Literacy	%	21.7	22.6	–	21.8	23.0
Year 9 – Numeracy	%	27.2	25.7	–	21.4	21.6

⁶ Following the machinery of government changes from 1 January 2023, measures relating solely to vocational education and training have not been reported.

⁷ Source: AEDC 2021 Report. The AEDC is held every 3 years, with the 2021 AEDC data collection being the fifth and most recent collection.

⁸ Victorian government and non-government schools.

⁹ The 2020 NAPLAN assessment was not held in March 2020 due to COVID-19 disruptions.

Indicators	Unit	2018	2019	2020	2021	2022
Proportion of Year 4 students reaching international benchmarks (Progress in International Reading Literacy Study (PIRLS)) – Reading ¹⁰	%	–	–	–	84.2	–
Proportion of Year 4 students achieving the intermediate international benchmark (Trends in International Mathematics and Science Study (TIMSS))— Mathematics ¹¹	%	–	72.0	–	–	–
Proportion of Year 8 students achieving the intermediate international benchmark (TIMSS)— Mathematics ¹¹	%	–	67.1	–	–	–
Proportion of 15-year-old students achieving at or above proficient standard (level 3) in PISA reading literacy ¹²	%	62.3	–	–	–	–
Proportion of 15-year-old students achieving at or above proficient standard (level 3) in PISA mathematical literacy ¹²	%	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 ¹³	mean score	–19	–	–	–	–
Percentage of positive responses to teacher collaboration within schools						
Percentage of positive responses to teacher collaboration within schools	%	60.9	61.0	62.9	58.8	58.6
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 ¹⁴	%	90.5	90.4	89.9	89.0	90.1

10 Source: PIRLS, 2021. Data collected every 5 years – international and national reports for PIRLS 2021 were released in early 2023.

11 Source: S. Thomson, N. Wernert, S. Rodrigues, & E. O'Grady, 2020, TIMSS 2019 Australia. Volume I: Student performance, Australian Council for Educational Research. TIMSS data is collected every 4 years. The intermediate international benchmark is considered to be the Australian National Proficient Standard. The next assessment is scheduled to occur in 2023 with the results expected to be released in December 2024 and published in the department's 2024–25 Annual Report, contingent on international publication deadlines.

12 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 PISA 2021 assessment was postponed to 2022 (due to COVID-19 disruptions on member countries). Results are not yet available.

13 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. The negative value indicates that Victoria's average score is below the average score of the top 25%. Victoria's performance has been stable since first participating in 2006.

14 Source: Australian Bureau of Statistics (ABS) Survey of Education and Work, Table 19 (cat.no. 6227.0). These are survey estimates and subject to statistical error.

Objective 2: Engagement

Early childhood education

Supporting participation in kindergarten for all children, especially those experiencing disadvantage or vulnerability, continues to be a core focus. This gives Victorian children the best start in life.

The department provides dedicated supports for 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.

ESK and the Access to Early Learning Program support children experiencing vulnerability or disadvantage to fully participate in quality, universal ECEC. In 2022, the ESK grant and Access to Early Learning Program funded kindergarten programs for 4,205 3-year-olds.

From 2023, the Free Kinder program for 3- and 4-year-olds commenced. For families, Free Kinder means more choice, more flexibility, and more money saved for up to 140,000 eligible children.

School education

School attendance is vital for students to maintain social connections and wellbeing, and is associated with improved academic outcomes.

Following 2 years of COVID-19-disrupted schooling, 2022 marked the return to on-site education. As in the broader community, there were high levels of illness experienced by students and staff, including influenza and COVID-19, particularly during Term 2.

These illnesses, and associated periods of mandatory isolation, contributed to a rise in government-school-student absences in all year levels in 2022.¹⁵ This rise in student absence was reflected Australia wide, with attendance rates dropping in every state and territory. Victoria continued to have the highest attendance rate of any jurisdiction in 2022.

To support schools in addressing rising student absences, the department developed the Schools Guide to Attendance (the Guide). The Guide outlines practical strategies that schools can take to engage with students and families, monitor and follow up on attendance and provide additional support for students who require it.

The Navigator program supports students at risk of disengagement to return to education and learning. Navigator is successfully working with young people, their families and schools to address the issues underlying disengagement and help students re-engage with education.

The LOOKOUT program is supporting schools to improve educational outcomes for children and young people living in out-of-home care by boosting the capability of ECEC services, schools and carers to meet the needs of students in care.

Positive engagement with schooling is associated with improved student achievement. Most Victorian students believe that their school provides a stimulating learning environment, although results are yet to return to pre-pandemic levels.

Progress towards objective 2: Engagement

Indicators	Unit	2018	2019	2020	2021	2022
Early childhood development						
Participation in a kindergarten service in the year before school						
Participation in a kindergarten service in the year before school	%	92.1	91.8	89.1	92.9	91.6

¹⁵ Relates to government schools only as the department only collects data on student absences in government schools.

Indicators	Unit	2018	2019	2020	2021	2022
Proportion of ECEC services meeting or exceeding NQSA6 – Collaborative partnerships with families and communities						
Proportion of ECEC services meeting or exceeding NQSA6	%	96.9	97.4	97.8	98.0	99.1
School education						
Mean number of student absence days per FTE per year						
Year 5	number	15.6	16.4	13.6	14.9	23.6
Year 6	number	16.3	17.3	13.8	15.7	24.3
Years 7–10	number	20.4	21.3	18.9	22.7	29.2
Years 11–12	number	16.9	17.3	14.8	16.8	23.4
Mean number of unapproved student absence days per FTE per year in primary schools						
Years 1–6	number	3.8	3.6	5.3	5.4	5.9
Mean number of unapproved student absence days per FTE per year in secondary schools						
Years 7–12	number	6.6	6.4	8.3	9.2	9.9
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	%	81.0	81.3	77.6	79.2	77.6
Years 7–9	%	54.3	55.1	57.8	53.2	50.5
Years 10–12	%	54.2	55.6	59.3	54.3	52.5

Objective 3: Wellbeing

Early childhood education

Wellbeing indicators are positive for most Victorian children starting school. Results from the 2021 School Entrant Health Questionnaire¹⁶ (SEHQ) showed that more than 78% of children were developmentally ready to enter school. The proportion of children entering school without general developmental issues has declined slightly since 2019. This may indicate an increased parental awareness of the importance of monitoring their children's development, given results are based on parent reports.

Developmentally, children in Victoria are better placed on entry to school than any other Australian state or territory. The AEDC data shows that most children who commenced school in Victoria in 2021 are on track.

School Readiness Funding targets the cohorts of children who need it most, based on a measure of educational disadvantage. It provides additional funding to kindergarten services to build capacity in 3 priority areas of development: communication (language development), wellbeing (social and emotional), and access and inclusion.

A menu of evidence-informed programs and supports, including allied health services, is available for kindergarten services to access, which helps guide their spending across the priority areas. In 2022, 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 2,800 kindergarten services and approximately 137,000 children.

School education

Since 2021, the department has introduced new initiatives, such as the Mental Health Practitioners in Secondary Schools program, the Mental Health in Primary Schools program, and the Schools Mental Health Fund and Menu. These initiatives aim to promote student mental health and

¹⁶ The 2022 SEHQ data collation has been delayed due to changes to data screening arrangements. The complete 2022 SEHQ dataset is expected to be available in late 2023.

wellbeing for all students, supporting the transition back to on-site learning and provide specific support and intervention for those with enduring impacts from the COVID-19 pandemic.

Students' connection to school and feelings of safety are important factors for student wellbeing and preconditions for engagement and learning. 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.

The 2022, survey results showed that nearly 4 in 5 government primary students agreed or strongly agreed that they felt connected to school. For secondary school-aged students, connection to school peaked during the first year of the COVID-19 pandemic (2020) and declined slightly with the transition back to on-site learning.

To actively support students with mental health challenges, every government school can employ a mental health practitioner and facilitate HeadSpace counselling. These services provide direct student counselling and related activities, including family support and referral to specialist services, and support students and schools through mental health prevention and promotion activities.

The department is committed to creating safe learning environments, recognising that student wellbeing is a crucial element in a positive learning environment. In 2023, the department released the High Impact Wellbeing Strategies. These are 7 practical and evidence-based strategies for teachers to adopt in their classrooms that have a demonstrated significant positive effect on student wellbeing. Strategies include supporting inclusion and belonging, establishing and maintaining classroom expectations, and facilitating peer relationships.

Progress towards objective 3: Wellbeing

Indicators	Unit	2018	2019	2020	2021	2022
Early childhood development						
Proportion of children who have no behavioural issues on entry into Prep						
Proportion of children who have no behavioural issues on entry into Prep	%	80.3	77.9	78.0	78.7	Nil— ¹⁷
Proportion of children who have no general developmental issues identified by parents on entry into Prep	%	35.0	36.6	36.0	33.1	Nil— ¹⁷
Children developmentally 'on track' on the AEDC social competence and emotional maturity domains¹⁸						
Social competence domain	%	77.3	—	—	77.8	—
Emotional maturity domain	%	77.7	—	—	78.4	—
School education¹⁹						
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	%	81.2	81.0	79.2	79.5	78.1
Years 7–9	%	56.7	56.0	59.9	53.2	49.3
Years 10–12	%	53.1	53.3	59.4	50.1	47.1
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	%	80.0	81.6	83.3	80.9	76.5

¹⁷ School Entrant Health Questionnaire (SEHQ) data is collected annually; however, 2022 data collation has been delayed as a result of changes to data scanning arrangements. The complete 2022 SEHQ data set is expected to be available in late 2023.

¹⁸ Source: AEDC 2021 Report. The AEDC is held every 3 years, with the 2021 AEDC data collection being the fifth and most recent collection.

¹⁹ These school education measures relate to Victorian government schools.

Indicators	Unit	2018	2019	2020	2021	2022
Years 7–9	%	78.8	80.5	88.2	83.4	77.0
Years 10–12	%	85.4	87.5	92.5	89.2	86.5
Proportion of Victorian government school students who 'agreed' or 'strongly agreed' that their teacher sets clear rules / manages misbehaviour effectively						
Years 4–6	%	79.9	79.8	77.0	78.6	77.3
Years 7–9	%	57.8	58.1	61.8	57.3	55.2
Years 10–12	%	56.9	57.5	62.7	57.2	55.3

Objective 4: Productivity

Early childhood education

Investment in early childhood services continued to grow. The minimum funding available for children attending kindergarten in the year before school has increased between 2016 and 2022, from \$3,448 per child to \$3,831.

In 2023, Free Kinder is available for 3- and 4-year-olds at approximately 97% (around 2,850) of funded kindergarten services, saving families up to \$2,500 per year, per child. Families with children enrolled in participating sessional kindergarten programs receive a free 15-hour per week program in the year before school and 5–15 hours per week for 3-year-olds. Families with children enrolled in a funded kindergarten program in long day care receive up to \$2,000 per child per year to reduce their out-of-pocket fees.

School education

Investment in Victoria's schooling continued to grow in 2020–21, with government recurrent expenditure per FTE student in primary schools increasing to \$17,489, and to \$21,725 for secondary school students.²⁰ Between 2014 and 2021, Victorian Government expenditure per student FTE in government schools increased more than in any other state or territory, at 23.8%.²¹

Progress towards objective 4: Productivity

Indicators	Unit	2018	2019	2020	2021	2022
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	3,549	3,638	3,682	3,774 ²²	3,831

²⁰ The Productivity Commission's Report on Government Services (RoGS) is published in early February each year. Calculations drawn from the 2023 RoGS, table 4A.14

²¹ The Productivity Commission's (RoGS) is published in early February each year. Calculations drawn from the 2023 RoGS, table 4A.14

²² 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.

Indicators	Unit	2018	2019	2020	2021	2022
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 (2020–21 dollars) ²³	\$ per FTE student	16,173	16,543	17,489	— ²⁴	— ²⁴
Dollar per secondary school student per financial year						
Government real recurrent expenditure (including user cost of capital) per FTE student in secondary schools (2020–21 dollars) ²³	\$ per FTE student	20,130	20,524	21,725	— ²⁴	— ²⁴

Performance against output measures

The following sections detail the outputs provided by the department to the Victorian Government. This includes performance measures and costs for each output, and the actual performance results against budgeted targets by output over the full financial year ending 30 June 2023.

The department's 6 outputs are:

- strategy, review and regulation
- early childhood education
- school education – primary
- school education – secondary
- 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 inter-governmental negotiations, as well as research, data and performance evaluations. This output also supports regulation that ensures quality education and training is delivered.

Strategy, review and regulation – performance measures

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Number of registered training organisation quality audits and school reviews undertaken annually	number	97	100	–3.0	○
<i>The above performance measure relates to the school cyclical review program for independent schools only.</i>					

²³ Government expenditure refers to Australian and Victorian Government expenditure. Time series financial data are adjusted to 2020–21 dollars as reported in Table 4A.15. 2018 data relates to 2018–19, 2019 to 2019–20, 2020 to 2020–21, 2021 to 2021–22 and 2022 to 2022–23.

²⁴ The Productivity Commission's RoGS is published in early February each year. There is a time lag in reporting of financial data, with 2021–22 results to be released in 2024 and 2022–23 results in 2025.

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quality					
Education peak bodies that rate the VRQA effective or highly effective in performing its regulatory function	%	84	90	–6.7	■
<i>This performance measure relates to the calendar year. The 2022–23 actual is lower than the 2022–23 target due to the measure being based on a small survey sample size where results can be prone to fluctuation.</i>					
Regulated schools and registered training organisations that rate the VRQA effective or highly effective in performing its regulatory function	%	93	90	3.3	✓
<i>This performance measure relates to the calendar year.</i>					
Percentage of government schools where an enrolment audit is conducted	%	32.5	32.5	0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Cost					
Total output cost	\$ million	106.1	110.9	–4.3	✓
<i>No footnote required.</i>					
Key: ✓ Target achieved or exceeded ○ Target not achieved – less than 5% variance ■ Target not achieved – more than 5% variance					

Early childhood education

This output delivers kindergarten and related programs and services to improve quality and to support participation for disadvantaged children and children with additional needs. This includes Four-Year-Old Kindergarten and the roll-out of Three-Year-Old Kindergarten. Services also include workforce and infrastructure development and the monitoring of licensed ECEC services.

Early childhood education – performance measures

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Children funded to participate in kindergarten in the year before school	number	76,389	79,000	–3.3	○
<i>This performance measure relates to the calendar year. This performance measure includes first- and second-year kindergarten participants.</i>					
Aboriginal children funded to participate in kindergarten in the year before school	number	1,738	1,550	12.1	✓
<i>This performance measure relates to the calendar year. This performance measure includes first- and second-year Aboriginal kindergarten participants. The 2022–23 actual is higher than the 2022–23 target due to the higher than previously estimated Aboriginal population in the year before school, and increased service participation within this group.</i>					
Kindergarten participation rate in the year before school	%	91.6	96.0	–4.6	○
<i>This performance measure relates to the calendar year. This performance measure excludes children who participate in a second year of the four-year-old kindergarten program.</i>					
Kindergarten participation rate for Aboriginal children in the year before school	%	100	96.0	4.2	✓
<i>This performance measure relates to the calendar year. This performance measure excludes children who participate in a second year of the four-year-old kindergarten program.</i>					
Children funded to participate in kindergarten in the year two years before school	number	60,455	47,000	28.6	✓
<i>This performance measure relates to the calendar year. This performance measure includes children in Early Start Kindergarten and the phased roll-out of the Three-Year-Old Kindergarten program. The 2022–23 actual is higher than the 2022–23 target due to an unanticipated increased take-up of Three-Year-Old Kindergarten programs and services.</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Children funded to participate in Early Start Kindergarten or Access to Early Learning in the year two years before school	number	4,205	3,500	20.1	✓
<i>This performance measure relates to the calendar year. ESK is available to children known to Child Protection, Aboriginal children, and refugee and asylum seeker children. The 2022–23 actual is higher than the 2022–23 target due to the benefits of outreach and other engagement work to support the enrolment and ongoing participation of children eligible for ESK especially among refugee and asylum seeker children.</i>					
Average number of inspections per service	number	0.96	0.85	12.9	✓
<i>This performance measure relates to the calendar year. The 2022–23 actual is higher than the 2022–23 target due to concerted efforts by the regulatory authority to increase service inspections after 2 years of disrupted inspection rates due to COVID-19.</i>					
Number of Early Years Management funded services	number	1,035	1,030	0.5	✓
<i>This performance measure relates to the calendar year.</i>					
Proportion of approved eligible services assessed and rated	%	24.3	25.0	–3.0	○
<i>This performance measure relates to the calendar year.</i>					
Proportion of allied health sessions offered through School Readiness Funding accessed by funded kindergarten services	%	89.6	80.0	12.0	✓
<i>This performance measure relates to the calendar year. The 2022–23 actual is higher than the 2022–23 target due to service provider maturity and strengthened monitoring and oversight.</i>					
Number of kindergarten services supported through the Kindergarten Inclusion Support program for children with a disability or complex medical needs	number	1,000	600	66.7	✓
<i>This performance measure relates to the calendar year. The 2022–23 actual is higher than the 2022–23 target due to higher-than-expected number of kindergarten services supported through the state-wide roll-out of the Three-Year-Old Kindergarten program.</i>					
Number of Kinder Kits delivered to services for distribution to children commencing their Three-Year-Old kindergarten program	number	72,710	47,000	54.7	✓
<i>This performance measure relates to the calendar year. The 2022–23 actual is higher than the 2022–23 target due to unanticipated increased take-up of Three-Year-Old Kindergarten programs and services.</i>					
Quality					
Education and care services offering a funded kindergarten program assessed as exceeding the National Quality Standard	%	37.0	46.0	–19.6	■
<i>This performance measure relates to the calendar year. The 2022–23 actual is lower than the 2022–23 target due to the number of long day care services funded to deliver a kindergarten program being assessed as 'meeting' (or below) the National Quality Standard, as well as the impact of national changes made to the requirements to be assessed as 'exceeding'.</i>					
Education and care services offering a funded kindergarten program assessed as meeting or exceeding the National Quality Standard	%	93.0	91.0	2.2	✓
<i>This performance measure relates to the calendar year.</i>					
Parent satisfaction with kindergarten services	%	90.0	90.0	0	✓
<i>This performance measure relates to the calendar year. This performance measure is based on a parent opinion survey that is administered to all funded kindergarten services.</i>					
Cost					
Total output cost	\$ million	1,119.1	984.9	13.6	✓
<i>The 2022–23 outcome is higher than the target primarily due to new funding decisions during 2022–23 including Best Start, Best Life and Free Kinder. These are offset by carryover and budget rephasing into 2023–24, mainly related to delays in capital grants to kindergarten operators.</i>					
Key:	✓ Target achieved or exceeded	○ Target not achieved – less than 5% variance	■ Target not achieved – more than 5% variance		

School education

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 Foundation (Prep) to Year 6 in government and non-government schools.

School education – primary – performance measures

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Investment in non-government schools (primary)	\$ million	535.1	519.5	3.0	✓
Percentage of government primary school students receiving equity funding	%	24	24	0.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Number of teachers participating in the Primary Mathematics and Science Specialists initiative (PMSS)	number	207	100	107.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to the flow of participants across the two-year program.</i>					
Number of assistant principals participating in leadership development programs, including the Aspiring Principals Program	number	1,413	700	101.9	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to (a) an increased number of participants enrolled in 2022 programs as a result of postponed enrolments in 2021 reflecting the impact of COVID-19 on schools and (b) participants being given greater flexibility to attend courses through more hybrid provision offerings.</i>					
Number of principals participating in leadership development programs	number	1,330	1,100	20.9	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to (a) an increased number of participants enrolled in 2022 programs as a result of postponed enrolments in 2021 reflecting the impact of COVID-19 on schools and (b) participants being given greater flexibility to attend courses through hybrid provision offerings.</i>					
Number of school staff who are not principals or assistant principals participating in leadership development programs	number	3,285	3,000	9.5	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. This performance measure includes all school staff (teaching and education support). The 2022–23 actual is higher than the 2022–23 target due to (a) an increased number of participants enrolled in 2022 programs as a result of postponed enrolments in 2021 reflecting the impact of COVID-19 on schools and (b) participants being given greater flexibility to attend courses through hybrid provision offerings.</i>					
Number of participants in the Teacher Excellence Program	number	249	200	24.5	✓
<i>This performance measure relates to the calendar year. The 2022–23 actual is higher than the 2022–23 target due to a higher-than-expected number of teachers participating in the program in its first year of operation.</i>					
Number of teachers completing mentoring training	number	1,092	925	18.1	✓
<i>This performance measure relates to the calendar year. This performance measure includes early childhood teachers. The 2022–23 actual is higher than the 2022–23 target due to the provision of online seminars which were well subscribed and the scheduling of an additional seminar to meet the requirements of the Career Start pilot.</i>					
Number of Victorian schools participating as a 'lead school' for the Respectful Relationships initiative	number	402	382	5.2	✓
<i>This performance measure relates to primary and secondary schools. The 2022–23 actual is higher than the 2022–23 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	37,500	37,500	0.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to primary and secondary schools.</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Number of schools able to access the Digital Assessment Library	number	2,413	2,413	0.0	✓
<i>This performance measure relates to the calendar year.</i>					
Number of schools supported with strategic business and financial support	number	703	750	–6.3	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is lower than the 2022–23 target due to lower-than-expected demand from schools and schools accessing alternative support mechanisms in increasing numbers.</i>					
Number of school staff attending strategic business and financial support training	number	2,493	2,500	–0.3	○
<i>This performance measure relates to the calendar year. This performance measure 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>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Number of schools utilising the Local Administrative Bureau	number	139	105	32.4	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to higher-than-expected demand from schools.</i>					
Number of schools working with School-wide Positive Behaviour Support	number	391	400	–2.3	○
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Utilisation of annual hours allocated to schools for on-site IT technical support	%	99.0	99.0	0.0	✓
Quality					
Average days lost due to absence at Year 5	number	23.6	14.1	67.4	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to increases in absence due to illness from COVID-19 and influenza, particularly in Semester 1.</i>					
Average days lost due to absence at Year 6	number	24.3	14.5	67.6	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to increases in absence due to illness from COVID-19 and influenza, particularly in Semester 1.</i>					
Average days lost due to absence for Aboriginal students in Years Prep to 6	number	34.7	24.0	44.6	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to increases in absence due to illness from COVID-19 and influenza as well as the heightened level of vulnerability to COVID-19 for Koorie families which may have influenced attendance patterns. 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	%	84.0	85.0	–1.2	○
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 3 (NAPLAN testing)	%	35.4	46.7	–17.4	■
<i>This 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 ± 3.18 percentage points which is specific to the measure in 2022.</i>					
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 5 (NAPLAN testing)	%	25.8	35.2	–19.6	■
<i>This 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 ± 2.50 percentage points which is specific to the measure in 2022.</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Percentage of Aboriginal students above the bottom three bands for reading in Year 3 (NAPLAN testing)	%	51.9	58.2	–4.9	○
<i>This 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 ± 3.42 percentage points which is specific to the measure in 2022.</i>					
Percentage of Aboriginal students above the bottom three bands for reading in Year 5 (NAPLAN testing)	%	45.8	44.6	9.6	✓
<i>This 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 ± 3.10 percentage points which is specific to the measure in 2022.</i>					
Percentage of students above the bottom three bands for numeracy in Year 3 (NAPLAN testing)	%	66.0	73.8	–9.3	■
<i>This 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 an estimated confidence interval of ± 0.95 percentage points which is specific to the measure in 2022.</i>					
Percentage of students above the bottom three bands for numeracy in Year 5 (NAPLAN testing)	%	56.5	66.0	–12.7	■
<i>This 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 an estimated confidence interval of ± 1.12 percentage points which is specific to the measure in 2022.</i>					
Percentage of students above the bottom three bands for reading in Year 3 (NAPLAN testing)	%	78.5	82.0	–3.3	○
<i>This 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 an estimated confidence interval of ± 0.78 percentage points which is specific to the measure in 2022.</i>					
Percentage of students above the bottom three bands for reading in Year 5 (NAPLAN testing)	%	73.3	74.0	0.2	✓
<i>This 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 ± 0.87 percentage points which is specific to the measure in 2022.</i>					
Percentage of students in the top two bands for numeracy in Year 3 (NAPLAN testing)	%	38.4	46.7	–15.5	■
<i>This 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 an estimated confidence interval of ± 1.05 percentage points which is specific to the measure in 2022.</i>					
Percentage of students in the top two bands for numeracy in Year 5 (NAPLAN testing)	%	26.5	35.3	–22.2	■
<i>This 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 an estimated confidence interval of ± 0.97 percentage points which is specific to the measure in 2022.</i>					
Percentage of students in the top two bands for reading in Year 3 (NAPLAN testing)	%	59.6	62.2	–2.6	○
<i>This 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 an estimated confidence interval of ± 0.99 percentage points which is specific to the measure in 2022.</i>					
Percentage of students in the top two bands for reading in Year 5 (NAPLAN testing)	%	43.5	45.1	–1.3	○
<i>This 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 an estimated confidence interval of ± 1.01 percentage points which is specific to the measure in 2022.</i>					
Years 5 to 6 students' opinion of their connectedness with the school	number (1–5)	4.0	4.4	–9.1	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is lower than the 2022–23 target due to the cumulative impacts of COVID-19 on student engagement. In light of this, schools are continuing to implement a range of initiatives to support student engagement and connectedness with school, including the Mental health in schools reforms, Disability inclusion reforms, Tutor learning initiative, and other initiatives such as Amplify.</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Proportion of identified schools that subsequently improved their performance ²⁵	%	Not reported	67.0	Not reported	Not reported
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Proportion of participants rating (all programs) the impact of the Victorian Academy of Teaching and Leadership's professional learning on their own development and practice as "significant" or above	%	92.0	78.0	17.9	✓
<i>This performance measure relates to the calendar year. The 2022–23 actual is higher than the 2022–23 target reflecting participants' positive perceptions of the impact of Academy programs.</i>					
Proportion of participants (all programs) who are satisfied with the Victorian Academy of Teaching and Leadership's professional learning and development training	%	84.0	82.0	2.4	✓
<i>This performance measure relates to the calendar year.</i>					
Percentage of government schools compliant with the Child Safety Standards three months after review	%	91.0	100	–9.0	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is lower than the 2022–23 target as 9% of schools demonstrated compliance after the 3-month review period. All schools were compliant by 30 December 2022.</i>					
Cost					
Total output cost	\$ million	6,136.6	5,942.9	3.3	✓
<i>No footnote required.</i>					
Key: ✓ Target achieved or exceeded ○ Target not achieved – less than 5% variance ■ Target not achieved – more than 5% variance					

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	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Investment in non-government schools (secondary)	\$ million	573.5	556.7	3.0	✓
Number of school students enrolled in the Victorian Certificate of Applied Learning (VCAL)	number	26,949	27,018	–0.3	○
<i>This performance measure relates to the calendar year. The 2022–23 actual is lower than the 2022–23 target possibly due to students selecting vocational pathways from within the VCE ahead of the phasing out of VCAL from 2023.</i>					
Number of school students participating in accredited vocational programs	number	50,795	50,500	0.6	✓
<i>This performance measure relates to the calendar year.</i>					

²⁵ The 2022–23 outcome cannot be reported due 2020 NAPLAN not being held - as the methodology for this measure is based on performance improvements over a 2-year period, the result cannot be calculated for 2022.

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Number of school-based apprentices/trainees	number	3,101	3,700	–16.2	■
<i>This performance measure relates to the calendar year. The 2022–23 actual is lower than the 2022–23 target due to the impact of COVID-19 on industry which led to a reduction in opportunities for structured workplace learning.</i>					
Proportion of all secondary schools offering vocational options to students as part of their secondary school certificate	%	96.2	96.0	0.2	✓
<i>This performance measure relates to the calendar year.</i>					
Number of students for which government secondary schools are funded to 'catch up'	number	10,500	10,500	0.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Percentage of government secondary school students receiving equity funding	%	30.0	30.0	0.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Number of students participating in the Victorian Young Leaders program ²⁵	number	1,658	460	260.4	✓
<i>The 2022–23 actual is higher than the 2022–23 target due to school-level programs being oversubscribed due to high level of interest.</i>					
Number of partner secondary schools accessing a Tech School	number	194	165	17.6	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government and non-government schools who are partnered to a Tech School. The 2022–23 actual is higher than the 2022–23 target due to Tech Schools re-engaging effectively with partner schools to book programs following two years of remote and flexible learning, and an additional eight South Gippsland schools accessing the Gippsland Tech School.</i>					
Proportion of employment-based pathways-qualified teachers retained in Victorian government school workforce (within 2 years) after completing the pathway	%	84	70	20.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to higher-than-expected number of Teach For Australia and Nexus employment-based pathways qualified teachers remaining in the Victorian government school workforce (within 2 years) after completing the pathways in 2021.</i>					
Number of industry professionals supported to commence qualifications needed to become a VDSS trainer	number	50	50	0.0	✓
Number of teachers and VDSS trainers who have been supported to strengthen their teaching/training practice through professional learning	number	80	80	0.0	✓
Quality					
Average days lost due to absence in Years 11 and 12	number	23.4	16.1	45.3	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to increases in absence due to illness from COVID-19 and influenza, particularly in Semester 1.</i>					
Average days lost due to absence in Years 7 to 10	number	29.2	19.0	53.7	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to increases in absence due to illness from COVID 19 and influenza, particularly in Semester 1.</i>					
Average days lost due to absence for Aboriginal students in Years 7 to 12	number	48.7	35.0	39.1	■
<i>This performance measure relates to the calendar year. This performance measure relates refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to increases in absence due to illness from COVID-19 and influenza as well as the heightened level of vulnerability to COVID-19 for Koorie families which may have influenced attendance patterns. This cohort is small and data is subject to volatility.</i>					
Median VCE study score	number	29	29	0.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Proportion of positive responses to school satisfaction by parents of government secondary school students	%	75.0	80.0	–6.3	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is lower than the 2022–23 target partly due to the cumulative impacts of COVID-19. In light of this, schools are continuing to implement a range of initiatives to support students and consequently improve parental satisfaction including the Mental health in schools reforms, Disability inclusion reforms, Tutor learning initiative, and other initiatives such as Amplify.</i>					
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 7 (NAPLAN testing)	%	25.5	29.7	–4.0	○
<i>This 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 an estimated confidence interval of ± 3.02 percentage points which is specific to the measure in 2022.</i>					
Percentage of Aboriginal students above the bottom three bands for numeracy in Year 9 (NAPLAN testing)	%	19.3	27.9	–21.0	■
<i>This 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 an estimated confidence interval of ± 2.75 percentage points which is specific to the measure in 2022.</i>					
Percentage of Aboriginal students above the bottom three bands for reading in Year 7 (NAPLAN testing)	%	30.5	30.6	9.7	✓
<i>This 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 ± 3.07 percentage points which is specific to the measure in 2022.</i>					
Percentage of Aboriginal students above the bottom three bands for reading in Year 9 (NAPLAN testing)	%	26.0	26.3	11.7	✓
<i>This performance measure relates to the calendar year. The 2022–23 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 ± 3.39 percentage points which is specific to the measure in 2022.</i>					
Percentage of school leavers completing a VCE VET program in a school progressing to further education, training or work	%	96.3	95.0	1.4	✓
<i>This 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	%	90.8	85.0	6.8	✓
<i>This performance measure relates to the calendar year.</i>					
Percentage of students above the bottom three bands for numeracy in Year 7 (NAPLAN testing)	%	59.2	64.7	–5.8	■
<i>This 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 an estimated confidence interval of ± 1.75 percentage points which is specific to the measure in 2022.</i>					
Percentage of students above the bottom three bands for numeracy in Year 9 (NAPLAN testing)	%	50.7	57.9	–9.1	■
<i>This 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 an estimated confidence interval of ± 1.93 percentage points which is specific to the measure in 2022.</i>					
Percentage of students above the bottom three bands for reading in Year 7 (NAPLAN testing) ²⁵	%	61.7	62.4	1.4	✓
<i>This 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 an estimated confidence interval of ± 1.59 percentage points which is specific to the measure in 2022.</i>					
Percentage of students above the bottom three bands for reading in Year 9 (NAPLAN testing)	%	52.1	53.3	1.0	✓
<i>This 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 an estimated confidence interval of ± 1.74 percentage points which is specific to the measure in 2022.</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Percentage of students in the top two bands for numeracy in Year 7 (NAPLAN testing)	%	33.1	36.7	–5.2	■
<i>This 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 an estimated confidence interval of ± 1.69 percentage points which is specific to the measure in 2022.</i>					
Percentage of students in the top two bands for numeracy in Year 9 (NAPLAN testing)	%	21.6	27.6	–15.3	■
<i>This 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 an estimated confidence interval of ± 1.79 percentage points which is specific to the measure in 2022.</i>					
Percentage of students in the top two bands for reading in Year 7 (NAPLAN testing)	%	29.7	31.4	–0.8	○
<i>This 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 an estimated confidence interval of ± 1.46 percentage points which is specific to the measure in 2022.</i>					
Percentage of students in the top two bands for reading in Year 9 (NAPLAN testing)	%	23.0	23.0	6.7	✓
<i>This 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 an estimated confidence interval of ± 1.53 percentage points which is specific to the measure in 2022.</i>					
Percentage of students who remain at school from Year 7 to Year 12	%	88.3	93.0	–5.1	■
<i>This performance measure relates to the calendar year. The 2022–23 actual is lower than the 2022–23 target due to factors including changes in interstate and overseas migration patterns, as the measure compares the total students in Year 7 in 2017 to the number of students enrolled in Year 12 in 2022.</i>					
Percentage of VCAL certificates satisfactorily completed by school students	%	74.8	77.0	–2.9	○
<i>This performance measure relates to the calendar year.</i>					
Years 7–9 students' opinion of their connectedness with the school	number (1–5)	3.3	3.7	–10.8	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is lower than the 2022–23 target due to the cumulative impacts of COVID-19 on student engagement. In light of this, schools are continuing to implement a range of initiatives to support student engagement and connectedness with school, including the Mental health in schools reforms, Disability inclusion reforms, Tutor learning initiative, and other initiatives including Amplify.</i>					
Percentage of students in out of home care receiving targeted supports in school (LOOKOUT Education Support Centres)	%	84.8	85.0	–0.2	○
<i>This performance measure relates to the calendar year.</i>					
Proportion of Navigator program participants re-engaged in schooling	%	76.0	70.0	8.6	✓
<i>This performance measure relates to the calendar year. The 2022–23 actual is higher than the 2022–23 target due to more accurate reporting of progress of program participants.</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>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Proportion of Year 10–12 students with a Career Action Plan	%	83.0	86.0	–3.5	○
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Cost					
Total output cost	\$ million	5,219.2	5,026.9	3.8	✓
<i>No footnote required.</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
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	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Eligible primary school students in receipt of Camps, Sports and Excursions Fund	number	112,336	130,000	–13.6	■
<i>This performance measure relates to the calendar year. The 2022–23 actual is lower than the 2022–23 target due to reduction in the number of families meeting eligibility criteria of being holders of a Health Care Card.</i>					
Eligible secondary school students in receipt of Camps, Sports and Excursions Fund	number	89,973	100,000	–10.0	■
<i>This performance measure relates to the calendar year. The 2022–23 actual is lower than the 2022–23 target due to reduction in the number of families meeting eligibility criteria of being holders of a Health Care Card.</i>					
Investment in student welfare and support	\$ million	439.5	394.2	11.5	✓
<i>The 2022–23 outcome is higher than the target primarily due to new funding decisions during 2022–23. These are offset by carryover and budget rephasing into 2023–24.</i>					
Investment in travelling allowances and transport support (not including special needs students)	\$ million	44.2	46.2	–4.3%	✓
Health assessments of prep-aged students by school nurses	number	62,224	70,500	–11.7	■
<i>This performance measure relates to the calendar year. The 2022–23 actual is lower than the 2022–23 target due to workforce constraints limiting delivery of the program.</i>					
School students (government) supported by conveyance allowance	number	10,014	9,849	1.7	✓
<i>This performance measure relates to the calendar year.</i>					
School students (non-government) supported by conveyance allowance	number	29,228	29,471	–0.8	○
<i>This performance measure relates to the calendar year.</i>					
Schools allocated a nurse through the Secondary School Nursing Program	number	198	198	0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Schools funded for primary welfare officers	number	800	800	0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Number of schools supported by the Schools Mental Health Fund	number	680	680	0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Number of Active Schools grants provided to schools	number	600	600	0	✓
<i>This performance measure relates to the calendar year.</i>					
Quality					
School satisfaction with student support services	%	71.2	80.0	–11.0	■
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is lower than the 2022–23 target primarily due to the impact of the COVID-19 pandemic.</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Cost					
Total output cost	\$ million	483.7	440.4	9.8	✓
<i>The 2022–23 outcome is higher than the target primarily due to new funding decisions during 2022–23 including the National Student Wellbeing program. These are offset by carryover and budget rephasing into 2023–24.</i>					
Key: ✓ Target achieved or exceeded ○ Target not achieved – less than 5% variance ■ Target not achieved – more than 5% variance					

Support for students with disabilities

The support for students with disabilities output covers programs and funding to support students with 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	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Eligible special school students provided with appropriate travel	number	8,957	8,950	0.1	✓
<i>This 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)	%	25.0	21.0	19.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to ongoing efforts to enhance school awareness and understanding of inclusive education practice and reasonable adjustments, and continued engagement with schools to enhance understanding of the Nationally Consistent Collection of Data on School Students with Disability.</i>					
Proportion of total government schools resourced through the Disability Inclusion funding and support model	%	54.0	50.0	8.0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only. The 2022–23 actual is higher than the 2022–23 target due to a higher proportion of schools being resourced in 2022.</i>					
Proportion of positive responses to school satisfaction by parents of government special school students	%	85.7	85.0	0.8	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only</i>					
Quality					
Opinion of connectedness to schooling for government school students who receive an adjustment due to disability (mean score)	number (1–5)	3.6	3.6	0	✓
<i>This performance measure relates to the calendar year. This performance measure refers to government schools only.</i>					
Cost					
Total output cost	\$ million	1,547.7	1,522.3	1.7	✓
<i>No footnote required.</i>					
Key: ✓ Target achieved or exceeded ○ Target not achieved – less than 5% variance ■ Target not achieved – more than 5% variance					

Discontinued measures for 2022–23

Following assessment by the Public Accounts and Estimates Committee, the performance measures listed below were discontinued for 2022–23.

