

SECTION E

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Appendix 1: A5 Management discussion and analysis

General overview

Objectives

The Directorate works in partnership with the community to provide sustainable, high quality school education and training services to meet the needs of the people of Canberra.

Directorate services include the provision of public school education; preschool and early intervention education programs, registration of non-government schools; registration for home education; planning and coordination of vocational education and training. The Directorate aims to ensure that all young people in the ACT learn, thrive and are equipped with the skills to lead fulfilling, productive and responsible lives.

Risk management

The development of the Directorate's annual Strategic Risk Management and Audit Plan identified risks that could impact on Directorate operations and objectives. The key risks provided below are medium to long-term risks that require ongoing monitoring and attention by the Directorate's executive and senior management.

Key risks include:

- The ongoing attraction and retention of staff due to the high age profile of the Directorate. Risk mitigation strategies, such as active engagement with the whole of government Attraction and Retention project and participation in National programs and partnerships including Improving Teacher Quality and Empowering Local Schools.
- The number of staff injuries and subsequent workers compensation premiums. Participation in the development and implementation of Whole of Government Injury Prevention and Management Framework.
- Delivery of education reforms under the Council of Australian Governments (COAG) agreements in a timely, effective and transparent manner. The Directorate has identified strategies to mitigate the risks particular to each COAG reform.

Accounting issues

There has been no significant change in the accounting standards applicable to the Directorate's 2010-11 financial statements.

Financial performance

In 2010-11, the Directorate managed its activities within the appropriation. During the financial year, the Directorate faced cost pressures relating to students with a disability and special needs transport. The Directorate managed the cost pressures through internal mitigation strategies and by accessing additional funds through a Treasurer's Advance.

Table A5.1 below provides the financial information based on audited financial statements for 2009-10 and 2010-11.

Table A5.1: Net cost of services

	Actual 2010-11 \$m	Budget 2010-11 \$m	Actual 2009-10 \$m
Total expenditure	587.9	584.5	548.9
Total own source revenue	39.7	36.1	35.8
Net cost of services	548.2	548.4	513.1

Source: Education and Training Directorate Financial Statements

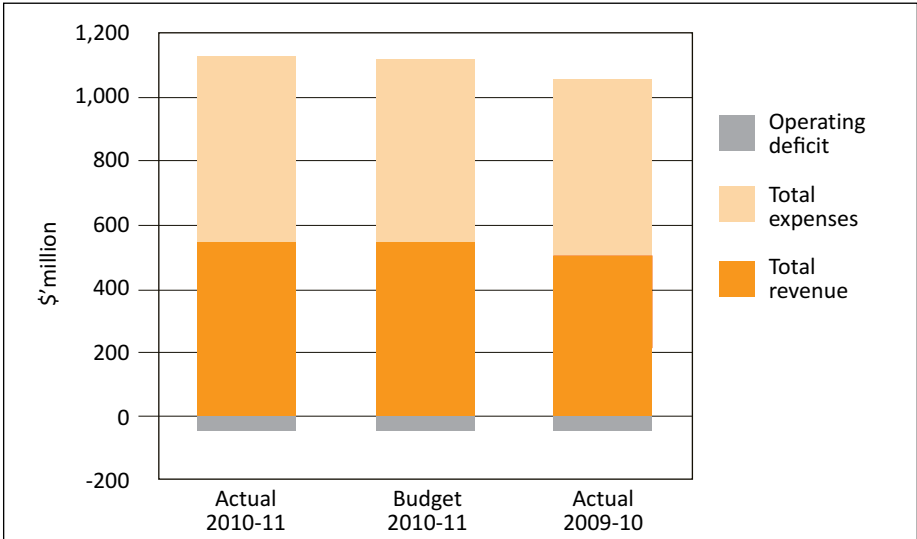
The Directorate’s net cost of services in 2010-11 was lower than budget by \$0.2m or 0.1 percent primarily due to lower than anticipated depreciation, timing of payments associated with vocational education and training grants and schools expenditure. The decrease is offset by the transfer of Birrigai at Tidbinbilla infrastructure to the Territory and Municipal Services Directorate.

Net cost of services increased by \$35.1m or 6.8 percent from 2009-10 due to additional funding provided for budget initiatives, indexation, increased depreciation associated with higher levels of capital works activities and the transfer of Birrigai at Tidbinbilla infrastructure to the Territory and Municipal Services Directorate.

Operating deficit

The operating deficit for 2010-11 is \$46.9m. This is \$0.8m or 1.7 percent higher than the 2010-11 original budget and \$6.8m or 17 percent higher than 2009-10.

Figure A5.1: Operating deficit



Source: Education and Training Directorate Financial Statements

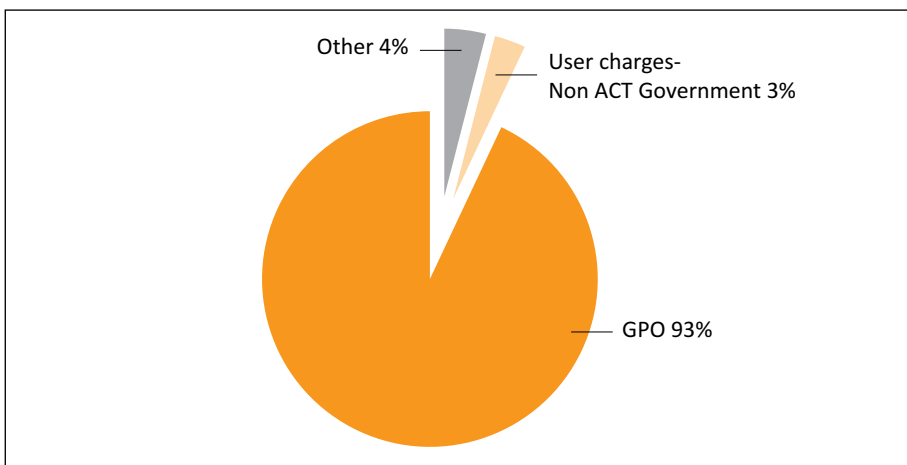
The higher than expected operating deficit against budget primarily related to the transfer of Birrigai at Tidbinbilla infrastructure to the Territory and Municipal Services Directorate, partially offset by increased revenue, lower than anticipated depreciation, timing of expenditure associated with vocational education and training grants as well as schools expenditure.

The increase in operating deficit from 2009-10 was mainly due to transfer of Birrigai at Tidbinbilla infrastructure to the Territory and Municipal Services Directorate, partially offset by timing of expenditure associated with vocational education and training grants as well as schools expenditure.

Revenue

The Directorate's total revenue of \$540.9m, is \$2.7m or 0.5 percent higher than budget. In comparison to 2009-10 revenue increased by \$32.2m or 6 percent. The Directorate receives 93 percent of funding through Government Payments for Outputs (GPO) as illustrated in Figure A5.2.

Figure A5.2: 2010-11 Revenue



Source: Education and Training Directorate Financial Statements

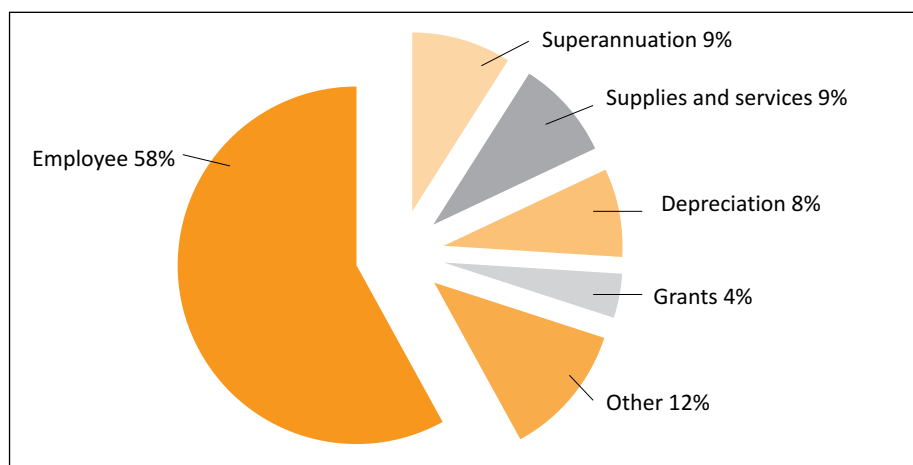
The increase of \$2.7m from budget is primarily related to schools revenue and the one-off insurance receipt from ACT Insurance Authority for fire damage to Calwell Primary School library.