Discontinued performance measures

Output group	Performance measure name
School Education – Primary	Number of Digital Assessment Library items developed
School Education – Primary	Units of service provided by Data and Evidence Coaches

Discontinued operations

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

Departmental financial summary

Budget portfolio outcomes

Refer to Appendix 2 – Budget portfolio outcomes.

Departmental 5-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 Adult, Community and Further Education Board, Adult Multicultural Education Services, the Academy, VCAA, VIT, VRQA, and Technical and Further Education (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	2022–23	2021–22	2020–21	2019–20	2018–19
	\$m	\$m	\$m	\$m	\$m
Operating revenue					
Output appropriation ²⁶	14,993.1	14,834.4	16,133.9	14,887.5	13,815.7
Other revenue	880.9	926.2	597.9	830.4	927.6
Total income from transactions	15,874.0	15,760.6	16,731.6	15,717.9	14,743.3
Total expenses from transactions	15,404.6	15,276.4	16,121.4	15,118.1	14,073.5
Net results from transactions	469.4	484.2	610.2	599.8	669.8
Total other economic flows	22.3	190.3	50.5	(39.2)	(98.1)
Net results for period	491.7	674.5	660.7	560.6	571.7
Net cash flow from operating activities	613.3	813.7	605.7	1220.3	1,047.1
Total assets	44,990.8	40,627.2	33,535.4	29,228.9	27,846.8
Total liabilities	3,098.9	3,349.1	3,302.9	3,355.5	3,022.0
Net assets	41,891.9	37,278.1	30,232.5	25,873.4	24,824.8

Departmental 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 2023 is a surplus of \$469.4 million, compared with a surplus of \$484.2 million in 2022. With the inclusion of other economic flows of \$22.3 million, the net result for the financial year is a surplus of \$491.7 million, compared with a surplus of \$674.5 million in 2022.

Overall, operating revenue grew modestly as the increased funding of new output initiatives was partially offset by the machinery of government transfer of the Higher Education and Skills output to DJSIR from 1 January 2023. Third-party revenue was also stable, with the increase in the 'sale of goods and services' predominantly due to a full-year return of schools' on-site learning, again offset by the discontinuation of the goods received free of charge including rapid antigen tests and protective personal equipment from Department of Health in December 2022.

The department's expenditure is also relatively stable. The year 2023 saw increased employee expense which aligns with increases in wages and growth in teacher numbers, a rise in enrolments, and a general inflation-related indexation that contributed to the higher costs. Depreciation and amortisation expenses also increased, resulting from the flow on impact of the

²⁶ Output appropriation is the main source of recurring funding from the Victorian Government.

2022 revaluation of buildings. This is offset by lower 'grants and other payments' largely due to the machinery of government impact, due to half-year payments to TAFEs and training providers up until 31 December 2022 being recognised in the department's accounts.

Balance sheet

The department's net assets as at 30 June 2023 were \$41.9 billion, comprising total assets of \$45.0 billion and total liabilities of \$3.1 billion.

The major assets of the department are the schools' property, plant, and equipment. These represent 89% (\$39.9 billion) of total assets. In 2023, the value of the department's property, plant and equipment increased by \$4.2 billion, primarily due to the upward revaluations of \$2.6 billion (\$1.4 billion in land and \$1.2 billion in buildings) and the government's continued investment in schools by acquiring land, building new schools, and completing school upgrades.

Liabilities totalling \$3.1 billion mainly consist of payables, borrowings, and employee benefit provisions. The \$250 million decrease in 2023 liabilities is mainly driven by decreases in payables. The payables reduction reflects the 2023 payment of backpay for the *Victorian Government Schools Agreement 2022*, for the Teachers Enterprise Bargaining Agreement entitlements accrued from 1 January to 30 June 2022 (\$151 million). In addition, further reductions in payables were due to the machinery of government transfer of the Higher Education and Skills group to DJSIR, resulting in decreases in accrued grants and transfer payments as well as operating expenditure accrued.

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 3 provides a list of the department's financial assistance to external organisations, companies and entities in 2022–23.

Capital projects

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

During 2022–23, 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 total estimated investment of \$10 million or greater completed during the financial year ended 30 June 2023

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$m)	Latest approved TEI budget (\$m)	Actual TEI cost (\$m)	Variation between actual cost and latest approved TEI budget (\$m)	Reason for variance from latest approved TEI budget and co-contributions
Barrawang Primary School (formerly Wollert West Primary School)	31/03/2023	31/03/2023	31/03/2023	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–
Benalla P–12 College	30/09/2022	31/12/2022	10/01/2023	Extensive soil remediation and COVID-19 cases on site caused delays.	12.064	12.064	10.392	1.672	Actual TEI cost is subject to project financial close in the defects liability period.
Blackburn High School	31/12/2022	31/12/2022	20/10/2022	N/A	10.000	10.610	10.329	0.281	The latest approved TEI has increased by \$0.610 million due to a revised project scope, funded by a co-contribution from the school. Actual TEI cost is subject to project financial close in the defects liability period.
Carlton Gardens Primary School	31/03/2022	31/12/2022	27/03/2023	A heritage overlay on the site impacted the project timelines.	In the 2021–22 State Budget, the school shared \$130.106 million from Established Areas Program.	–	–	–	–
Centre for Higher Education Studies	31/12/2021	30/09/2022	7/11/2022	Land acquisition negotiations were protracted.	27.500	27.500	25.999	1.501	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 (\$m)	Latest approved TEI budget (\$m)	Actual TEI cost (\$m)	Variation between actual cost and latest approved TEI budget (\$m)	Reason for variance from latest approved TEI budget and co-contributions
Clyde Creek Primary School – Stage 2B (formerly Clyde North Station Primary School)	31/03/2022	31/03/2023	16/05/2023	Delays in receiving relevant building permits and occupancy permits impacted project timelines.	40.497	40.363	36.587	3.776	The latest approved TEI budget has decreased by \$0.134 million due to \$0.164 million of certain expenditure being reclassified as operating instead of capital, in line with accounting standards and a \$0.030 million co-contribution from local government. Actual TEI cost is subject to project financial close in the defects liability period.
Cranbourne West Secondary College – Stage 2	31/03/2024	31/03/2024	28/07/2022	N/A	In the 2019–20 State Budget, the school shared \$624.831 million allocated for new schools.	–	–	–	–
Donnybrook Primary School (formerly Hayes Hill Primary School)	31/03/2023	31/03/2023	31/03/2023	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–
Dromana Primary School	30/06/2023	30/06/2023	6/04/2023	N/A	In the 2020–21 State Budget, the school shared \$98.491 million allocated to expand 7 schools in high-growth areas.	–	–	–	–
Elevation Secondary College – Stage 2	31/03/2024	31/03/2024	1/02/2023	N/A	In the 2019–20 State Budget, the school shared \$624.831 million allocated for new schools.	–	–	–	–
Footscray Primary School	31/03/2023	31/03/2023	14/03/2023	N/A	In the 2020–21 State Budget, the school shared \$98.491 million allocated to expand 7 schools in high-growth areas.	–	–	–	–
Karwan Primary School (formerly Riverdale East Primary School & Tarneit Primary School)	31/03/2023	31/03/2023	22/12/2022	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$m)	Latest approved TEI budget (\$m)	Actual TEI cost (\$m)	Variation between actual cost and latest approved TEI budget (\$m)	Reason for variance from latest approved TEI budget and co-contributions
Kurrun Primary School (formerly Officer Rix Road Primary School)	31/03/2023	31/03/2023	31/03/2023	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–
Latrobe Special Developmental School	30/09/2022	30/09/2022	30/09/2022	N/A	13.700	13.700	13.700	–	–
Lollypop Creek Primary School	31/03/2023	31/03/2023	22/12/2022	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–
Mickleham Secondary College – Stage 1 (formerly Merrifield West Secondary School)	31/03/2023	31/03/2023	31/03/2023	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–
Monbulk College – Stages 3 & 4	30/06/2021	30/06/2022	3/10/2022	Latent conditions and weather impacted timelines.	16.925	17.118	14.135	2.983	The latest approved TEI budget has increased by \$0.193 million due to revised scope funded by a co-contribution from the school. Actual TEI cost is subject to project financial close in the defects liability period.
Montmorency Secondary College – Stage 2	31/12/2022	31/12/2022	15/07/2022	N/A	16.990	16.990	15.753	1.237	Actual TEI cost is subject to project financial close in the defects liability period.
Mount Alexander 7–12 College (FEP)	31/12/2022	31/12/2022	24/04/2023	A cracked slab column required remediation work, and delays with material supplies impacted timelines.	26.300	26.300	24.136	2.164	Actual TEI cost is subject to project financial close in the defects liability period.
Nearnung Primary School (formerly Tarneit Missen House Primary School)	31/03/2023	31/03/2023	22/12/2022	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$m)	Latest approved TEI budget (\$m)	Actual TEI cost (\$m)	Variation between actual cost and latest approved TEI budget (\$m)	Reason for variance from latest approved TEI budget and co-contributions
Ngarri Primary School (formerly Holyoake Parade Primary School)	31/03/2023	31/03/2023	22/12/2022	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–
North Melbourne Primary School – Molesworth Street Campus	31/03/2023	31/03/2023	1/05/2023	Delays occurred during the construction phase due to delays with material supply.	50.150	48.150	48.150	–	The latest approved TEI budget has decreased by \$2.000 million due to savings being redirected from this program to other school projects.
Phoenix P–12 Community College	30/09/2022	30/09/2022	1/08/2022	N/A	10.594	10.823	7.808	3.015	The latest approved TEI has increased by \$0.229 million due to a revised project scope, funded by a co-contribution from the school. Actual TEI cost is subject to project financial close in the defects liability period.
Quarters Primary School (formerly Camms Road Primary School)	31/03/2023	31/03/2023	31/03/2023	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–
Rosebud Primary School	31/03/2022	31/12/2022	12/08/2022	Restricted space at the school required separation of the project into 2 portions with differing timeframes.	In the 2021–22 State Budget, the school shared \$130.106 million from Established Areas Program.	–	–	–	–
Ruskin Park Primary School	31/03/2023	31/03/2023	10/03/2023	N/A	In the 2020–21 State Budget, the school shared \$98.491 million allocated to expand 7 schools in high-growth areas.	–	–	–	–
St Helena Secondary College – Stage 3	31/12/2022	31/12/2022	2/09/2022	N/A	12.124	12.124	11.669	0.455	Actual TEI cost is subject to project financial close in the defect liability period.

Project name	Original completion date	Latest approved completion date	Actual completion date	Reason for variance in completion dates	Original approved TEI budget (\$m)	Latest approved TEI budget (\$m)	Actual TEI cost (\$m)	Variation between actual cost and latest approved TEI budget (\$m)	Reason for variance from latest approved TEI budget and co-contributions
Sunbury and Macedon Ranges Specialist School – Sunbury Campus	30/06/2021	30/09/2022	30/09/2022	Land acquisition, heritage status, and soil contamination issues caused initial delays, compounded by issues with water and fire servicing.	10.800	10.800	10.800	–	–
Templestowe Heights Primary School	30/06/2023	30/06/2023	27/01/2023	N/A	In the 2020–21 State Budget, the school shared \$98.491 million allocated to expand 7 schools in high-growth areas.	–	–	–	–
Thornhill Park Primary School (formerly Rockbank Murray Road Primary School)	31/03/2023	31/03/2023	22/12/2022	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–
Victorian Academy of Teaching and Leadership – Geelong	31/03/2023	30/09/2023	31/03/2023	N/A	In the 2021–22 State Budget, the site shared \$21.800 million allocated to the Academy.	–	–	–	–
Victorian Academy of Teaching and Leadership - Moe	31/03/2023	30/09/2023	31/03/2023	N/A	In the 2021–22 State Budget, the site shared \$21.800 million allocated to the Academy.	–	–	–	–
Warracknabeal Education Precinct – Stage 2	30/09/2022	31/03/2023	4/05/2023	An unfavourable tender outcome delayed construction.	19.800	23.037	22.987	0.050	The latest approved TEI budget has increased by \$3.237 million, (\$2.700 million due to repriorisation from the New Schools Construction program due to a revised project scope, and \$0.537 million funded by a co-contribution from the school). 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 (\$m)	Latest approved TEI budget (\$m)	Actual TEI cost (\$m)	Variation between actual cost and latest approved TEI budget (\$m)	Reason for variance from latest approved TEI budget and co-contributions
Warragul Regional College	30/09/2023	30/09/2023	14/02/2023	N/A	13.621	13.621	12.334	1.287	Actual TEI cost is subject to project financial close in the defect liability period.
Wayi School (formerly Mount Ridley Special School)	31/03/2023	31/03/2023	25/01/2023	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–
Wellington Secondary College	30/09/2022	30/09/2022	1/08/2022	N/A	10.500	12.500	12.156	0.344	The latest approved TEI budget has increased by \$2.000 million due to revised project scope, funded by a co-contribution from the school. Actual TEI cost is subject to project financial close in the defects liability period.
Windsor Primary School	31/12/2022	31/12/2022	5/06/2023	An unfavourable tender outcome and latent conditions impacted construction timings.	In the 2021–22 State Budget, the school shared \$130.106 million from Established Areas Program.	–	–	–	–
Wollert Secondary College – Stage 1 (formerly Wollert East Secondary College)	31/03/2023	31/03/2023	21/12/2022	N/A	In the 2021–22 State Budget, the school shared \$491.565 million allocated for new schools.	–	–	–	–

Section 3: 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 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 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 based on the key selection criteria and other accountabilities without discrimination.

Comparative workforce data

The following tables disclose the head count and full-time equivalent (FTE) of all active public service employees of the department. ^{27 28 29}

In 2022–23, initiatives that had impact on the department's ongoing, fixed term and casual employment levels included:

- the department's *base review* in 2021 included Early Retirement Package departures, the last of which departed in February 2023
- machinery of government changes where the employees working in the Training and Skills and Higher Education portfolios were transferred to DJSIR
- new roles created through approved State Budget initiatives
- whole of Victorian government initiatives to reduce Senior Executive Service (SES) positions to pre-COVID-19 levels and to meet a target VPS profile.

Victorian Public Service staff employment levels as at June 2022³⁰ and June 2023³¹

		June 2023							June 2022						
		All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data	Gender														
	Women	3,374	3,095.6	2,022	771	2,557.9	581	537.7	3,318	3,031.7	1,953	749	2,465.0	616	566.7
	Men	1,290	1,262.8	906	65	952.9	319	309.9	1,288	1,258.4	881	70	932.1	337	326.3
	Self-described	17	16.1	8	2	9.5	7	6.6	12	11.3	9	1	9.6	2	1.7
	Age ³²														
	Under 25	112	95.0	35	2	36.2	75	58.8	81	70.5	34	5	37.3	42	33.2
	25 – 34	996	941.3	575	139	669.1	282	272.2	981	921.1	551	126	634.9	304	286.2

²⁷ Employees have been correctly classified in workforce data collections.

²⁸ 'Headcount' refers to the number of people employed where each person counts as an employee regardless of the number of hours engaged to work.

²⁹ 'Casual' means a person who is subject to clause 25 (Casual employees – Loading) of the VPS Enterprise 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.

³⁰ Data from June 2022 includes employees working in the Training and Skills and Higher Education portfolios and the Adult, Community and Further Education Board. These employees were transferred to DJSIR due to machinery of government changes and are not included in the June 2023 data table.

³¹ This table includes employees working at the Academy, VCAA, VRQA, Merit Protection Boards and Disciplinary Appeals Boards. Employees in the Academy, VCAA and VRQA are also reported in those authorities' annual reports. Direct employees of the VCAA are not reported here.

³² Age of staff is calculated as at 30 June each year.

		June 2023							June 2022						
		All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
	35 – 44	1,515	1,386.7	874	373	1,135.9	268	250.7	1,469	1,342.2	814	350	1,055.6	305	286.6
	45 – 54	1,190	1,133.1	832	183	963.6	175	169.5	1,113	1,061.6	768	161	884.2	184	177.4
	55 – 64	686	655.8	505	88	566.3	93	89.5	750	710.8	540	111	616.1	99	94.7
	65+	182	162.6	115	53	149.2	14	13.4	224	195.3	136	67	178.6	21	16.7
Classification data	VPS 1–6 grades	4,015	3,807.7	2,561	585	2,986.5	869	821.2	3,919	3,712.0	2,461	545	2,852.2	913	859.8
	VPS 1	–	–	–	–	–	–	–	1	1.0	–	–	–	1	1.0
	VPS 2 ³³	128	105.9	48	11	55.0	69	50.9	140	117.1	69	18	81.6	53	35.5
	VPS 3	506	480.0	347	68	394.6	91	85.4	503	477.1	338	66	384.3	99	92.8
	VPS 4	820	786.1	523	115	607.9	182	178.2	744	714.0	478	85	537.3	181	176.7
	VPS 5	1,771	1,668.1	1,051	307	1,272.1	413	396.0	1,770	1,667.1	1,018	291	1,226.4	461	440.7
	VPS 6	790	767.5	592	84	656.9	114	110.6	761	735.8	558	85	622.6	118	113.1
	Senior employees ³⁴	139	136.4	120	13	130.4	6	6.0	146	142.8	129	13	138.8	4	4.0
	Senior Technical Specialist	40	38.6	27	7	32.6	6	6.0	29	28.5	22	3	24.5	4	4.0
	Executives ³⁵	99	97.8	93	6	97.8	–	–	117	114.3	107	10	114.3	–	–
	Other	527	430.4	255	240	403.4	32	27.0	553	446.6	253	262	415.7	38	30.9
	Allied health	527	430.4	255	240	403.4	32	27.0	553	446.6	253	262	415.7	38	30.9
	Total employees	4,681	4,374.5	2,936	838	3,520.3	907	854.2	4,618	4,301.4	2,843	820	3,406.7	955	894.7

³³ The category VPS 2 includes graduate recruits.

³⁴ This data includes 16 employees who were acting in long term senior positions at the last full pay period in June 2023.

³⁵ The category Executives includes SES 1 to 3 and the Secretary.

Government teaching service staff employment levels as at June 2022 and 2023³⁶

		June 2023							June 2022						
		All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data	Gender														
	Women	64,678	53,923.2	30,117	24,993	46,389.2	9,568	7,534.0	62,690	52,405.2	28,294	23,456	43,449.7	10,940	8,955.5
	Men	19,335	17,835.7	13,230	3,168	15,366.7	2,937	2,469.1	18,740	17,340.3	12,486	2,856	14,397.6	3,398	2,942.7
	Self-described	1,233	993.2	232	230	381.5	771	611.7	341	267.2	57	67	96.2	217	171.0
	Age														
	Under 25	4,064	3,366.9	1,077	896	1,689.6	2,091	1,677.3	3,709	3,153.8	787	673	1,238.5	2,249	1,915.3
	25 – 34	21,932	19,958.4	13,327	3,964	15,829.4	4,641	4,129.1	21,649	19,816.3	12,533	3,464	14,679.6	5,652	5,136.7
	35 – 44	21,992	18,277.8	10,672	8,330	16,020.4	2,990	2,257.4	20,442	16,997.0	9,811	7,541	14,602.9	3,090	2,394.1
	45 – 54	19,373	16,577.2	10,089	7,159	14,965.5	2,125	1,611.8	18,458	15,745.3	9,378	6,886	14,042.0	2,194	1,703.4
	55 – 64	14,314	11,934.4	7,080	6,228	11,221.4	1,006	713.0	14,234	11,859.2	7,064	6,185	11,158.5	985	700.7
	65+	3,571	2,637.5	1,334	1,814	2,411.2	423	226.2	3,279	2,441.0	1,264	1,630	2,222.0	385	219.0
Classification data	Executive class	183	180.0	168	6	171.4	9	8.6	168	166.8	157	3	158.8	8	8.0
	Principal class ³⁷	3,580	3,537.3	3,430	150	3,537.3	–	–	3,424	3,387.7	3,308	116	3,387.7	–	–
	Teacher class ³⁸	53,107	47,404.4	32,196	12,372	40,028.6	8,539	7,375.8	51,920	46,507.6	30,237	11,659	37,574.5	10,024	8,933.1
	Education support class	28,376	21,630.5	7,785	15,863	18,400.1	4,728	3,230.4	26,259	19,950.6	7,135	14,601	16,822.5	4,523	3,128.1
	Total employees	85,246	72,752.2	43,579	28,391	62,137.4	13,276	10,614.8	81,771	70,012.8	40,837	26,379	57,943.5	14,555	12,069.2

36 This table includes employees working at the Academy and the VCAA. These employees are also reported in those authorities' annual reports.

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

38 Teacher class includes classroom teachers and paraprofessionals.

The following table discloses the annualised total salary for senior employees of the department, 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 staff³⁹

Income band (salary)	Executives	Senior technical specialists
< \$160,000	–	3 ⁴⁰
\$160,000 – \$179,999	3 ⁴¹	5 ⁴²
\$180,000 – \$199,999	3 ⁴³	15
\$200,000 – \$219,999	26	7 ⁴⁴
\$220,000 – \$239,999	6	10
\$240,000 – \$259,999	5 ⁴⁵	–
\$260,000 – \$279,999	19	–
\$280,000 – \$299,999	10	–
\$300,000 – \$319,999	8 ⁴⁶	–
\$320,000 – \$339,999	5 ⁴⁷	–
\$340,000 – \$359,999	3	–
\$360,000 – \$379,999	1	–
\$380,000 – \$399,999	5	–
\$400,000 – \$419,999	2	–
\$420,000 – \$439,999	2	–
Total	98	40

39 This table includes employees working at the Academy, VCAA, VRQA, Merit Protection Boards and Disciplinary Appeals Boards. Employees of the Academy, VCAA and VRQA are also reported in those authorities' annual reports. Direct employees of the VCAA are not reported here.

40 This band includes one STS on a part-time basis at 0.6 FTE, one STS on a part-time basis at 0.7 FTE and one STS on a part-time basis at 0.8 FTE.

41 This band includes one SES on a part-time basis at 0.6 FTE and 2 SES on a part-time basis at 0.8 FTE.

42 This band includes one STS on a part-time basis at 0.8 FTE and 2 STS on a part-time basis at 0.9 FTE.

43 This band includes one SES on a part-time basis at 0.8 FTE and one SES on a part-time basis at 0.9 FTE.

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

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

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

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

Workforce diversity, inclusion and equity

The department is committed to workforce diversity, equity and inclusion. The department is working to ensure that all staff experience respectful, safe, inclusive, and equitable workplaces throughout their employment lifecycle, and that its workforce is as diverse as the Victorian community it serves.

Workforce diversity, equity and inclusion outcomes are driven through several initiatives:

- **Diversity and inclusion strategies and action plans:** These include the VPS People Strategy 2021–24, the Gender Equality Action Plan 2022–25, the Aboriginal Employment Plan 2020–26 and Dhelk Wukang 2022–2026 (Koorie inclusion plan). Implementation of the Disability Employment Plan 2019–2022 was completed and mechanisms to drive and report on workforce representation, inclusion, and equity outcomes for people with disability are under development.
- **Staff networks that provide support, advice and social connections:** These include the African Australian Network, the Enablers Network, the Koorie Staff Network, the PriDE Network and the Women of Colour Network. Staff are also encouraged to participate in the VPS-wide staff networks.
- **A comprehensive learning and development offering:** To build staff awareness and capability in leading and contributing to diverse, equitable and inclusive workplaces.
- **Participation in whole-of-government employment pathway programs and initiatives:** These include:
 - the Youth Employment Scheme trainee and Refugee and Asylum Seeker internship programs
 - Barring Djinang strategy, which supports Koorie workforce participation through career and leadership development programs, Aboriginal Internship programs, and the Koorie pathway in the VPS graduate program
 - Getting to Work, Victorian public sector's disability employment action plan 2018–2025 which supports workforce participation of people with disability and Stepping Into Internships.
- **Provision of advice and support:** To support managers in making reasonable adjustments to support a diverse workforce.

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

Department's progress against employment inclusion targets⁴⁸

Workforce inclusion initiative	Target	Progress as at 30 June 2023	Progress as at 30 June 2022
Gender profile at executive levels ⁴⁹	50% women 50% men	62.6% women 37.4% men	61.5% women 38.5% men
Koorie employment targets ⁵⁰	2%	0.3%	0.3%
Disability employment targets ⁵⁰	12% by 2025	0.6%	0.4%

⁴⁸ Employees can choose to record their cultural identity, gender and disability status in the HR payroll system. Confidential and anonymous staff surveys provide an alternative data source. The department uses both sources to track progress against employment targets and inform actions to improve workforce representation.

⁴⁹ The self-described category is nil for this entry.

⁵⁰ Headcount is based on payroll system data. The department's 2023 People Matter Survey results indicate that 8% of survey respondents identified as a person with a disability and 2% of survey respondents identified as Koorie people. The department's 2023 School Staff Survey results were not yet available at the time of publication. The department continues to prioritise meeting employment targets through a range of programs and initiatives. These include the Aboriginal Inclusion Plan, Dhelk Wukang, and Aboriginal Employment Plan.

The department undertook research in 2022–23⁵¹ to understand self-identification behaviours and found that, as in other organisations, employees tend to self-report identity characteristics more often in anonymous surveys than in HR administrative systems. The research provided a range of insights into why and how to increase self-identification over time.

In a 2021 audit, 2% of participating corporate employees identified as Aboriginal or Torres Strait Islander, and 6% identified as a person with disability. In the same year, 1% of participants in the school gender equality survey identified as Aboriginal or Torres Strait Islander, and 4% identified as a person with disability. The department will undertake its next workplace gender audit in 2023.

Key diversity and inclusion work completed over 2022–23 includes:

- promotion of neurodiversity in the workplace through the Rise program, an alternative recruitment pathway for people on the autism spectrum
- increasing diversity, equity and inclusion learning and development offerings available to the school workforce, particularly on inclusive recruitment and disability awareness
- implementing 23 actions in the first year of the Gender Equality Action Plan 2022–25 which:
 - improved gender-equality data collections and systems to be able to monitor and track progress on a range of gender-equality measures including flexible work, recruitment indicators, career progression and development opportunities
 - embedded gender-equality and workplace inclusion actions into strategic and business plans department-wide
 - built awareness and capability to address workplace gender inequality, including inequality for Koorie and diverse employees, through the communications strategy
- maintaining a Silver employer status in the Australian Workplace Equality Index, which works to reduce barriers and promote inclusion for Lesbian, Gay, Bisexual, Transgender, Intersex and Queer + (LGBTIQ+) staff.

Executive data

The following tables disclose information about the executives of the department and its public entities as at 30 June 2023.

Total number of Senior Executive Service (head count) in the department by gender^{52 53}

Class	All		Men		Women		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
SES-3	9	–	5	–	4	–	–	–
SES-2	48	–6	19	–3	29	–3	–	–
SES-1	41	–12	13	–6	28	–6	–	–
Total	98	–18	37	–9	61	–9	–	–

⁵¹ Workforce Gender Audit Summary Report 2021.

⁵² Variance refers to the data as compared to those reported in the department's 2021–22 Annual Report.

⁵³ This table includes employees working at the Academy, VCAA, VRQA, Merit Protection Boards and Disciplinary Appeals Boards. Employees of the Academy, VCAA and VRQA are also reported in those authorities' annual reports. Direct employees of the VCAA are not reported here.

Reconciliation of executive numbers (headcount)

	2023	2022
Executives (financial statement Note 9.2) ⁵⁴ including VCAA, Academy, VRQA and Victorian Skills Authority	148	138
Executives (financial statement Note 9.2) excluding entities	110	127 ⁵⁵
Accountable Officer (Secretary)	1	1
Less separations ⁵⁶	(12)	(10)
Less executives employed by other departments	–	(1)
Total executive numbers as at 30 June	99	117 ⁵⁵

Number of Senior Executive Service (headcount) in the department's public entities ⁵⁷

	All		Men		Women		Self-described	
Entity	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Academy	3	–	1	–	2	–	–	–
VCAA	5	–1	3	–	2	–1	–	–
VIT	1	–	1	–	–	–	–	–
VRQA	3	–1	2	–1	1	–	–	–
Total	12	–2	7	–1	5	–1	–	–

⁵⁴ 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.

⁵⁵ Previously supplied data was incorrect and has been amended in this report.

⁵⁶ This item reflects all executive officers who have separated from the department, including those who transferred to another government department.

⁵⁷ Variance columns refer to the data as compared to the SES headcount reported in the department's 2021–22 Annual Report for the listed entities. The total variance is not comparable to the 2021–22 data due to the inclusion of the Academy in 2022–23 and the exclusion of the entities transferred to DJSIR due to MOG changes.

Occupational health and safety

The *Safe and Well in Education Strategy 2019–24* and its corresponding framework, provides a holistic focus on physical and psychological health, safety and wellbeing, in both schools and corporate workplaces.

The department continues to improve OHS for corporate and school staff through:

- support for injured workers which resulted in improved recovery from, and severity of, work related mental injuries
- increased onsite support to schools to manage healthy and safe workplaces through delivery of the new OHS Assurance Program and pre audit and post audit support
- the Early Intervention Program which was accessed by more than 1,400 principal class employees, and the Proactive Wellbeing Support Program accessed by more than 500 principal class employees
- new wellbeing workshops to principal network meetings focusing on developing mental health and wellbeing plans for staff and recovery skills during busy times
- enhancing the OHS elearning content, digital design and delivery by implementing an automatic employee re-enrolment process and reducing the number of modules
- providing more than 200 face-to-face visits and more than 1,000 occurrences of virtual support to small rural schools for the Small Schools Facilities and OHS Support Program
- enabling access for employees and their families to more than 11,000 hours from the employee assistance program
- enabling workplaces access to more than 470 hours of conflict resolution support services
- training for school leaders to build an effective safety culture and implement risk mitigation strategies
- implementing the Respectful Behaviour in the School Communities Policy and the School Community Safety Order Scheme
- providing School Community Safety Order eLearn training to build capability with the School Community Safety Order Scheme for more than 100 staff, including authorised persons of the scheme and other staff
- developing communication toolkits for schools and peak bodies to raise awareness of the School Community Safety Order Scheme and providing information to families about the Respectful Behaviours Within the School Community Policy in the 2023 Prep bags
- continuing protective intervention training to equip school staff to manage and de-escalate challenging student behaviour while maintaining personal safety through:
 - reviewing and updating the Occupational Health and Safety Management System for schools in consultation with school staff
 - an OHS and workers compensation digital management tool to enhance OHS and workers compensation performance and injury management
 - implementing the new OHS Assurance Program, which provides a more supportive approach and improves the capability of schools to manage health and safety.

Incident management

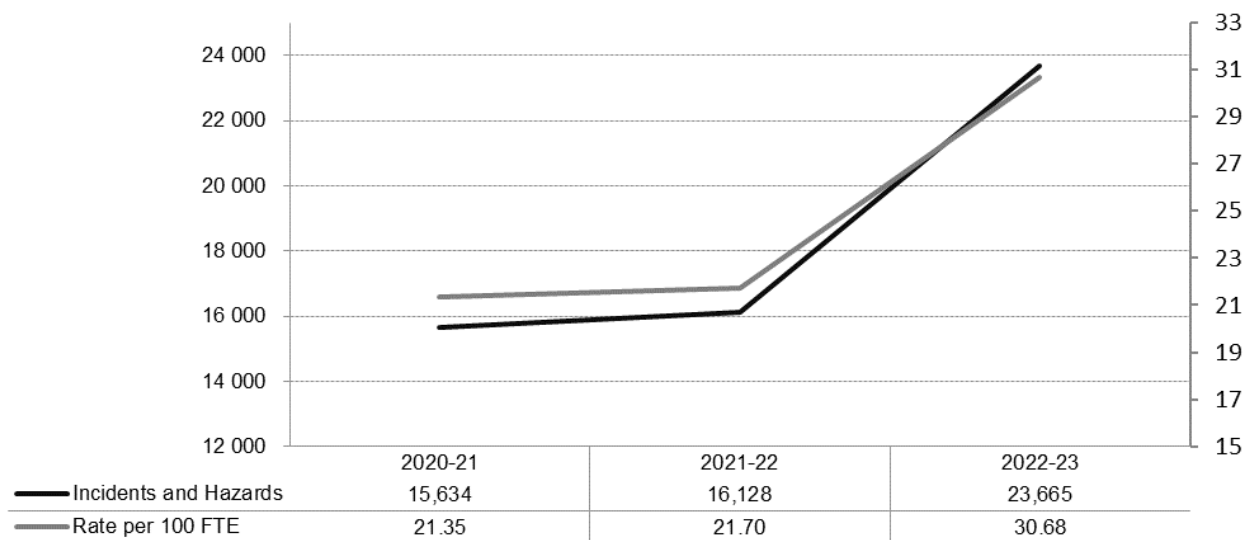
The number of hazard and incident reports in the department has risen compared to 2021–22. The increase in incident reporting has risen following the implementation of a new reporting system, eduSafe Plus, in January 2022. The increase in reports may be due in part, to the greater accessibility of the system and to simplified reporting processes. The implementation of the system was supported with increased training and promotion of the importance of reporting hazards and risks to create safe workplaces. EduSafe Plus simplifies reporting, as it enables reporting of both staff and student incidents in one system, replacing 2 separate incident reporting systems. In

2022–23, 1,479 school workplaces made one or more staff incident or hazard reports, which is an increase of 147 workplaces.