The increase from 2009-10 was mainly due to additional funding provided for budget initiatives, wages and salary increases, Commonwealth funds and self generated revenue.

Expenses

In 2010-11, expenditure totalled \$587.9m. This is \$3.4m or 0.6 percent higher than budget. In comparison to the same period last year, expenditure increased by \$39.0m or 7.1 percent. Figure A5.3 shows that 67 percent of total expenses are attributed to employee related expenses including superannuation.

Figure A5.3: 2010-11 Expenses



Source: Education and Training Directorate Financial Statements

The increase from budget of \$3.4m primarily related to the transfer of Birrigai at Tidbinbilla infrastructure to the Territory and Municipal Services Directorate. This is partially offset by lower than anticipated depreciation, timing of payments associated with vocational education and training grants and the timing of schools expenditure.

Higher expenditure from 2009-10 mainly related to the transfer of Birrigai at Tidbinbilla infrastructure to the Territory and Municipal Services Directorate, additional costs associated with budget initiatives, wages and salaries, Commonwealth grants, higher levels of depreciation and schools expenditure.

Table A5.2: Line item explanation of significant variances from budget – Directorate operating statement

Main Areas of Variance from the budget	Actual 2010-11 \$'m	Budget 2010-11 \$'m	Variance \$'m
Total Revenue	540.9	538.3	2.6
Government Payment for Outputs ¹	501.2	502.1	(0.9)
User Charges – ACT Government ²	0.5	0.1	0.4
User Charges – Non ACT Government ³	16.0	15.5	0.5
Interest ⁴	2.1	1.9	0.2
Other Revenue ⁵	20.8	18.3	2.5

Main Areas of Variance from the budget	Actual 2011 \$'m	Budget 2011 \$'m	Variance \$'m
Total Expenditure	587.9	584.5	3.4
Employee expenses ⁶	339.9	333.7	6.2
Superannuation expenses ⁷	52.4	51.6	0.8
Supplies and Services ⁸	54.5	59.0	(4.5)
Depreciation ⁹	46.8	50.4	(3.6)
Grants and purchased services ¹⁰	25.3	32.4	(7.1)
Other ¹¹	69.0	57.4	11.6

Source: Education and Training Directorate Financial Statements

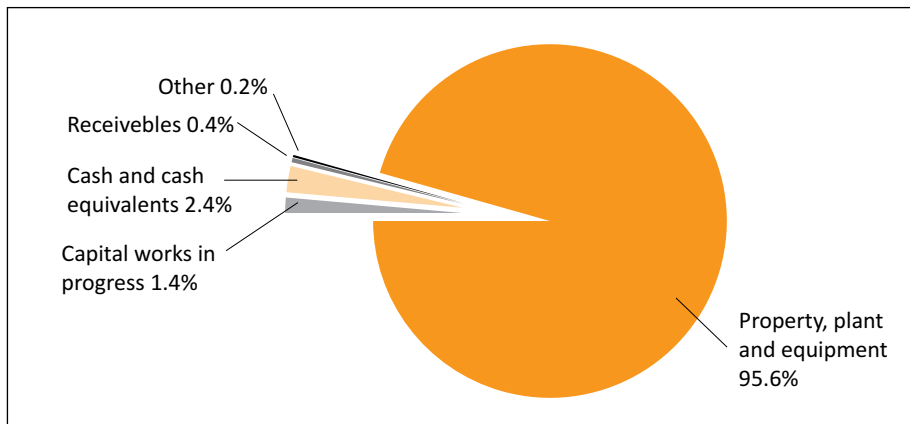
Notes:

1. Reduction primarily relates to rollover of funds associated with productivity places program, national partnership programs, teacher professional development partially offset by increased appropriations provided for special education and superannuation.
2. Higher than anticipated revenue relates to specific purpose grants from the Health Directorate.
3. Increase primarily relates to operational activities from Active Leisure Centre.
4. Higher than anticipated interest primarily relates to interest generated on Commonwealth Government National Partnership for the Digital Education Revolution and Building the Education Revolution.
5. Higher than anticipated revenue mainly relates to schools revenue and one-off receipt from ACT Insurance Authority.
6. Increase primarily relates to costs associated with students with a disability, Comcare premium and employee provisions.
7. Relates to employee profile.
8. Decrease relates to lower than anticipated expenditure associated with National Partnership Programs and other specific projects, reduced costs in Information and Communication Technology and is partially offset by special needs transport.
9. Lower than anticipated expenditure is primarily due to deferral of capital works activities.
10. Reduction primarily relates to timing of expenditure associated with vocational education and training, in particular, Productivity Places Program.
11. Increase primarily relates to the transfer of Birrigai at Tidbinbilla infrastructure to the Territory and Municipal Services Directorate.

Total assets

The Directorate held 97 percent of its assets in property, plant and equipment, and 3 percent related to cash and cash equivalents, receivables and other current assets.

Figure A5.4: Total assets



Source: Education and Training Directorate Financial Statements

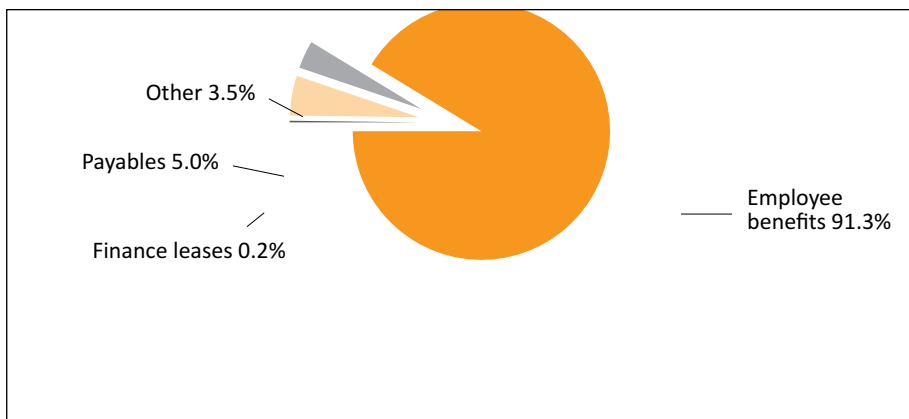
At the end of 30 June 2011 assets totalled \$1,939.5m. This represents an increase of \$116.3m or 6.4 percent over budget and is primarily due to asset revaluation, increased cash associated with the National Partnership on Digital Education Revolution, partially offset by the transfer of Birrigai at Tidbinbilla infrastructure to the Territory and Municipal Services Directorate.

In comparison to the previous year, total assets increased by \$279.7m or 16.9 percent primarily due to asset revaluation, increased capital works activities and higher levels of cash associated with National Partnership on Digital Education Revolution and schools accounts. The increase is offset by depreciation and the transfer of Birrigai at Tidbinbilla infrastructure to the Territory and Municipal Services Directorate.

Total liabilities

Figure A5.5 indicates that the majority of the Directorate's liabilities relate to employee benefits (91.3 percent) and payables (5 percent).

Figure A5.5: Total liabilities



Source: Education and Training Directorate Financial Statements

Liabilities for the Directorate totalled \$109.3m for the period ending 30 June 2011. This represents an increase of \$0.6m or 0.6 percent over budget, which was mainly due to higher than anticipated employee benefits partially offset by payables.

Total liabilities decreased by \$1.5m or 1.4 percent from 2009-10 primarily due to payables and finance leases, partially offset by increased employee benefits associated with wage increases.

Table A5.3: Line explanation of significant variances from the amended budget - Directorate balance sheet

Main Areas of Variance from budget	Actual 2010-11 \$m	Budget 2010-11 \$m	Variance \$m
Current assets			
Cash and cash equivalents ¹	45.3	37.4	7.9
Receivables ²	7.1	5.0	2.1
Non-current assets			
Investment ³	1.8	0.0	1.8
Property, plant and equipment ⁴	1854.9	1751.9	103.0
Capital works in progress ⁵	26.7	25.9	0.8
Current liabilities			
Payables ⁶	5.5	6.6	(1.1)
Employee benefits ⁷	91.3	87.4	3.9
Non-current liabilities			
Employee benefits ⁷	8.5	10.9	(2.4)

Source: Education and Training Directorate Financial Statements

Notes:

1. Increase primarily relates to funds held for the Commonwealth Digital Education Revolution program.
2. Higher level of receivables mainly relates to amount owed by Shared Services Centre for information and communication technology.
3. Relates to a re-classification of investment from cash and cash equivalents.
4. Increase in property, plant and equipment primarily relates to asset revaluation and capital works activities offset by transfer of Birrigai at Tidbinbilla infrastructure to the Territory and Municipal Services Directorate.
5. Increase in capital works in progress primarily relates to the timing of completion of the capital works projects.
6. Lower than anticipated payables primarily relates to accruals for capital works due to the completion of major capital works projects including the Building the Education Revolution and general invoices.
7. The higher than anticipated employee provisions primarily relates to the impact of revised discount rates for long service leave liability.

Territorial revenue

Total income received includes Revenue for Expenses on Behalf of the Territory, primarily for the provision of grants to non-government schools, and fees from training and regulatory services.

Territorial revenue totalled \$212.7m, a decrease of \$7.2m or 3.3 percent from the 2010-11 budget. The lower than anticipated revenue primarily related to Commonwealth grants for non-government schools.

Total revenue decreased by \$13.0m or 5.7 percent from 2009-10 mainly due to reduced revenue for the Building the Education Revolution program for non-government schools in 2010-11. This program is expected to finish in 2011-12.

Territorial expenditure

Territorial expenditure other than transfers of fees to the Territorial Banking Account comprises grant payments to non-government schools (\$212.0m), the junior bursary scheme (\$0.4m) and block release grants (\$0.1m).

Lower than anticipated expenditure primarily relates to Commonwealth grants for non-government schools.

Expenditure decreased by \$13.0m or 5.7 percent from 2009-10 due to expenditure associated with the Building the Education Revolution program for non-government schools in 2010-11. This program is expected to finish in 2011-12.

For more information contact:

Director

Finance and Corporate Support

(02) 6205 9108

Appendix 2: A6 Financial report



ACT AUDITOR-GENERAL'S OFFICE



A11/22

Dr Jim Watterston
Director-General
Education and Training Directorate
Level 6, 220 Northbourne Avenue
BRADDON ACT 2612

Dear Dr Watterston

AUDIT REPORT - EDUCATION AND TRAINING DIRECTORATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

The Audit Office has completed the audit of the financial statements of the Education and Training Directorate for the year ended 30 June 2011.

I have attached the audited financial statements and unqualified audit report.

I have provided a copy of the financial statements and audit report to the Minister for Education and Training, Mr Andrew Barr MLA.

Yours sincerely

Dr Maxine Cooper
Auditor-General
6 September 2011

c.c. Ms Sushila Sharma, Acting Director, Finance and Corporate Support
Ms Jenny Morison, Chair, Audit Committee
Ms Megan Young, Chief Internal Auditor, Risk Management and Audit



ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

EDUCATION AND TRAINING DIRECTORATE

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the Education and Training Directorate (the Directorate) for the year ended 30 June 2011 have been audited. These comprise the following financial statements and accompanying notes:

- Directorate statements - operating statement, balance sheet, statement of changes in equity, cash flow statement and statement of appropriation.
- Territorial statements - statement of income and expenses on behalf of the Territory, statement of assets and liabilities on behalf of the Territory, cash flow statement on behalf of the Territory and statement of appropriation.

Responsibility for the financial statements

The Director-General of the Directorate is responsible for the preparation and fair presentation of the financial statements in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

Under the *Financial Management Act 1996*, I am responsible for expressing an independent audit opinion on the financial statements.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the appropriateness of budget information included in the financial statements or to evaluate the prudence of decisions made by the Directorate.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence


Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements of the Directorate for the year ended 30 June 2011:

- (i) are presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Directorate as at 30 June 2011 and the results of its operations and cash flows for the year then ended.

This audit opinion should be read in conjunction with the other information disclosed in this report.

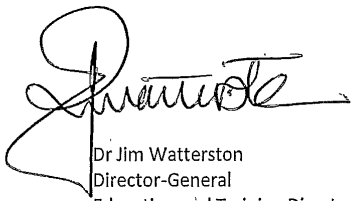


Dr Maxine Cooper
Auditor-General
September 2011

**Education and Training Directorate
Financial Statements
For the Year Ended 30 June 2011**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2011 and the financial position of the Directorate on that date.



Dr Jim Watterston
Director-General
Education and Training Directorate
September 2011

**Education and Training Directorate
Financial Statements
For the Year Ended 30 June 2011**

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and are in agreement with the Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2011 and the financial position of the Directorate on that date.



Sushila Sharma
Acting Chief Finance Officer
Education and Training Directorate
1 September 2011

**EDUCATION AND TRAINING DIRECTORATE
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note No.	Actual 2011 \$'000	Original Budget 2011 \$'000	Actual 2010 \$'000
INCOME				
Revenue				
Government Payment for Outputs	4	501,215	502,137	472,965
User Charges - ACT Government	5	458	120	100
User Charges - Non-ACT Government	6	16,015	15,456	15,827
Interest	7	2,087	1,874	966
Resources Received Free of Charge	8	410	349	175
Other Revenue	9	20,762	18,345	18,684
Total Revenue		540,947	538,281	508,717
Gains				
Other Gains	10	1	-	31
Total Gains		1	-	31
Total Income		540,948	538,281	508,748
EXPENSES				
Employee Expenses	11	339,941	333,684	323,593
Superannuation Expenses	12	52,345	51,567	51,552
Supplies and Services	13	54,491	58,944	53,050
Depreciation	14	46,764	50,431	43,749
Grants and Purchased Services	15	25,293	32,424	23,109
Borrowing Costs	16	42	20	123
Other Expenses	17	69,019	57,394	53,719
Total Expenses		587,895	584,464	548,895
Operating (Deficit)		(46,947)	(46,183)	(40,147)
Other Comprehensive Income				
Increase/(Decrease) in Asset Revaluation Surplus		133,926	-	(390)
Total Other Comprehensive Income/(Deficit)		133,926	-	(390)
Total Comprehensive Surplus / (Deficit)		86,979	(46,183)	(40,537)

The above Operating Statement should be read in conjunction with the accompanying notes.

**EDUCATION AND TRAINING DIRECTORATE
BALANCE SHEET
AS AT 30 JUNE 2011**

	Note No.	Actual 2011 \$'000	Original Budget 2011 \$'000	Actual 2010 \$'000
CURRENT ASSETS				
Cash and Cash Equivalents	20	45,261	37,437	34,094
Receivables	21	7,125	4,955	7,110
Other Assets	22	3,653	3,073	2,697
Total Current Assets		56,039	45,465	43,901
NON-CURRENT ASSETS				
Investments	23	1,774	-	1,773
Property, Plant and Equipment	24	1,854,892	1,751,783	1,486,076
Capital Works in Progress	25	26,751	25,943	128,052
Total Non-Current Assets		1,883,417	1,777,726	1,615,901
TOTAL ASSETS		1,939,456	1,823,191	1,659,802
CURRENT LIABILITIES				
Payables	26	5,463	6,615	12,131
Finance Leases	27	149	50	491
Employee Benefits	28	91,297	87,364	82,202
Other Liabilities	29	3,787	3,597	4,000
Total Current Liabilities		100,696	97,626	98,824
NON-CURRENT LIABILITIES				
Finance Leases	27	103	150	143
Employee Benefits	28	8,480	10,938	11,925
Provision for Make Good	30	57	-	-
Total Non-Current Liabilities		8,640	11,088	12,068
TOTAL LIABILITIES		109,336	108,714	110,892
NET ASSETS		1,830,120	1,714,477	1,548,910
EQUITY				
Accumulated Funds		808,897	826,790	661,613
Asset Revaluation Surplus	31	1,021,223	887,687	887,297
TOTAL EQUITY		1,830,120	1,714,477	1,548,910

The above Balance Sheet should be read in conjunction with the accompanying notes.