Incident reports, including reports of injuries and other hazard-related events, increased from 21.7 per 100 FTE in 2021–22 to 30.68 per 100 FTE in 2022–23. This equates to an increase of 7,537 reports, totalling 23,665 incident and hazard reports in 2022–23 compared with 16,128 incident and hazard reports in 2021–22.

For staff hazard and incident reports, multiple reports may be logged in relation to one hazard or incident. The actual number of hazards and incidents may be lower than the total number of hazard and incident reports.

Number of incident and hazard reports rate per 100 FTE: 2020–21 to 2022–23



Workers compensation

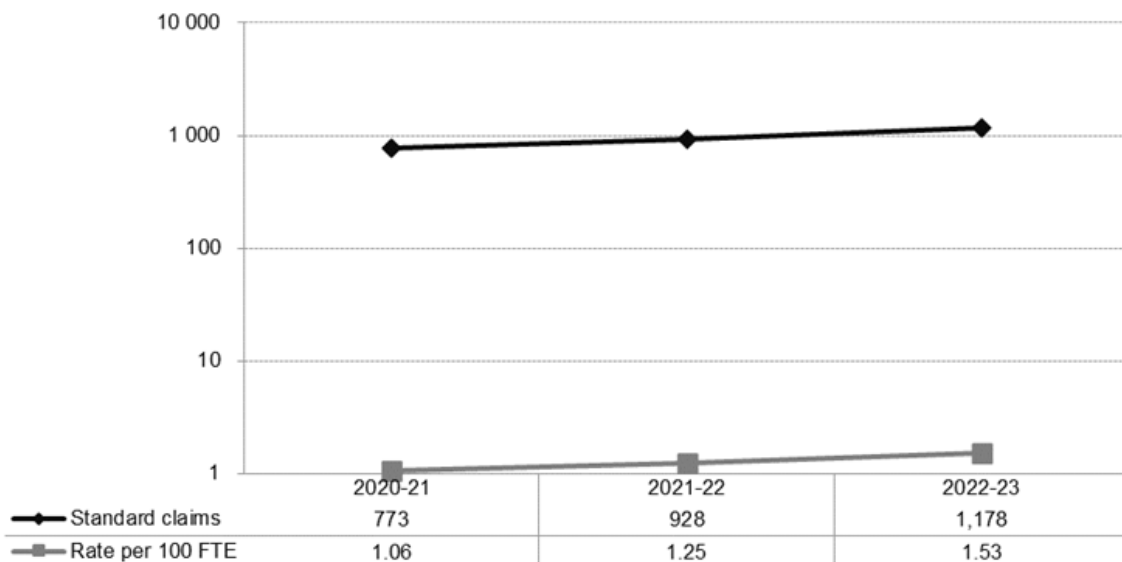
The department has enhanced supports to schools to assist them to promote safer, more efficient and sustainable return to-work processes for injured employees. This includes the department's Return to Work (RTW) and Compensation team providing:

- early triage of new workers' compensation claims to identify claims that may benefit from centralised support and guidance
- a pilot program to provide dedicated support for claims made by principal class employees
- 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
- workers' compensation webinars to improve the capability of RTW coordinators and the management of work-related injuries.

Claims management

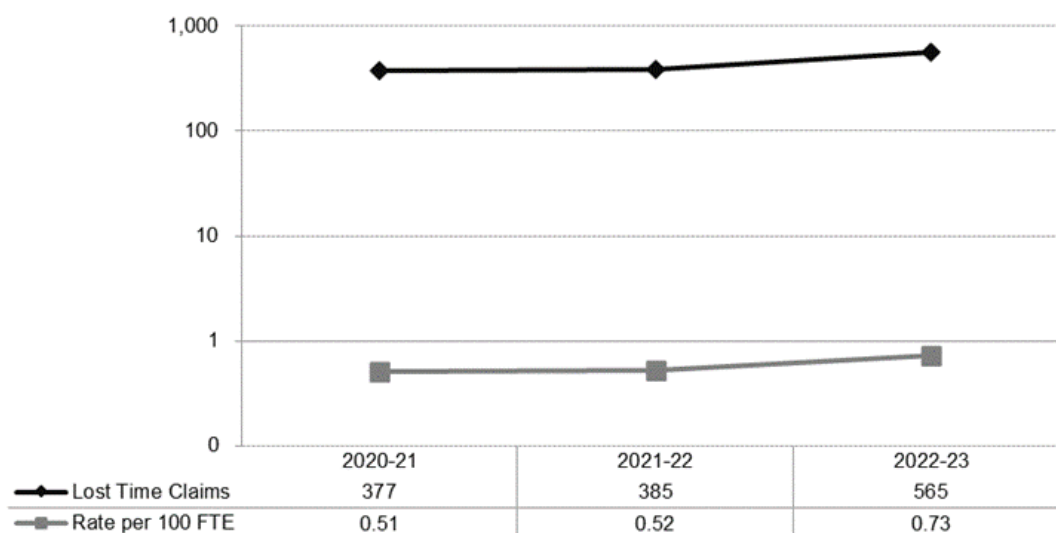
The number of standard claims increased from 928 in 2021–22 to 1,178 in 2022–23. This represented an increase from 1.25 claims per 100 FTE to 1.53 claims per 100 FTE.

Number of standard claims and rate per 100 FTE: 2020–21 to 2022–23



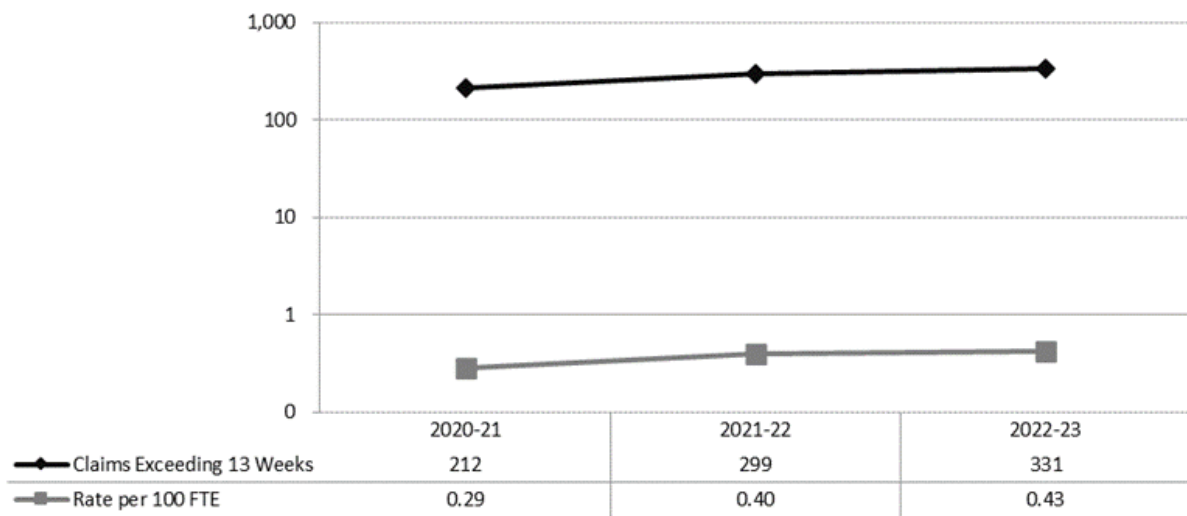
The number of lost-time claims increased from 385 in 2021–22 to 565 in 2022–23. This represented an increase from 0.52 per 100 FTE to 0.73 per 100 FTE. This increase in claim numbers is in line with increases in claim numbers across the Victorian Workers Compensation Scheme.

Number of lost-time claims and rate per 100 FTE: 2020–21 to 2022–23



The number of claims exceeding 13 weeks increased from 299 claims in 2021–22 to 331 claims in 2022–23. This represented an increase from 0.40 claims per 100 FTE to 0.43 claims per 100 FTE.

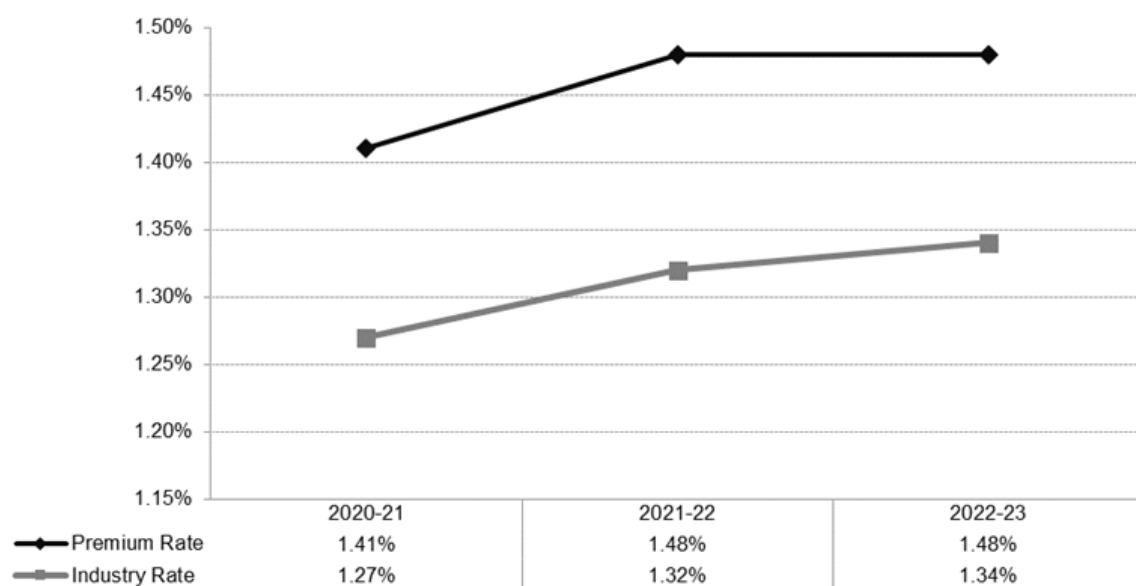
Claims exceeding 13 weeks and rate per 100 FTE: 2020–21 to 2022–23



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 costs relative to the industry's claims costs.

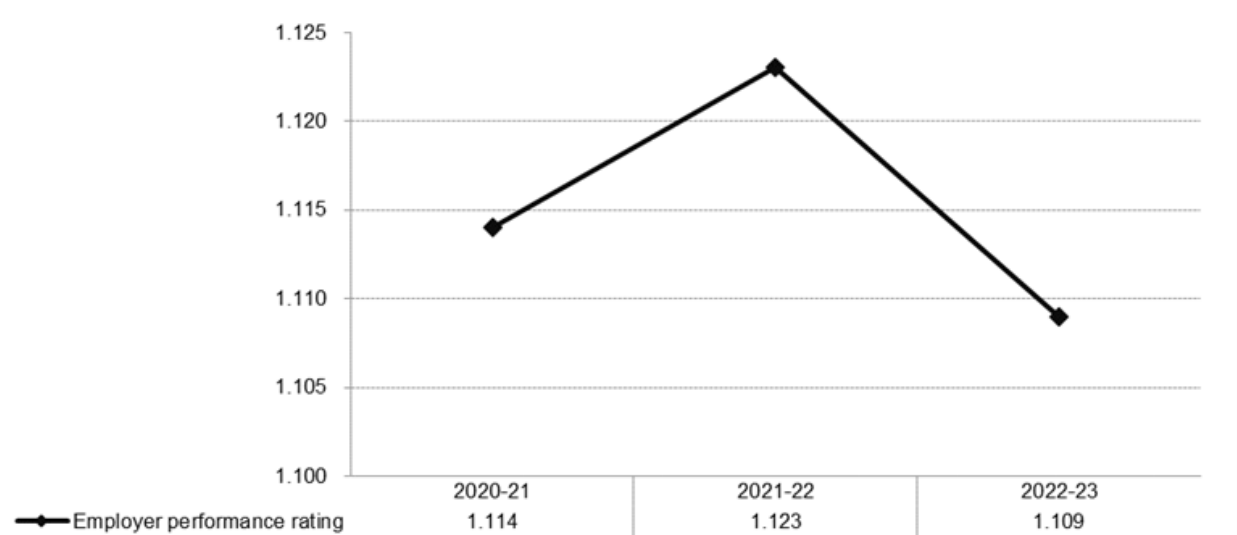
The department's premium increased from \$112.5 million (excluding GST) in 2021–22 to \$119.7 million (excluding GST) in 2022–23. This increase was the net effect of an increase in the department's remuneration, and an increase in industry rate from 1.32% in 2021–22 to 1.34% in 2022–23. The department's premium rate remained steady at 1.48% in 2021–22 and 2022–23.

Premium rate: 2020–21 to 2022–23



The department’s EPR reflects the employer’s claims experience compared with employers across the industry. The EPR has decreased from 1.123 in 2021–22 to 1.109 in 2022–23, which marks an improvement in the department’s performance against the education industry.

Employer performance: 2020–21 to 2022–23



Performance against occupational health and safety measures⁵⁸

Measure	Key performance indicator	2020–21	2021–22	2022–23
Incidents	Number of incidents ⁵⁹	14,280	14,999	21,768
	Rate per 100 FTE	19.5	20.2	28.2
	Number of incidents requiring first aid and/or medical treatment ⁶⁰	4,886	Not available	Not available
Hazards	Total number of hazards reported	1,354	1,129	1,897
	Rate per 100 FTE	1.9	1.3	2.5
Claims	Number of standard claims	773	928	1,178
	Rate per 100 FTE	1.1	1.3	1.53
	Number of lost-time claims	377	385	565
	Rate per 100 FTE	0.5	0.5	0.73
	Number of claims exceeding 13 weeks	212	299	331
	Rate per 100 FTE	0.3	0.4	0.43
Fatalities	Fatality claims	–	–	–
Claim costs	Average cost per standard claim (\$)	120,885	149,507	119,955
Return to work (RTW)	Percentage of claims with RTW plan < 30 days ⁶¹	–	–	–
OHS Management System (OHSMS) development and implementation/ review and improvement	Number of policies, procedures, guidelines and templates reviewed and/or updated	150	173	68 ⁶²
	School OHS audits completed	47	26	189
	Average OHS audit score (schools)	87	82	81 ⁶³
	Percentage of corrective actions completed – incident reports	57	55	22
Management commitment	Evidence of OHS policy statement, objectives, regular reporting to senior management and plans (signed by CEO or equivalent)	Completed	Completed	Completed
	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	Completed	Completed	Completed

⁵⁸ The historical OHS and workers compensation measures are inclusive of the Victorian Skills Authority, which was transferred to DJSIR in 2022–23 as a result of machinery of government changes. Data is sourced from the Victorian WorkCover Authority.

⁵⁹ The increase to the 'Number of incidents' is likely due to a new version of eduSafe Plus which was released during 2021–22. This coincided with several hazard and incident reporting awareness and promotional activities, including direct communications with all staff and new training regarding management of OHS incidents. For staff hazard and incident reports, multiple reports may be logged in relation to one hazard or incident, meaning that the actual number of hazards and incidents may be lower than the total number of hazard and incident reports.

⁶⁰ 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. There were further delays in the development of the functionality for sick bay/first aid in 2022–23, so this has not yet been implemented in schools.

⁶¹ 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.

⁶² Compared to previous years, and due to the nature and complexity of the topics, the policy review process is extensive and required involved stakeholder consultation – which ultimately resulted in a lower number of updated/reviewed OHSMS documents.

⁶³ The average school OHS audits score in 2021–22 and 2022–23 are not directly comparable to previous years due to a modified program delivery method.

Measure	Key performance indicator	2020–21	2021–22	2022–23
	Management engagement in audits ⁶⁴	–	–	–
	Senior management commitment – OHSMS review ⁶⁵	Yes	Yes	Yes
Consultation and participation	Evidence of agreed structure of designated workgroups, health and safety representatives, and issue-resolution procedures	Completed	Completed	Completed
	Percentage of schools reported to have health and safety representatives and OHS committees, based on audit results	64	46	76
	Senior management involvement in consultation and communication ⁶⁶	–	–	–
	Compliance with agreed structure of above	Completed	Completed	Completed
Risk management	Percentage of internal audits/inspections conducted as planned	62	90	87
	Percentage of reported incidents investigated ⁶⁷	57	55	60
	Number of improvement notices issued by WorkSafe inspector ⁶⁸	56	68	103
	Percentage of issues actioned as part of the total issues identified in:			
	• internal audits	6	32	22
	• health and safety representatives provisional improvement notices ⁶⁹	–	–	–
	• WorkSafe notices	100	100	99
Training	Percentage of managers and staff who have received OHS training:			
	• induction	77	64	64
	• management training (OHS for principals)	71	73	72
	• contractors and temporary staff ⁷⁰	–	–	–
	Percentage of health and safety representatives trained ⁷¹ :			
	• acceptance of role (initial training)	77	73	75

64 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.

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

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

67 Refers to percentage of eduSafe Plus reports that have been closed.

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

69 The department is currently unable to report on this indicator. It is anticipated with eduSafe Plus enhancements that this data will be available in the future.

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

71 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	2020–21	2021–22	2022–23
	<ul style="list-style-type: none"> retraining (annual refresher) 	70	73	75
	Total number of mental health training sessions on the Mental Health and Wellbeing Charter for VPS ⁷²	13 people managers and HR staff 8 executives	8 (mental health webinars)	5 (mental health webinars)
Absenteeism	Total number of days of absence due to injury or illness	627,543	679,070	883,074
	Rate per 100 FTE	857	913	1,145
People Matter survey results	Response rate (%)	71	75	71
	Percentage of respondents who think the department provides a safe work environment	85	86	89
Prosecutions	Total number of WorkSafe prosecutions	–	–	1
Mental health and wellbeing	Mental health audit ⁷³	–	92	189
	Calendar of mental health and wellbeing activities ⁷⁴	Yes	Yes	Yes
	Number of mental health and wellbeing sessions delivered to school staff audiences ⁷⁵	–	–	26
	Number of mental health and wellbeing sessions delivered to corporate staff audiences ⁷⁵	–	–	16

⁷² As part of the commitment to implementing the Mental Health and Wellbeing Charter, training was provided to VPS employees which ceased at the end of 2022.

⁷³ The OHS Assurance Program includes assessment of compliance against the Mental Health and Wellbeing Policy and Procedure.

⁷⁴ Mental health and wellbeing activities delivered by our supplier who provide Proactive Wellbeing Support.

⁷⁵ Mental health and wellbeing education sessions on a range of topics (for example, 'Leading for mental health and wellbeing' and 'Your wellbeing and supporting others') delivered by mental health facilitators. This is a new initiative that commenced in the 2022–23 financial year so there is no historical data.

Section 4: Other disclosures

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), 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 2022–23, the department commenced or completed a total of 127 Local Jobs First projects, totalling \$1.6 billion. These included 113 standard projects and 147 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 2022–23, the department commenced 73 Local Jobs First Standard projects, valued at \$365 million. The projects based in metropolitan Victoria averaged 67% local content and projects based in regional Victoria expect to use 87% local content.

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

- an average of 75% local content overall
- a total of 466,174 work hours created and 1,735,193 work hours retained
- an estimated 146,464 new apprenticeships and traineeships work hours created, and an estimated 287,586 work hours for apprenticeships and traineeships retained.

MPSG projects provided an estimated 408,000 annual work hours to 88 apprentices, trainees, and cadets.

Projects completed – Local Jobs First Standard

During 2022–23, the department completed 73 Local Jobs First Standard projects, with a total value of \$528 million. The projects based in metropolitan Victoria averaged 61% local content, and those based in regional Victoria averaged 81% local content.

The expected outcomes based on reported and extrapolated information are:

- an average of 68% local content
- a total of 44,279 work hours created and 339,106 work hours retained
- an estimated 18,411 new apprenticeships and traineeship work hours created, and an estimated 55,045 work hours for apprenticeships and traineeships retained.

MPSG projects provided an estimated total of 1,001,000 annual work hours to 238 apprentices, trainees and cadets.

Projects commenced – Local Jobs First Strategic

During 2022–23, the department commenced 8 Local Jobs First Strategic Projects, valued at \$543 million.

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

- an average of 67% local content
- a total of 239,741 work hours created and 1,520,082 work hours retained

- an estimated 105,027 new apprenticeships and traineeship work hours created, and an estimated 204,954 work hours for apprenticeships and traineeships retained.

MPSG projects provided an estimated total of 100,000 annual hours to 32 apprentices, trainees and cadets.

Projects completed – Local Jobs First Strategic

During 2022–23, the department completed 6 Local Jobs First Strategic Projects, with a total value of \$346 million. The projects based in metropolitan Victoria averaged 55% local content.

The outcomes based on the reported information are:

- an average of 55% local content
- a total of 113,344 work hours created and 741,023 work hours retained
- an estimated 44,370 new apprenticeships and traineeships work hours created, and an estimated 66,712 work hours for apprenticeships and traineeships retained.

MPSG projects provided an estimated total of 520,000 annual work hours to 97 apprentices, trainees and cadets.

Reporting requirements – grants

For grants provided during 2022–23, there were no conversations with the Industry Capability Network that corresponded with the registration and issue of Interaction Reference Numbers.

Government advertising expenditure

In 2022–23, there were 7 government advertising campaigns with total media expenditure of \$100,000 or greater. The details of each campaign are outlined below.

Campaigns with a media expenditure of \$100,000 or greater (excluding GST) during 2022–23⁷⁶

Campaign	Summary	Start/end	Advertising (media) \$	Creative and campaign development \$	Research and evaluation \$	Print and collateral \$	Other \$	Total \$
Teach the Future – Teacher Recruitment Campaign	This campaign aimed to improve perceptions of the teaching profession and increase enrolments in teaching qualifications across Victoria, ultimately to increase the pipeline of teachers entering Victorian public schools.	3 July 2022 to 30 June 2023	1,339,404	563,196	184,270	3,560	–	2,092,410
Many Talents One VCE	The campaign aimed to inform students and their parents about the changes to the VCE and introduction of the VCE Vocational Major (VCE VM) and Victorian Pathways Certificate. The campaign highlighted the benefits of the new VCE VM and encouraged students to follow their passions and consider the VCE VM as a viable pathway for their future.	31 July 2022 to 30 June 2023	1,228,596	437,680	45,000	–	8,210	1,719,486
Active Schools 'Get Your Move On'	The campaign aimed to increase the number of young Victorians participating in physical activity, by encouraging them to do 15 minutes of physical activity 4 times a day.	1 July 2022 to 30 June 2023	777,728	–	15,000	38,924	4,452	836,104
Best Start, Best Life – public awareness and enrolment including Three-Year-Old Kindergarten	The campaign aimed to inform families of the state-wide availability of Free Kinder for Three- and Four-Year-Old Kindergarten and encourage families to enrol their children in 2023 and 2024 programs. The campaign promoted future elements of the \$14 billion <i>Best Start, Best Life</i> reforms including the transition to Pre-Prep and establishment of 50 Victorian Government owned and operated early learning centres. A dedicated component of campaign investment aimed to raise awareness of Free Kinder to encourage enrolment among culturally and linguistically diverse families as well as Koorie Victorians.	3 July 2022 to 30 June 2023	2,010,376	226,564	–	–	217,518	2,454,458

⁷⁶ No government advertising expenditure for the Training and Skills and Higher Education portfolios has been included here. Any relevant expenditure is to be included in the DJSIR Annual Report.

Campaign	Summary	Start/end	Advertising (media) \$	Creative and campaign development \$	Research and evaluation \$	Print and collateral \$	Other \$	Total \$
Kinder Tick (kindergarten brand)	The campaign aimed to inform families about the Kinder Tick and encouraged families to enrol in Victorian Government-funded and approved kindergarten programs. The Kinder Tick brand helps families identify Victorian Government-funded and approved kindergarten programs in both long day care and standalone (sessional) kindergarten settings.	3 July 2022 to 30 June 2023	851,250	3,114	—	92,777	—	947,141
Early childhood education – workforce recruitment	The campaign promoted early childhood teaching as a career, highlighting financial supports for studying, and financial incentives and supports available to early childhood professionals. The campaign covered Victoria, interstate and New Zealand.	3 July 2022 to 30 June 2023	4,736,598	434,425	74,650	8,914	6,001	5,260,588

Consultancy expenditure

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

In 2022–23, the department recorded 24 consultancies whose total fees were \$10,000 or greater. The total expenditure incurred in 2022–23 in relation to these consultancies is \$3.35 million (excluding GST). Details of the individual consultancies are outlined in the Department of Education Annual Report 2022–23 – Additional Information, available from the department's [Annual Reports website](#).

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

In 2022–23, there were no consultancies whose total fees payable to the individual consultancies 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.

Some ICT costs relating to the Training and Skills and Higher Education portfolios continued to be incurred by the department after 31 December 2022. DJSIR has reported on the ICT costs they have incurred for these portfolios from 1 January 2023 and those costs have not been included in the table below.

ICT expenditure

Measure	Cost \$
Business as usual ICT expenditure	422,810,809
Non-business as usual ICT expenditure	
• Operating expenditure	4,572,015
• Capital expenditure	13,053,197
Sub-total ICT non-business as usual expenditure	17,625,212
Total ICT expenditure	440,436,021

Disclosure of major contracts

The department has 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 2023. Details of contracts are disclosed in the [Victorian Government Contracts Publishing System](#).

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

Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), 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 2022–23, relating to an open market procurement in which the supplier queried the department's adherence to its advertised evaluation process. A departmental review found that all procurement policies and processes had been adhered to. An independent probity advisor had also been appointed to oversee the procurement. The complaint was referred to the VGPB, which supported the department's finding that there was no breach of VGPB policy in its actions.

Disclosure of emergency procurement

In 2022–23, the department's critical incident protocols remained in place from 1 July 2022 to 28 November 2022 to support any further urgent procurement in relation to the safety of students and staff in response to the COVID-19 pandemic. No further such procurements were required.

In line with the revised requirements of Victorian Government policy, a new departmental Emergency Procurement Plan was published on 28 November 2022. This plan has not been activated in 2022–23.

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 subject to the FOI Act.

Freedom of information statistics and timeliness

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 on the department's [FOI website](#).

The FOI Act allows the department to 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 the FOI Act, the processing time for FOI requests received is 30 days. However, when external consultation is required under sections 29, 31, 33, 34 or 35, the processing time is extended to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement, this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

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.

During 2022–23, the department received 954 FOI requests. Of these:

- 890 were from individuals seeking access to their own records
- 8 were requests from members of parliament
- 31 were from media organisations
- 25 were from members of the public seeking policy-related and other miscellaneous documents.

The department made 939 FOI decisions during the 12 months ended 30 June 2023.

There were 922 decisions made within the statutory time periods. Of the decisions made outside the statutory time period, 17 were made within a further 45 days and no decisions were made that were greater than 45 days. A total of 528 FOI access decisions were made where access to documents was granted in full, granted in part or denied in full. 174 decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant. Of

requests finalised, the average number of days under the statutory time (including extended timeframes) to decide the request was 4 days.

During 2022–23, 44 requests were subject to complaint/review by the Office of the Victorian Information Commissioner and 3 requests went on appeal to the Victorian Civil and Administrative Tribunal.

The department's 2022–23 Annual Report contains the information required to be published pursuant to section 7 of the FOI Act. Further information is available on the department's [FOI website](#).

Making a request

FOI requests can be lodged on the [Office of the Victorian Information Commissioner website](#). During 2022–23 an application fee of \$30.60 applied.

A request for access to documents can also 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).

Requests for documents in the possession of the department should be addressed to:

Freedom of Information Unit
Department of Education
1 Treasury Place
East Melbourne VIC 3002

Enquiries can be made to the department's FOI Unit via email at foi@education.vic.gov.au.

Requests for documents held by the department's portfolio statutory bodies that are subject to FOI should be sent directly to the relevant statutory body. A list of the department's statutory bodies that are subject to FOI can be found below. 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	Manager, Freedom of Information Department of Education GPO Box 4367 Melbourne 3001	foi@education.vic.gov.au	(03) 7022 0856
Disciplinary Appeals Boards	Level 4 2 Lonsdale Street Melbourne 3000	dab@education.vic.gov.au	(03) 7022 0040
Independent Office for School Dispute Resolution	Level 4 2 Lonsdale Street Melbourne 3000	school.resolution@education.vic.gov.au	(03) 7022 1199
Merit Protection Boards	Level 4 2 Lonsdale Street Melbourne 3000	meritboards@education.vic.gov.au	(03) 7022 0040
The Victorian Academy of Teaching and Leadership	41 St Andrews Place Melbourne 3000	academy@education.vic.gov.au	(03) 8199 2900
Victorian Curriculum and Assessment Authority	Level 7 2 Lonsdale Street Melbourne 3000	vcaa.foi@education.vic.gov.au	(03) 9032 1700

Agency	Postal address	Email	Telephone
Victorian Institute of Teaching	Level 9 628 Bourke Street Melbourne 3000	vit@vit.vic.edu.au	(03) 8601 6100
Victorian Registration and Qualifications Authority	Level 4 2 Lonsdale Street Melbourne 3000	vrqa@education.vic.gov.au	(03) 9032 1554

Further information regarding FOI can be found on the department's [FOI website](#).

Compliance with the *Building Act 1993*

Mechanisms to ensure buildings conform to the building standards

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

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

For details of all such projects, see the *2022–23 Budget Paper No. 4: State Capital Program*. A list of all sites that had capital works projects in a construction status during 2022–23 is provided below.

Major works sites

School ⁷⁷	School	School	School	School	School	School
Aberfeldie PS	Aintree PS	Aintree Secondary S	Aintree SS	Aireys Inlet PS	Aitken Hill PS	Alamanda K-9 C
Albert Park PS	Alberton PS	Albion PS	Alexander Boulevard PS	Alkira SC	Altona C	Altona Green PS
Apollo Bay P-12 C	Apollo Parkways PS	Ararat West PS	Ardmona PS	Armadale PS	Armstrong Creek S	Arnolds Creek PS
Ascot Vale Heights S	Ashburton PS	Ashley Park PS	Ashwood HS	Athol Road PS	Auburn HS	Aurora School
Avenel PS	Avoca PS	Bacchus Marsh C	Bacchus Marsh PS	Baden Powell C P-9	Badger Creek PS	Ballarat SS
Balnarring PS	Balwyn PS	Barton PS	Barwon Heads PS	Bass Coast C	Bayswater SC	Bayswater South PS
Bayswater West PS	Beaufort PS	Beeac PS	Bell Park North PS	Bellbrae PS	Belmont HS	Belvedere Park PS
Belvoir Wodonga SDS	Benalla P-12 C	Bendigo SDS	Bendigo Senior SC	Bendigo South East 7-10 SC	Bentleigh SC	Bentleigh West PS
Benton Junior C	Berendale S	Bethal PS	Bethanga PS	Beulah PS	Beveridge PS	Beverley Hills PS
Billanook PS	Bimbadeen Heights PS	Birmingham PS	Birrilee PS	Birregurra PS	Bittern PS	Black Forest East PS
Black Rock PS	Blackburn Lake PS	Bolinda PS	Bona Vista PS	Bonbeach PS	Boroondara Park PS	Brauer SC
Brentwood Park PS	Bridgewater PS	Broadford PS	Broadmeadows SDS	Broken Creek PS	Brookfield PS	Brunswick South PS

⁷⁷ C: College, CC: Community College, CS: Consolidated School, HS: High School, PC: Primary College, PS: Primary School, S: School, SC: Secondary College, SS: Specialist School, SDS: Special Development School

School ⁷⁷	School	School	School	School	School	School
Bulleen Heights S	Bundalagwah PS	Bundarra PS	Bundoora SC	Buninyong PS	Bunyip PS	Burwood East PS
Burwood Heights PS	California Gully PS	Camberwell PS	Camberwell South PS	Camp Hill PS	Campbells Creek PS	Camperdown C
Cape Clear PS	Carisbrook PS	Carlton Gardens PS	Carlton North PS	Carnegie PS	Carrum Downs SC	Carwatha C P-12
Casey Fields PS	Casterton PS	Casterton SC	Castlemaine PS	Castlemaine SC	Caulfield South PS	Chalcot Lodge PS
Charles La Trobe P-12 C	Chatham PS	Chelsea PS	Cheltenham East PS	Chewton PS	Chiltern PS	Churchill North PS
Clifton Springs PS	Cobains PS	Cobram and District SS	Coburg HS	Coburg North PS	Coburg PS	Coburg SDS
Coburn PS	Colac SS	Colac West PS	Collingwood ELS	Concongella PS	Concord S	Craigieburn South PS
Cranbourne East SC	Cranbourne South PS	Cranbourne West PS	Croydon Hills PS	Croydon PS	Crusoe 7-10 SC	Currawa PS
Dandenong PS	Dandenong Valley SDS	Darraweit Guim PS	Davis Creek PS	Daylesford PS	Daylesford SC	Deans Marsh PS
Debney Meadows PS	Deepdene PS	Deer Park North PS	Delacombe PS	Diamond Valley SDS	Diggers Rest PS	Dingley PS
Dohertys Creek P-9 C	Doncaster SC	Donvale PS	Doreen PS	Dromana SC	Drouin PS	Drouin SC
East Doncaster SC	East Gippsland SS	Eastbourne PS	Echuca C	Edgars Creek PS	Edi Upper PS	Eildon PS
Ellinbank PS	Elmore PS	Elsternwick PS	Eltham HS	Eltham PS	Elwood C	Endeavour Hills SS
Eskdale PS	Essendon North PS	Everton PS	Exford PS	Fairhills HS	Falls Creek PS	Featherbrook P-9 C
Ferntree Gully North PS	Fitzroy PS	Footscray City PS	Footscray West PS	Forest Hill C	Forest Street PS	Forrest PS
Frankston East PS	Frankston Heights PS	Frankston HS	Frankston SDS	Furlong Park S For Deaf Children	Fyans Park PS	Gaayip-Yagila PS
Gardenvale PS	Garrang Wilam PS	Geelong South PS	Gilgai Plains PS	Gisborne SC	Gladstone Park PS	Gladysdale PS
Glen Iris PS	Glen Waverley South PS	Gleneagles SC	Glengarry PS	Glenroy SC	Glenroy SS	Goornong PS
Gormandale and District PS	Gowrie St PS	Grahamvale PS	Grayling PS	Great Ryrie PS	Greensborough PS	Greenvale SC
Greta Valley PS	Grovedale West PS	Guthridge PS	Guthrie Street PS	Hamilton North PS	Hamilton Parklands S	Hampton Park SC
Harcourt Valley PS	Hawthorn West PS	Heathcote PS	Heathmont C	Heidelberg PS	Herne Hill PS	Heywood CS
Heywood District SC	Hoppers Crossing SC	Horsham SS	Hughesdale PS	Hume Valley S	Huntingdale PS	Huntly PS
Irymple PS	Ivanhoe East PS	Jacana S For Autism	Jackson S	John Henry PS	Kalianna SS	Kallista PS
Kambrya C	Kangaroo Ground PS	Kaniva C	Karingal PS	Katandra S	Kerang South PS	Kew East PS