**EDUCATION AND TRAINING DIRECTORATE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

		Accumulated	Asset Revaluation	Total	Original
	Note	Funds	Surplus	Equity	Budget
	No.	Actual	Actual	Actual	Budget
		2011	2011	2011	2011
		\$'000	\$'000	\$'000	\$'000
Balance at the Beginning of the Reporting Period		661,613	887,297	1,548,910	1,568,214
Comprehensive Income					
Operating (Deficit)		(46,947)	-	(46,947)	(46,183)
Increase in Asset Revaluation Surplus	31	-	133,926	133,926	-
Total Comprehensive (Deficit)/Surplus		(46,947)	133,926	86,979	(46,183)
Transactions Involving Owners Affecting Accumulated Funds					
Capital Injections		194,231	-	194,231	193,282
Capital (Distributions)		-	-	-	(836)
Total Transactions Involving Owners Affecting Accumulated Funds		194,231	-	194,231	192,446
BALANCE AT THE END OF THE REPORTING PERIOD		808,897	1,021,223	1,830,120	1,714,477

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**EDUCATION AND TRAINING DIRECTORATE
STATEMENT OF CHANGES IN EQUITY - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2011**

		Asset	
	Accumulated	Revaluation	Total
	Funds	Surplus	Equity
Note	Actual	Actual	Actual
No.	2010	2010	2010
	\$'000	\$'000	\$'000
Balance at the Beginning of the Reporting Period	503,295	887,687	1,390,982
Comprehensive (Deficit)			
Operating (Deficit)	(40,147)	-	(40,147)
Asset Impairment	31 -	(390)	(390)
Total Comprehensive (Deficit)	(40,147)	(390)	(40,537)
Transactions Involving Owners Affecting Accumulated Funds			
Capital Injections	198,465	-	198,465
Total Transactions Involving Owners Affecting Accumulated Funds	198,465	-	198,465
BALANCE AT THE END OF THE REPORTING PERIOD	661,613	887,297	1,548,910

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**EDUCATION AND TRAINING DIRECTORATE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note No.	Actual 2011 \$'000	Original Budget 2011 \$'000	Actual 2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Government Payment for Outputs		501,215	502,137	472,965
User Charges		16,148	15,676	15,896
Interest		2,077	1,874	963
Schools and Other		20,886	18,245	19,176
Goods and Services Tax		36,681	28,553	31,863
Total Receipts from Operating Activities		577,007	566,485	540,863
Payments				
Employee		334,439	329,401	318,263
Superannuation		52,107	51,569	51,310
Supplies and Services		55,848	58,380	53,348
Borrowing Costs		42	20	123
Grants and Purchased Services		26,900	32,424	23,084
Schools and Other		55,622	57,609	53,507
Goods and Services Tax Paid		35,372	28,553	34,034
Total Payments from Operating Activities		560,330	557,956	533,669
Net Cash Inflows from Operating Activities	37	16,677	8,529	7,194
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds from the Sale of Property, Plant and Equipment		3	-	9
Payments				
Purchase of Property, Plant and Equipment		199,235	195,633	200,455
Net Cash (Outflows) from Investing Activities		(199,232)	(195,633)	(200,446)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Capital Injections		194,231	193,282	198,465
Payments				
Repayment of Finance Leases		509	50	1,510
Transfer of Cash Balances		-	688	-
Net Cash Inflows from Financing Activities		193,722	192,544	196,955
Net Increase in Cash and Cash Equivalents Held		11,167	5,440	3,703
Cash and Cash Equivalents at the Beginning of the Reporting Period		34,094	31,997	30,391
Cash and Cash Equivalents at the End of the Reporting Period	37	45,261	37,437	34,094

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**EDUCATION AND TRAINING DIRECTORATE
STATEMENT OF DIRECTORATE AND TERRITORIAL APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	Original Budget 2011 \$'000	Total Approp'd 2011 \$'000	Approp'n Drawn 2011 \$'000	Approp'n Drawn 2010 \$'000
Government Payment for Outputs					
Education and Training	1	502,137	510,941	501,215	472,965
Total		502,137	510,941	501,215	472,965
Capital Injection - Directorate					
Education and Training	2	193,282	216,363	194,231	198,464
Total		193,282	216,363	194,231	198,464
Expenses on Behalf of the Territory					
Education and Training	3	236,998	238,056	229,514	243,212
Total		236,998	238,056	229,514	243,212
TOTAL APPROPRIATION		932,417	965,360	924,960	914,641

Notes:

1. The difference between the original budget and the total amount appropriated relates to a Treasurer's Advance for special education (\$3.800m) and superannuation (\$0.700m), rollovers from 2009-10 (\$1.778m) and increased Commonwealth grants (\$2.526m).

The difference between the total appropriated and the appropriation drawn relates to rollover of funds into 2011-12 (\$9.334m), primarily relating to productivity places program and professional learning funds offset by Commonwealth grant savings (\$0.392m).

2. The difference between the original budget and the total appropriated relates to rollover of funds from 2009-10 (\$24.003m) and higher than expected Commonwealth grants (\$0.222m) for the Digital Education Revolution partially offset by a transfer of appropriation to the Canberra Institute of Technology (\$1.144m).

The difference between the total appropriated and the appropriation drawn relates to capital works deferrals and accruals (\$20.134m) primarily relating to new schools, Smart Schools Smart Students and the Digital Education Revolution and lower than anticipated Commonwealth grants (\$1.998m) for Trade Training Centres and National Solar Schools.

3. The difference between the original budget and the total appropriated relates to the rollover of Interest Subsidy Scheme (\$1.058m) from 2009-10.

The difference between the total appropriated and the appropriation drawn mainly relates to reduced Commonwealth grants to non government schools (\$7.608m) and rollover of Interest Subsidy Scheme savings to be paid in 2011-12 (\$0.934m).

**EDUCATION AND TRAINING DIRECTORATE
SUMMARY OF DIRECTORATE OUTPUT CLASSES
FOR THE YEAR ENDED 30 JUNE 2011**

	Output Class 1 \$'000	Output Class 2 \$'000	Output Class 3 \$'000	Total \$'000
2011				
Total Income	503,666	2,629	34,653	540,948
Total Expenses	(555,816)	(1,873)	(30,206)	(587,895)
Operating (Deficit)/Surplus	(52,150)	756	4,447	(46,947)

2010				
Total Income	475,396	1,561	31,791	508,748
Total Expenses	(519,885)	(1,617)	(27,393)	(548,895)
Operating (Deficit)/Surplus	(44,489)	(56)	4,398	(40,147)

From 1 July 2010, Output Class 4 - Early Intervention was transferred to Output Class 1 - Public School Education. For comparative purposes, 2009-10 actuals for Output Class 4 have been included in Output Class 1.

**EDUCATION AND TRAINING DIRECTORATE
OPERATING STATEMENT FOR OUTPUT CLASS 1 - PUBLIC SCHOOL EDUCATION
FOR THE YEAR ENDED 30 JUNE 2011**

Description

This output contributes to the provision of preschool, primary, high, secondary and special school education in public schools to all enrolled students.

	Actual 2011 \$'000	Original Budget 2011 \$'000	Actual 2010 \$'000
INCOME			
Revenue			
Government Payment for Outputs	464,514	461,962	440,375
User Charges - ACT Government	449	119	83
User Charges - Non-ACT Government	15,449	14,949	15,087
Interest	2,086	1,871	965
Resources Received Free of Charge	406	348	173
Other Revenue	20,761	18,066	18,682
Total Revenue	503,665	497,315	475,365
Gains			
Other Gains	1	-	31
Total Gains	1	-	31
Total Income	503,666	497,315	475,396
EXPENSES			
Employee Expenses	334,990	328,296	318,936
Superannuation Expenses	51,506	50,652	50,677
Supplies and Services	52,183	55,826	50,869
Depreciation	46,750	50,422	43,734
Grants and Purchased Services	1,351	1,204	1,873
Borrowing Costs	42	20	123
Other Expenses	68,994	56,992	53,673
Total Expenses	555,816	543,412	519,885
Operating (Deficit)	(52,150)	(46,097)	(44,489)

From 1 July 2010, Output Class 4 - Early Intervention was transferred to Output Class 1 - Public School Education. For comparative purposes, 2009-10 actuals for Output Class 4 have been included in Output Class 1.

**EDUCATION AND TRAINING DIRECTORATE
OPERATING STATEMENT FOR OUTPUT CLASS 2 - NON-GOVERNMENT SCHOOL EDUCATION
FOR THE YEAR ENDED 30 JUNE 2011**

Description

This output contributes to the maintenance of standards in non-government schools and home education through compliance and registration, accreditation and certification of senior secondary courses, support and liaison with the non-government sector, administration and payment of Commonwealth Government and Territory grants for the non-government sector and the conduct of an annual non-government schools census.

	Actual 2011 \$'000	Original Budget 2011 \$'000	Actual 2010 \$'000
INCOME			
Revenue			
Government Payment for Outputs	2,457	2,455	1,540
User Charges - ACT Government	1	-	1
User Charges - Non-ACT Government	169	79	19
Interest	-	1	-
Resources Received Free of Charge	2	-	1
Total Revenue	2,629	2,535	1,561
EXPENSES			
Employee Expenses	558	1,000	550
Superannuation Expenses	95	182	167
Supplies and Services	1,220	1,347	892
Grants and Purchased Services	-	1	8
Other Expenses	-	3	-
Total Expenses	1,873	2,533	1,617
Operating Surplus/(Deficit)	756	2	(56)

**EDUCATION AND TRAINING DIRECTORATE
OPERATING STATEMENT FOR OUTPUT CLASS 3 - VOCATIONAL EDUCATION AND TRAINING
FOR THE YEAR ENDED 30 JUNE 2011**

Description

This output contributes to the planning, funding, managing and reporting services for Vocational Education and Training opportunities, programs and initiatives in the ACT.

	Actual 2011 \$'000	Original Budget 2011 \$'000	Actual 2010 \$'000
INCOME			
Revenue			
Government Payment for Outputs	34,244	37,720	31,050
User Charges - ACT Government	8	1	16
User Charges - Non-ACT Government	397	428	721
Interest	1	2	1
Resources Received Free of Charge	2	1	1
Other Revenue	1	279	2
Total Revenue	34,653	38,431	31,791
EXPENSES			
Employee Expenses	4,393	4,388	4,107
Superannuation Expenses	744	733	708
Supplies and Services	1,088	1,771	1,283
Depreciation	14	9	15
Grants and Purchased Services	23,942	31,219	21,228
Other Expenses	25	399	52
Total Expenses	30,206	38,519	27,393
Operating Surplus/(Deficit)	4,447	(88)	4,398

**EDUCATION AND TRAINING DIRECTORATE
DIRECTORATE'S NOTE INDEX**

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**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1. OBJECTIVES OF THE DIRECTORATE

a) Operations and Principal Activities

The Education and Training Directorate (the Directorate) works in partnership with the community to provide sustainable, high quality school education and training services to meet the needs of the people of Canberra.

Directorate services include the provision of public school education, preschool and early intervention education programs, registration of non-government schools, registration for home education and planning and coordination of vocational education and training.

The Directorate aims to ensure that all young people in the ACT learn, thrive and are equipped with the skills to lead fulfilling, productive and responsible lives.

b) Impact of Administrative Arrangements 2011

The Review into the ACT Public Service, conducted by Dr Allan Hawke, was handed down in February 2011. As a result of recommendations included in the report, the ACT Government restructured the Administrative Arrangements of some agencies. These restructures had no impact on functions or responsibilities of the Education and Training Directorate. From 1 July 2010 to 16 May 2011, the Education and Training Directorate was known as the Department of Education and Training. From 17 May 2011, the Directorate's name changed to the Education and Training Directorate. The Directorate is presenting one set of financial statements for 2010-11. A 'Directorate' in these financial statements represents a 'Department' for the purpose of reporting under the *Financial Management Act 1996* (FMA).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The FMA requires the preparation of annual financial statements for the Directorate.

The FMA and the Financial Management Guidelines issued under the Act, require the Directorate's financial statements to include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year;
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Cash Flow Statement for the year;
- (v) a Statement of Appropriation for the year;
- (vi) an Operating Statement for each class of output for the year;
- (vii) a summary of the significant accounting policies adopted for the year; and
- (viii) such other statements as necessary to fairly reflect the financial operations of the Directorate during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared in accordance with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA. The financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting Policies.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

a) Basis of Accounting - Continued

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for assets which were valued in accordance with the revaluation policies applicable to the Directorate during the reporting period.

These financial statements are presented in Australian dollars, which is the Directorate's functional currency.

The Directorate is an individual reporting entity.

b) Directorate and Territorial Items

The Directorate produces Directorate and Territorial financial statements. The Directorate financial statements include income, expenses, assets and liabilities over which the Directorate has control. The Territorial financial statements include income, expenses, assets and liabilities that the Directorate administers on behalf of the ACT Government, but does not control.

The purpose of the distinction between Directorate and Territorial is to enable an assessment of the Directorate's performance against the decisions it has made in relation to the resources it controls, while maintaining accountability for all resources under its responsibility.

The basis of accounting described in paragraph (a) above applies to both Directorate and Territorial financial statements except where otherwise specified.

c) The Reporting Period

These financial statements include the operating statement, changes in equity and cash flows of the Directorate for the year ending 30 June 2011, together with the financial position of the Directorate as at 30 June 2011.

d) Comparative Figures

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the *Financial Management Act 1996*, budget information for 2010-11 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Papers.

Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided.

e) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of the "-" symbol represents zero amounts or amounts rounded up or down to zero.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

f) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Directorate and the revenue can be reliably measured. Specific recognition criterion applies for interest. Interest revenue is recognised using the effective interest method.

g) Resources Received Free of Charge

Resources received free of charge are recorded as a revenue and expense in the Operating Statement at fair value. The revenue is separately disclosed under resources received free of charge, with the expense being recorded in the line item to which it relates. Assets received free of charge as a result of administrative restructure are recorded as a net increase in assets from administrative restructure.

h) Repairs and Maintenance

The Directorate undertakes major cyclical maintenance on its assets. Where the maintenance leads to an upgrade of the asset that increases the service potential of the existing asset the cost is capitalised. Maintenance expenses which do not increase the service potential of the asset are expensed.

i) Borrowing Costs

Borrowing costs relate to finance leases. Borrowing costs are expensed in the period in which they are incurred.

j) Waivers of Debt

Debts are waived under section 131 of the *Financial Management Act 1996* and are expensed during the year in which the right of payment was waived. Further details are disclosed at **Note 19 - Act of Grace Payments, Waivers and Write-offs**.

k) Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the Balance Sheet and in relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Directorate does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities not classified as current are classified as non-current.

l) Impairment of Assets

The Directorate assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's 'fair value less the cost to sell' and its 'value in use'.

An asset's 'value in use' is its depreciated replacement cost, where the asset would be replaced if the Directorate were deprived of it.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

l) Impairment of Assets – Continued

If a material impairment loss results, the loss is recognised against the relevant class of asset in the Asset Revaluation Surplus with a corresponding reduction to the carrying amount of asset in the Balance Sheet. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus, the difference is expensed in the Operating Statement.

m) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement and Balance Sheet, cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents include short-term investments held in the Cash Enhanced Portfolio with the Territory Banking Account. Investments in the Cash Enhanced Portfolio are measured at fair value. Bank overdrafts are included in cash and cash equivalents in the cash flow statement and are included as borrowings in the Balance Sheet.

n) Receivables

Accounts receivable (including both trade receivables and other trade receivables) are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount going through the Operating Statement.