School ⁷⁷	School	School	School	School	School	School
Keysborough Gardens PS	Keysborough PS	Kilberry Valley PS	Kingswood PS	Kismet Park PS	Knox Gardens PS	Koondrook PS
Koonung SC	Koorlong PS	Korumburra SC	Kurnai College	Lake Bolac C	Lal Lal PS	Lalor SC
Lang Lang PS	Langley PS	Langwarrin PS	Lara Lake PS	Lara PS	Lardner and District PS	Lavers Hill K-12 C
Leongatha SC	Lightning Reef PS	Lilydale HS	Lilydale PS	Linton PS	Loch PS	Loch Sport PS
Lockerbie Central PS	Lollypop Creek Secondary S	Longwood PS	Loretto C	Lorne P-12 C	Lysterfield PS	Macarthur Street PS
MacLeod C P-12	Maffra SC	Maldon PS	Mallacoota P-12 C	Malmsbury PS	Malvern Central S	Manangatang P-12 C
Manchester PS	Manifold Heights PS	Manor Lakes P-12 C	Marong PS	Matthew Flinders Girls SC	McClelland SC	Melton PS
Melton SS	Mernda Central P-12 C	Mernda Park PS	Merriang SDS	Merrifield South PS	Merrivale PS	Middle Indigo PS
Milawa PS	Mildura Senior C	Mildura SS	Mildura West PS	Mill Park SC	Miners Rest PS	Mirboo North SC
Mirriposa PS	Monmia PS	Monterey SC	Montmorency PS	Montmorency South PS	Moonee Ponds PS	Mooroolbark East PS
Mooroopna Park PS	Mooroopna PS	Mordialloc C	Moriac PS	Mornington SC	Mossgiel Park PS	Mount Beauty PS
Mount Beauty SC	Mount Clear PS	Mount Duneed Regional PS	Mount Egerton PS	Mount Eliza North PS	Mount Macedon PS	Mount Pleasant PS
Mount Ridley P-12 C	Mount Ridley SC	Mount Rowan SC	Mount Waverley Heights PS	Mount Waverley PS	Mountain Gate PS	Mullauna SC
Murtoa C	Myrree PS	Myrtleford P-12 C	Nagambie PS	Nangiloc Colignan and District PS	Naranga SS	Narre Warren South P-12 C
Nelson Park S	Nepean SS	Newlands PS	Newstead PS	Nhill C	Niddrie PS	Nilma PS
Northcote HS	Northern Bay P-12 C	Northern S For Autism	Oakleigh South PS	Oatlands PS	Oberon South PS	Ocean Grove PS
Officer Brunt Road PS	Orbost CC	Orchard Grove PS	Osborne PS	Pakenham CS	Pakenham Lakeside PS	Pakenham PS
Pakenham Springs PS	Parkdale PS	Parkhill PS	Parkmore PS	Parkwood Green PS	Pascoe Vale Girls SC	Peninsula Specialist C
Peranbin PC	Pinewood PS	Plenty Parklands PS	Poowong CS	Port Phillip SS	Portarlington PS	Portland SC
Powlett River PS	Preston North East PS	Princes Hill PS	Princes Hill SC	Pyramid Hill C	Quarry Hill PS	Queenscliff PS
Ramleigh Park PS	Rangeview PS	Rawson PS	Red Hill CS	Research PS	Reservoir East PS	Reservoir HS
Reservoir West PS	Ringwood North PS	Ripponlea PS	Riverbend PS	Riverdale Secondary S	Riverwalk PS	Roberts McCubbin PS
Robinvale C	Rochester PS	Rochester SC	Rockbank PS	Rosanna Golf Links PS	Rosehill SC	Rosewood Downs PS

School ⁷⁷	School	School	School	School	School	School
Rowell Park PS	Rushworth P-12 C	Rutherglen HS	Sale PS	Saltwater P-9 C	Sassafras PS	Scoresby SC
Seaford PS	Seaspray PS	Selby PS	Seville PS	Shelford PS	Shepparton East PS	Simpson PS
Skene Street S	Skipton PS	Skye PS	Somers S Camp	Somerville Rise PS	Somerville SC	Sorrento PS
South Gippsland SS	Southmoor PS	Springhurst PS	Springside West SC	Springvale Park SDS	St Albans East PS	St Albans Heights PS
St Albans SC	St Arnaud SC	St Georges Road PS	St Helena SC	St Leonards PS	Staughton C	Stawell PS
Stratford PS	Strathaird PS	Strathewen PS	Strathfieldsaye PS	Strathmerton PS	Strathulloh PS	Streton PS
Sunbury And Macedon Ranges SS	Sunbury Heights PS	Sunshine SDS	Surrey Hills PS	Swan Hill PS	Swan Hill SS	Swifts Creek P-12 S
Swinburne Senior SC	Syndal South PS	Taradale PS	Tarnagulla PS	Tarneit North PS	Tarneit Rise PS	Tarneit Senior C
Tate Street PS	Tawonga PS	Taylor Lakes SC	Templeton PS	The Basin PS	The Patch PS	Thomas Mitchell PS
Thomastown East PS	Thornbury PS	Thornhill Park PS	Timboon P-12 S	Timor PS	Tinternvale PS	Tooborac PS
Toongabbie PS	Trafalgar PS	Traralgon C	Traralgon PS	Truganina North PS	Truganina North Secondary S	Truganina P-9 C
Tyabb PS	Tyabb Railway Station PS	Tyers PS	Ultima PS	Underbool PS	University Park PS	Upper Plenty PS
Upper Sandy Creek PS	Upper Yarra SC	Upwey South PS	Verney Road S	Victoria University SC	Victorian S Of Languages	Viewbank C
Viewbank PS	Wallan PS	Wallan SC	Wandiligong PS	Wandin North PS	Wandong PS	Wangala PS
Wangaratta District SS	Wangaratta HS	Wangaratta PS	Wangaratta West PS	Waratah SDS	Warragul & District SS	Warrandyte HS
Warrnambool C	Watsonia Heights PS	Wattle Glen PS	Wedderburn C	Weeden Heights PS	Wellington SC	Wembley PS
Werribee PS	Westall SC	Westbreen PS	Western Heights SC	Western Port SC	Westgarth PS	Whealers Hill PS
Whittlesea PS	Whittlesea SC	Wilandra Rise PS	William Ruthven PS	William Ruthven SC	Williamstown HS	Williamstown North PS
Willowmavin PS	Woody Yaloak PS	Wodonga Middle Years C	Wodonga Senior SC	Wonga Park PS	Wonthaggi PS	Woodford PS
Woodmans Hill SC	Woodville PS	Woorinen District PS	Wyndham Central SC	Wyndham Vale PS	Yarra Junction PS	Yarra Ranges SDS
Yarrabah S	Yarram SC	Yarrambat PS	Yarraville West PS	Yarrowonga C P-12	Yuille Park P-8 CC	Zeerust PS

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

During 2022–23, the department had 460 building permits, 160 occupancy permits, and 241 certificates of final inspection issued.

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

The department engages compliance program managers to carry out inspections, reporting, scheduling and rectification works to ensure that existing buildings comply with current building regulations. Compliance programs cover areas such as asbestos removal, fire service upgrades, integration (disability access), environmental works (such as the removal of underground petroleum storage systems) and works aimed at preventing falls.

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

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

One emergency order was issued in 2022–23, due to a WorkSafe Victoria improvement notice, identifying roof and ceiling repairs requiring urgent attention.

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

During 2022–23, 15 buildings were required to be brought into conformity with building standards.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure, where services compete or potentially compete with the private sector, that any advantage arising solely from being government owned is removed if that advantage is not in the public interest. Victorian 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 department's portfolios during 2022–23 were subject to a regulatory burden assessment, which included consideration of the National Competition Policy principles as well as competitive neutrality, in accordance with applicable requirements.

Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* encourages and assists people to make disclosures of improper conduct by public officers and public bodies. It protects people who make disclosures in accordance with that Act and establishes a system for matters disclosed to be investigated and rectifying action to be taken.

The department does not tolerate improper conduct by employees, nor the taking of reprisals against those who disclose such conduct. The department is committed to ensuring transparency and accountability in administrative and management practices and supports the making of 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 any detrimental action in reprisal for making the disclosure. It also affords natural justice to the person who is the subject of the disclosure to the extent that is legally possible.

Disclosures under the *Public Interest Disclosure Act*

	2022–23	2021–22
The number of disclosures made by an individual to the department and notified to the Independent Broad-based Anti-corruption Commission: assessable disclosures.	2	7

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
- a person acting in any of the above roles.

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

Level 1, North Tower, 459 Collins Street
Melbourne VIC 3000
Phone: 1300 735 135
Website: www.ibac.vic.gov.au

The department has published guidelines regarding the procedures it has instituted to comply with the Public Interest Disclosures Act on its [Report Fraud or Corruption website](#).

Compliance with the *Carers Recognition Act 2012*

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

Compliance with the *Disability Act 2006*

The *Disability Act 2006* requires departments to prepare disability action plans. The plans must describe how departments will address access and inclusion barriers for people with disability, as both service users and employees, and should align with Victoria's State Disability Plan. The department has been developing its new Disability Action Plan during 2022–23 and continues to implement a range of policies and programs that support and promote inclusion of children and students with disability.

Reducing barriers to accessing goods, services and facilities

The department has a strong record of achievement in providing services to people with disability across the early childhood and school education sectors. The department is committed to inclusive education in all early childhood education and school settings.

In 2022–23, the department continued its implementation of the Disability Inclusion reform across 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. As part of the reform's 5-year staged roll-out, approximately 850 government schools have transitioned to the new Disability Inclusion approach. The department continues to roll out and embed initiatives focused on building inclusive education capability.

Reducing barriers to persons with a disability obtaining and maintaining employment

The department continues to implement ongoing actions from the Disability Employment Plan 2019–22. This plan describes the department's commitment to boosting employment opportunities

and career experiences for people with disability. The department continues to provide disability awareness and confidence training to staff members to build an accessible and inclusive workplace for employees with disability.

The department is reviewing the Disability Employment Plan 2019–22 and will develop an ongoing mechanism to drive and report on workforce representation, inclusion and equity outcomes for employees with disability.

Promoting inclusion and participation in the community

The department manages a suite of policies and programs to strengthen inclusive education in Victorian early childhood services and government schools.

As part of the Disability Inclusion reforms, the department has developed an Inclusive Student Voice Toolkit in partnership with Deakin University and the Youth Disability Advocacy Service. The toolkit provides accessible and multi-modal tools to support the voice, agency and leadership of students with disability.

Other key programs include the Kindergarten Inclusion Support and Pre-School Field Officer programs, as well as a range of additional infrastructure, 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 Victoria's Social Procurement Framework

The department's Social Procurement Strategy prioritises 5 social procurement objectives:

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

Social procurement metrics

In 2022–23, the department spent a total of \$25.4 million through direct engagement of 115 social benefit suppliers. This includes \$11.6 million with 41 suppliers verified by relevant peak bodies such as Kinaway Chamber of Commerce (Kinaway) and Social Traders, and \$13.8 million with 74 suppliers identified through the Map for Impact project.

The overall expenditure figure represents an increase of \$7.7 million from 2021–22. This has been driven by continued engagement of social enterprises and Victorian Koorie businesses for major construction projects and related services.

2022–23 social procurement metrics

Social procurement objective	Social procurement outcome	Metric	Unit of measure	2022–23 actual
Opportunities for Victorian Koorie people	Purchasing from Victorian Koorie businesses	Total expenditure with Victorian Koorie businesses	\$	11,443,133
		Number of Victorian Koorie businesses engaged	number	33
	Purchasing from Victorian social	Total expenditure with Victorian social enterprises led by a	\$	2,815,289

Social procurement objective	Social procurement outcome	Metric	Unit of measure	2022–23 actual
Opportunities for Victorians with disability	enterprises and Australian disability enterprises (ADE)	mission for people with disability and ADE		
		Number of Victorian social enterprises led by a mission for people with disability and ADE engaged	number	22
Opportunities for disadvantaged Victorians	Purchasing from Victorian social enterprises	Total expenditure with Victorian social enterprises led by a mission for the disadvantaged	\$	9,334,565
		Number of Victorian social enterprises led by a mission for the disadvantaged engaged	number	29
Supporting safe and fair workplaces	Purchasing from suppliers that comply with industrial relations laws and promote secure employment	Proportion of suppliers who attest to comply with the Supplier Code of Conduct	%	100

Good Food Policy implementation

From 1 March 2023, the department implemented its Good Food Policy, consistent with the Victorian Government's Healthy Choices Framework. The policy ensures purchasing of food and drink increases availability of healthy options and limits unhealthy options, and also requires staff to look for opportunities for social procurement outcomes through these purchases. This means prioritising engagement of capable Victorian social enterprises, Victorian Koorie businesses, ADE operating in Victoria, and mainstream suppliers that have adopted sustainable business practices or create inclusive employment opportunities.

Social Procurement - Case studies

Coburg Special Development School project

The department, through the VSBA, has engaged S.J. Higgins Pty Ltd to deliver the new Coburg Special Development School, which was commenced in December 2022 and is expected to be completed in early 2024.

S.J. Higgins has engaged Victorian Koorie businesses to deliver traffic management and labour hire services, and to provide access to hire equipment. Approximately 16% of the overall fit-out costs for this project will be targeted to suppliers verified as Victorian Koorie businesses by Kinaway.

This project also includes targets under the Building Equality Policy. It is on track to exceed the 3% requirement for women to be performing trade covered labour hours, as well as the 35% target for women performing management, supervisory and specialist labour hours. Plans are in place to achieve the required 7% of non-trade covered labour hours being undertaken by women.

S.J. Higgins has implemented an accredited environmental management system (ISO AS/NZS ISO 14001-2016) at the company level. The project includes an environmental management plan and is supported by monthly quality assurance inspections to ensure compliance. S.J. Higgins is also certified under the Fair Jobs Code Pre-Assessment Certification process.

Kurmile Primary School

S.J. Higgins has also been engaged to construct the new Kurmile Primary School in Officer, which will be ready for Term 1, 2024. For this project, emphasis has been placed on recruiting people from regions of entrenched socio-economic disadvantage. This has led to the engagement of 83 disadvantaged Victorians, as defined by the Social Procurement Framework, working in a variety of roles through arrangements with S.J. Higgins' sub-contractors.

In addition to the mandated gender employment targets under the Building Equality Policy, this project is also purchasing from Victorian Koorie businesses, Victorian social enterprises, employing Koorie people and adopting sustainable business policies and practices.

Delivery of air purifiers and filters

Wallara Australia is a disability support service, providing continuous learning pathways, supported independent living and supported employment. Employment opportunities cover third-party logistics, hospitality and land-management services.

At the height of preparations for the 2022 school year, the department urgently needed greater capacity for the warehousing and distribution of air purifier units and replacement filter stock to schools across Victoria. The department approached Wallara to establish whether they could contribute to this effort.

Wallara had 9,000m² of warehousing but no transport partner for distribution. Using the Social Traders network, Wallara reached out for a partner organisation and secured Fruit 2 Work, which ordinarily operated as a food and milk delivery service. Brite, a disability enterprise, also became a partner and contributed warehousing capacity.

This partnership delivered over 7,000 air purifiers to schools across metropolitan Melbourne and in 2022–23 continued to warehouse and deliver replacement filter stock. This work provided direct employment for 14 employees.

In addition, Wallara and Fruit 2 Work have developed further partnership opportunities based on the core competencies demonstrated through this work, opening up potential to bid for work that neither would have previously been capable of delivering alone.

Environmental reporting

The department is committed to ensuring resilience, mitigation and adaptation to climate change. Our vision is to make significant and lasting impact as a force for positive change by being an environmental and climate conscious organisation.

The department is actively contributing to reduce Victoria's greenhouse gas emissions and achieve net-zero emissions by 2045. Department-specific targets are in development.

Environmental management system disclosure

The department's environmental management system (EMS) provides a structured approach to managing environmental impacts and improving environmental performance.

The EMS objectives in the draft Environmental Policy (Corporate) are:

- reduce environmental impacts from our corporate operations
- fulfil the department's compliance obligations under all relevant legislation and regulations including the *Climate Change Act 2017* and the *Environment Protection Act 2017*
- set department objectives and targets related to mitigating and adapting to climate change and reducing environmental impacts
- reduce greenhouse gas emissions from corporate office buildings and operations
- identify opportunities to transition from use of natural gas
- reduce greenhouse gas emissions from work-related travel
- minimise the use of water and maximise opportunities for water re-use
- minimise waste to landfill and maximise recycling
- use resources efficiently
- promote environmental sustainability in the use of resources and address climate change through procurement and leasing

- increase the resilience of corporate staff, operations, services and assets to the impacts of climate change
- manage climate change risk by considering climate change in decision-making
- ensure the department's EMS is compliant with government policy and follows AS NZS ISO 14001:2016 Standard
- continually improve the EMS.

The EMS was last audited in 2013. An external independent audit is currently in progress and was completed in September 2023. The department has established and maintained procedures to conform with AS/NZS ISO 14001:2016 by:

- identifying the environmental aspects with associated environmental impacts of its activities and operations
- defining and documenting roles and responsibilities to facilitate effective environmental management
- monitoring and measuring the key operations and activities that can have a significant impact on the environment.

Reporting boundary for environmental data

Organisational boundary

The department continues to report on environmental data from its corporate activities and will start reporting on the majority of data from school buildings as set out in the table below.

Environmental reporting in department offices and school buildings

Environmental reporting	Department offices	School buildings
Electricity production and consumption	Yes	Yes
Stationary fuel use	Yes	Yes
Transportation	Yes	Yes
Total energy use	Yes	Yes
Sustainable buildings and infrastructure	Yes	Yes
Water consumption	Yes	No
Waste and recycling	Yes	No
Greenhouse gas emissions	Yes	Yes

The department's reporting boundary for 2022–23 reporting period includes offices and schools:

- **Offices:** The department collects environmental performance data in relation to the majority of its sites. The entities included in the reporting are Merit Protection Boards, VRQA, and VCAA occupying offices at 2 Lonsdale St, Melbourne.
- **Schools:** All government schools are consolidated into the organisational boundary of the department.

The building at 5a Little Ryrie Street, Geelong was occupied by the Academy in December 2022. The department reports on the site from April 2022 to November 2022. The Academy reports on the site from December 2022 to March 2023.

The site at 41 St Andrews Place, East Melbourne was occupied by the Academy in March 2022. The department reports on the site in this report. The Academy will report on the site from 2023–24 and onwards.

The site at 89–91 Pine Avenue, Mildura, was vacated in May 2022. The department reports on this site in this report for April and May 2022.

Reporting Period

The department reports all its environmental data for the fringe benefits tax year of 1 April to 31 March, to allow for a full reporting year and improved precision for annual reporting.

Normalisation

Certain indicators require data to be normalised to generate an average figure for analysis of trends over multiple reporting periods. FTE – total corporate, is the department's chosen criterion for environmental reporting for offices. For schools, FTE – total corporate, students and teachers, is the preferred criterion.

Climate-related risk disclosure

Climate change has the potential to directly and indirectly impact the services and programs that the department delivers on behalf of the Victorian Government. This requires ongoing effort to understand and respond to risks, develop opportunities, and build resilience to climate impacts.

Climate-related risk governance

The department's EB is responsible for:

- ensuring an effective risk management framework exists for the department and that decisions are informed by the consideration of risk
- setting and monitoring the department's risk appetite
- identifying, managing and reviewing the department's strategic risks.

ARC provides the Secretary with advice on the risk management framework and tools, including reviewing adequacy of strategic and operational risk management, and effectiveness of internal control framework.

The Environment and Climate Change Working Group (ECCWG) develops responses to emerging environmental issues and provides assurance to EB that the department is meeting environmental obligations. Chaired by a deputy secretary, the ECCWG sets the department's environmental sustainability vision and pathways for its achievement.

ECCWG oversees the establishment and work of 4 sub-groups:

- Emissions Reduction Sub-group: coordinates the delivery of the department's emissions and energy reduction activities
- Environmental Management System Sub-group: coordinates the implementation, monitoring, reporting and continuous improvement of the department's EMS
- Sustainability Leadership Sub-group: builds the capacity of corporate staff to reduce their environmental impacts and take action on climate change through their work
- Climate Change Adaptation Action Plan Sub-group: coordinates the implementation, monitoring and review of the department's Climate Change Adaptation Action Plan 2022–26 (AAP), and development of future plans.

The Infrastructure Planning and Delivery Committee provides assurance to EB that the department has a robust framework for infrastructure delivery and managing delivery of departmental physical (non-financial) assets. Infrastructure Planning and Delivery Committee monitors infrastructure planning and implementation components of the Climate Change Act.

The Environmental Sustainability team leads department-wide reforms and initiatives for emission reduction, adaptation and embedding sustainability across the department. It manages the EMS for corporate activities and provides secretariat support to the ECCWG.

Climate-related risk strategy

In August 2023, the department launched its *Strategic Plan 2023–27*. The plan outlines 6 foundation areas to enable the delivery of the department's priorities over the next 4 years. One of the foundation areas is resilience, mitigation and adaptation to climate change, which includes a commitment to 'doing our bit' to address climate change and ensuring continuity of learning in the event of natural disasters and emergency events.

The department's business planning process requires all groups to provide progress updates on actions in relation to implementing the Climate Change AAP and to consider how they can support the Climate Change AAP when developing actions for business plans.

The department's strategic risk register includes climate change as a strategic risk for the department. PES is responsible for leading the mitigation of this strategic risk, supported by all departmental groups.

The People Strategy and Operations Division in PES identified a climate-related operational risk in its operational risk register and identified the following actions in its 2022–23 annual business plan to manage this risk:

- embed environmental sustainability considerations into program design, processes, actions, policy and business decisions, as required under the Climate Change Act
- lead the implementation of the Climate Change AAP 2022–26 and development of future Climate Change AAPs.

In February 2023, EB endorsed the department's plan to 'make significant and lasting impact and be a force for positive change through being an environmental and climate conscious organisation' and approved recommendations to embed environmentally sustainable behaviours, decision-making frameworks, and governance within the way of working. The department is currently implementing these recommendations, including creation of e-learning modules to educate new and existing staff on the department's climate change and environmental sustainability obligations.

The Climate Change AAP is one of the 7 system-based Climate Change AAPs required under the Climate Change Act. Released in February 2022, the AAP is the first in a series of 5-yearly plans that will guide the climate change adaptation policies of the education and training system up to the year 2050. It aims to build knowledge and capacity to respond to current and expected impacts on the education and training system, particularly those related to health and wellbeing, infrastructure and assets.

The department developed an implementation plan for the 22 actions set out in the Climate Change AAP. The plan documents governance arrangements, strategic linkages, delivery accountabilities, timeframes, resourcing requirements, risks and mitigation strategies. The implementation phase is under way and 9 actions are in progress.

Climate-related risk management

The department's risk management framework is aligned with the Victorian Government Risk Management Framework and ISO 31000:2018 principles. The framework highlights the requirement of section 20 of the Climate Change Act, that government decisions need to appropriately take account of climate change where relevant. It also requires the department to consider climate change risks and opportunities including:

- opportunities to reduce the environmental and greenhouse gas emissions impact of a project or activity, ensuring they are aligned with the whole of Victorian Government's emissions reduction pledge
- the actions set out in the department's Climate Change AAP that may relate to an activity or project, ensuring it supports the delivery of the Climate Change AAP actions
- reducing the consumption of single-use materials
- exploring the option of seeking carbon neutral accreditation for planned products or services.

The department recently reviewed its Risk Management Framework to explicitly include climate-related impacts in its consequence criteria, alongside the department's other strategic outcomes.

The department's current risk appetite approach includes consideration of climate-related risks by stating that a cautious approach is expected for decisions that adversely impact environmental sustainability or impede government's efforts to adapt to climate change.

The department's Environmental Policy – Corporate identifies the strategies that the department will implement to reduce the environmental impact of its corporate operations. It also documents accountabilities of key decision-making groups and staff in relation to consideration and action on climate change and sustainability.

The policy is currently under development to:

- align to the ISO 14001:2016 guidelines
- adopt recommendations from previous EMS external audit
- address new obligations and commitments, including the Climate Change Act and machinery of government changes.

Climate-related metrics and targets

The department reports climate-related metrics in line with requirements under Financial Reporting Directions (FRD) 24. From 2022–23, the department is now reporting on new metrics related to electricity and gas and vehicle fuel used in government schools, in addition to its corporate environmental reporting.

The department commenced developing environmental objectives related to climate change risks and opportunities, including metrics and targets for corporate emissions, energy consumption, waste generation, water consumption, sustainable procurement, and climate adaptation.

The department continues to develop a Monitoring, Evaluation, Reporting and Improvement Framework to measure the implementation and outcomes of the Climate Change AAP against its strategic objectives. The framework will include a range of short and medium-term indicators related to climate change risks and opportunities.

Electricity production and consumption

Commencing in 2022–23, the department is now reporting on electricity production and consumption in government school buildings across Victoria, in addition to department offices.

Total electricity consumption reduced by 1% from 2021–22 for department offices. The department is working collaboratively with Jones Lang Lasalle (JLL) and Shared Service Provider (SSP), looking for opportunities to improve reporting and further reduce electricity consumption. As this is the first year of reporting for school buildings, no comparison with previous years is available.

Electricity production and consumption in government school buildings and department offices across Victoria

Indicator	2022–23	2021–22	2020–21
EL1: Total electricity consumption segmented by source (MWh)	235,156	6,597	6,323
Department offices – purchased electricity	6,510	6,597	6,323
School buildings – purchased electricity	223,289	— ⁷⁸	—
School buildings – solar photovoltaic (PV)	5,357	—	—
EL2: On-site electricity generated segmented by usage and source (MWh)	5,357	—	—
Department offices	—	—	—

⁷⁸ No data available for schools for previous years

Indicator	2022–23	2021–22	2020–21
School buildings – solar PV	5,357	–	–
EL3: On-site installed generation capacity segmented by source (MW)	9	–	–
Department offices	–	–	–
School buildings – solar PV	9	–	–
EL4: Total electricity offsets segmented by offset type (MWh)	649	–	–
Department offices	–	–	–
School buildings – GreenPower	649	–	–

Actions undertaken

- The Greener Government Schools Buildings program funded 232 schools to install solar panel systems. Once fully implemented, the total estimated capacity of 9.3 mW of solar power systems installed across the school portfolio is expected to generate on site over 12,700 MWh of electricity each year, reduce greenhouse gas emissions by more than 14,000 tonnes per year and save more than \$2.5 million on electricity bills for schools each year
- Ten new schools were designed to include large solar power systems. Five of these have solar capacity over 100 kW and the rest have up to 100 kW
- The department is coordinating with the Department of Energy, Environment and Climate Action, which is leading a project to transition all schools to renewable electricity contracts.

Data source

Department offices

The electricity data collected through CANOPY⁷⁹ represents 94% of offices. Invoiced and accrued data have been used for this section. Invoiced data accounts for 97% whereas accrued data accounts for 3%. Generally, sites with accrued data are sites where data is provided by the landlord, rather than receiving invoices directly from the utility provider.

School buildings

Total electricity usage was captured from 1,539 schools representing 98% of schools in the reporting period.

Stationary fuel use

Commencing in 2022–23, the department reports on stationary fuel use in government school buildings across Victoria, in addition to department offices.

Total fuels used in department offices reported an increase by 26% from 2021–22 figures. The variation for 2022–23 can be attributed to staff returning to offices across Victoria following the removal of COVID-19 pandemic restrictions. As this is the first year of reporting for school buildings, no comparison with previous years is available.

The department is actively seeking opportunities to improve reporting, reduce gas consumption and transition from gas use to electricity.

⁷⁹ CANOPY is a sustainability analysis platform, managed by JLL, that supports us to measure, manage and report on sustainability performance.

Stationary fuel use in government school buildings across Victoria

Indicator	2022–23	2021–22	2020–21
F1: Total fuels used in buildings and machinery segmented by asset type and fuel type (MJ)	571,068,372	3,648,924	6,102,125
Department offices	4,615,941	3,648,924	6,102,125
School buildings	566,452,431	–	–
F2: Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (tonnes CO ₂ -e)	30,277	188	314
Department offices	237	188	314
School buildings	30,040	–	–

Actions undertaken

All new government-owned school and early childhood buildings are constructed without gas connections. Natural gas is provided only where required for teaching needs in laboratories or trade workshops.

Data source

Department offices

The stationary fuel use data collected through CANOPY represents 76% of offices that have data available on natural gas consumption. Invoiced and accrued data have been used for this section. Invoiced data accounts for 87% whereas accrued data accounts for 13%. Generally, sites with accrued data are sites where data is requested from the landlord rather than from the utility provider.

School buildings

Total gas consumption was captured from 963 schools across Victoria, representing 88% of schools with recorded gas costs in the reporting period. This figure is likely to increase in future years as data collection processes and availability of information on school assets are continually improved.

Transportation

The updated FRD 24 directions now require the department to report on emissions from transportation in government schools across Victoria, in addition to corporate fleet. However, schools do not currently have the capacity to collate or report data on the use of the vehicles they own or lease. The department is investigating the best approach to enable collection and reporting of the data when it is implemented.

Of the department-owned operational fleet of 372 vehicles:

- 88% are hybrid electric vehicles
- 11% are petrol-fuelled
- 1% are diesel-fuelled.

Emissions from transportation across Victoria

Indicator	2022–23	2021–22	2020–21
T1: Total energy usage consumption by fleet vehicles (MJ)	6,420,392	3,166,441	2,595,797
Diesel	216,801	54,539 ⁸⁰	134,899
Large SUV AWD	82,930	–	–

⁸⁰ Previously supplied data was incorrect and has been amended in this report.

Indicator	2022–23	2021–22	2020–21
People mover	40,244	–	–
Other	93,628	–	–
LPG	–	–	–
Unleaded	1,463,923	1,467,030 ⁸¹	1,562,315
Small passenger	206,392	–	–
Medium passenger	121,551	–	–
Large passenger	115,925	–	–
Medium SUV 2WD	56,817	–	–
Medium SUV AWD	416,398	–	–
Other	546,840	–	–
Hybrid	4,739,667	1,644,872 ⁸²	898,593
Small passenger	839,947	–	–
Medium passenger	2,490,694	–	–
Medium SUV 2WD	915,184	–	–
Medium SUV AWD	222,506	–	–
Other	271,337	–	–
T2: Fleet profile	372	370	372
Diesel	3	0	1
Large SUV AWD	2	–	–
People mover	1	–	–
Unleaded	41	96	203
Small passenger	12	–	–
Medium passenger	7	–	–
Large passenger	3	–	–
Medium SUV 2WD	4	–	–
Medium SUV AWD	15	–	–
Hybrid	328	274	168
Small passenger	70	–	–
Medium passenger	211	–	–
Medium SUV 2WD	31	–	–
Medium SUV AWD	16	–	–
T3: Total greenhouse gas emissions from fleet vehicles (tonnes CO₂-e)	545	225	185

81 Previously supplied data was incorrect and has been amended in this report.

82 Previously supplied data was incorrect and has been amended in this report.

Indicator	2022–23	2021–22	2020–21
Diesel	19	4 ⁸³	10
Large SUV AWD	7	–	–
People mover	4	–	–
Other	8	–	–
LPG	–	–	–
Unleaded	124	104	111
Small passenger	18	–	–
Medium passenger	10	–	–
Large passenger	10	–	–
Medium SUV 2WD	5	–	–
Medium SUV AWD	35	–	–
Other	46	–	–
Hybrid	402	117 ⁸⁴	64
Small passenger	71	–	–
Medium passenger	211	–	–
Medium SUV 2WD	78	–	–
Medium SUV AWD	19	–	–
Other	23	–	–
Electric	0.0016	–	–
T4: Total distance travelled by commercial air travel (km)			
Air travel (corporate only)	1,107,860	84,259	55,910
Voluntary indicators			
Total distance travelled by fleet vehicles (km)	3,376,557	1,612,022	1,249,238
Diesel	61,186	17,752	51,274
Large SUV AWD	19,734	–	–
People mover	11,279	–	–
Other	30,173	–	–
Electric	10,554	3,377	680
Other	10,554	–	–
Unleaded	607,681	613,670	667,184
Small passenger	94,249	–	–
Medium passenger	62,828	–	–

83 Previously supplied data was incorrect and has been amended in this report.

84 Previously supplied data was incorrect and has been amended in this report.

Indicator	2022–23	2021–22	2020–21
Large passenger	42,305	–	–
Medium SUV 2WD	28,923	–	–
Medium SUV AWD	153,526	–	–
Other	225,850	–	–
Hybrid	2,697,136	977,223	530,100
Small passenger	533,975	–	–
Medium passenger	1,435,900	–	–
Medium SUV 2WD	448,717	–	–
Medium SUV AWD	93,104	–	–
Other	185,440	–	–
Optional Greenhouse gas emissions from fleet vehicles per 1,000km (tonnes CO₂-e)			
Diesel	0.31	0.23⁸⁵	0.19
Large SUV AWD	0.37	–	–
People mover	0.31	–	–
Other	0.27	–	–
Unleaded	0.20	0.17⁸⁶	0.17
Small passenger	0.19	–	–
Medium passenger	0.16	–	–
Large passenger	0.23	–	–
Medium SUV 2WD	0.17	–	–
Medium SUV AWD	0.23	–	–
Other	0.21	–	–
Hybrid	0.15	0.14	0.12
Small passenger	0.13	–	–
Medium passenger	0.15	–	–
Medium SUV 2WD	0.17	–	–
Medium SUV AWD	0.20	–	–
Other	0.12	–	–

85 Previously supplied data was incorrect and has been amended in this report.

86 Previously supplied data was incorrect and has been amended in this report.

Optional Indicator

Percentage of employees using sustainable transport (including public transport, cycling, walking and other active modes) to get to and from their main office location, by locality type (central business district (CBD), metropolitan, regional).

Percentage of employees using sustainable transport

	Public transport	Driving	Walking	Cycling	Running	Other
Melbourne CBD based when working remotely	82	22	14	8	1	1
Based in Melbourne suburbs when working remotely	60	48	7	7	1	1
Based in regional location (Geelong, Bendigo etc) when working remotely	24	80	5	3	1	1
Based in rural location (outside regional town) when working remotely	22	89	4	1	–	–
<p><i>Source: Department of Education, Hybrid Working Survey 2023.</i></p> <p><i>Note: as respondents were able to select more than one response, percentage amounts do not add up to 100%.</i></p>						

Actions undertaken

The department leases hybrid vehicles 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. The department has plans to replace 21 vehicles with zero emission vehicles in 2023–24.

Data source

The data above measured 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 increase between 2020–21 and 2021–22 is due to less-efficient diesel vehicles in the SSP fleet: from 0.128L/km to 0.68L/km.

Total energy use

Total energy use includes a combination of electricity production and consumption and stationary fuel use data from previous sections. These indicators provide underlying activity data for estimation of the sources of greenhouse gas emissions from the department's operations.

For department offices, total energy use from fuels increased by 26% from 2021–22 figures, whereas total energy use from electricity reduced by 1% from 2021–22 figures.

This is the first year that total energy use in school buildings is reported, so no comparison with previous years is available.

Total energy use in school buildings

Indicator	2022–23	2021–22	2020–21
E1: Total energy usage from fuels (MJ)	577,488,764	7,383,739	8,697,922
Department offices	4,615,941	3,648,924	6,102,125
Transportation – offices	6,420,392	3,734,815	2,595,797
School buildings	566,452,431	–	–

Indicator	2022–23	2021–22	2020–21
Transportation – schools	n.c. ⁸⁷	–	–
E2: Total energy usage from electricity (MJ)	846,561,600	23,748,592	22,764,191
Department offices	23,436,000	23,748,592	22,764,191
School buildings	823,125,600	–	–
E3: Total energy usage segmented into renewable and non-renewable sources (MJ)	1,424,050,364	31,132,331	31,462,113
Renewable	19,285,200	–	–
Non-renewable	1,404,765,164	–	–
E4: Units of energy used normalised by FTE (MJ/FTE) ⁸⁸		–	–
Department offices/transportation	6,817	5,715	6,971
School buildings	4,035	–	–

Actions undertaken

The SSP is developing a list of proposed capital upgrades. The department has requested a list of proposed upgrades to evaluate potential energy efficiencies across the portfolio. All new government-schools and early childhood education facilities are constructed in accordance with ESD principles in the Building Quality Standards Handbook.