The allowance for impairment losses represents the amount of trade receivables and other trade receivables the Directorate estimates will not be repaid. The allowance for impairment losses is based on objective evidence and a review of overdue balances. The Directorate considers the following is objective evidence of impairment:

- becoming aware of financial difficulties of debtors;
- default payments; or
- debts more than 90 days overdue.

The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of allowance is recognised in the Operating Statement. The allowance for impairment losses are written back against receivables account when the Directorate ceases to collect the debt as it considers that it will cost more to recover than the debt is worth.

o) Investments

Long-term investments are held with the Territory Banking Account in a unit trust called the Fixed Interest Portfolio. The price of units in the unit trust fluctuates in value. The net gains or losses do not include interest or dividend income.

Long-term investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

p) Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment are initially recorded at cost when they are acquired.

Where property, plant and equipment are acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition. However property, plant and equipment acquired at no cost or minimal cost as part of a Restructuring of Administrative Arrangements is measured at the transferor's book value.

Property, plant and equipment with a minimum value of \$2,000 (exclusive of GST) are capitalised. Assets below \$2,000 are expensed in the reporting period of purchase. Assets that are individually below the threshold, but for which the aggregate value is material, may be capitalised depending on the nature of the assets.

q) Measurement of Property, Plant and Equipment after Initial Recognition

Land and buildings are measured at fair value. Plant and equipment including leasehold improvements are measured at cost. Land and buildings are revalued every three years.

Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is measured using a market price in an active market where a market price is available for that asset (or a similar asset), as this is the best evidence of an asset's fair value. Where the market price for an asset cannot be obtained because the asset is specialised and is rarely sold, and where the asset would be replaced if the Directorate were to be deprived of the asset, depreciated replacement cost is used as fair value. Where the asset would not be replaced, the fair value is the asset's selling price, less costs to sell.

In the Directorate's case, land and buildings are held for their value in use rather than the asset's ability to generate net cash flows and they would be replaced if the Directorate was deprived of them. Based on the above, fair value of buildings is determined by the depreciated replacement cost while the fair value of land is based on current market prices.

r) Depreciation of Non-Current Assets

Non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Land has an unlimited useful life and is therefore not depreciated.

Depreciation for non-current assets is determined as follows:

Class of Asset	Depreciation Method	Useful Life
Buildings and Land Improvements	Straight Line	50 years
Leasehold Improvements	Straight Line	5 years
Plant and Equipment	Straight Line	5-20 years
Leased Assets	Straight Line	2-20 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in **Note 14 – Depreciation**.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

s) Payables

Payables include Trade Payables and Accrued Expenses.

Trade Payables represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period and which relate to the normal operations of the Directorate. Accrued Expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

t) Joint Venture

The Directorate is a venturer in a joint venture operation with the Catholic Education Office at Gold Creek Primary and its share of assets, liabilities, income and expenses has been recognised in the Directorate financial statements under the appropriate headings consistent with AASB 131 'Interests in Joint Ventures'. Please refer to **Note 36 – Interest in Joint Venture** for details.

u) Leases

The Directorate has entered into finance leases and operating leases.

Finance Leases

Finance leases effectively transfer to the Directorate substantially all the risks and rewards incidental to ownership of the assets under finance lease. The Directorate's finance leases mainly relate to office equipment and motor vehicles. Finance leases are initially recognised as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments each being determined at the inception of the lease. Assets under finance lease are depreciated over the shorter of the asset's useful life and lease term. Leased assets are depreciated on a straight-line basis. The depreciation is calculated after first deducting any residual values which remain for each leased asset. Each lease payment is allocated between interest expense and reduction of the lease liability. Lease liabilities are classified as current and non-current.

Operating Leases

Operating leases do not effectively transfer to the Directorate substantially the entire risks and rewards incidental to ownership of the asset under operating lease. Operating lease payments are recorded as an expense in the Operating Statement on a straight-line basis over the term of the lease.

v) Employee Benefits

Employee benefits include wages and salaries, annual leave, long service leave and applicable on-costs. On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave. These benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid. Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

The measurement of annual and long service leave liabilities is based on the timing of the expected leave taken. Annual and long service leave expected to be taken in the next 12 months are measured based on the nominal amounts of remuneration anticipated to be paid when the leave is taken. The nominal amount is estimated with regard to the rates expected to be paid on settlement of the liability.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

v) Employee Benefits – Continued

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in the future years by employees of the Directorate is estimated to be less than the annual entitlement for sick leave.

Annual and long service leave, including applicable on-costs, that do not fall due in the next 12 months is measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At each reporting date, the estimated future payments are discounted using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows. In 2010-11, the discount factor used to calculate the present value of these future payments is 92.2% (92.9% in 2009-10).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and the applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual and long service leave liabilities are classified as current liabilities in the Balance Sheet where the Directorate does not have an unconditional right to defer the settlement of the liability for at least 12 months. However, where there is an unconditional right to defer settlement of the liability for at least 12 months, annual leave and long service leave have been classified as a non-current liability in the Balance Sheet.

w) Superannuation

Superannuation payments are made to the Territory Banking Account each year, to cover the Directorate's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS) on a fortnightly basis. This payment covers the CSS/PSS employer contribution, but does not include the productivity component. The productivity component is paid directly to ComSuper by the Directorate. The CSS and PSS are defined benefit superannuation plans meaning that the defined benefits received by employees are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of superannuation accumulation schemes. This includes the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice.

Superannuation employer contribution payments, for the CSS and PSS, are calculated, by taking the salary level at an employee's anniversary date and multiplying it by the actuarially assessed nominal CSS or PSS employer contribution rate for each employee. The productivity component payments are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the employer contribution rate (approximately 3%) for each employee. Superannuation payments for the PSSAP are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the appropriate employer contribution rate. Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay and multiplying it by the appropriate employer contribution rate.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

w) Superannuation – Continued

A superannuation liability is not recognised in the Balance Sheet as the Superannuation Provision Account recognises the total Territory superannuation liability for the CSS and PSS, and ComSuper and the external schemes recognise the superannuation liability for the PSSAP and other schemes respectively.

x) Equity Contributed by the ACT Government

Contributions made by the ACT Government, through its role as owner of the Directorate that increase the net assets of the Directorate, are treated as contributions of equity.

Increases or decreases in net assets as a result of Administrative Restructures are also recognised in equity.

y) Insurance

The Directorate insures its major risks through the ACT Insurance Authority. The excess payable under this arrangement varies depending on each class of insurance held by the Directorate.

z) Taxation

The Directorate's activities are exempt from all forms of taxation except Fringe Benefits Tax and Goods and Services Tax (GST). The amount of Fringe Benefit Tax paid in the year was \$0.149 million (\$0.178 million; 2009-10). This amount is included in the Operating Statement under employee expenses.

Revenue, expenses and assets are recognised net of GST:

- except to the extent that the amount of GST incurred by a purchaser is not recoverable from the Australian Taxation Office; and
- receivables and payables.

Cash flows relating to GST are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Balance Sheet.

aa) Contingent Liabilities and Assets

Contingent liabilities include all provisions that do not meet the recognition criteria of a liability. These criteria are: whether it is probable that the future sacrifice of economic benefits will be required; and whether the amount of the liability can be measured reliably.

Contingent assets include any assets that do not meet the recognition criteria for an asset. These criteria are: whether it is probable that the future economic benefits embodied in the asset will eventuate and the asset possesses a cost or other value that can be measured reliably. The contingent liabilities are disclosed in **Note 34 – Contingent Liabilities**. There are no contingent assets.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ab) Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Directorate has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements:

- a) *Fair Value of Land and Buildings:* The Directorate has made a significant judgement regarding the fair value of its land and buildings. Land has been recorded at the market value of similar properties as determined by an independent valuer. Buildings are valued at depreciated replacement cost.
- b) *Employee Benefits:* Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for employee benefits requires a consideration of the future wage and salary levels, experience of employee departures and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable. Further information on this estimate is provided in **Note 2 (v) – Employee Benefits and 3 (a) – Changes in Accounting Estimates**.
- c) *Estimation of Useful Lives of Property, Plant & Equipment:* The Directorate disclosed that Property, Plant and Equipment is systematically depreciated over its estimated useful life. The estimated useful life of Property, Plant and Equipment is reassessed each year and adjusted when the condition and other factors affecting the useful life of Property, Plant and Equipment indicate an adjustment is warranted.
- d) *Impairment:* The Directorate discloses that Property Plant and Equipment is annually assessed for impairment. If this assessment indicates an asset is impaired, then an assessment of the asset's recoverable amount must be estimated to determine whether an impairment loss must be recognised. For 2010-11, the Directorate has undertaken assessment in relation to the school buildings and other property plant and equipment. The Directorate's impairment policy states that schools buildings used at less than 65% capacity are impaired. An adjustment is reflected in the financial statements if the overall impact is material.

ac) After Balance Date Events

There are no known events occurring after 30 June 2011 that will materially affect the financial statements.

ad) Going Concern

The Directorate's ability to fund its ongoing operations is dependent upon continued ACT Government appropriations.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ae) Impact of Accounting Standards Issued but yet to be Applied

The following new and revised accounting standards and interpretations that are applicable to the Directorate have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Directorate does not intend to adopt these standards and interpretations early. It is estimated that the effect of adopting the below pronouncements, when applicable, will have no material financial impact on the Directorate in future reporting periods:

- AASB 1 First-time Adoption of Australian Accounting Standards (application date 1 January 2011);
- AASB 7 Financial Instruments: Disclosures (application date 1 January 2011);
- AASB 9 Financial Instruments (application date 1 January 2013);
- AASB 101 Presentation of Financial Statements (application date 1 January 2011);
- AASB 107 Statement of Cash Flows (application date 1 January 2011);
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (application date 1 January 2011);
- AASB 110 Events after the Reporting Period (application date 1 January 2011);
- AASB 118 Revenue (application date 1 January 2011);
- AASB 119 Employee Benefits (application date 1 January 2011);
- AASB 132 Financial Instruments: Presentation (application date 1 January 2011);
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (application date 1 January 2011);
- AASB 139 Financial Instruments: Recognition and Measurement (application date 1 January 2011);
- AASB 1031 Materiality (application date 1 January 2011);
- AASB 1053 Application of Tiers of Australian Accounting standards (application date 1 July 2013);
- AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132, 134 and Interpretations 2, 112 and 113] (application date 1 July 2011);
- AASB 2011-2 Reduced Disclosure Requirements [AASB 101 and 1054] (application date 1 July 2013);
- AASB Interpretation 4 Determining whether an Arrangement contains a lease (application date 1 January 2011); and
- AASB Interpretation 115 Operating Lease Incentives (application date 1 January 2011).

3. CHANGES IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES

a) Change in Accounting Estimate

As disclosed in **Note 2 (v) – Employee Benefits**, annual leave and long service leave, including applicable on-costs that do not fall due in the next 12 months, are measured at the present value of estimated payments to be made in respect of services provided by employees up to the reporting date. The estimated future payments are discounted back to present value using the Commonwealth Bond rate. The discount rate decreased from 92.9% in 2009-10 to 92.2% in 2010-11 due to the change in the Commonwealth Bond rate. This change resulted in a decrease to the estimated long service leave liabilities in the current reporting period of \$0.5m.

b) Change in Accounting Policy

There have been no changes to accounting policy in 2010-2011.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
INCOME		
4. Government Payment for Outputs		
Government Payment for Outputs is revenue received from the ACT Government to fund the cost of delivering outputs. The ACT Government pays Government Payment for Outputs appropriation on a fortnightly basis.		
Government Payment for Outputs	501,215	472,965
Total	501,215	472,965
5. User Charges – ACT Government		
This relates to revenue received from ACT Government entities.		
User Charges - ACT Government	458	100
Total	458	100
The increase mainly relates to specific purpose funding from the Health Directorate.		
6. User Charges – Non-ACT Government		
International Private Students Program	5,805	6,053
Active Leisure Centre – Hire of Facilities and Recreational Activities ¹	3,532	2,380
National Agreements	4,222	3,747
Commonwealth Own Purpose Payments / Specific Projects ²	1,954	3,212
Other	502	435
Total	16,015	15,827
1. The Active Leisure Centre operations were impacted by renovations in 2009-10. 2010-11 reflects a full year of operation.		
2. Decrease primarily relates to reduced funding from the Commonwealth Government for the Local Schools Working Together program.		
7. Interest		
Schools and Other Interest Received	2,087	966
Total	2,087	966
The increase mainly relates to interest generated on cash held for the Commonwealth Government's Digital and Building the Education Revolution programs.		
8. Resources Received Free of Charge		
This relates to legal advice and other legal services provided by the Justice and Community Safety Directorate.		
Resources Received Free of Charge	410	175
Total	410	175

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
9. Other Revenue		
Other revenue mainly comprises voluntary contributions, fundraising revenue and excursion funds.		
School Revenue ¹	18,707	17,949
Other ²	2,055	735
Total	20,762	18,684

1. Increase mainly relates to additional school excursions and hire of facilities.
2. Higher revenue in 2010-11 relates to one-off insurance receipts from the ACT Insurance Authority. Line item includes revenue from disposal of non-current assets. Refer Note 33 - Gain from Disposal of Non-Current Assets.

GAINS

10. Other Gains

Other gains are one off, unusual transactions that are not part of the Directorate's core activities.

Distribution from Investments from the Territory Banking Account	1	31
Total	1	31

EXPENSES

11. Employee Expenses

Salaries and Related Costs ¹	326,596	309,563
Movements in Employee Benefits	5,650	5,616
Comcare Premium Payments	7,695	7,366
Other Employee Expenses	-	1,048
Total	339,941	323,593

1. The increase primarily relates to wage increases and new initiatives.

12. Superannuation Expenses

Superannuation	47,043	46,112
Employer Productivity Contribution	5,302	5,440
Total	52,345	51,552

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
13. Supplies and Services		
Supplies and services include costs paid centrally relating to both central office and schools' operations.		
Property and Maintenance	15,664	15,314
Materials and Services	23,941	23,324
Travel and Transport ¹	5,635	4,976
Administrative ²	3,037	4,016
Financial ³	4,176	3,578
Operating Lease Costs	1,374	1,279
Audit Fees ⁴	419	318
Asset Write-Off	245	245
Total	54,491	53,050

1. The increase from 2009-10 primarily relates to higher special needs transport costs.
2. Decrease primarily relates to general administration.
3. Increase from 2009-10 primarily relates to higher insurance premium.
4. The increase relates to the internal audit program. Also includes audit fees paid to the Auditor-General's Office. Refer to Note 18 – Auditor's Remuneration.

14. Depreciation

Depreciation expenses for Property, Plant and Equipment are as follows:

Buildings	31,745	30,514
Plant and Equipment	8,095	6,376
Land Improvements	6,096	6,030
Leasehold Improvements	828	829
Total	46,764	43,749

15. Grants and Purchased Services

Grant Payments – educational, apprenticeships and user choice programs	25,293	23,109
Total	25,293	23,109

The increase from 2009-10 primarily relates to the National Partnership - Productivity Places Program.

16. Borrowing Costs

Interest on Finance Leases	42	123
Total	42	123

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
17. Other Expenses		
Other expenses mainly comprise utilities, cleaning, security and maintenance costs in schools as well as educational enrichment activities.		
School Expenses ¹	55,354	53,132
Transfer of Asset Outside Administrative Arrangement Orders ²	12,788	-
Other	877	587
Total	69,019	53,719

1. Increased schools expenses primarily relates to cleaning, utilities and excursion activities.
2. Relates to the transfer of Birrigai at Tidbinbilla Infrastructure to the Territory and Municipal Services Directorate.