Data source

Department offices

Invoiced and accrued data have been used for this section. Details on these can be found in previous sections for electricity and stationary fuel use.

School buildings

The normalisation factor used for schools was FTE – total students and teachers. This resulted in 705,712 FTE for electricity captured from 1,539 schools, representing 98% of schools and 580,779 FTE for gas captured from 963 schools, representing 88% of schools.

Sustainable buildings and infrastructure

Disclosure of indicators B1–B5 follows the guidelines depending on whether the building is owned or leased and new or existing as per FRD 24. Below is the disclosure for corporate offices and schools.

Department offices

In 2022–23 there were no new office buildings (owned or leased) in the department's portfolio. For existing buildings, leases negotiated on behalf of the department by SSP and JLL are undertaken with a Green Lease Schedule incorporated into the Standard Government Lease. The Green Lease Schedule outlines obligations on both the landlord and tenant to maintain the property and or premises to a minimum required National Australian Built Environment (NABERS) rating for energy, water, waste and/or indoor environment.

No NABERS ratings were conducted on owned buildings or following tenancy fit-outs. The department occupies several premises where the base building is rated as part of the lease obligations. These are:

⁸⁷ n.c.: not collected. As mentioned in the Transport section, currently schools do not have the capacity to collate and therefore to report data on the use of the vehicles they own or lease. The department is investigating the best approach which will enable the collection and reporting of the data when it is implemented.

⁸⁸ FTE for school and department offices will be reported separately, department offices FTE account for staff whereas school buildings account for students, teachers and department staff.

City	Site	Building type	NABERS energy rating
Footscray	1 McNab Ave	Office building	5.5
Dandenong	165–169 Thomas St	Office building	5.5
Melbourne	2 Lonsdale St	Office building	5
East Melbourne	289 Wellington Pde	Office building	4.5
<i>Note: NABERS; GreenStar is an international rating system.</i>			

As above, no owned assets have been rated via SSP or JLL for NABERS; GreenStar or WELL Building Standard.⁸⁹

School buildings

The department's Building Quality Standards Handbook (BQSH) sets the minimum quality criteria for all building projects, including new construction, refurbishment and maintenance works. The BQSH embeds ESD requirements into the design of all new school and early childhood facilities. The BQSH is reviewed and updated annually to ensure continual improvement. The annual update process incorporates lessons from formal post-occupancy evaluations and consultation with project managers, project consultants and market participants, including about ESD and changes to market approaches to implement ESD.

No newly completed school or early childhood projects received an environmental performance rating during the reporting period. The following school buildings have received environmental performance ratings:

Name of building	Building type	Rating scheme	Rating	Year certified
Wangaratta High School	School	Green Star – Education	4	2009
Williamstown High School, Bayview Campus	School	Green Star – Education	5	2011
Springvale Junior Learning Neighbourhood Regeneration Project Stage 1	School	Green Star – Education Design	4	2012
Suzanne Cory High School	School	Green Star – Education Design	5	2012

The department is currently working with other states and territories to contribute to the development of a new energy rating tool for schools.

Sustainable procurement

Consideration of the *Environmental impact in procurement – Goods and services procurement guide* is mandatory for non-construction goods and services procurements with a significant environmental impact, alongside environmental opportunities under the department's Social Procurement Strategy.

The department has no relevant data available in relation to non-construction goods procurement.

Water use

The data shown below is based on water meter readings obtained by JLL and that have been uploaded to the CANOPY database. Data shows that 71% of the department's office sites cover about 87% of FTEs. Total water consumption decreased by 6% compared to last year. Water consumption per FTE reduced by 11% compared to 2021–22 figures.

School buildings are not required to report on this section for this year.

⁸⁹ The WELL Building Standard is an international performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and wellbeing.

Indicator	2022–23	2021–22	2020–21
W1: Total units of metered water consumed by water source (kL)	11,096	11,756	12,305
W2: Units of metered water consumed normalised by FTE (kL/FTE)	2.3	2.8	3.3

Actions undertaken

All new government schools and early childhood education facilities are constructed in accordance with ESD principles in the BQSH.

Data source

Some departmental sites share water meters with other non-departmental buildings and with other parts of the department that are not offices, such as schools. The department is working continuously with JLL and SSP to find the best approach to collect the data not reported.

Waste and recycling

The department has updated the methodology to collect and report data on waste and recycling across its offices compared to previous years to improve accuracy and transparency as per FRD 24. For the first time, the department commissioned independent waste audits across 33 offices. The audits aim to provide feedback to staff about the performance of their waste minimisation activities at each site, meet the requirements for FRD 24, and set a baseline to find improvement opportunities in this area.

Schools are not required to report on this section for this year.

Waste and recycling across offices

Indicator	2022–23	%	2021–22	2020–21
WR1: Total units of waste disposed (kg and %)	88,301	100	42,050	94,844
General waste landfill	46,034	52	14,175	21,452
Co-mingled recycling	8,909	10	3,667	5,633
Organic recycling	2,678	3	3,607	7,378
Food organic discharge to sewer	683	1	–	–
Paper & cardboard recycling ⁹⁰	13,061	15	3,655	6,277
Printer & toner cartridge recycling	739	1	–	–
Secure documents recycling	16,199	18	16,946	54,105
WR2: Percentage of office sites which are covered by dedicated collection services for		100	–	–
Printer cartridges ⁹¹		100	–	–
Batteries ⁹²		18	–	–
E-waste ⁹³		100	–	–
Soft plastics ⁹⁴		0	–	–
WR3: Total units of waste disposed of normalised by FTE (kg/FTE)	17		19	45
WR4: Recycling rate (%) ⁹⁵	47	–	58	77

90 At some sites paper and cardboard is a combined collection, or paper and cardboard are collected via the co-mingled recycling collection.

91 Includes sites that send cartridges via Australia Post, as well as sites with collections.

92 Sites with separate containers or locations for battery recycling (sighted or stated). Note batteries can also be recycled via e-waste recycle ReTech.

93 All sites recycle IT e-waste; other e-waste is not necessarily recycled.

94 REDcycle soft plastic recycling scheme is currently suspended.

95 Percentage of discarded material recycled, by weight. Note this does not include e-waste.

Indicator	2022–23	%	2021–22	2020–21
WR5: Greenhouse gas emissions associated with waste disposal (tonnes CO ₂ -e)	80	–	23	34

Actions undertaken

Waste audits of 33 corporate offices were undertaken. Waste audits involved sorting and weighing the general waste and recycling collected by the cleaners from a sample day to measure the amount, composition, and contamination. This included waste and recycling material from the department office areas at all sites, staff kitchens, meeting rooms, and other areas at relevant sites.

A total of 1,090 kg of office supplies was diverted from landfill (406 kg of office supplies and 684 kg of folders) during this reporting period.

Data source

Data and notes used for this section have been sourced directly from the independent waste audit report. For each site, the amounts of materials in the various waste streams were extrapolated into annual amounts. Results were then converted into amounts of material per FTE, to allow benchmarking over time and between sites.

Printer cartridges are collected by Close The Loop and e-waste is collected by ReTech.

Greenhouse gas emissions

For department offices, total scope 1 (direct) greenhouse gas emissions increased by 26% from 2021–22 figures and total scope 2 (indirect) greenhouse gas emissions reduced by 13% from 2021–22 figures.

For transportation – offices, total scope 1 greenhouse gas emissions increased by 105% from 2021–22 figures and total scope 2 greenhouse gas emissions reduced by 13% from 2021–22 figures.

This is the first year that greenhouse gas emissions from school buildings are reported, so no comparison with previous years is available.

Greenhouse gas emissions scope 1 (direct) and scope 2 (indirect)

Indicator	2022–23	2021–22	2020–21
G1: Total scope 1 (direct) greenhouse gas emissions (tonnes CO ₂ -e)	30,822	454	499
Department offices	237	188	314
Transportation – offices	545	266	185
School buildings	30,040	–	–
Transportation – schools	n.c.	–	–
G2: Total scope 2 (indirect electricity) greenhouse gas emissions (tonnes CO ₂ -e)	195,329	6,333	6,197
Department offices	5,533	6,333	6,197
School buildings	189,796	–	–
G3: Total scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO ₂ -e)	560	40	44
Air travel	197	17	10
Accommodation	272	–	–
Car rental	11	–	–
Waste disposal	80	23	34

Indicator	2022–23	2021–22	2020–21
Optional indicators			
Total greenhouse gas emission offsets purchased: air travel, accommodation, and car rental (tonnes CO2-e)	480	103	10

Actions undertaken

In 2022–23, the department had a net-zero carbon footprint for its corporate travel, including air travel, accommodation, and car rental by purchasing 480 tonnes of greenhouse gas emissions offsets.

Data source

The emissions disclosed above are taken from the previous sections and integrated to show the department's greenhouse gas footprint across department offices and school buildings' operations.

Additional department information available

In compliance with the requirements of the Standing Directions 2018 under the FMA, details in respect of the items listed below have been retained by the department and are available 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 2022–23 Annual Report Additional Information, available from the department's [Annual Reports website](#).

a statement that declarations of pecuniary interests have been duly completed by all relevant officers of the department

- 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 within 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.

Attestation for financial management compliance with Standing Direction 5.1.4

I, Jenny Atta, certify that the Department of Education, 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 'Jenny Atta', is positioned above the printed name.

Jenny Atta

Secretary

Department of Education

Melbourne

01 September 2023

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy, the department made 10 datasets available on the DataVic website in 2022–23. Information included in this Annual Report will also be available [DataVic website](#).

Section 5: Financial statements

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

The Department of Education 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 2023, and the financial position of the department as at 30 June 2023.

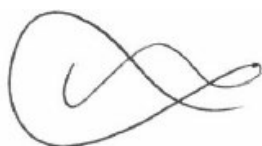
At the time of signing, we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the financial statements for issue on 01 September 2023.



Jenny Atta
Secretary
Department of Education

Melbourne
01 September 2023



Tonella Costa
Chief Finance Officer
Department of Education

Melbourne
01 September 2023

Victorian Auditor-General's report



Victorian Auditor-General's Office

Independent Auditor's Report

To the Secretary of the Department of Education

Opinion	<p>I have audited the financial report of the Department of Education (the department) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• Accountable Officer's and Chief Finance and Accounting Officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2023 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>
Other Information	<p>The Secretary of the department is responsible for the Other Information, which comprises the information in the department's annual report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</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 and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

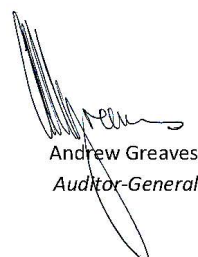
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

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

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

MELBOURNE
5 September 2023



Andrew Greaves
Auditor-General

Comprehensive operating statement for the financial year ended 30 June 2023

	Notes	2023 (\$m)	2022 (\$m)
Revenue and income from transactions			
Output appropriations	2.3.1	14,993.1	14,834.4
Special appropriations	2.3.2	4.8	6.2
Grants	2.4.1	22.0	48.3
Sale of goods and services	2.4.2	348.5	235.4
Other income	2.4.3	505.6	636.3
Total revenue and income from transactions		15,874.0	15,760.6
Expenses from transactions			
Employee expenses	3.1.1	(8,963.7)	(8,351.2)
Interest expenses	7.1.2	(24.2)	(24.3)
Depreciation and amortisation	5.1.1	(683.5)	(470.8)
Grant and other payments	3.2	(2,062.5)	(2,838.4)
Other operating expenses	3.3 / 9.6	(3,670.7)	(3,591.7)
Total expenses from transactions		(15,404.6)	(15,276.4)
Net result from transactions (net operating balance)		469.4	484.2
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	9.1	2.3	19.4
Net gain/(loss) on financial instruments	9.1	(7.9)	(2.2)
Other gains/(losses) from other economic flows	9.1	27.9	173.1
Total other economic flows included in net result		22.3	190.3
Net result		491.7	674.5
Other economic flows – other comprehensive income: items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.5	2,635.8	5,384.8
Total other economic flows – other comprehensive income		2,635.8	5,384.8
Comprehensive result		3,127.5	6,059.3

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

Balance sheet as at 30 June 2023

	Notes	2023 (\$m)	2022 (\$m)
Assets			
Financial assets			
Cash and deposits	7.3	1,591.3	1,590.9
Receivables	6.1	3,437.4	3,195.1
Other financial assets	5.3	1.9	1.6
Total financial assets		5,030.6	4,787.6
Non-financial assets			
Intangible assets	5.2	69.7	66.0
Property, plant and equipment	5.1	39,852.7	35,664.6
Other non-financial assets	6.2	37.8	109.0
Total non-financial assets		39,960.2	35,839.6
Total assets		44,990.8	40,627.2
Liabilities			
Payables	6.3	617.2	890.3
Other liabilities	6.3.2	48.0	60.2
Borrowings	7.1	550.1	577.3
Provisions	3.1.1, 3.2.1	1,883.6	1,821.3
Total liabilities		3,098.9	3,349.1
Net assets		41,891.9	37,278.1
Equity			
Accumulated surplus/(deficit)		5,398.2	4,897.8
Physical asset revaluations surplus	9.5	23,065.1	20,429.3
Contributed capital		13,428.6	11,951.0
Net worth		41,891.9	37,278.1
Contingent assets and contingent liabilities	8.2	(84.1)	(62.9)
Commitments for expenditure	7.5.1	4,245.9	4,132.3

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 2023

	Physical asset revaluation surplus [Note 9.5] (\$m)	Accumulated surplus/ (deficit) (\$m)	Contributed capital (\$m)	Total equity (\$m)
Balance at 1 July 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 ⁹⁶	–	–	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
Net results for the year	–	491.7	–	491.7
Prior-year adjustments	–	0.3	0.1	0.4
Other comprehensive income for the year	2,635.8	8.4	–	2,644.2
Capital appropriations ⁹⁶	–	–	1,711.9	1,711.9
Contributed capital transfers in	–	–	–	–
Administrative restructure – net assets transferred	–	–	(208.4)	(208.4)
Contributed capital transfers (out)	–	–	(26.0)	(26.0)
Balance at 30 June 2023	23,065.1	5,398.2	13,428.6	41,891.9

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

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

Cash flow statement for the financial year ended 30 June 2023

	Notes	2023 (\$m)	2022 (\$m)
Cash flows from operating activities			
Receipts			
Receipts from government		14,732.6	14,422.0
Receipts from other entities		819.9	889.5
Goods and services tax (GST) recovered from the Australian Tax Office		581.9	542.8
Interest received		43.7	5.5
Total receipts		16,178.1	15,859.8
Payments			
Payments of grants and other transfers		(2,165.1)	(2,786.7)
Payments to suppliers and employees		(13,323.8)	(12,171.8)
GST paid to the Australian Tax Office		(11.4)	(19.9)
Short-term, low-value and variable lease payments		(40.3)	(43.3)
Interest and other costs of finance paid		(24.2)	(24.4)
Total payments		(15,564.8)	(15,046.1)
Net cash flows from/(used in) operating activities	7.3.1	613.3	813.7
Cash flows from investing activities			
Purchases of non-financial assets		(2,278.4)	(1,746.9)
Proceeds from investments		0.1	1.5
Payments for investments		(0.4)	(1.9)
Sale of plant and equipment		6.0	7.7
Proceeds from loan and advances		–	1.0
Payment of loan and advances		(4.5)	(12.1)
Cash transferred on activities transferred out – machinery of government changes		220.0	–
Cash transferred on activities transferred out – administrative restructuring		–	0.3
Prior-year adjustments		0.4	(0.2)
Net Cash flows from/(used in) investing activities		(2,056.8)	(1,750.6)
Cash flows from financing activities			
Owner contributions received from State Government		1,711.9	1,047.7
Cash transferred on activities transferred out – machinery of government changes		(233.2)	–
Cash transferred on activities transferred out – administrative restructuring		–	(6.8)
Proceeds from borrowings		54.7	85.1
Repayment of borrowings and principal portion of lease liabilities		(89.5)	(80.8)
Net cash flows from/(used in) financing activities		1,443.9	1,045.2
Net increase/(decrease) in cash and deposits		0.4	108.3
Cash and deposits at the beginning of the financial year		1,590.9	1,482.6
Cash and deposits at the end of the financial year	7.3	1,591.3	1,590.9

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

Notes to the financial statements

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Note 1 About this report

1.1 Basis of preparation

These annual financial statements represent the audited general-purpose financial statements for the department for the year ended 30 June 2023. 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 of Education 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
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 FMA 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 01 September 2023.

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*.

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 (see Note 9.11).

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

<p>Objectives and funding</p> <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>Structure</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>2.3.1 Summary of compliance with annual parliamentary appropriations</p> <p>2.3.2 Annotated income agreements appropriations</p> <p>2.3.3 Summary of compliance with special appropriations</p> <p>2.4 Income from transactions</p> <p>2.4.1 Grants</p> <p>2.4.2 Sales of goods and services</p> <p>2.4.3 Other income</p>
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2.1 Summary of revenue and income that fund the delivery of our services

Revenue and income from transactions

	Notes	2023 (\$m)	2022 (\$m)
Income from transactions			
Output appropriations	2.3.1	14,993.1	14,834.4
Special appropriations	2.3.3	4.8	6.2
Grants	2.4.1	22.0	48.3
Sale of goods and services	2.4.2	348.5	235.4
Other income	2.4.3	505.6	636.3
Total income from transactions		15,874.0	15,760.6

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 relevant 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 FMA, 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 FMA, 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 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.

Summary of compliance with annual parliamentary appropriations

2023 Controlled	Appropriations Act (\$m)			Financial Management Act (\$m)				(\$m)		
	Annual appropriation	Advance from Treasurer	Section 3(2)	Section 29 ⁹⁷	Section 30 ⁹⁸	Section 32	Section 35 advances	Total parliamentary authority	Appropriations applied	Variance ⁹⁹
Provisions for outputs	15,199.3	228.7	–	459.4	4.2	106.9	–	15,998.5	14,993.1	1,005.4
Additions to net assets	1,929.3	–	–	12.9	(4.2)	325.5	–	2,263.5	1,711.9	551.6
Total	17,128.6	228.7	–	472.3	–	432.4	–	18,262.0	16,705.0	1,557.0

⁹⁷ Total does not align to note 2.3.2 due to rounding.

⁹⁸ The \$4.2 million appropriation transfer from additions to the net assets to provision of outputs primarily includes \$10.2 million for land acquisition costs relating to new schools that are deemed operating in nature. This is offset by \$6.0 million appropriation transfer from provision for outputs to additions to the net assets for capital works relating to the Victorian Academy of Teaching and Leadership regional hubs.

⁹⁹ The provision for outputs variance of \$1.0 billion is largely driven by a \$757.5 million transfer to the DJSIR as part of the Machinery of Government changes to transfer out the Training, Higher Education and Workforce development output and carryover requested into 2023-24 across state (\$81.6 million) and commonwealth (\$9.7 million) initiatives. The carryover includes state initiatives such as \$16.8 million for the Non-Government Schools Infrastructure Fund, \$14.5 million for Ready for School: Kinder for Every Three-Year-Old, \$13.8 million for Targeted Initiatives to Attract More Teachers and \$4.6 million for the Academy. The carryover request for Commonwealth initiatives includes \$8.9 million for the National Student Wellbeing Program.

The additions to net assets variance of \$551.6 million is largely driven by \$269.9 million of carryover requested into 2023-24. This includes initiatives such as School Upgrades, Land Acquisition and New Schools Construction.

2022 Controlled	Appropriations Act (\$m)			Financial Management Act (\$m)				(\$m)		
	Annual appropriation	Advance from Treasurer	Section 3(2)	Section 29 ¹⁰⁰	Section 30 ¹⁰¹	Section 32	Section 35 advances	Total parliamentary authority	Appropriations applied	Variance ¹⁰²
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

100 Total does not align to note 2.3.2 due to rounding.

101 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.

102 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.

2.3.2 Annotated income agreements appropriations

The department is permitted under section 29 of the FMA 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 FMA section 29 annotated income agreements approved by the Treasurer.

Annotated income agreements approved by the Treasurer

	Notes	2023 (\$m)	2022 (\$m)
Sales of goods and services			
The Victorian Academy of Teaching and Leadership courses and events ¹⁰³		0.8	0.5
Casual relief teaching panel rebate fees		0.3	0.2
EduPay administration fees		3.0	1.1
Overseas student program fees		57.3	50.9
Housing rent		0.7	0.8
School bus fees		1.2	0.7
Total		63.3	54.2
Receipts from Commonwealth			
Receipts from Commonwealth – School capital program		9.7	–
Revenue from municipal councils			
Receipts from municipal councils – School capital program		1.4	24.5
Receipts from municipal councils – Other capital program		1.7	1.4
Total		12.8	25.9
Commonwealth specific purpose payments			
National skills and workforce development		206.0	405.1
Universal access to early education		–	90.0
Preschool Reform Agreement		128.5	44.3
National Student Wellbeing program ¹⁰⁴		58.4	12.6
Revitalising TAFE campuses across Australia		2.7	3.0
Piloting Joint Monitoring and Data Sharing – Better child care regulation initiative		0.5	0.5
Total		396.1	555.5
Total annotated income agreements	2.3.1	472.2	635.6

103 Formerly known as *Bastow Institute courses and events*.

104 Formerly known as *National School Chaplaincy program*.

2.3.3 Summary of compliance with special appropriations

Summary of compliance with special appropriations

	Purpose	2023 (\$m)	2022 (\$m)
Funded from revenue:			
Section 5.6.8 of the Education and Training Reform Act	Volunteers workers' compensation	0.2	0.3
Section 10 of the FMA	National Student Wellbeing program ¹⁰⁴	4.6	5.1
Section 10 of the FMA	Support for students with a disability	–	0.8
Total special appropriation revenue		4.8	6.2

2.4 Income from transactions

2.4.1 Grants

	2023 (\$m)	2022 (\$m)
Income recognised as income of not-for-profit entities		
Grants to acquire a recognisable non-financial asset ¹⁰⁵	(1.3)	14.9
Specific purpose without any sufficiently specific performance obligations	23.3	33.4
Total grants	22.0	48.3

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 not 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.

¹⁰⁵ The negative amounts primarily reflect return of *Growth Areas Infrastructure Contribution* funds to the Department of Energy, Environment and Climate Action for underspends in land acquisition projects.

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

	2023 (\$m)	2022 (\$m)
Sales of goods and services		
Schools revenue – including sales of classroom material, before and after school care, and other trading operations	346.6	214.3
Provision of services	1.9	21.1
Total sales of goods and services	348.5	235.4

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 6.3.2). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded.

2.4.3 Other income

	2023 (\$m)	2022 (\$m)
Other income		
Schools revenue – including parents' voluntary contributions and other locally raised funds	329.7	344.5
Interest on bank deposits	43.8	5.5
Other revenue	132.4	286.3
Total other income	505.6	636.3

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.

The 'other revenue' line includes free rapid antigen tests and personal protective equipment provided free of charge by the Victorian Department of Health to government and non-government schools. The decrease from the prior year reflects finalisation of the program in December 2022 as Victoria moves towards a post COVID-19 environment.

Note 3 The cost of delivering services

Introduction 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.	Structure Expenses incurred in delivering services 3.1 Employee benefits 3.1.1 Employee benefits – in the comprehensive operating statement 3.1.2 Employee benefits – in the balance sheet 3.1.3 Superannuation contributions 3.2 Grants and other payments 3.3 Other operating expenses
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Expenses incurred in delivering services are recognised as they are incurred and are reported in the financial year to which they relate.

	Notes	2023 (\$m)	2022 (\$m)
Expenses from transactions			
Employee expenses	3.1.1	8,963.7	8,351.2
Grant and other payments	3.2	2,062.5	2,838.4
Other operating expenses	3.3 / 9.6	3,670.7	3,591.7
Total expenses incurred in delivery of services		14,696.9	14,781.3

3.1 Employee benefits

3.1.1 Employee benefits – in the comprehensive operating statement

Employee benefits in the comprehensive operating statement

	2023 (\$m)	2022 (\$m)
Employee expenses		
Salaries and wages	7,117.2	6,796.7
Superannuation	769.4	703.1
Annual leave and long service leave expense	497.4	337.8
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	579.7	513.6
Total employee expenses	8,963.7	8,351.2

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.

3.1.2 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.

Employee benefits – in the balance sheet

	2023 (\$m)	2022 (\$m)
Current provisions		
Employee benefits¹⁰⁶ – annual leave		
Unconditional and expected to be settled within 12 months	119.0	109.7
Unconditional and expected to be settled after 12 months	15.9	19.7
Employee benefits¹⁰⁶ – long service leave		
Unconditional and expected to be settled within 12 months	181.1	174.0
Unconditional and expected to be settled after 12 months	991.7	977.0
Employee benefits¹⁰⁶ – other		
Other provisions	1.9	13.4
Total	1,309.6	1,293.8
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months	58.4	49.4
Unconditional and expected to be settled after 12 months	220.7	199.7
Total	279.1	249.1
Other – make good and refunds/reimbursements ¹⁰⁷	13.2	9.4
Total current provisions	1,601.9	1,552.3
Non-current provisions		
Employee benefits ¹⁰⁶	229.9	222.0
Other on-costs related to employee benefits	49.6	43.4
Total	279.5	265.4
Other – make good ¹⁰⁷	2.2	3.6
Total non-current provisions	281.7	269.0
Total provisions	1,883.6	1,821.3

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

107 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

2023	Total (\$m)
Opening balance	292.5
Additional provisions recognised	103.2
Reductions arising from payments/other sacrifices of future economic benefits	(62.6)
Unwind of discount and effect of changes in the discount rate	(4.4)
Closing balance	328.7
Current	279.1
Non-current	49.6

Annual leave and sick leave

Annual leave liability is 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.

These liabilities are measured at present value, as the department does not expect to wholly settle them within 12 months.

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

Long service leave

Unconditional long service leave is disclosed as a current liability, even where the department does not expect to settle the liability within 12 months. 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.

3.1.3 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.

Superannuation contributions

Funds	Paid contributions for the year 2023 (\$m)	Paid contributions for the year 2022 (\$m)
Defined-benefit plans		
State superannuation schemes	57.6	64.8
Other-state employees retirement benefits scheme	1.4	1.6
Defined contribution plans		
Vic Super	493.9	463.9
Other	216.5	172.8
Total	769.4	703.1

There are no contributions outstanding as at 30 June 2023 and 30 June 2022.

3.2 Grants and other payments

Grants and other payments

Grants and other payments	2023 (\$m)	2022 (\$m)
Grants to the Academy	45.2	30.7
Grants to VCAA	92.8	81.3
Grants to VRQA	16.4	16.9
Grants to TAFEs	338.0	871.6
Grants to Adult, Community and Further Education Board	12.9	32.1
Grants to non-government schools	1,054.9	1,035.7
Grants to external organisations	475.8	741.0
Other payments	26.5	29.1
Total grants and other payments	2,062.5	2,838.4

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.

3.3 Other operating expenses

Other operating expenses

	2023 (\$m)	2022 (\$m)
Administration	525.7	604.4
Maintenance	349.8	276.0
School requisites	1,159.5	1,031.2
IT-related costs	263.8	204.6
Service agreement payments	1,118.6	1,141.3

	2023 (\$m)	2022 (\$m)
Short-term and low-value leases	40.3	43.3
Remuneration of auditors ¹⁰⁸	7.7	10.6
Settlement of litigation	1.4	1.6
Other expenses	201.7	245.1
Finance expenses and fees	2.2	2.1
Bad and doubtful debts	–	31.5
Total other operating expenses	3,670.7	3,591.7

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.

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) of 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.

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

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 2023, 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 current year, there were no amounts unallocated.

The distinction between controlled and administered items is 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 items).

The department remains accountable for transactions involving administered items, but it does not recognise these items in its financial statements.

Structure

4.1 Departmental 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 Departmental outputs

4.1.1 Descriptions and objectives

Departmental outputs achieved during the year ended 30 June 2023, 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 for children experiencing disadvantage. This output group provides early intervention and parenting support. It also includes a range of services and support for children with a developmental delay or disability and their families.

School education

The school education output group consists of 2 outputs:

- i. **school education – primary:** provides services to develop essential skills and learning experiences to engage young minds in the primary sector
- ii. **school education – secondary:** 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

These 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 services seek to consolidate literacy and numeracy competencies, including creative and critical thinking, as well as physical, social, emotional and intellectual development in adolescence. This output 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.

As a result of machinery of government changes announced on 5 December 2022 this output was transferred to DJSIR effective 1 January 2023. In Note 4.1.2, output appropriation reflects service delivery for half of the financial year from 1 July to 31 December 2022. Further details of the machinery of government changes are outlined in Note 4.1.3.

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 Controlled income and expenses

Departmental outputs: controlled income and expenses for the year ended 30 June 2023

	Strategy, review and regulation (\$m)	Early childhood develop- ment (\$m)	School education (\$m)	Higher education and skills (\$m)	Support services delivery (\$m)	Support for students with disabilities (\$m)	Depart- mental total (\$m)
Revenue and income from transactions							
Output appropriations	99.3	1,117.2	10,954.7	797.1	477.8	1,547.0	14,993.1
Special appropriations	–	–	4.8	–	–	–	4.8
Grants	4.3	0.8	9.6	1.1	5.5	0.7	22.0
Sales of goods and services	–	–	348.5	–	–	–	348.5
Other income	–	1.1	504.0	0.1	0.4	–	505.6
Total revenue and income from transactions	103.6	1,119.1	11,821.6	798.3	483.7	1,547.7	15,874.0
Expenses from transactions							
Employee expenses	(68.7)	(109.3)	(7,214.1)	(39.6)	(212.2)	(1,319.8)	(8,963.7)
Interest expense	–	–	(24.2)	–	–	–	(24.2)
Depreciation and amortisation	(7.2)	(11.6)	(630.3)	(3.1)	(3.8)	(27.5)	(683.5)
Grants and other payments	(13.8)	(63.8)	(1,237.9)	(495.6)	(234.0)	(17.4)	(2,062.5)
Other operating expenses	(13.9)	(934.4)	(2,245.7)	(260.0)	(33.7)	(183.0)	(3,670.7)
Total expenses from transactions	(103.6)	(1,119.1)	(11,352.2)	(798.3)	(483.7)	(1,547.7)	(15,404.6)
Net result from transactions (net operating balance)	–	–	469.4	–	–	–	469.4
Other economic flows included in net results							
Net gain/(loss) on non-financial assets	–	–	2.0	–	–	0.3	2.3
Net gain/(loss) on financial instruments	–	–	(5.1)	(2.8)	–	–	(7.9)
Other gains/(losses) from other economic flows	0.2	0.3	22.5	0.1	0.7	4.1	27.9
Total other economic flows included in net result	0.2	0.3	19.4	(2.7)	0.7	4.4	22.3
Net result	0.2	0.3	488.8	(2.7)	0.7	4.4	491.7
Other economic flows – other comprehensive income							
Changes in physical asset revaluation surplus	–	–	2,320.7	–	10.5	304.6	2,635.8
Total other economic flows – other comprehensive income	–	–	2,320.7	–	10.5	304.6	2,635.8
Comprehensive result	0.2	0.3	2,809.5	(2.7)	11.2	309.0	3,127.5

Departmental outputs: controlled income and expenses for the year ended 30 June 2022

	Strategy, review and regulation (\$m)	Early childhood develop- ment (\$m)	School education (\$m)	Higher education and skills (\$m)	Support services delivery (\$m)	Support for students with disabilities (\$m)	Depart- mental 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

4.1.3 Controlled assets and liabilities

Departmental outputs: controlled assets and liabilities as at 30 June 2023

	Strategy, review and regulation (\$m)	Early childhood development (\$m)	School education (\$m)	Higher education and skills (\$m)	Support services delivery (\$m)	Support for students with disabilities (\$m)	Departmental total (\$m)
Assets							
Financial assets	25.4	255.3	4,031.2	–	171.1	547.6	5,030.6
Non-financial assets	17.0	263.4	34,937.9	–	159.8	4,582.1	39,960.2
Total assets	42.4	518.7	38,969.1	–	330.9	5,129.7	44,990.8
Liabilities							
Liabilities	20.6	48.1	2,536.6	–	85.3	408.3	3,098.9
Total liabilities	20.6	48.1	2,536.6	–	85.3	408.3	3,098.9
Net assets	21.8	470.6	36,432.5	–	245.6	4,721.4	41,891.9

Departmental outputs: controlled assets and liabilities as at 30 June 2022

	Strategy, review and regulation (\$m)	Early childhood development (\$m)	School education (\$m)	Higher education 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

Changes in outputs

The Higher Education and Skill function was transferred from the department to DJSIR as a consequence of machinery of government changes announced on 5 December 2022. However, accounts and reports for this output for the purposes of the FMA were kept and provided from July 2022 to December 2022 as per the Administrative Arrangements Order No. S 673 2022. Expenses and income attributable to the transferred outputs for the reporting period are disclosed in Note 4.3.

At the same time, activities of the Higher Education and Skills function were transferred to DJSIR. This is in line with the government's commitment to continuously improve efficiency through centralisation of common administrative functions within Victorian government departments.

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 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 items). The department remains accountable for transactions involving administered items, but it does not recognise these items in its financial statements.

	Departmental total	
	2023 (\$m)	2022 (\$m)
Administered income from transactions		
Sales of goods and services	65.4	73.1
Commonwealth on-passing to non-government schools		
<i>General recurrent grants</i>	4,562.6	4,187.6
<i>Other</i>	101.2	91.3
Fines and regulatory fees	2.0	2.4
Other income	52.9	33.7
Total administered income from transactions	4,784.1	4,388.1
Administered expenses from transactions		
Commonwealth on-passing to non-government schools		
<i>General recurrent grants</i>	(4,562.6)	(4,187.6)
<i>Other</i>	(101.2)	(91.3)
Other	(0.1)	(0.2)
Administered paid to consolidated fund	(101.2)	(60.7)
Total administered expenses from transactions	(4,765.1)	(4,339.8)
Total administered net result from transactions (net operating balance)	19.0	48.3
Administered other economic flows included in the administered net result		
Net gain/(loss) on non-financial assets	(16.2)	(43.6)
Total administered other economic flows	(16.2)	(43.6)
Administered net result	2.8	4.7
Total administered comprehensive result	2.8	4.7
Administered financial assets		
Cash and deposits	1.0	1.3
Receivables	49.0	50.9
Total administered assets	50.0	52.2
Administered liabilities		
Payables	–	4.7
Total administered liabilities	–	4.7
Total administered net assets	50.0	47.5

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 December 2022, the Victorian Government issued an administrative order restructuring some of its activities via machinery of government changes, taking effect from 1 January 2023. As part of the machinery of government restructure, the department (as a transferor) relinquished its higher education and skills function to DJSIR (the transferee).

The net assets transferred out by the department for the higher education and skills function as a result of the administrative restructure are recognised in the balance sheet at the carrying amount of those assets in the transferee's (DJSIR) balance sheets immediately after transfer.

Training, higher education and workforce development output

	Department of Education (Jul–Dec 2022) (\$m)	Department of Jobs, Skills, Industry and Regions (Jan–Jun 2023) (\$m)	Total
Controlled income and expenses			
Income	798.3	997.2	1,795.5
Expenses	(798.3)	(947.7)	(1,746.0)

Comparative amounts for the prior year have not been adjusted.

Restructuring of administrative arrangements transferred as at 1 January 2023:

	2023 transfer out: Output - Training, higher education and workforce development (\$m)
Assets	
Cash and balances	(14.7)
Receivables	(178.2)
Property, plant and equipment	(191.7)
Other non-financial assets	(0.1)
Liabilities	
Borrowings	(0.4)
Payables	(161.7)
Provisions	(14.1)
Net assets recognised/(transferred)	(208.5)
Net capital contribution from the Crown	–

Note 5 Key assets available to support output delivery

Introduction <p>The department controls infrastructure that is utilised in fulfilling its objectives and conducting its activities. This infrastructure represents the resources that have been entrusted to the department to be utilised for delivery of those outputs.</p> <p>Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3, in connection with how those fair values were determined.</p>	Structure <p>5.1 Property, plant and equipment</p> <p>5.1 (a) Total right-of-use assets – buildings, plant, equipment and vehicles</p> <p>5.1.1 Depreciation and amortisation</p> <p>5.1.2 Reconciliation of movements in carrying value of property, plant and equipment</p> <p>5.2 Intangible assets</p> <p>5.3 Other financial assets</p> <p>5.3.1 Ageing analysis of other financial assets</p>
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5.1 Property, plant and equipment

	2023 (\$m)	2022 (\$m)
Land		
At fair value	17,751.1	16,238.3
Buildings		
At fair value	19,662.4	17,922.6
Less accumulated depreciation	(92.6)	(44.1)
Total buildings	19,569.8	17,878.5
Plant and equipment		
At fair value	619.0	602.0
Less accumulated depreciation	(507.8)	(494.3)
Total plant and equipment	111.2	107.7
Work in progress		
Buildings at cost	2,399.0	1,427.3
Plant and equipment at cost	21.6	12.8
Total work in progress	2,420.6	1,440.1
Total property, plant and equipment	39,852.7	35,664.6

For presentation purposes, all building types (buildings, leasehold, leasehold improvements and heritage buildings) are now streamlined into the 'building' category.

The following tables are subsets of buildings, plant and equipment and vehicles 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	
	2023 (\$m)	2022 (\$m)	2023 (\$m)	2022 (\$m)	2023 (\$m)	2022 (\$m)
Buildings at fair value	705.8	688.3	(31.8)	(20.7)	674.0	667.6
Plant and equipment and vehicles at fair value	45.0	44.4	(16.2)	(15.6)	28.8	28.8
Net carrying amount	750.8	732.7	(48.0)	(36.3)	702.8	696.4

	Buildings		Plant and equipment and vehicles		Total	
	2023 (\$m)	2022 (\$m)	2023 (\$m)	2022 (\$m)	2023 (\$m)	2022 (\$m)
Opening balance	667.6	571.8	28.8	27.0	696.4	598.8
Additions	15.5	18.8	6.0	8.2	21.5	27.0
Lease modifications	0.9	–	–	–	0.9	–
Disposals	–	–	(2.5)	(2.8)	(2.5)	(2.8)
Revaluation increment/(decrement)	13.3	96.3	–	–	13.3	96.3
Depreciation	(23.3)	(19.3)	(3.5)	(3.6)	(26.8)	(22.9)
Closing balance	674.0	667.6	28.8	28.8	702.8	696.4
Total as at 30 June represented by						
Gross book value	705.8	688.3	45.0	44.4	750.8	732.7
Accumulated depreciation and impairment	(31.8)	(20.7)	(16.2)	(15.6)	(48.0)	(36.3)
Total as at 30 June	674.0	667.6	28.8	28.8	702.8	696.4

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; plus
- any initial direct costs incurred; and
- 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 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)). For more information, refer to Notes 7.2 Leases and 7.5 Commitments for expenditure.

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.

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

Following the managerial revaluation of the department's assets as at 30 June 2022, the department performed a scheduled valuation through the Valuer-General Victoria as at 30 June 2023, per the requirements of FRD 103 *Non-financial Physical Assets*.

Land and buildings

Specialised land

Specialised land has no feasible alternative use because it is restricted to only provide education services to the community. There is no observable market value as a community service obligation (CSO) is applied and assets are classified as Level 3 under the current replacement cost (CRC) approach.

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 under Note 8.3.2, with specialised and heritage buildings separately disclosed.

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, limitations and restrictions imposed on those assets use and/or disposal, may impact the fair value of those assets, and are taken into account when the fair value is determined.

5.1.1 Depreciation and amortisation

	2023 (\$m)	2022 (\$m)
Property, plant and equipment	–	–
Buildings ¹⁰⁹	643.6	428.6
Plant and equipment and vehicles	30.5	31.6
Software	9.4	10.6
Total depreciation and amortisation	683.5	470.8

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

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

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

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

Useful life years by asset class

Asset class	2023	2022
Buildings	10 – 60	10 – 60
Plant and equipment (including vehicles leased assets)	3 – 10	3 – 10
Intangible produced assets	3 – 10	3 – 10

Depreciation is not recognised for land assets, because 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.

109 Of the amounts included in 'buildings', \$19.7 million (2022: \$15.1 million) covers assets contracted under PPP arrangements.

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.

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

2023	Land (\$m)	Buildings (\$m)	Plant and equipment (\$m)	Work in progress (\$m)	Total (\$m)
Opening balance	16,238.3	17,878.5	107.7	1,440.1	35,664.6
Additions	273.1	17.5	37.6	2,103.8	2,432.0
Transfers to completed assets	–	1,123.0	0.3	(1,123.3)	–
Disposals	(4.2)	(13.8)	(3.6)	–	(21.6)
Revaluation increments/(decrements) ¹¹⁰	1,401.8	1,242.4	–	–	2,644.2
Machinery of government transfer out	(157.1)	(34.2)	(0.4)	–	(191.7)
Transfer (to)/from assets held for sale	(0.8)	–	0.1	–	(0.7)
Depreciation	–	(643.6)	(30.5)	–	(674.1)
Closing balance	17,751.1	19,569.8	111.2	2,420.6	39,852.7

2022	Land (\$m)	Buildings (\$m)	Plant and equipment (\$m)	Work in progress (\$m)	Total (\$m)
Opening balance	13,856.5	13,790.0	101.0	1,381.8	29,129.3
Additions	190.2	37.5	34.5	1,416.5	1,678.7
Transfers to completed assets	–	1,350.6	7.6	(1,358.2)	–
Disposals	–	(55.1)	(3.5)	–	(58.6)
Revaluation increments/(decrements) ¹¹¹	2,200.7	3,184.1	–	–	5,384.8
Transfer (to)/from assets held for sale	(9.1)	–	(0.3)	–	(9.4)
Depreciation	–	(428.6)	(31.6)	–	(460.2)
Closing balance	16,238.3	17,878.5	107.7	1,440.1	35,664.6

110 The large upward revaluation primarily driven by the outcomes of the 5-year revaluation cycle in line with the requirements of FRD 103 *Non-Financial Physical Assets*.

111 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

2023	Software at cost (\$m)	Software work in progress (\$m)	Total (\$m)
Opening balance	188.0	26.2	214.2
Additions	0.7	12.5	13.2
Disposals	(0.7)	–	(0.7)
Transfers between classes	6.2	(6.2)	–
Closing balance	194.2	32.5	226.7
Accumulated amortisation			
Opening balance	(148.2)	–	(148.2)
Amortisation expense	(9.4)	–	(9.4)
Write back due to disposals	0.6	–	0.6
Closing balance	(157.0)	–	(157.0)
Net book value at end of financial year	37.2	32.5	69.7
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

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 ability of the intangible asset to generate probable future economic benefits

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives are depreciated as an 'expense from transactions' on a straight-line basis over their useful lives. Intangible assets have useful lives of between 3 and 10 years.

Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 5.1.1.

5.3 Other financial assets

	2023 (\$m)	2022 (\$m)
Term deposits held by schools	1.9	1.6

Amounts held by schools with a maturity of 3 months or more are disclosed as 'Other financial assets'. Term deposits maturing within 12 months of reporting date are classified as 'current'.

5.3.1 Ageing analysis of other financial assets

Past due but not impaired						
2023	Carrying amount (\$m)	Not past due and not impaired (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months to 1 year (\$m)	> 1 year (\$m)
Term deposits	1.9	1.9	–	–	–	–
Total	1.9	1.9	–	–	–	–
Past due but not impaired						
2022	Carrying amount (\$m)	Not past due and not impaired (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months to 1 year (\$m)	> 1 year (\$m)
Term deposits	1.6	1.6	–	–	–	–
Total	1.6	1.6	–	–	–	–

Note 6 Other assets and liabilities

Introduction <i>This section sets out those assets and liabilities that arose from the department's operations.</i>	Structure 6.1 Receivables 6.1.1 Allowance for impairment losses of contractual receivables 6.1.2 Movement in the allowance for impairment losses of contractual receivables 6.2 Other non-financial assets 6.3 Payables and other liabilities 6.3.1 Ageing analysis of contractual payables 6.3.2 Other liabilities
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6.1 Receivables

Statutory and contractual receivables

	2023 (\$m)	2022 (\$m)
Statutory		
Amounts owing from Victorian Government	3,266.6	3,001.3
GST receivables	92.3	95.8
Total statutory receivables	3,358.9	3,097.1
Contractual		
Contractual receivables before impairment		
Other receivables ^{112,113}	74.8	104.6
Loan receivables	14.7	37.3
Total	89.5	141.9
Allowance for impairment of losses of contractual receivables	(11.0)	(43.9)
Total contractual receivables	78.5	98.0
Made up of:		
Current receivables	3,143.1	2,897.7
Non-current receivables	294.3	297.4
Total receivables	3,437.4	3,195.1

Receivables consist of:

- statutory receivables, which include amounts owing from the Victorian Government and GST input tax credits recoverable
- contractual receivables, which include mainly debtors in relation to goods and services, and loans to third parties.

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, they are measured at amortised cost using the effective interest method less any impairment.

¹¹² The average credit period on sales of goods and services is 30 days. No interest is charged. 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.

¹¹³ 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.

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.

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.

6.1.1 Allowance for impairment losses of contractual receivables

Past due but not impaired						
30 June 2023	Carrying amount (\$m)	Not past due and not impaired (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months to 1 year (\$m)	> 1 year (\$m)
Expected loss rate		12%	49%	0%	9%	17%
Receivables	89.5	35.7	0.6	11.7	7.1	34.4
Loss allowance	11.0	4.4	0.3	–	0.6	5.7
Past due but not impaired						
1 July 2022	Carrying amount (\$m)	Not past due and not impaired (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months to 1 year (\$m)	> 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

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

6.1.2 Movement in the allowance for impairment losses of contractual receivables

	2023 (\$m)	2022 (\$m)
Balance at the beginning of the year	(43.9)	(43.2)
Transfers out / disposed outputs	40.1	–
Reversal of unused provision recognised in the net result	0.4	0.9
Increase in provision recognised in the net result	(7.6)	(1.6)
Balance at end of the year	(11.0)	(43.9)

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

	2023 (\$m)	2022 (\$m)
Prepayments	23.2	57.1
Non-financial assets held for sale	1.0	9.4
Other	13.6	42.5
Total other non-financial assets	37.8	109.0

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

	2023 (\$m)	2022 (\$m)
Payables – contractual and statutory		
Contractual		
Salaries, wages and on-costs	17.1	174.7
Accrued grants and transfer payments	67.4	170.0
Schools creditors	13.9	12.2
Capital expenditure	272.1	157.3
Operating expenditure	157.1	259.1
Advances received	14.3	17.8
Total	541.9	791.1
Statutory		
Taxes payable	27.1	42.2
Advance from public account	48.2	57.0
Total	75.3	99.2
Made up of:		
Current payables	605.9	876.1
Non-current payables	11.3	14.2
Total payables	617.2	890.3

Payables consist of:

- salaries and wages recognised at remuneration rates that are current at the reporting date plus related on-costs

- 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, which are recognised and measured similarly to contractual payables, but are not classified as financial instruments and are 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

2023	Maturity Dates						
	Carrying amount (\$m)	Nominal amount (\$m)	Less than 1 month (\$m)	1-3 months (\$m)	3 months to 1 year (\$m)	1-5 years (\$m)	>5 years (\$m)
Payables	541.9	541.9	527.5	6.1	0.9	6.6	0.8
Total	541.9	541.9	527.5	6.1	0.9	6.6	0.8

2022	Maturity Dates						
	Carrying amount (\$m)	Nominal amount (\$m)	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

6.3.2 Other liabilities

	2023 (\$m)	2022 (\$m)
Contract liabilities	47.2	53.7
Other liabilities	0.8	6.5
Total other liabilities	48.0	60.2
Made up of:		
Current other liabilities	48.0	60.2
Non-current other liabilities	–	–
Total other liabilities	48.0	60.2

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.

Contract liabilities

	2023 (\$m)	2022 (\$m)
Carrying amount at beginning of the year	53.7	64.2
Add: payments received for performance obligations yet to be completed during the period	50.8	40.1
Less: revenue recognised in the reporting period for the completion of a performance obligation	(57.3)	(50.6)
Total contract liabilities	47.2	53.7
Represented by		
Current contract liabilities	47.2	53.7
Non-current contract liabilities	–	–

	2023 (\$m)	2022 (\$m)
Revenue recognised from performance obligations satisfied in previous periods	–	37.0

Note 7 Financing our operations

Introduction <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 7.2 contains disclosures for public private partnerships, a long-term arrangement between a government and private sector institutions. Typically, it involves private capital financing government projects and services up-front, and then drawing revenues from government over the course of the PPP contract. Note 8.1 provides additional, specific financial instrument disclosures.</p>	Structure <p>7.1 Borrowings</p> <p>7.1.1 Maturity analysis of borrowings</p> <p>7.1.2 Interest expense</p> <p>7.2 Leases</p> <p>7.2.1 Right-of-use assets</p> <p>7.2.2 Amounts recognised in the Comprehensive Operating Statement</p> <p>7.2.3 Amounts recognised in the Cash Flow Statement</p> <p>7.2.4 Finance lease liabilities – department as lessee</p> <p>7.3 Cash flow information and balances</p> <p>7.3.1 Reconciliation of net results for the period to cash flow from operating activities</p> <p>7.4 Trust account balances</p> <p>7.5 Commitments for expenditure</p> <p>7.5.1 Total commitments payable</p> <p>7.5.2 Public Private Partnership commitments</p> <p>7.5.3 Commitments other than PPP</p>
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7.1 Borrowings

	2023 (\$m)	2022 (\$m)
Current borrowings		
Lease liabilities ¹¹⁴	–	–
PPP-related lease liabilities	41.6	39.9
Non-PPP-related lease liabilities	8.0	8.7
Advance from public account ¹¹⁵	1.0	6.2
Other current borrowings ¹¹⁶	0.4	0.7
Total current borrowings	51.0	55.5
Non-current borrowings		
Lease liabilities ¹¹⁴	–	–
PPP-related lease liabilities	477.4	482.2
Non-PPP-related lease liabilities	18.4	18.9
Advance from public account ¹¹⁵	2.0	19.2
Other non-current borrowings ¹¹⁶	1.3	1.5
Total non-current borrowings	499.1	521.8
Total borrowings	550.1	577.3

‘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

114 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.

115 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.

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

department has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or 'financial liabilities at amortised cost'. The classification depends on the nature and purpose of the interest-bearing liabilities. The department determines the classification of its interest-bearing liabilities at initial recognition.

7.1.1 Maturity analysis of borrowings

Maturity date							
2023	Carrying amount (\$m)	Nominal amount (\$m)	Less than 1 month (\$m)	1–3 months (\$m)	3 months to 1 year (\$m)	1–5 years (\$m)	> 5 years (\$m)
Borrowings	550.1	833.3	1.9	11.8	39.0	200.3	580.3
Total	550.1	833.3	1.9	11.8	39.0	200.3	580.3
Maturity Dates							
2022	Carrying amount (\$m)	Nominal amount (\$m)	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

7.1.2 Interest expense

	2023 (\$m)	2022 (\$m)
Interest on leases liabilities	24.2	24.3
Total interest expense	24.2	24.3

7.2 Leases

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

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.

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 2023, the department was committed to short-term and low-value leases and the total commitment at that date was \$40 million (2022: \$43 million).

7.2.1 Right-of-use assets

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

7.2.2 Amounts recognised in the comprehensive operating statement

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

	2023 (\$m)	2022 (\$m)
Interest expense on lease liabilities	24.2	24.3
Expenses relating to short term and low value leases	40.3	43.3
Variable lease payments, not included in the measurement of lease liabilities	0.7	1.5
Total amount recognised in the comprehensive operating statement	65.2	69.1

7.2.3 Amounts recognised in the cash flow statement

The following amounts relating to leases are recognised in the cash flow statement.

	2023 (\$m)	2022 (\$m)
Total cash outflow for leases	(95.7)	(96.2)

For any new contracts entered into, the department considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the department assesses whether the contract meets 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 Shared Services Provider. 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 3.3 Other operating expenses) and the commitment for the service payments recognised in Note 7.5.

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.

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.

7.2.4 Lease liabilities – department as lessee

	Minimum future lease payments		Present value of minimum future lease payments	
	2023 (\$m)	2022 (\$m)	2023 (\$m)	2022 (\$m)
PPP-related lease liabilities				
Not longer than one year	43.2	41.4	41.6	39.9
Longer than one year but not longer than 5 years	180.6	172.7	150.7	144.6
Longer than 5 years	577.4	612.1	326.7	337.6
Non-PPP lease liabilities				
Not longer than one year	8.1	9.0	8.0	8.7
Longer than one year but not longer than 5 years	16.5	16.5	15.9	15.8
Longer than 5 years	2.8	3.5	2.5	3.1
Minimum future lease payments	828.6	855.2	545.4	549.7
Less future finance charges	(283.2)	(305.5)	–	–
Present value of minimum lease payments	545.4	549.7	545.4	549.7
Included in the financial statements as:				
Current borrowings lease liabilities		Note 7.1	49.6	48.6
Non-current borrowings lease liabilities		Note 7.1	495.8	501.1
Total aggregate carrying amount of borrowings		Note 7.1	545.4	549.7
			2023 (\$m)	2022 (\$m)
Assets pledged as security				
Non-PPP leases (VicFleet and right-of-use leases)			13.9	13.2
Partnership Victoria in schools assets			599.9	502.8
Total assets pledged as security			613.8	516.0

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

At the commencement of the lease term, leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset, and is depreciated over the shorter of the estimated useful life of the asset, or the term of the lease.

Minimum lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

Refer to Note 7.5.2 for evidence that required the department to remeasure its 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 7.2.4.

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.

	2023 (\$m)	2022 (\$m)
Amounts held by schools	1,468.1	1,437.4
Bank accounts held in trust	105.8	146.9
Other bank accounts	17.4	6.6
Total cash and deposits	1,591.3	1,590.9

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).

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

	2023 (\$m)	2022 (\$m)
Net results for the reporting period	491.7	674.5
Non-cash movements		
Net (gain)/loss on sale of non-financial assets	(1.6)	(18.7)
Depreciation and amortisation	683.5	470.8
Other	–	31.5
Non-cash movements in assets liabilities		
Decrease/(increase) in current receivables	(252.2)	(506.8)
Decrease/(increase) in non-current receivables	(14.1)	49.7
Decrease/(increase) in other non-financial assets	33.9	26.7
Increase/(decrease) in current payables	(375.6)	262.1
Increase/(decrease) in other liabilities	(12.2)	(11.2)
Increase/(decrease) in current employee entitlements	47.2	(113.0)
Increase/(decrease) in non-current employee entitlements	12.7	(51.9)
Net cash inflow from/(used in) operating activities	613.3	813.7

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:

2023	Opening balance as at 1 July 2022 (\$m)	Total receipts (\$m)	Total payments (\$m)	Closing balance as at 30 June 2023 (\$m)
Controlled trusts				
State treasury trust	57.9	48.7	(72.8)	33.8
Inter-departmental trust	46.8	11.9	(34.3)	24.4
School capital contributions	0.6	48.3	(47.9)	1.0
School Sports Victoria	2.6	3.1	(3.0)	2.7
Commonwealth treasury trust	39.0	37.4	(32.5)	43.9
Total controlled trusts	146.9	149.4	(190.5)	105.8
Administered trusts				
Prizes and scholarships	1.5	0.1	–	1.6
Commuter club	0.3	–	–	0.3
On-passing from the Commonwealth	5.3	4,663.8	(4,668.5)	0.6
Total administered trusts	7.1	4,663.9	(4,668.5)	2.5

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

2022	Opening balance as at 1 July 2021 (\$m)	Total receipts (\$m)	Total payments (\$m)	Closing balance as at 30 June 2022 (\$m)
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

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 FMA.

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

2023	Less than 1 year (\$m)	1–5 years (\$m)	> 5 years (\$m)	Total (\$m)
PPP commitments	27.3	120.5	427.3	575.1
Capital expenditure commitments payable	1,473.0	182.2	0.1	1,655.3
Operating and lease commitments payable	0.6	1.9	0.1	2.6
Other commitments payable	1,435.4	403.4	–	1,838.8
Total commitments (inclusive of GST)	2,936.3	708.0	427.5	4,071.8
Less GST recoverable	267.0	64.5	38.8	370.3
Total commitments (exclusive of GST)	2,669.3	643.5	388.7	3,701.5
2022	Less than 1 year (\$m)	1–5 years (\$m)	> 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	0.1	–	0.8
Other commitments payable	1,472.3	473.4	59.8	2,005.5
Total commitments (inclusive of GST)	2,840.2	630.7	537.2	4,008.1
Less GST recoverable	250.6	54.6	48.8	354.0
Total commitments (exclusive of GST)	2,589.6	576.1	488.4	3,654.1

7.5.2 Public-private partnership commitments

The department sometimes enters into arrangements with private sector participants, to design and construct or upgrade an asset used to provide public services. These arrangements are typically complex and usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as either PPPs or service concession arrangements, 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 (not the operator) is the provider of the public education service, 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

In December 2008, 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. 15 schools were delivered and opened over the 2017 and 2018 school years. Under the PPP model, Learning Communities Victoria is responsible for the finance, design, construction and maintenance of the new schools over a 25-year period. The department retains school ownership and responsibility for delivering educational services.

The total commitments for PPPs are as follows.

	Other commitments		Other commitments	
	Present value 2023 (\$m)	Nominal value 2023 (\$m)	Present value 2022 (\$m)	Nominal value 2022 (\$m)
Commissioned PPPs				
Partnerships Victoria in schools – operations and maintenance	144.4	236.7	141.9	241.5
New schools PPP	204.0	338.4	217.4	376.7
Total commitments for PPPs	348.4	575.1	359.3	618.2

7.5.3 Commitments other than PPPs

	2023 nominal value (incl. GST) (\$m)	2022 nominal value (incl. GST) (\$m)
Capital expenditure commitments: plant, buildings and equipment	1,655.3	1,383.6
Operating lease commitments	2.6	0.8
Other expenditure commitments	1,838.8	2,005.5
Total commitments other than PPPs	3,496.7	3,389.9

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.

Note 8 Risk, contingencies and valuation judgements

<p>Introduction</p> <p>The department is exposed to risk from its own activities and from 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>Structure</p> <p>8.1 Financial instrument specific disclosures</p> <p>8.1.1 Financial instruments – categorisation</p> <p>8.1.2 Financial instruments – net holding gain/(loss) on financial instruments by category</p> <p>8.1.3 Financial risk management objectives and policies</p> <p>8.2 Contingent assets and liabilities</p> <p>8.2.1 Contingent assets</p> <p>8.2.2 Contingent liabilities</p> <p>8.3 Fair value determination</p>
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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
- deposits
- receivables (excluding statutory receivables)

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value, plus any directly attributable transaction cost.

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:

8.1.1 Financial instruments – categorisation

2023	Cash and deposits (\$m)	Financial assets at amortised cost (AC) (\$m)	Financial liabilities at amortised cost (AC) (\$m)	Total (\$m)
Contractual financial assets				
Cash and deposits – department	123.2	–	–	123.2
Cash and deposits – schools	1,468.1	–	–	1,468.1
Receivables	–	78.5	–	78.5
Term deposits	1.9	–	–	1.9
Total contractual financial assets	1,593.2	78.5	–	1,671.7
Contractual financial liabilities				
Payables	–	–	541.9	541.9
Borrowings	–	–	550.1	550.1
Total contractual financial liabilities	–	–	1,092.0	1,092.0
2022	Cash and deposits (\$m)	Financial assets at amortised cost (AC) (\$m)	Financial liabilities at amortised cost (AC) (\$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 liabilities	1,592.5	98.0	–	1,690.5
Contractual financial liabilities				
Payables	–	–	791.1	791.1
Borrowings	–	–	577.3	577.3
Total contractual financial liabilities	–	–	1,368.4	1,368.4

8.1.2 Financial instruments – net holding gain/(loss) on financial instruments by category

2023 (\$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 recognition	–	43.8	(2.2)	(7.2)	34.4
Total contractual financial assets	–	43.8	(2.2)	(7.2)	34.4
Contractual financial liabilities					
Financial liabilities at amortised cost – other than on derecognition	3.0	(24.2)	–	–	(21.2)
Total contractual financial assets	3.0	(24.2)	–	–	(21.2)
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 recognition	0.8	5.5	(2.1)	(33.0)	(28.8)
Total contractual financial assets	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)
Total contractual financial liabilities	(1.5)	(24.3)	–	–	(25.8)

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.

8.1.3 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.

The main purpose of 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.

Quantifiable contingent assets

	2023 (\$m)	2022 (\$m)
Claims for damages	0.1	–
Total quantifiable contingent assets	0.1	–

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. Amounts reported include numerous legal claims and pending court cases.

Quantifiable contingent liabilities

	2023 (\$m)	2022 (\$m)
Claims for damages	84.2	62.9
Total quantifiable contingent liabilities	84.2	62.9

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 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; 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.

In addition, for government schools, the department may need to make additional insurance related payments to reinstate building and property damage for claims that fall under the department's insured threshold from major events such as flooding and other incidents.

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 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.

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 8.3.1) and non-financial physical assets (Note 8.3.2).

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 2022–23 reporting period.

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

8.3.2 Fair value determination: non-financial physical assets

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 and building assets are specialised assets where there is little or no observable market evidence of the market-selling price. For land, a market approach adjusted for CSO is used. Buildings are valued under the CRC method.

Fair value measurement hierarchy for assets as at 30 June 2023

Fair value measurement at end of reporting period using:				
2023	Carrying amount as at 30 June 2023 (\$m)	Level 1 (\$m)	Level 2 (\$m)	Level 3 (\$m)
Land at fair value				
Non-specialised land	1,571.9	–	1,571.9	–
Specialised land	16,179.2	–	–	16,179.2
Total land at fair value	17,751.1	–	1,571.9	16,179.2
Buildings at fair value				
Specialised buildings	19,454.6	–	–	19,454.6
Heritage buildings	109.6	–	–	109.6
Total buildings at fair value	19,564.2	–	–	19,564.2
Plant and equipment at fair value				
Plant and equipment	116.9	–	–	116.9
Total plant and equipment at fair value	116.9	–	–	116.9

Fair value measurement hierarchy for assets as at 30 June 2022

Fair value measurement at end of reporting period using:				
2022	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

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 2023.

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 by the VGV, using the CRC method. The effective date of the last independent valuation was 30 June 2023.

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 by the VGV, using the CRC method. The effective date of the last independent valuation was 30 June 2023.

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) 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

The department performed a scheduled valuation through the VGV as at 30 June 2023, per the requirements of FRD 103 *Non-financial Physical Assets*, which resulted in revaluation increments for both land and buildings.

Refer to Note 9.5 for the quantum of the revaluation increment.

Reconciliation of Level 3 fair value as at 30 June 2023

2023	Specialised land (\$m)	Specialised buildings (\$m)	Heritage buildings (\$m)	Plant and equipment (\$m)
Opening balance	14,501.8	17,747.6	120.7	117.9
Purchases (sales)	127.3	1,140.5	–	38.0
Transfers in (out) of Level 3	–	(13.9)	–	(4.0)
Machinery of government transfer out	–	(34.2)	–	–
Gain or losses recognised in net result				
Depreciation	–	(632.3)	(6.7)	(35.0)
Subtotal	14,629.1	18,207.7	114.0	116.9
Gain or losses recognised in other economic flows – other comprehensive income				
Revaluation	1,550.1	1,246.9	(4.4)	–
Subtotal	1,550.1	1,246.9	(4.4)	–
Closing balance	16,179.2	19,454.6	109.6	116.9

Reconciliation of Level 3 fair value as at 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

Description of significant unobservable inputs to Level 3 valuations

2023 and 2022	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.	Structure 9.1 Other economic flows included in net results 9.2 Remuneration of executives and other personnel 9.3 Responsible persons 9.4 Related parties 9.5 Reserves 9.6 Remuneration of auditors 9.7 Subsequent events 9.8 Other accounting policies 9.9 AAS and interpretation issues that are not yet effective 9.10 Glossary of technical terms 9.11 Style conventions
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9.1 Other economic flows included in net results

	2023 (\$m)	2022 (\$m)
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposals of non-financial assets	2.3	3.4
Asset previously not recognised	–	16.0
Total net gain/(loss) on non-financial assets	2.3	19.4
(b) Net gain/(loss) on financial instruments		
Impairment of loans and receivables	(7.2)	(0.7)
Net gain/(loss) on lease liabilities	(0.7)	(1.5)
Total net gain/(loss) on financial instruments	(7.9)	(2.2)
(c) Net gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	27.9	173.1
Total other gains/(losses) from other economic flows	27.9	173.1

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

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.

Remuneration of executive officers (including key management personnel disclosed in Note 9.2)

	Total remuneration	
	2023 (\$m)	2022 (\$m)
Short-term employee benefits	27.7	25.9
Post-employee benefits	2.9	2.7
Other long-term benefits	0.7	0.6
Termination benefits	0.6	0.5
Total remuneration¹¹⁷	31.9	29.6
Total number of executives¹¹⁸	148	138
Total annualised employee equivalents¹¹⁹	112.3	108.7

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

118 The increase from prior year predominantly reflects higher turnover of executives in 2022–23 and implementation of State Budget initiatives, partially offset by machinery-of-government changes to transfer Higher Education and Skills staff to the Department of Jobs, Skills, Industry and Regions from 1 January 2023.

119 Annualised employee equivalent is based on the time fraction over the reporting period.

9.3 Responsible persons

In accordance with the ministerial directions issued by the Assistant Treasurer under the FMA, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of ministers and accountable officer in the department are as follows:

Position	Name	Dates as Minister/Secretary
Minister for Education	The Hon. Natalie Hutchins MP	1 July 2022 to 30 June 2023
Minister for Training and Skills Minister for Higher Education	The Hon. Gayle Tierney MP	1 July 2022 to 31 December 2022 ¹²⁰
Minister for Early Childhood and Pre-Prep	The Hon. Ingrid Stitt MP	1 July 2022 to 30 June 2023
Secretary	Jenny Atta	1 July 2022 to 30 June 2023

- The Hon. Ingrid Stitt MP acted in the office of the Minister for Education from 22 to 25 September 2022, from 25 to 29 January 2023 and from 7 to 10 April 2023.
- The Hon. Danny Pearson MP acted in the office of the Minister for Education from 10 to 13 March 2023.
- The Hon. Ingrid Stitt MP acted in the office of Minister for Training and Skills and Minister for Higher Education from 4 to 17 July 2022, from 18 to 19 August 2022 and from 24 to 28 December 2022.
- The Hon. Gayle Tierney MP acted in the office of the Minister for Early Childhood and Pre-Prep from 18 to 31 July 2022.
- The Hon. Natalie Hutchins MP acted in the office of the Minister for Early Childhood and Pre-Prep from 2 to 15 January 2023 and from 19 to 21 June 2023.
- Kate Rattigan, Deputy Secretary, PES, acted as Secretary from 15 to 18 July 2022.
- David Howes, Deputy Secretary, SRS, acted as Secretary from 5 to 11 November 2022.
- Tony Bates, Deputy Secretary, FPIS, acted as Secretary from 8 to 20 January 2023.
- Kate Rattigan, Deputy Secretary, PES, acted as Secretary from 5 to 19 April 2023.

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.

Remuneration	2023 number	2022 number
\$560,000 – \$569,999	–	1
\$570,000 – \$579,999	1	–

¹²⁰ Training and skills and higher education functions were transferred to the Department of Jobs, Skills, Industry and Regions (DJSIR) on 1 January 2023 as the result of a machinery of government change.

9.4 Related parties

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

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

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 \$16,710 million (2022: \$15,888 million) and \$101 million (2022: \$61 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 2.3.2).
- grants paid to TAFEs and the department's statutory bodies: VATL, VCAA and VRQA (Note 3.2)

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

- Deputy Secretary, FPIS, Tony Bates
- Deputy Secretary, PES, Kate Rattigan
- Deputy Secretary, Policy, Strategy and Performance, Kylie White
- Deputy Secretary, ECE, Kim Little
- Deputy Secretary, HES, Lill Healy (transferred to DJSIR from 1 January 2023)
- Deputy Secretary, SEPS, Stephen Fraser
- Deputy Secretary, SRS, David Howes
- Deputy Secretary, School Workforce, Andrea Del Monaco
- CEO, VSBA, Tom Kirkland
- Assistant Deputy Secretary, SSPRT, Scott Widmer
- Assistant Deputy Secretary, Economic Recovery (HES – transferred to DJSIR from 1 January 2023), Meena Naidu
- Assistant Deputy Secretary, Regional Services Group, Lee Watts
- Assistant Deputy Secretary, Kindergarten Expansion and Pre-prep Reform, Bronwen FitzGerald.

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 ¹²¹	2023 (\$m)	2022 (\$m)
Short-term employee benefits	5.3	5.0
Post-employee benefits	0.5	0.4
Other long-term benefits	0.1	0.1
Termination benefits	0.2	0.2
Total	6.1	5.7

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.

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.

	2023 (\$m)	2022 (\$m)
Grants paid during the year		
VATL	45.2	30.7
VCAA	92.8	81.3
VRQA	16.4	16.9
Rent provided free of charge during the year		
VRQA	0.8	0.5
VCAA	2.6	2.6
Payments made during the year		

¹²¹ Note that key management personnel include acting arrangements in the roles and are also reported in the disclosure of remuneration of executive officers as applicable (Note 9.2).

9.5 Reserves

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

	2023 (\$m)	2022 (\$m)
Physical asset revaluation surplus		
Balance at beginning of financial year	20,429.3	15,044.5
Revaluation increment/(decrement) of land during the year	1,401.8	2,200.7
Revaluation increment/(decrement) of buildings during the year	1,242.4	3,184.1
Amount transferred to accumulated surplus	(8.4)	–
Balance at the end of the financial year	23,065.1	20,429.3
Net movement in reserves	23,065.1	20,429.3

9.6 Remuneration of auditors

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

	2023 (\$m)	2022 (\$m)
Audit 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 2022–23 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

and

AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2020-1 amended AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.

AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023.

AASB 2022-6 amends and clarifies the requirements contained in AASB 2020-1. Among other things, it:

- clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or non-current
- requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within 12 months after the reporting date.

AASB 2022-6 applies to annual reporting periods beginning on or after 1 January 2024.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

AASB 2022-10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

Among other things, it:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or if it is highly probable that it will be used for an alternative purpose;
- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services;
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

AASB 2022-10 applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

The department is in the process of analysing the impacts of AASB 2022-10. However, it is not anticipated to have a material impact.

9.10 Glossary of technical terms

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

Active liquid market

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, 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.

Commitments

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, 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 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

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

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 FMA, 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, either because of its inability to be upgraded or modified to serve the user's current needs, or because of its 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.

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: 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

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

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-term and long-term trade credit and accounts receivable, grants, taxes and interest receivable.

Sales of goods and services

Income from the direct provision of goods and services. 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, the 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
202x	year
202x–2x	year period

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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 *2023–24 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 VAGO 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)
- Adult, Community and Further Education Board¹²²
- Victorian Curriculum and Assessment Authority
- Victorian Registration and Qualifications Authority
- Victorian Academy of Teaching and Leadership
- 12 TAFE institutes¹²²

Comprehensive operating statement for the year ended 30 June 2023

	Notes	2023 actual (\$m)	Published budget (\$m)	Variance (%)	Variance(i) (\$m)	Revised budget(1) (\$m)	Variance (%)	Variance(ii) (\$m)
Net results from continuing operations								
Income from transactions								
Output appropriations	a(i)(ii)	14,993	15,782	(5)	(789)	15,148	(1)	(155)
Special appropriations	b(i)(ii)	5	6	(13)	(1)	6	(13)	(1)
Interest	c(i)	49	6	665	43	48	3	1
Sale of goods and services	d(i)(ii)	532	608	(12)	(75)	460	16	72
Grants	e(i)(ii)	23	13	82	10	4	444	19
Fair value of assets and services received free of charge or for nominal consideration	f(i)(ii)	130	–	n/a	130	159	(18)	(29)
Other income	g(i)(ii)	344	527	(35)	(183)	362	(5)	(18)
Total income from transactions		16,077	16,942	(5)	(865)	16,187	(1)	(110)
Expenses from transactions								
Employee benefits	h(i)	(9,471)	(9,898)	(4)	427	(9,505)	–	33
Depreciation and amortisation	i(i)(ii)	(736)	(658)	12	(78)	(686)	7	(51)

¹²² These entities have been transferred to DJSIR from 1 January 2023.

	Notes	2023 actual (\$m)	Published budget (\$m)	Variance (%)	Variance(i) (\$m)	Revised budget(1) (\$m)	Variance (%)	Variance(ii) (\$m)
Interest expense	j(i)	(26)	(28)	(9)	3	(26)	(1)	–
Grants and other transfers	k(i)(ii)	(1,579)	(1,892)	(17)	313	(1,506)	5	(72)
Other operating expenses	l(i)(ii)	(3,716)	(4,035)	(8)	319	(3,833)	(3)	117
Total expenses from transactions		(15,528)	(16,511)	(6)	983	(15,556)	(0)	28
Net result from transactions (net operating balance)		549	431	27	118	631	(13)	(82)
Net gain/(loss) on non-financial assets	m(i)	–	(2)	(83)	1	–	–	–
Share of net profits/(losses) of associates and joint-venture entities, excluding dividends	n(i)	–	4	(100)	(4)	–	n/a	–
Net gain/(loss) on financial instruments and statutory receivables/payables		2	(1)	n/a	4	–	n/a	2
Other gains/(losses) from other economic flows	o(i)(ii)	29	–	n/a	29	1	n/a	28
Total other economic flows included in net result		30	1	2,930	29	0	6,674	30
Net result		579	432	34	147	631	(8)	(52)
Changes in non-financial assets revaluation surplus	p(i)(ii)	1,006	(104)	(1,070)	1,110	(1,612)	(162)	2,618
Other	q(i)	(917)	20	(4,780)	(937)	(917)	–	–
Total other economic flows – other comprehensive income		89	(84)	(206)	174	(2,529)	(162)	2,618
Comprehensive result		668	348	92	321	(1,897)	(135)	2,566

Notes:

- 1 The 2022–23 revised budget reflects machinery of government changes (MOG) effective from 1 January 2023, while the 2022–23 published budget does not account for these changes. Actuals incorporate the result of the Training and Skills and Higher Education (TS&HE). Adult, Community and Further Education (ACFE), and TAFES's assets and liabilities transferred to DJSIR.
- a(i) The variance below the published budget is due largely to MOG changes with the TS&HE portfolio transferred to DJSIR. This resulted in the department not recognising appropriation related to the TS&HE portfolio from 1 January 2023.
- a(ii) The variance below the revised budget is due primarily to carryover into 2023–24 for both state and Commonwealth initiatives. The carryover includes state initiatives such as the Non-Government Schools Infrastructure Fund, Ready for School: Kinder for Every Three-Year-Old, Targeted Initiative to Attract More Teachers and the Academy. The carryover request for Commonwealth initiatives includes the National Student Wellbeing Program.

- b(i)(ii) The variance below the published and revised budgets is due mainly to the timing of expenditure and subsequent recognition of special appropriation for the National School Chaplaincy Programme.
- c(i) The variance above the published budget is due mainly to schools earning higher interest revenue than anticipated as a result of the increases in the Reserve Bank of Australia cash rate.
- d(i) The variance below the published budget is due largely to MOG changes with the TS&HE portfolio transferred to DJSIR. This resulted in the department only recognising six months of TAFE fees for services.
- d(ii) The variance above the revised budget is due to higher than anticipated fees charged by schools for services (e.g. for camps, sports and excursions, and outside-school-hours care programs), due primarily to these fees returning to pre-COVID-19 levels quicker than was anticipated as part of schools' estimates.
- e(i)(ii) The variance above the published budget is due primarily to higher than anticipated grants received from other Victorian government departments and the Commonwealth Government. These include grants received from the Commonwealth Government for English-language programs for temporary visa holders, grants received from the Commonwealth Government for TAFEs prior to 31 December 2022 and a grant from the Department of Families, Fairness and Housing for the Victorian African Communities Action Plan.
- f(i) The variance above the published budget is due to Rapid Antigen Test (RAT) kits provided free of charge by the Department of Health after the 2022–23 budget for passing on to government and non-government schools.
- f(ii) The variance below the revised budget is due to the department receiving fewer RAT kits than anticipated.
- g(i)(ii) The variance below the revised budget is due primarily to lower-than-expected schools' third-party other revenue (e.g. funds raised locally from school fetes, fundraising events and parents' voluntary contributions).
- h(i) The variance below the published budget is due largely to MOG changes with the TS&HE portfolio transferred to DJSIR. This resulted in the department not recognising employee benefits for the TS&HE portfolio from 1 January 2023.
- i(i)(ii) The variance above the published and revised budget are due primarily to the managerial revaluation of the department's building assets undertaken in 2021, resulting in an increase in depreciation.
- j(i) The variance below the published budget is due primarily to lower than anticipated Right of Use Lease interest expense with non-public sector lessors.
- k(i)(ii) The variances from the published and revised budgets are due primarily to changes to the National Disability Insurance Scheme grants between the department and DFFH, and also to re-phases approved by the Treasurer into the forward years that were approved as part of the 2022–23 Budget. These include the Non-government School Infrastructure Fund, Children's facilities capital program, Building Blocks, and building and upgrading early learning facilities where building projects have been slowed due to national supply chain issues.
- l(i)(ii) The variances below the published and revised budgets are due largely to the transfer of the TS&HE portfolio to DJSIR, resulting in transfer of 6 months of expenditure for purchase of supplies and consumables. Additionally, there was under expenditure in maintenance works due to delays in delivery for both the Planned Maintenance Program and Emergency Maintenance, and lower-than-anticipated RAT kits expenditure.
- m(i) The variance from the published budget is due to the MOG changes with the TS&HE portfolio transferred to DJSIR.
- n(i) The variance from the published budget is due to MOG changes with the TS&HE portfolio transferred to DJSIR, resulting in no actuals being recognised for share of net profits/(losses) of associates and joint-venture entities.
- o(i)(ii) The variances from the published and revised budgets relate primarily to an increase in annual and long service leave revaluation gains as a result of an increase in the discount rate used to calculate the present value of leave.
- p(i) The variance above the published budget is due to gain on revaluations for buildings and land following the 2022–23 managerial asset revaluation under FRD 103. This is offset by MOG changes with the transfer of the TS&HE portfolio.
- p(ii) The variance above the revised budget is due primarily to gain on revaluations for buildings and land following the 2022–23 managerial asset revaluation under FRD 103.
- q(i) The variance from the published budget is due to MOG changes with the TS&HE portfolio transferred to DJSIR.

Balance sheet as at 30 June 2023

	Notes	2023 actual (\$m)	Published budget (\$m)	Variance (%)	Variance(i) (\$m)	Revised budget(1) (\$m)	Variance (%)	Variance(ii) (\$m)
Assets								
Financial assets								
Cash and deposits	a(i)	1,634	2,052	(20)	(478)	1,679	(3)	(45)
Receivables from government	b(i)	3,267	3,129	4	137	3,309	(1)	(43)
Other receivables	c(i)(ii)	170	194	(12)	(24)	74	130	96
Other financial assets	d(i)(ii)	2	50	(96)	(48)	(2)	(181)	4
Total financial assets		5,072	5,425	(7)	(353)	5,060	–	12
Non-financial assets								
Inventories	e(i)(ii)	–	1	n/a	(1)	–	(100)	–
Non-financial assets classified as held for sale, including disposal group assets	f(i)(ii)	1	(12)	(109)	13	25	(96)	(24)
Property, plant and equipment	g(i)(ii)	39,904	35,661	12	4,243	37,505	6	2,398
Investment properties	h(i)	–	123	(100)	(123)	–	n/a	–
Intangible assets	i(i)(ii)	41	37	12	4	29	41	12
Other	j(i)(ii)	24	119	(80)	(95)	74	(67)	(49)
Total non-financial assets		39,970	35,929	11	4,041	37,633	6	2,337
Total assets		45,042	41,353	9	3,688	42,693	6	2,349
Liabilities								
Payables	k(i)(ii)	659	905	(27)	(246)	698	(6)	(39)
Borrowings	l(ii)	552	542	2	9	521	6	30
Provisions	m(i)	1,884	2,370	(21)	(486)	1,912	(1)	(28)
Total liabilities		3,095	3,818	(19)	(723)	3,132	(1)	(36)
Net assets		41,497	37,536	12	4,411	39,562	6	2,385
Equity								
Accumulated surplus/(deficit)	n(i)(ii)	5,441	6,039	(10)	(598)	5,543	(2)	(103)
Reserves	o(i)(ii)	23,065	16,516	40	6,549	20,397	13	2,668
Contributed capital	p(i)(ii)	13,441	14,980	(10)	(1,539)	13,622	(1)	(180)
Total equity		41,947	37,536	12	4,411	39,562	6	2,385

Notes:

- 1 The 2022–23 revised budget reflects MOG changes effective from 1 January 2023, while the 2022–23 published budget does not account for these changes. Actuals incorporate the result of the TS&HE, ACFE, and TAFE assets and liabilities transferred to DJSIR.

- a(i) The variance below the published budget mainly reflects:
 – schools' cash and deposits were lower than budgeted, due primarily to the published budget being established from June 2021 actual closing balances which did not factor in decreased operating cash surpluses that occurred after lifting of COVID-19 pandemic restrictions. Schools had higher operational costs due to increasing running costs and the higher volume of on-site activities.
 – MOG transfer of TAFE's cash and deposits not being reflected in the budget.
- b(i) The variance above the published budget is due mainly to the timing of the drawdown in the State Administrative Unit (SAU). The SAU balance is affected by movement in the output appropriation surplus, other financial assets, payables and provisions, and inter-departmental receivables related to payments made on behalf of DJSIR during the MOG transitional period.
- c(i) The variance below the published budget is due mainly to:
 – the timing of receipts from corporate receivables, including international education students fees, net of
 – MOG transfer of Skills, ACFE, and TAFE's debtors is not reflected in budget.
- c(ii) The variance above the revised budget is due mainly to the timing of budget adjustments taken into effect.
- d(i) The variance below the published budget is due mainly to 'MOG transfer of TAFE's prepaid operating expenditure not being reflected in the budget.
- d(ii) The variance above the revised budget is due mainly to timing of budget adjustments taken into effect.
- e(i)(ii) The variance below the published budget is due mainly to MOG transfer of TAFE's inventory held for distribution in the ordinary course of TAFE's business operations.
- f(i)(ii) The variances below the published and revised budgets are due mainly to lower than anticipated departmental land held for sale.
- g(i)(ii) The variances above the published and revised budgets are due mainly to an upward asset revaluation adjustment for the 2022–23 managerial asset revaluation under FRD 103. The published budget, established in May 2022 does not incorporate 2 years of asset revaluations, undertaken across June 2022 and June 2023.
- h(i) The variance below the published budget is due mainly to the MOG transfer of TAFE's investment properties not being reflected in the budget.
- i(i)(ii) The variances above the published and revised budgets are due mainly to the completion of software transferred from work-in-progress, and additional software purchased by the department, net of MOG transfer of TAFE's intangible assets.
- j(i)(ii) The variances below the published and revised budgets are due mainly to MOG transfer of TAFE's biological assets.
- k(i) The variance below the published budget is due mainly to lower accruals/payables for various programs including corporate capital works, facilities construction and prepaid international tuition fees, and MOG transfer of Skills, ACFE and TAFE's payables.
- k(ii) The variance below the revised budget is due mainly to lower accruals for various programs, including corporate capital works, facilities construction, prepaid international tuition fees and regular payments aligned with the *Fair Payment Policy*.
- l(ii) The variance above the published budget is due mainly to the higher than anticipated right-of-use lease liabilities for the department's corporate leases, net of MOG transfer of TAFE's right-of-use lease liabilities.
- m(i) The variance below published budget is due mainly to the impact of the discount rate on long service leave liability, timing of school holiday term affecting annual leave and new assumptions in calculation of annual leave provision for teaching staff.
- n(i)(ii) The variances below the published and revised budgets are due to the accumulated net results of operating balances and other economic flows.
- o(i)(ii) The variances above the budgets are due mainly to an upward asset revaluation adjustment for the 2022–23 managerial asset revaluation under FRD 103. The published budget, established in May 2022 does not incorporate 2 years of asset revaluations, undertaken across June 2022 and June 2023, net of MOG transfer of the department's land and TAFE's land and buildings.
- p(i)(ii) The variance below the published and revised budgets are due mainly to capital appropriations and contributed capital transfers being lower than anticipated.

Statement of cash flows for the year ended 30 June 2023

	Notes	2023 actual (\$m)	Published budget (\$m)	Variance (%)	Variance(i) (\$m)	Revised budget(1) (\$m)	Variance (%)	Variance (ii) (\$m)
Cash flows from operating activities								
Receipts								
Receipts from government	a(i)(ii)	15,630	15,510	1	119	14,854	5	776
Receipts from other entities	b(i)(ii)	382	561	(32)	(179)	335	14	47
Interest received	c(i)	49	6	665	43	48	3	1
Other receipts	d(i)	366	540	(32)	(174)	385	(5)	(18)
Total receipts		16,427	16,618	(1)	(191)	15,621	5	806
Payments								
Payments of grants and other transfers	e(i)(ii)	(1,624)	(1,890)	(14)	265	(1,568)	4	(56)
Payments to suppliers and employees	f(i)(ii)	(13,386)	(13,822)	(3)	436	(13,305)	1	(81)
Interest and other costs of finance paid		(27)	(27)	1	–	(27)	(2)	–
Total payments		(15,037)	(15,738)	(4)	701	(14,900)	1	(137)
Net cash flows from/(used in) operating activities		1,389	879	58	510	721	93	669
Cash flows from investing activities								
Net investments	g(i)(ii)	42	(1)	(4,146)	43	36	16	6
Payments for non-financial assets	h(i)(ii)	(939)	(2,808)	(67)	1,868	(1,343)	(30)	403
Proceeds from sale of non-financial assets	i(i)(ii)	7	1	570	6	1	487	6
Net loans to other parties	j(i)(ii)	15	3	337	11	20	(26)	(5)
Net cash flow from/(used in) investing activities		(1,344)	(2,804)	(52)	1,460	(1,286)	5	(59)
Cash flows from financing activities								
Owner contributions by the Victorian Government	k(i)(ii)	531	1,929	(72)	(1,398)	353	50	177
Repayment of right-of-use leases	l(i)(ii)	(69)	(42)	67	(28)	(105)	(34)	36

	Notes	2023 actual (\$m)	Published budget (\$m)	Variance (%)	Variance(i) (\$m)	Revised budget(1) (\$m)	Variance (%)	Variance (ii) (\$m)
Net borrowings	m(i)(ii)	(915)	(5)	18,648	(910)	(46)	1,875	(868)
Net cash flows from/(used in) financing activities		(453)	1,883	(124)	(2,336)	202	(324)	(655)
Net increase / (decrease) in cash and cash equivalents		(408)	(42)	866	(366)	(363)	12	(45)
Cash and cash equivalents at the beginning of the financial year	n(i)	2,042	2,094	(2)	(52)	2,042	–	–
Cash and cash equivalents at the end of the financial year		1,634	2,052	(20)	(418)	1,679	(3)	(45)

Notes:

- 1 The 2022–23 revised budget reflects the MOG changes effective from 1 January 2023 while the 2022-23 published budget does not account for these changes. Actuals incorporate the result of the TS&HE, ACFE and TAFE's assets/liabilities transferred to DJSIR.
- a(i)(ii) The variances above the published and revised budgets are due mainly to Advance from the Treasurer funding for programs such as Free Kinder, *Best Start*, *Best Life* and schools enrolment-based funding.
- b(i) The variance below the published budget is due largely to MOG changes with the TS&HE portfolio transferred to DJSIR. This resulted in only 6 months of TAFE fees for services being recognised in actuals.
- b(ii) The variance above the revised budget is due largely to school fees for services being higher than anticipated, caused primarily by school fees for service growing towards pre-COVID-19 pandemic levels more quickly than was anticipated as part of the most recent schools' estimates update.
- c(i) The variance above the published budget is due mainly to schools earning higher interest revenue than anticipated as a result of the increases in the Reserve Bank of Australia cash rate.
- d(i) The variance below the published budget is due to schools' other revenue. It is difficult to quantify and forecast the effects of the increased regulatory oversight of the current Parent Payments Policy due to the increased emphasis on the voluntary nature of parental contributions.
- e(i) The variance below the published budget is due primarily to a change in the recognition of NDIS grants between the department and the DFFH. Additionally, capital grants were lower-than-anticipated, due to delays in the construction industry caused by supply chain problems, skills shortages and inclement weather.
- e(ii) The variance above the revised budget is due primarily to higher than anticipated grants to other entities in the general government sector.
- f(i) The variance below the published budget is due to the MOG changes with the TS&HE portfolio transferred to DJSIR.
- f(ii) The variance above the revised budget is due primarily to timing of employee expenses such as long service leave.
- g(i)(ii) The variance in net investments is caused by the transfer of investments and term deposits held by TAFEs as part of the MOG of the TS&HE portfolio to DJSIR.
- h(i) The variance below the published budget is caused by adjustments made as part of the TS&HE portfolio MOG transfer. The balance sheet accounts were transferred to DJSIR based on the allocation statement as at 31 December 2022, resulting in a \$1.4 billion movement in payments for non-financial assets. Additionally, re-phases into the forward years were approved by the Treasurer as part of the revised budget for initiatives including modernisation and schools upgrades, new schools, land acquisition, essential maintenance and compliance, and the Minor Capital Works Fund.
- h(ii) The variance below the revised budget is due to unfavourable market conditions that have caused delays in project construction and in project delivery. These include the cumulative effects of limitation of materials and labour shortages, with limited ability to recover due to the market being unable to meet increased demand, and a significant increase in costs leading to delays in design and construction, protracted tendering, contract negotiations and value management. Due to the above, carryover has been requested into 2023–24 for New Schools, Modernisation and Schools Upgrade, Land acquisition and Ready for school: kinder for every three-year-old.
- i(i)(ii) The variance above the published budget and revised budget is due primarily to land sales.
- j(i)(ii) The variance in loans to other parties is caused primarily by the transfer of loans with other parties held by TAFEs as part of the MOG of the TS&HE portfolio to DJSIR.

- k(i) The variance below the published budget is caused primarily by adjustments made to contributed capital as part of the MOG of the TS&HE portfolio to DJSIR, as well as lower-than-budgeted capital appropriation claimed, due mainly to revised implementation of the capital program into future years.
- k(ii) The variation above the revised budget is due primarily to adjustments made to contributed capital as part of the MOG being reflected in the estimates.
- l(i) The variance to the published budget is due primarily to the transfer of right-of-use leases held by TAFEs as part of the MOG of the TS&HE portfolio to DJSIR.
- l(ii) The variance below the revised budget is caused primarily by lower than anticipated right-of-use lease payments.
- m(i)(ii) The variances from the published and revised budget are caused by the transfer of the TS&HE portfolio to DJSIR.
- n(i) The variance below the published budget is due 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 2023

	Notes	Accumulated surplus / (deficit) (\$m)	Contributions by owner (\$m)	Revaluation surplus (\$m)	Other reserves (\$m)	Total equity (\$m)
Actual						
Opening balance at 1 July 2022		5,769	12,212	22,067	1	40,049
Comprehensive result		(329)	–	998	(1)	668
Transactions with owners in their capacity as owners		–	1,229	–	–	1,229
Closing balance 30 June 2023		5,441	13,441	23,065	–	41,947
Budget						
Opening balance 1 July 2022		5,588	13,045	16,619	1	35,253
Comprehensive result		451	–	(104)	–	348
Transactions with owners in their capacity as owners		–	1,935	–	–	1,935
Closing balance 30 June 2023 (published budget)		6,039	14,980	16,515	1	37,536
Variance from budget(i)						
Opening balance 1 July 2022		181	(833)	5,448	(0)	4,796
Comprehensive result	a(i)	(780)	–	1,102	(1)	321
Transactions with owners in their capacity as owners	b(i)	–	(706)	–	–	(706)
Closing balance 30 June 2023		(598)	(1,539)	6,550	(1)	4,411
Variance (%)		(10)	(10)	40	(100)	12
Revised budget (1)						
Opening balance 1 July 2022		5,769	12,681	22,067	1	40,518
Comprehensive result		(226)	–	(1,670)	(1)	(1,897)
Transactions with owners in their capacity as owners		–	941	–	–	941
Closing balance 30 June 2023 (published budget)		5,543	13,622	20,397	(0)	39,562
Variance from revised budget(ii)						
Opening balance 1 July 2022		–	(469)	–	–	(469)
Comprehensive result	a(ii)	(103)	–	2,668	–	2,566
Transactions with owners in their capacity as owners	b(ii)	–	289	–	–	289
Closing balance 30 June 2023		(103)	(180)	2,668	–	2,385
Variance (%)		(2)	(1)	13	(100)	6

Notes:

- The 2022–23 revised budget reflects the MOG changes effective from 1 January 2023 while the 2022–23 published budget does not account for these changes. Actuals incorporate the result of the TS&HE, ACFE and TAFES's assets/liabilities transferred to DJSIR.

- a(i) The variance below the published budget reflects lower than anticipated other economic flows and net result, as well as the MOG transfer of TAFEs and ACFE not being reflected in budget. The variation in revaluation surplus above published budget is due to the budget incorporating 2 years of asset revaluations undertaken across June 2022 and June 2023 as well as the MOG transfer, as the budget was established in May 2022.
- a(ii) The variance below the revised budget reflects the lower than anticipated accumulated net schools' results of operating balances and other economic flows. The variation in revaluation surplus above the revised budget is due to the 2022–23 upward land and building revaluation in line with FRD 103. The revised budget does not incorporate the June 2023 asset revaluation.
- b(i) The variance from the published budget is caused primarily by adjustments made to contributed capital as part of the MOG transfer of the TS&HE portfolio to DJSIR, as well as lower-than-budgeted capital appropriation claimed, due primarily to revised implementation of the capital program into future years.
- b(ii) The variance from the revised budget is due primarily to the adjustments made to contributed capital as part of the MOG changes being reflected in the estimates.

Administered items statement for the year ending 30 June 2023

	Notes	2023 actual (\$m)	Published budget (\$m)	Variance (%)	Variance(i) (\$m)	Revised budget (\$m)	Variance (%)	Variance(ii) (\$m)
Administered income								
Sale of goods and services	a(i)	68	103	(34)	(35)	66	3	2
Grants	b(i)(ii)	4,667	4,507	4	160	4,592	2	75
Other income	c(i)(ii)	49	1	7,415	48	1	7,415	48
Total administered income		4,784	4,611	4	173	4,659	3	125
Administered expenses								
Expenses on behalf of the state		–	–	n/a	–	–	n/a	–
Grants and other transfers	d(i)(ii)	(4,664)	(4,508)	3	(156)	(4,577)	2	(86)
Payments into the consolidated fund	e(ii)	(101)	(103)	(2)	2	(82)	24	(20)
Total administered expenses		(4,765)	(4,611)	3	(154)	(4,659)	2	(106)
Income less expenses		19	–	37,843	19	–	37,843	19
Net gain/(loss) on non-financial assets	f(i)(ii)	(16)	–	n/a	(16)	–	n/a	(16)
Total other economic flows included in net result		(16)	–	n/a	(16)	–	n/a	(16)
Net result		3	–	5,527	3	–	5,527	3
Comprehensive result		3	–	5,527	3	–	5,527	3
Administered assets								
Cash and deposits		–	–	n/a	–	–	n/a	–
Receivables	g(i)	50	43	17	7	52	(4)	(2)
Other financial assets		–	–	n/a	–	–	n/a	–
Total administered assets		50	43	17	7	52	(4)	(2)
Administered liabilities								
Payables	h(ii)	–	–	n/a	–	(5)	(100)	5
Total administered liabilities		–	–	n/a	–	(5)	(100)	5
Net assets		50	43	17	7	48	6	3

Notes:

- a(i) The variance below the published budget is due primarily to the department's fees for services which are accessed as section 29 appropriations, in particular overseas student program fees.
- b(i)(ii) The variance above the published budget is due primarily to higher-than-budgeted Commonwealth Quality Schools funding for non-government schools.
- c(i)(ii) The variance above the published and revised budgets are due mainly to the return to the SAU.
- d(i)(ii) The variance above the published and revised budgets are due primarily to the passing on of Commonwealth funding explained in Note (b).
- e(ii) The variance below the published budget is caused primarily by the return to the SAU.
- f(i)(ii) The variance below the published and revised budgets are due primarily to a net loss of value of buildings and land sold.
- g(i) 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(ii) The variance below the revised budget reflects the anticipated timing of Commonwealth grants to be passed on to non-government schools, which does not occur in actuals.

Appendix 3 Grants and transfer payment details

The department provides financial assistance to external organisations, companies and entities for specific initiatives and purposes via funding agreements.

The following definition of a grant has been applied, developed from that used by the Auditor-General's report *Grants to non-government organisations: Improving accountability*, and is consistent with the Model Report.

A grant pertains to any monies included as a controlled expense within a department's output schedule that is allocated to any government entity (including general government entities and public non-financial corporations), third-party or parties outside the public sector and at the discretion of a department, with recipients required to use the monies for the specific purposes outlined in the particular funding agreement.

Financial assistance provided is grouped under BP3 outputs.

In the event of a significant machinery of government change, the transferor department is no longer required to disclose grants and transfer payments associated with outputs that have been transferred out of the department. No grants and transfer payments from the Higher Education or Training and Skills portfolios are included in the table below. Any relevant grants and transfer payments will be reported in the DJSIR Annual Report.

Output: Early childhood education

Grant title	Purpose and nature of grant	Payment (\$)
2020–2024 Community Development and Assistance	Support for the operation of Collingwood Children's Farm.	125,845
2022 Children's Week	To support Children's Week national campaign that celebrates the right of children to enjoy childhood.	120,570
Access to Early Learning	The Access to Early Learning program ensures that vulnerable 3-year-old children get the full benefits of attending a quality kindergarten program, and provides a degree-qualified facilitator who works with families in their homes to explore learning activities they can do with their children.	4,454,896
Brotherhood of St Laurence – Family Learning Support Program	To provide bilingual outreach support to children and families from vulnerable culturally and linguistically diverse (CALD) backgrounds living in public housing to connect with ECEC and to support the transition to school.	400,000
Building Blocks Grants	To support the planning and delivery of new, expanded, and improved kindergartens, making them safer and more accessible.	59,857,016
Child Information Sharing Capacity Building	To build workforce capability and confidence in using the Child Information Sharing Scheme to undertake quality, timely and appropriate information sharing to promote child wellbeing or safety.	1,382,185
Culturally and Linguistically Diverse (CALD) Outreach Initiative	CALD outreach workers, employed by local councils, address barriers to kindergarten access and participation for children and families from CALD backgrounds. They also support families to transition to school. In 2022–23, grants were provided to 19 local councils. Funding was also provided to the Municipal Association of Victoria to provide coordination support.	1,484,127
Early Childhood Language Program	For 4-year-old children to learn another language at their kindergarten through the Early Childhood Language Program.	3,656,402

Grant title	Purpose and nature of grant	Payment (\$)
Early Childhood Refurbishment and Minor Works	A short-term stimulus-funding package designed to stimulate economic activity by funding projects to improve the learning environments, condition or character of Victorian Kindergartens.	5,974,540
Early Childhood Scholarships and Incentives Program	To provide: <ul style="list-style-type: none"> financial support to eligible people to undertake specified early childhood qualifications incentives to attract qualified early childhood teachers and educators to vacancies in services delivering Three-Year-Old Kindergarten. 	25,753,836
Early Years Assessment and Learning Tool Implementation Support Grants	For kindergarten service providers to support activities required to implement and embed the Early Years Assessment and Learning Tool.	860,112
Gowrie Traineeship Program	To support trainees to study a Certificate III in ECEC while working in an early childhood service.	168,073
Innovative Initial Teacher Education	To deliver accelerated early childhood teaching courses (including scholarships for Deakin and Victoria University students), early childhood professional practice partnerships and the Front Project Upskill program.	20,550,645
Kindergarten Central Registration and Enrolment Scheme	An annual grant to eligible councils to contribute to the cost of operating a central registration and enrolment scheme; one-off grants to support the establishment of a scheme in a local government area; and a partnership with the Municipal Association of Victoria to support the implementation.	1,769,580
Kindergarten Infrastructure and Services Plans Support Grants	To support local governments to prepare to update Kindergarten infrastructure and services plans to ensure they remain a current planning resource.	5,111,000
Provisionally Registered Early Childhood Teacher Grants Program	Grants of \$2,872 to approved providers to support provisionally registered early childhood teachers to move to full registration with the Victorian Institute of Teaching.	2,074,916
Safe Haven	Safe Haven provides free access to an intensive ECEC program for young children who have been exposed to significant family stress and social disadvantage. There are 2 Safe Haven sites in Victoria.	2,176,024
Support for Three-Year-Old Kindergarten Implementation	For the Early Learning Association Australia to support early childhood education and care providers to deliver efficient, high-quality kindergarten programs.	148,055
Support for Three-Year-Old Kindergarten implementation	For the Municipal Association of Victoria to support local government in the implementation of early years priorities, including Three-Year-Old Kindergarten roll-out.	284,000
Transition Learning Development Statement Grants	To support kindergarten service providers to release early childhood teachers for the preparation of transition learning development statements.	659,466
Victorian Early Years Awards	To celebrate leadership, outstanding achievement, exceptional dedication and innovation in improving outcomes for children aged birth to 8 years and their families.	120,000
Workforce Planning Support Grant	To support key sector partners to develop 5-year strategic workforce plans to attract and retain the early childhood workforce, to support the roll-out of Pre-Prep and the continued scale up of Three-Year-Old Kindergarten.	5,530,000

Outputs combined: School education – primary and School education – secondary

Grant Title	Purpose and nature of grant	Payment (\$)
2020–22 Victorian Challenge and Enrichment Series	Extension activities for high-ability students.	710,680
2022–23 Place-based Partnerships to Support School Engagement and Completion Initiative – School Holiday Program Grants	Delivery of the holiday programs for school-aged young people.	581,287
2022–23 Place-based Partnerships to Support School Engagement and Completion Initiative – School Grants	Delivery of in school programs and interventions that support school engagement and completion for African and Pasifika young people	160,000
2023–25 Victorian Challenge and Enrichment Series	Extension activities for high-ability students.	443,387
Abilities Awareness in Schools	Funding to Get Skilled Access to design and deliver a series of abilities-awareness resources to promote and build disability awareness among school students and staff.	155,000
Access Quality Teaching	To support 4 initial teacher education providers to deliver the new Access Quality Teaching enhanced teacher preparation program, providing identified pre-service teachers with specific preparation and support to work in disadvantaged settings.	335,000
Active Schools Behavioural Intervention Trials	To improve activity rates of secondary school-aged students focusing on a key priority of the Active Schools Framework, such as active travel, quality school sport and active recreation.	398,125
Be Fit Be Well	To arrange for elite athletes to present to Victorian school students regarding the benefits of physical activity, including overcoming challenges and building resilience.	68,000
Beyond the Bell	To support disadvantaged children and young people in South West Victoria to improve educational outcomes.	333,333
Building acceptance and understanding of autism and inclusion in schools	Funding to Amaze for the provision of information, resources and support to families, schools and communities to build acceptance and understanding of autism and inclusion in schools.	232,000
Cherry Creek Youth Justice Education Model	Funding to the Gordon Institute of TAFE for preparatory work regarding the delivery of vocational education to young people in custody at the Cherry Creek Youth Justice Facility	268,247
Clontarf Football Academies	Engage Koorie boys in education through participation in Clontarf Football Academies in 7 government schools.	540,000
Community Sector Engagement	Increase engagement and collaboration between the department and the community sector to build awareness of issues and strengthen program delivery.	202,812
Courage to Care Upstander Program	To empower students with practical tools to safely stand up and take action against racism, discrimination and bullying.	220,000
Deakin University for delivery of the Graduate Certificate in Applied Learning and Teaching	Scholarships to school staff to undertake a qualification and build the quality of the applied learning workforce in senior secondary schools.	154,462

Grant Title	Purpose and nature of grant	Payment (\$)
Delivering Inspiring Victoria	To engage Victorian schools and communities in scientific knowledge and methods applied to environmental, social and governance challenges.	200,000
Education Benalla Program	To support the placed-based Education Benalla Program, which aims to reduce social and economic disadvantage in Benalla district in North Eastern Victoria.	460,000
Empowering Women in Trades	To support young women and girls in government girls schools to build interest in vocational and applied learning pathways.	45,000
English as an Additional Language Professional Development	To organise and facilitate an agreed annual program of professional development for primary and secondary teachers of English as an additional language.	30,000
Enrolment and attendance grants	Funding for non-school senior secondary and foundation secondary providers for activities that support the enrolment and attendance of school-aged senior secondary and foundation secondary students in the non-school sector.	2,452,264
Financial and Technical Leadership	To advocate for and promote financial and technical leadership to schools.	55,727
Flexible Learning Specialist Schools	Funding to MacKillop Family Services to provide a flexible learning program for students with disability who require tailored support at the Geelong and Maidstone campuses.	528,000
Glasses for Kids and Affordable School Uniforms	To deliver the Glasses for Kids program, which provides free vision screening and, if needed, further testing and glasses. To provide school uniforms, textbooks and other essential items for disadvantaged children attending government schools.	6,733,000
Global Design Challenge Common Funding Agreement	Funding to Geelong Tech School and Knox Innovation Opportunity & Sustainability Centre to deliver the Global Design Challenge pilot to Victorian schools.	155,886
Global Learning and Engagement	To advocate for and promote global learning and engagement.	62,827
Anti-Racism eLearning course	Funding for 5,000 government school staff to access an anti-racism e-learning module developed by the Australian Human Rights Commission.	197,000
Anti-Racism workshops	Anti-racism workshops for government school leaders and teachers delivered state-wide by the Centre for Multicultural Youth.	30,582
Aboriginal Language Training Initiative	To increase the number of Aboriginal language programs in the early childhood and school sectors.	310,000
Grow the government school alumni network	To improve pathways into study and training, through alumni networks.	150,000
Ignite – Teach the Teacher	To enhance student voice, agency and leadership by supporting students within a school to design and implement an improvement initiative.	111,925
Koorie Curriculum Clusters	Support to lead, consult and collaborate with local schools and develop curriculum resources.	80,000
Language Teacher Association Grants	Funding to Language Teacher Associations to provide language-specific professional development and learning activities for students in all school sectors.	293,553
Languages Partnership Program	Funding to non-government organisations to support the learning and teaching of languages in schools.	249,733
Master of Inclusive Education and Graduate Certificate initiative	To enable teachers in government schools to undertake a Master of Inclusive Education or a Graduate Certificate in Education (Learning Difficulties).	2,538,764

Grant Title	Purpose and nature of grant	Payment (\$)
Mentoring and Learning Support Program	To provide additional classroom support for students through mentoring and learning support.	100,000
Model United Nations Conference Program	Funding to United Nations Association of Australia (Victorian Division) to organise full-day interactive simulations of UN General Assembly debates with international peers.	25,200
Navigator Annual Service Delivery Payments	To deliver the Navigator program to re-engage young people aged 12 to 17 years who have disengaged from education.	17,731,995
Non-Government Schools Capital Fund – grants funding and sector body administration	Funding to help build and upgrade catholic and independent schools across Victoria. This includes grant funding paid as project milestones are achieved and an administration allowance to non-government school sector bodies to deliver funded projects.	95,763,811
Parent Engagement in School Education	To promote parent engagement and quality relationships in education.	298,928
Positive Start – camps	To administer the delivery of Positive Start camps to eligible students and distribute funds to camp providers.	40,401,756
Positive Start – programs	To deliver Positive Start arts, sporting and cultural experiences to eligible students.	4,134,337
Premier's Spirit of Democracy	To provide secondary students with an opportunity to explore the origins of democracy and its influence on society and civic institutions.	82,209
Professional Learning – Leadership Development	To build the leadership and management capability of school leaders.	303,396
Project REAL	Funding for Banksia Gardens Community Services to provide a tailored program for years 4 to 6 students with highly complex needs from Northern Centre for Excellence in School Education Network partner schools in the Hume/Melb region.	380,000
Public Water Safety	To increase the capability of the education and aquatic sector to deliver swimming and water-safety education.	857,493
Quality Improvement Fund	Funding for non-TAFE non-school senior secondary and foundation secondary providers for targeted activities that lift the quality of senior secondary and foundation secondary course provision in areas of governance, enrolment, curriculum and learning, student welfare, staff employment and infrastructure.	488,809
Raising Rural and Regional Student Aspirations	To deliver programs to improve rural and regional students' knowledge of future career pathways and career options.	464,202
Refugee Education Support Initiatives: <ul style="list-style-type: none"> Refugee Education Support Program Schools Support Program Learning Beyond the Bell 	To fund schools and homework clubs to support the achievement, engagement and wellbeing of students from refugee backgrounds.	2,574,047
Response to Intervention framework implementation pilot	Funding to Murdoch Children's Institute to develop and pilot a project to support primary schools in South Eastern Victoria Region to implement the Response to Intervention framework.	144,968

Grant Title	Purpose and nature of grant	Payment (\$)
Responsive Complaints	To support parents and schools to achieve outcomes for school-based complaints.	50,625
Rural and Regional Student Programs	To support schools and students to improve learning outcomes and opportunities for rural and remote young people.	464,000
School Breakfast Clubs	Funding to Foodbank Victoria to deliver the School Breakfast Clubs program to students and families in need in 1,000 government schools.	11,745,624
School Focused Youth Services	To re-engage young people from years 5 to 12 who are showing early signs of disengagement in school through early intervention support.	7,768,182
School Sport Victoria Play	To engage less-active students and those not involved in inter-school sport through non-competitive, social sports and games formats.	462,793
Secondary School Agriculture Fund	To support the delivery of agricultural programs that enable student transition into modern careers in agriculture.	1,278,474
Self-Determination in Education	To support Aboriginal Community Controlled Organisations to host campfire conversations on self-determination in education.	20,000
Self-determination in Education Reform Community Partnerships	To support partnerships between community organisations and schools to strengthen self-determination in education and to provide improved supports for Aboriginal and Torres Strait Islander students.	47,500
Side by Side	To deliver the Side by Side program in partnership with Victorian Aboriginal Child Care Agency to support students in the early years of primary school who have low school attendance to re-engage with education and close key gaps in their learning.	1,407,000
Skilling the Bay in 2022 and 2023	Provided funding for the Skilling the Bay initiative, which brings together education providers, community organisations and industry in the Barwon region to deliver targeted initiatives which enable secondary school students to prepare for a new world of work.	205,500
Social Cohesion Through Education	Place-based program to enhance social cohesion through community-led activities with partner schools that promote participation, belonging, equity, trust and resilience.	654,000
Stars Foundation	To engage 60 Koorie girls in education through participation in the Stars Academy at 2 government schools.	160,000
State Schools Relief Operational Support	To provide ongoing operational support for State Schools Relief for families in need of support with the costs of schooling.	163,359
Student Teacher Rural Practicum Placements	To support eligible teaching-degree students to undertake placements in rural and regional Victorian government schools.	241,100
Student Voice Awards, Ambassadors and Executives	To recruit and support executive committee members and ambassadors to represent Victorian students at state level through various forums.	433,455
Teach For Australia	To implement the 2-year Teach For Australia Leadership and Development Program, which supports high-achieving candidates to work in Victorian government secondary schools while completing a 2-year Master of Teaching (Secondary) (Leading Learning).	1,026,000
Teach Rural Pilot	Country Education Partnerships to pilot the Teach Rural pilot initiative to coordinate and support groups of pre-service teachers to undertake placements in rural and regional schools in Victoria.	950,000
Teach Today and Teach Tomorrow programs	To support 7 department partnerships with university initial teacher education providers and Teach For Australia to deliver models of postgraduate secondary programs that involve students working in government schools while they complete their teaching degrees.	1,840,747
Teaching Academies of Professional Practice	To improve the quality of initial teacher education placement experiences through partnerships between clusters of schools and one or more university provider.	755,354

Grant Title	Purpose and nature of grant	Payment (\$)
Tech Futures Course Packaging	Provided funding to selected TAFEs to design and deliver 4 new digital technology courses at the Certificate II and III levels, to provide applied learning pathways into emerging jobs roles with a focus on technology.	1,015,460
VET Delivered to Secondary Students Transport Fund	To assist clusters of schools to provide their students with travel solutions to support increased access and greater choice of vocational education and training options.	1,760,000
Victorian Students Parliamentary Program	To provide students with opportunities to learn about Australia's Constitution and systems of government through participation in informed, parliamentary-style debates.	167,266

Output: Support services delivery

Grant Title	Purpose and nature of grant	Payment (\$)
Community Language Schools Funding Program	For accredited community-language schools to provide out-of-school-hours language programs to eligible children and students.	9,974,440
Professional learning for Casual Relief Teachers	To provide professional learning opportunities for casual relief teachers.	246,000
Student Excellence Program	To support parents of high-ability students	34,500
Support for Community Languages Victoria	For Community Languages Victoria to provide professional learning and administrative support to community-language schools.	340,000

Output: Support for students with disabilities

Grant title	Purpose and nature of grant	Payment (\$)
Abilities awareness in schools	For Get Skilled Access to design and deliver a series of abilities-awareness resources to promote and build disability awareness among school students and staff.	155,000
Amaze – building acceptance and understanding of autism and inclusion in schools	For Amaze to provide information, resources and support to families, schools and communities to build acceptance and understanding of autism and inclusion in schools.	232,000
Association for Children with a Disability	To provide information and support to families of children with disability to support their inclusion in Victorian government schools.	309,000
Educational supports for students with Down syndrome	For Down Syndrome Victoria to support educational outcomes for children with Down Syndrome in Victorian government schools.	316,000
Strengthening inclusive school communities	For Monash University to develop AllPlay Learn, a suite of online resources to build capacity and understanding of inclusive education to support students with disability in the classroom to learn on the same basis as their peers.	600,000

Grant title	Purpose and nature of grant	Payment (\$)
Support for autistic girls and gender-diverse autistic students at school	For Yellow Ladybugs to provide information and resources to support autistic girls and gender-diverse autistic students at school.	150,000
Support for children with physical disabilities and complex communication needs	For Cerebral Palsy Education Centre to support educational outcomes for children with physical disabilities and complex communication needs.	100,000
Support for parents and families of students with learning difficulties	For SPELD Victoria to deliver educational workshops, advisory services and resources to support parents and families of students with learning difficulties in Victorian government schools.	365,000
Support for Victorian government specialist schools	To support educational outcomes for young people with disability.	160,000

Appendix 4 Public bodies reports

A brief report on each of the following public bodies in the department's portfolios is included in this appendix, as these public bodies do not produce a separate annual report:

- Children's Services Coordination Board (CSCB)
- Disciplinary Appeals Boards
- Independent Office for School Dispute Resolution
- Merit Protection Boards
- Victorian Children's Council.

Children's Services Coordination Board

The CSCB is established under the *Child Wellbeing and Safety Act 2005*. CSCB brings together key Victorian government department decision-makers to lead coordination of activities to improve outcomes for children and young people, particularly those vulnerable to harm, disadvantage or social exclusion.

CSCB's focus is on children to age 18 years and Victorian government programs and policies. In addition, CSCB recognises:

- the importance of the antenatal period to children's health and development
- the fact that most young people transition to adulthood in a gradual way that goes beyond age 18
- the important role of other tiers of government and non-government agencies in supporting the health, development and wellbeing of children.

Consistent with its functions under the Child Wellbeing and Safety Act, CSCB:

- receives an annual report on The State of Victoria's Children, which investigates outcomes for children and young people in Victoria, drawing on available data and research, with information included on relevant Victorian Government policies and programs
- considers and agrees on how the findings of the report are to be provided to ministers, including any recommendations for improvement.

CSCB meets at least once per year and as otherwise required to effectively conduct its business and agreed work program. The department provided secretariat support.

Children's Services Coordination Board members as at 30 June 2023

Member	Position
Ms Jenny Atta (Chair)	Secretary, Department of Education
Mr David Martine	Secretary, Department of Treasury and Finance
Mr Euan Wallace	Secretary, Department of Health
Mr Jeremi Moule	Secretary, Department of Premier and Cabinet
Ms Kate Houghton	Secretary, Department of Justice and Community Safety
Ms Peta McCammon	Secretary, Department of Families, Fairness and Housing
Mr Shane Patton	Chief Commissioner, Victoria Police

Disciplinary Appeals Boards

The Disciplinary Appeals Boards (DAB) 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 made under sections 2.4.59F, 2.4.61 and 2.4.61A of the

Education and Training Reform Act. Each Disciplinary Appeal Board comprises a chairperson, a secretary's nominee and a minister's nominee.

The DAB had 1 appeal pending as at 1 July 2022 and received a further 3 appeals by 30 June 2023.

The Senior Chairperson of the Merit Protection Boards administers the DAB and selects members to the boards as required. 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 from 1 August 2020		
Mr Richard Besley	Ms Catherine Healy	Mr Ian Scott ¹²³
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 and/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 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 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 Larissa Field	Mr Paul Newson	Ms Susan Seneviratne
Mr Daryl Bennett	Ms Leonie Fitzgerald	Mr George Porter	
Ms Rachel Carlyon	Ms Samantha Fleming	Mr Nicolas Ryan	

Appointments are for 5 years. The next appointments are scheduled for August 2025.

¹²³ Resigned in April 2023.

Independent Office for School Dispute Resolution

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

- Resolving 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 and independent third tier of escalation. The Office helps affected parties whose complaints have not been resolved at the school or regional level to generate a mutually acceptable resolution for a student to re-engage with the education system and rebuild effective working relationships among parents. If resolution is not possible, the Office may make recommendations to the department about the specific complaint or make general recommendations about managing similar complaints more effectively.

- Building the complaint management and resolution capability of the Victorian education system.

The Office delivers 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.

In 2022–23, the Office completed structural changes that have improved its capacity to fulfil its objectives. These included the Victorian Government's administrative review of appointees and reappointment of both the Chair, Francis Handy, and the Deputy Chair, Jo-Anne Mazzeo. The Office now has a second Deputy Chair, with Anthony Fell commencing in March 2023 for a 3-year term. June Weir, the Office Registrar, was previously part-time and has now taken up a full-time role.

Key achievements

With a full complement in place, the Office has:

- been able to meet the significantly increased demand for conflict coaching from 10 requests in 2021–22 to 32 in 2022–23
- expanded the scope of resilience and capability building to include school staff. Requests for capability-building rose from 1 in 2021–22 to 34 in 2022–23
- developed new material focusing on improving resilience, and the mental and emotional balance of school leaders and regional staff when dealing with conflict and complaints in the education community
- completed and launched a new website
- continued in an independent advisory role on School Community Safety Orders and complaint-management policy initiatives
- maintained outreach to, and visibility with, stakeholders across the education community
- received a total of 176 matters raised by advocates, the department, regions, schools parents or third parties, including:
 - enquiry (59 matters)
 - refer and monitor (24 matters)
 - complaint (27 matters)
 - capability building (34 matters)
 - conflict coaching (32 matters).

Chair and Deputy Chairs of the Independent Office for School Dispute Resolution

Name	Position
Mr Francis Handy	Chair
Ms Jo-Anne Mazzeo	Deputy Chair
Mr Anthony Fell	Deputy Chair

Outcome of matters received

Case type	Resolved	Partially resolved	Unresolved	In progress	Escalated to a complaint	Referred on	Total
Enquiry	58	–	–	–	1	–	59
Refer and monitor	23	–	–	–	1	–	24
Complaint	16	1	1	8	–	1	27
Total	97	1	1	8	2	1	110

Enquiry, refer and monitor: topics

Topic	Total enquiry	Total refer and monitor
Bullying	1	2
Complaint management	22	7
COVID-19	–	–
Curriculum provision/content	1	–
Disability	3	5
Discrimination against parent/carers	1	–
Discrimination against student	1	1
Enrolment/transition	4	4
Family law/parenting matters	2	1
Grading and assessment	1	–
In progress ¹²⁴	–	–
No jurisdiction ¹²⁵	10	–
Not specified	–	–
Parent payments	1	–
School disciplinary penalty	1	2
School procedure errors	2	–
Staff conduct	6	2
Student attendance/engagement	1	–
Student discipline	–	–
Student health and wellbeing	2	–
Student welfare	–	–
Student support/reasonable adjustment	–	–
Transport	–	–
Total	59	24

¹²⁴ 'In progress' refers to current cases the Office has not finalised.

¹²⁵ '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 issues¹²⁶

	Primary issue	Total
Office Analysis of complaints (Level 1)	Complaint management process or policy gap in school or region	1
	Complaint management skill or capacity gap in region	1
	Complaint management skill or capacity gap in school	1
	Other (<i>matters in progress, issues have not been added</i>)	5
	Parent presentation raises potential mental health concerns	–
	Procedural weakness or failure in handling complaint at regional level	2
	Procedural weakness or failure in handling complaint at school level	–
	Relationship and communication breakdown at regional level	4
	Relationship and communication breakdown at school level	6
	Separated or divorced parent relationship impacts on complaint	–
	Unreasonable parent expectations or behaviour	2
	Office analysis of complaints total	22
Regional Level (Level 2)	Delay in handling complaint	1
	Failure to follow regional policy or procedure (other than disability)	–
	Failure to require or support proper accommodation of disability	1
	Failure to require school to change/respond to complaint issues	3
	Failure to respond to issues raised	3
	Other (<i>matters in progress, issues have not been added</i>)	1
	Request from the department for capacity coaching	–
	Regional level total	9
School Level (Level 3)	Failure to address anti-social behaviour of other students	3
	Failure to educate to standard	–
	Failure to ensure safety/wellbeing of student	4
	Failure to follow policy or procedure (other than disability)	–
	Failure to properly accommodate disability	3
	Inappropriate teacher/staff behaviour	3
	Loss of confidence in school leadership	3
	Other (<i>matters in progress, issues have not been added</i>)	3
	Request from the department for capacity coaching	–
	School level total	19

¹²⁶ The Office categorises its issues into 3 levels. Levels 1 and 2 reflect the complainant's definition of the complaint at the school and regional levels respectively, while level 3 reflects the 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.

Merit Protection Boards

The Merit Protection Boards (MPB) 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 MPB 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 Part 2.4 divisions 9A or 10) or other Acts
- advise the Minister for Education or the Secretary to the department 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 an MPB.

The Senior Chairperson, Mr Steve Metcalfe, is a full-time member of the MPB. Mr Greg Donaghue is the Manager and Registrar for the Boards.

Access to the MPB is available to VPS employees 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. During 2022–23, appeals and grievances were heard predominantly online.

Grievances of the department lodged by VPS staff are heard by a Review of Action Board. These boards are established by the senior chairperson and make recommendations to the Secretary, either directly, or through the senior chairperson if they do not sit on a Review of Action Board.

Members of MPB 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 using principles of procedural fairness. Members are appointed for 3 years, and the next appointments are scheduled for September 2025.

Chairperson of the Merit Protection Boards from 4 October 2021

Mr Steve Metcalfe - Senior Chairperson, full-time

Chairpersons of the Merit Protection Boards from 22 September 2022¹²⁷

Ms Meagan Cook	Ms Sandra Greenhill	Mr Vernon Hilditch
Mr Rick Gervasoni	Mr Peter Greenhill	

¹²⁷ Chairpersons of the MPB from 1 July to 21 September 2022 were Ms Rowena Archer, Ms Meagan Cook, Mr Rick Gervasoni, Ms Sandra Greenhill, Mr Vernon Hilditch.

Secretary's nominees to the Merit Protection Boards from 22 September 2022 ¹²⁸				
Ms Kris Arcaro	Mr Jason Coningsby	Mr Andrew Harnett	Mr Matt McKittrick	Ms Glenda Splatt
Ms Joanne Barber	Ms Penelope Ellis	Ms Karen Harris	Mr Charles Moffatt	Mr Colin Twisse
Ms Clare Berger	Ms Janet Evison	Ms Jodie Hill	Mr Paul Newson	Mr Timothy Wall
Ms Sue Buckley	Ms Moira Findlay	Ms Ellen Hooper	Ms Susan Ogden	Ms Rebecca Wells
Ms Tanya Burton	Mr Rick Gervasoni	Ms Sally Lasslett	Mr George Porter	Mr Bendan White
Dr Mary Cannon	Mr Peter Greenwell	Mr Douglas Lunt	Ms Paula Robinson	Mr Aaron Wolaniuk

Minister's nominees to the Merit Protection Boards from 22 September 2022 ¹²⁹				
Ms Robyn Anderson	Mr Simon Coles	Ms Rosina Fotia	Ms Susan Mattingley	Mr Wayne Smith
Mr Jarrod Bateup	Mr Jason Coningsby	Ms Sandra Greenhill	Ms Josephine Millard	Mr Edward Strain
Mr Robert Bertagnolio	Ms Meagan Cook	Mr Simon Haber	Ms Natalie Nelson	Ms Rhonda Warburton
Ms Tanya Burton	Ms Carly Corr	Ms Karen Harris	Mr Paul Newson	Mr Aaron Wolaniuk
Dr Mary Cannon	Ms Michelle Costa	Mr Vernon Hilditch	Mr George Porter	
Mr Christopher Chant	Ms Penelope Ellis	Mr Tony Jacobs	Ms Deborah Richardson	
Mr Nathan Chisholm	Ms Janet Evison	Mr Douglas Lunt	Ms Susan Seneviratne	

¹²⁸ Secretary's nominees to the MPB from 1 July to 21 September 2022 were Ms Rowena Archer, Ms Clare Berger, Dr Mary Cannon, Mr Christopher Chant, Mr Jason Coningsby, Ms Meagan Cook, Dr David Finnerty, Mr Graham Friedman, Ms Sandra Greenhill, Mr Andrew Harnett, Mr Peter Hibbins, Ms Sally Lasslett, Ms Julia McKean, Ms Gillian Oscar, Mr George Porter, Ms Paula Robinson, Ms Glenda Splatt, Mr Timothy Wall, Ms Jane Warren, Mr Brendan White.

¹²⁹ Minister's nominees to the MPB from 1 July to 21 September 2022 were Mr Steven Adams, Ms Tanya Burton, Ms Rachel Carlyon, Mr Nathan Chisholm, Ms Michelle Costa, Ms Penelope Ellis, Ms Janet Evison, Ms Moira Findlay, Mr Rick Gervasoni, Ms Karen Harris, Mr Matthew McKittrick, Mr Vernon Hilditch, Ms Susan Mattingley, Mr Douglas Lunt, Ms Natalie Harvey-Nelson, Ms Leanne Preece, Mr Edward Strain, Ms Rhonda Warburton, Mr Aaron Wolaniuk

Appeals and grievances

Teaching service appeals and grievances 2022–23

Category	Received			Upheld			Conciliated			Disallowed			Withdrawn			Lapsed, no grounds, no jurisdiction, or out of time			Pending			Total
	F	M	SD ¹³⁰	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	
Personal ¹³¹	107	56	–	7	2	–	23	5	–	12	7	–	12	7	–	19	21	–	34	14	–	163
Selection	15	16	–	–	–	–	–	–	–	–	1	–	3	4	–	12	10	–	–	1	–	31
Total	122	72	–	7	2	–	23	5	–	12	8	–	15	11	–	31	31	–	34	15	–	194

Public service appeals and grievances 2022–23

Category	Received			Upheld			Conciliated			Disallowed			Withdrawn			Lapsed, no grounds, no jurisdiction or out of time			Pending			Total
	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	
Personal ¹³²	4	2	1	–	–	–	–	–	–	1	–	1	1	1	–	1	1	–	1	–	–	7
Selection	14	13	–	–	1	–	–	–	–	5	2	–	4	1	–	5	6	–	–	3	–	27
Total	18	15	1	–	1	–	–	–	–	6	2	1	5	2	–	6	7	–	1	3	–	34

130 F = female; M = male; S = self-determined

131 Most personal grievances were about complaints not being managed in accordance with departmental policy and temporary transfers being refused.

132 Most personal grievances were about complaints 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 MPB provide training in the principles of merit and equity for teaching service and public service staff.

In 2022–23, training was delivered online, 40 seminars were conducted, and training was provided for 1,253 teaching service and VPS staff.

Number of employees trained by region¹³³ (includes re-accreditation)

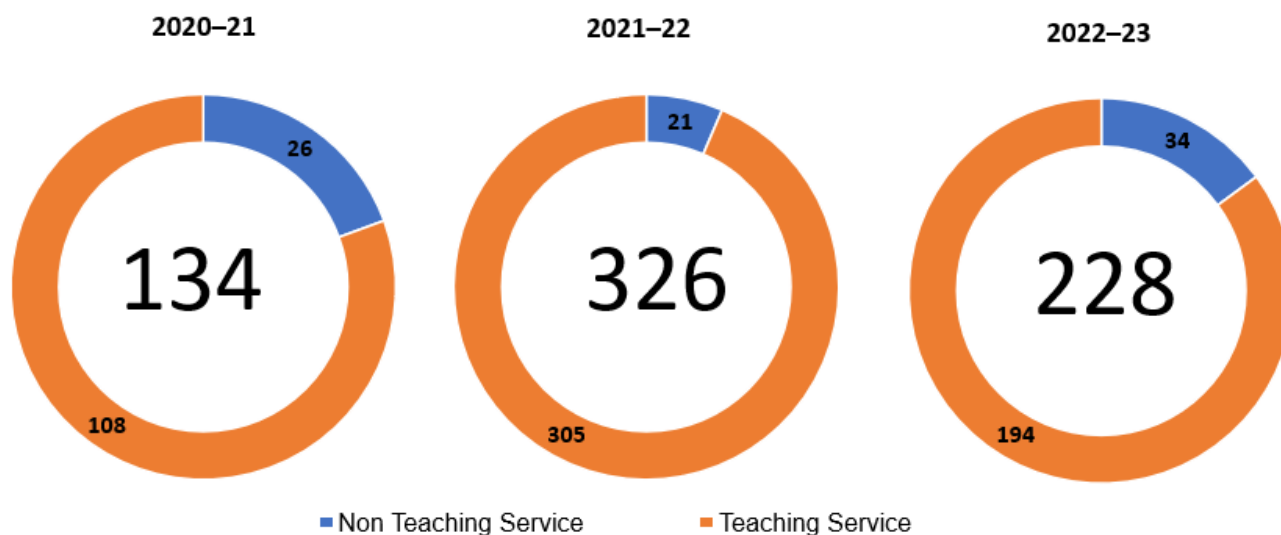
Region	Principals	Teachers	Education support class	VPS	Total
North Eastern Victoria	54	100	31	21	206
North Western Victoria	44	101	35	4	184
South Eastern Victoria	66	109	28	32	235
South Western Victoria	66	143	44	23	276
Central	2	0	3	347	352
Total	232	453	141	427	1,253

Other activities

The MPB 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 MPB.

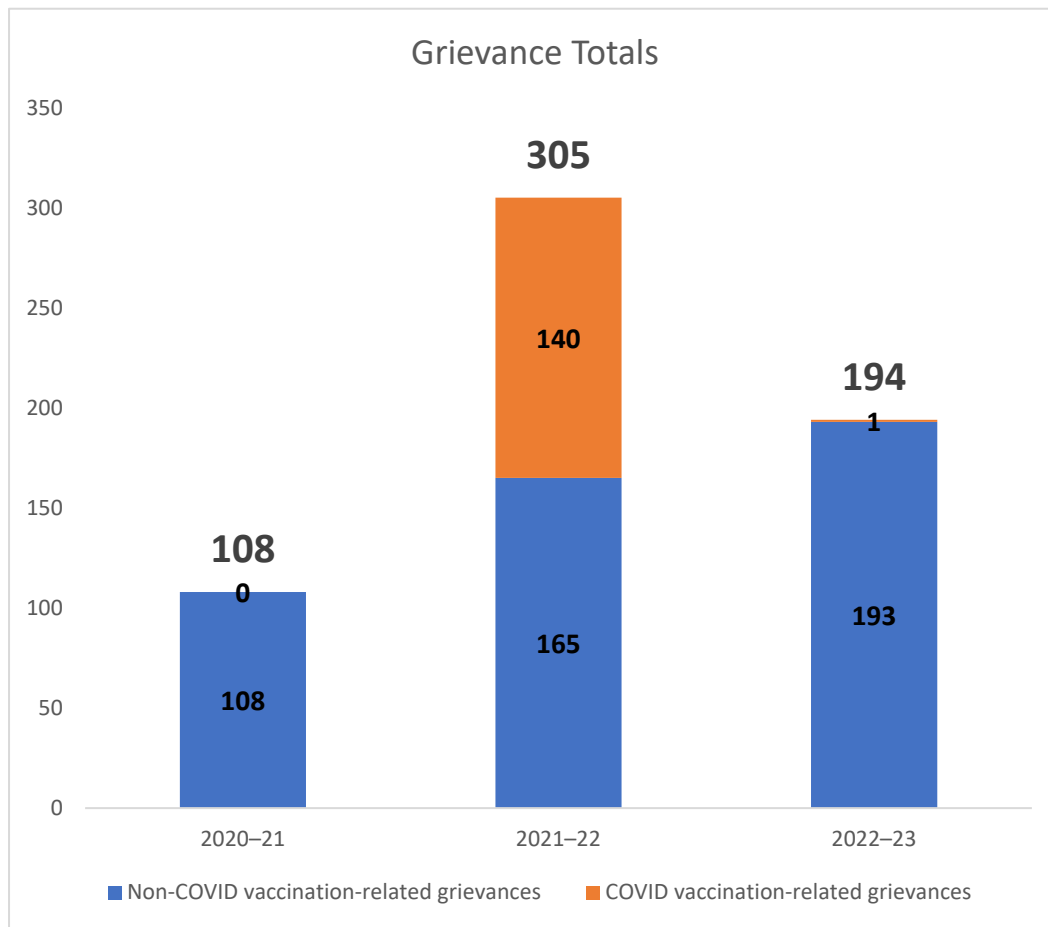
Information about appeal and grievance processes and merit protection accreditation programs is available on the [MPB website](#).

Grievance trends

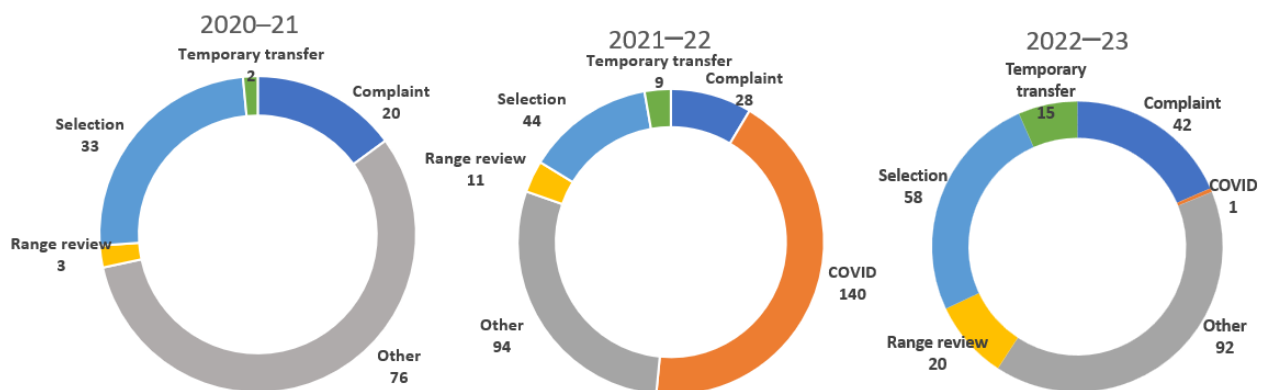


¹³³ Region is where the participant was located.

Teaching service grievance totals



Types of grievances received from all department staff



Percentage increase: teaching service grievances, and teaching service workforce

	2020-21	2022-23	Increase (%)
Teaching service grievances	108	194	80
Teaching service workforce	80,809	85,246	5

Victorian Children's Council

The Victorian Children's Council (VCC) is established under the Child Wellbeing and Safety Act. In accordance with its statutory function, VCC provides advice to the Premier, Minister for Education, Minister for Early Childhood and Pre-Prep, Minister for Health, and Minister for Child Protection and Family Services. VCC provides expert and independent advice relating to policies and services that enhance the health, wellbeing, development and safety of children.

VCC members are recognised experts in children's policies and services, and are selected for their individual expertise. VCC's mandate is to be a forward-looking adviser to the Victorian Government on how to meet key challenges facing Victorian families and improve outcomes for children. VCC 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 VCC promotes opportunities for an integrated and coordinated whole-of-Victorian-Government approach to strengthen system supports for children and young people to be healthy and safe, and to thrive in life. It works closely with relevant departments to build a stronger evidence base for improving child outcomes and opportunities. The VCC considers the diversity and intersectionality of the Victorian community to identify tailored and innovative approaches for addressing disadvantage and inequalities.

The VCC consists of at least 8 members, including a chairperson appointed by Cabinet. The VCC regulates its own proceedings and held 6 meetings in 2022–23, with additional working group meetings held as needed. The department provides secretariat support.

Victorian Children's Council members as at 30 June 2023

Member	Primary area of expertise
Professor Jim Watterston, AM- (Chair)	Educational leadership, equity and vulnerability in education Dean of the Melbourne Graduate School of Education, University of Melbourne
Ms Kerry Stubbings (Deputy Chair)	Local government and planning Community service provision and engagement consultant, and former Director, Community Services City of Knox
Dr Anne Kennedy	Early childhood education and care, social disadvantage Consultant and fellow of the Graduate School of Education, University of Melbourne, and former Chairperson, Community Child Care Association Victoria
Dr Annie Moulden	Paediatrics, health, wellbeing, developmental and safety needs of children Director at the Victorian Children's Clinic, Medical Lead for Quality and Safety at the Royal Children's Hospital and Clinical Lead of the Paediatric Clinical Network
Ms Deb Tsorbaris	Child protection, family services CEO, Centre for Excellence in Child and Family Welfare
Professor John Tobin	Children's rights and the right to health Francine V. McNiff Chair in International Human Rights Law in the Melbourne Law School, Co-Director of Studies for the Human Rights Program in the Master of Laws, and Director of Research in Human Rights in the Institute for International Law and the Humanities at The University of Melbourne
Dr Lisa J. Griffiths	Family services, disability and education, at-risk youth CEO, OzChild
Mr Robert Boucher	School education, supports for young people in rural and remote communities Principal, Swifts Creek School
Professor Rosemary Sheehan	Youth justice, child welfare and protection, family violence, mental health Emeritus Professor, Department of Social Work, Monash University
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 behaviour, multicultural communities Research Fellow, Swinburne University
Mr Warren Cann	Parenting, family engagement and support Founding Director of the Raising Children Network and honorary Professor at the School of Psychology, Faculty of Health at Deakin University

Appendix 5 Acronyms and abbreviations

Acronyms and abbreviations	Full title
AAP	Adaptation Action Plan 2022–26
AAS	Australian Accounting Standard
AASB	Australian Accounting Standards Board
ACFE	Adult, Community and Further Education
AEDC	Australian Early Development Census
ANZSOG	Australia and New Zealand School of Government
ARC	Audit and Risk Committee
BARR	Bushfire-at-risk Register
BP3	Budget Paper No.3
BQSH	Building Quality Standards Handbook
CEO	chief executive officer
CISS	Child Information Sharing Scheme
CRC	current replacement cost
CSCB	Children's Services Coordination Board
CSO	community service obligation
DAB	Disciplinary Appeals Board
DFFH	Department of Family, Fairness and Housing
DJSIR	Department of Jobs, Skills, Industry and Regions
DPC	Department of Premier and Cabinet
DTF	Department of Treasury and Finance
EB	Executive Board
ECCWG	Environment and Climate Change Working Group
ECE	early childhood education
ECEC	early childhood education and care
EMS	environmental management system
EPR	Employer Performance Rating
ESD	environmentally sustainable design
ESK	Early Start Kindergarten
FMA	<i>Financial Management Act 1994</i>
FOI	freedom of information
FPIS	Financial Policy and Information Services
FRD	Financial Reporting Direction
FTE	full time equivalent
GST	goods and services tax
ICT	information and communication technology
JLL	Jones Lang Lasalle
MOG	Machinery of Government
MPB	Merit Protection Boards
MPSG	Major Project Skills Guarantee
MYLNS	Middle Years Literacy and Numeracy Support
NAPLAN	National Assessment Program of Literacy and Numeracy
NQSA	National Quality Standard Area
NQS	National Quality Standard
OHS	occupational health and safety
OHSMS	Occupational Health and Safety management systems
PCB	Project Control Board
PES	People and Executive Services
PISA	Programme for International Student Assessment

Acronyms and abbreviations	Full title
PIRLS	Progress in International Literacy Study
PV	photovoltaic
RAT	rapid antigen test
RTW	return to work
RoGS	Report on Government Services
SAMP	Strategic Asset Management Plan
SAU	State Administrative Unit
SES	Senior Executive Service
SEPS	School Education Programs and Support
SEHQ	School Entrant Health Questionnaire
SRS	School Regional Services
SSP	Shared Services Provider
SSPRT	Senior Secondary Pathways Reform Taskforce
SW	Schools Workforce
TEI	total estimated investment
TIMSS	Trends in International Mathematics and Science Study
TS&HE	Training and Skills and Higher Education
VAGO	Victorian Auditor General's Office
VATL	Victorian Academy of Teaching and Leadership
VCAA	Victorian Curriculum and Assessment Authority
VCC	Victorian Children's Council
VCE	Victorian Certificate of Education
VDSS	Vocational Education and Training Delivered to School Students
VET	vocational education and training
VGPB	Victorian Government Purchasing Board
VGv	Valuer-General Victoria
VIPP	Victorian Industry Participation Policy
VIT	Victorian Institute of Teaching
VPS	Victorian Public Sector
VRQA	Victorian Registration and Qualifications Authority
VSBA	Victorian School Building Authority