18. Auditor's Remuneration

Auditor's remuneration consists of financial audit services provided to the Directorate by the ACT Auditor-General's Office. No other services were provided by the ACT Auditor-General's Office.

Audit Fees paid to the ACT Auditor-General's Office	111	111
Total	111	111

19. Act of Grace Payments, Waivers and Write Offs

Act of Grace Payments	-	8
Write-off of Assets ¹	245	245
Total	245	253

1. Relates to the write-off of minor assets in schools.

ASSETS

20. Cash and Cash Equivalents

Central Office Bank Account	10,181	10,715
Investments	259	259
School Management Accounts ¹	26,347	22,962
Other Operations Bank Accounts ²	8,463	147
Cash on Hand	11	11
Total	45,261	34,094

1. Increase is mainly due to the timing of expenditure by the new schools.
2. This account reflects cash held for the Commonwealth Government's Digital Education Revolution program for expenditure in forward years.

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
21. Receivables		
Current		
Receivables are comprised of:		
Accrued Revenue	35	24
Sundry Debtors	3,132	1,819
GST Receivable from the Australian Taxation Office	3,963	5,272
Less: Allowance for Impairment Losses	(5)	(5)
Total	7,125	7,110

Ageing of Receivables

	Not Overdue \$'000	Past Due			Total \$'000
		Less than 30 Days \$'000	30 to 60 Days \$'000	Greater than 60 Days \$'000	
2011					
Not impaired¹					
Receivables	6,838	50	8	229	7,125
Impaired					
Receivables	-	-	-	5	5
2010					
Not impaired¹					
Receivables	6,664	98	29	319	7,110
Impaired					
Receivables	-	-	-	5	5

1. 'Not Impaired' refers to Net Receivables (that is Gross Receivables less Impaired Receivables)

Reconciliation of the Allowance for Impairment Losses

Allowance for Impairment at the Beginning of the Reporting Period	5	5
Reduction in Allowance for Impairment Resulting from a Write-Back against the Receivable	-	-
Allowance for Impairment at the End of the Reporting Period	5	5

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
21. Receivables - Continued		
Classification of ACT Government / Non-ACT Government Receivables:		
<i>Receivables with ACT Government Entities</i>		
Trade Debtors	72	287
Other Debtors	1,422	-
Accrued Revenue	-	-
Total Receivables with ACT Government Entities	1,494	287
<i>Receivables with Non-ACT Government Entities</i>		
Trade Debtors	1,156	929
Other Debtors	482	603
Accrued Revenue	35	24
GST Receivable from the Australian Taxation Office	3,963	5,272
Less: Allowance for Impairment Losses	(5)	(5)
Total Receivables with Non-ACT Government Entities	5,631	6,823
Total	7,125	7,110
22. Other Current Assets		
Prepayments	3,653	2,697
Total	3,653	2,697
23. Investments		
Investments with the Territory Banking Account – Fixed Interest Portfolio	1,774	1,773
Total	1,774	1,773

The Investments primarily relate to Literacy and Numeracy funds.

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
24. Property, Plant and Equipment¹		
Land		
Land at Fair Value	260,454	228,078
Total Written-Down Value of Land	<u>260,454</u>	<u>228,078</u>
Buildings and Land Improvements		
Buildings and Land Improvements at Fair Value	1,548,898	1,298,833
(Accumulated Depreciation)	(1,105)	(76,873)
Total Written-Down Value of Buildings and Land Improvements	<u>1,547,793</u>	<u>1,221,960</u>
Leasehold Improvements		
Leasehold Improvements at Cost	5,612	5,494
(Accumulated Depreciation)	(2,962)	(2,134)
Total Written-Down Value of Leasehold Improvements	<u>2,650</u>	<u>3,360</u>
Plant and Equipment		
Plant and Equipment at Cost	76,669	59,135
(Accumulated Depreciation)	(32,674)	(26,457)
Total Written-Down Value of Plant and Equipment	<u>43,995</u>	<u>32,678</u>
Total	<u>1,854,892</u>	<u>1,486,076</u>

1. During 2010-11 Colliers International Holdings (Australia) Ltd performed a revaluation of the Directorate's Land and Buildings.

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

24. Property, Plant and Equipment - Continued

Property, Plant and Equipment Movement Schedule 30 June 2011

Items	Land	Buildings and Land Improvements	Leasehold Improvements	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the Beginning of the Reporting Period	228,078	1,221,960	3,360	32,678	1,486,076
Revaluation	33,246	107,600	-	-	140,846
Impairment	-	(6,920)	-	-	(6,920)
Provision for Make Good	-	-	57	-	57
Additions	-	274,850	61	19,572	294,483
Depreciation	-	(37,841)	(828)	(8,095)	(46,764)
Transfers In/(Out)	(870)	(11,771)	-	-	(12,641)
Disposals	-	-	-	-	-
Write-offs	-	(85)	-	(160)	(245)
Carrying Amount at the End of the Reporting Period	260,454	1,547,793	2,650	43,995	1,854,892

Property, Plant and Equipment Movement Schedule 30 June 2010

Items	Land	Buildings and Land Improvements	Leasehold Improvements	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the Beginning of the Reporting Period	228,078	1,181,174	4,098	29,812	1,443,162
Impairment	-	(390)	-	-	(390)
Additions	-	77,750	91	9,457	87,298
Depreciation	-	(36,544)	(829)	(6,376)	(43,749)
Transfers In/(Out)	-	-	-	-	-
Disposals	-	-	-	(2)	(2)
Write-offs	-	(30)	-	(213)	(243)
Carrying Amount at the End of the Reporting Period	228,078	1,221,960	3,360	32,678	1,486,076

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
24. Property, Plant and Equipment - Continued		
Assets under a Finance Lease¹		
Items		
Plant and Equipment		
Gross Value	4,351	4,836
(Accumulated Depreciation)	(3,999)	(4,541)
Total	<u>352</u>	<u>295</u>

1. Assets under a Finance Lease are included as part of property, plant and equipment.

25. Capital Works in Progress

Capital Works in Progress are assets being constructed over periods of time in excess of the present reporting period.

Assets under construction include buildings and building improvements.

Capital Works in Progress ¹	26,751	128,052
Total	<u>26,751</u>	<u>128,052</u>

1. The decrease is due to completion of the Building the Education Revolution program and the capitalisation of new schools.

Reconciliation of Capital Works in Progress

Balance at the Beginning of the Reporting Period	128,052	9,292
Transfer to Property, Plant and Equipment	(126,059)	(793)
Additions		
Building the Education Revolution	-	59,620
Capital Works ¹	24,736	55,584
Capital Initiatives	22	4,349
Balance at the End of the Reporting Period	<u>26,751</u>	<u>128,052</u>

1. Primarily relates to Harrison High School.

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
LIABILITIES		
26. Payables		
Payables - ACT Government Entities	19	34
Payables - Non-ACT Government Entities	152	242
Accrued Expenses ¹	5,292	11,855
Total	5,463	12,131

1. The decrease primarily relates to a reduction in capital works accruals.

The ageing of payables as at 30 June 2011 which totalled \$5.463 million (\$12.131 million in 2010) is as follows:

Not overdue	5,439	12,122
Overdue for Less than 30 Days	23	-
Overdue for 30 to 60 Days	1	9
Overdue for More than 60 Days	-	-
Total	5,463	12,131

Classification of ACT Government / Non-ACT Government Payables

<i>Payables with ACT Government Entities</i>		
Payables	19	34
Accrued Expenses	2,928	9,998
Total Payables with ACT Government Entities	2,947	10,032
<i>Payables with Non-ACT Government Entities</i>		
Payables	152	242
Accrued Expenses	2,364	1,857
Total Payables Non-ACT Government Entities	2,516	2,099
Total	5,463	12,131

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
27. Finance Leases¹		
Finance Lease commitments payable for computers for teaching and motor vehicles:		
• Within One Year	161	514
• Later than One Year but not later than Five Years	108	150
Minimum Finance Lease Payments	269	664
Less: Future Finance Charges	(17)	(30)
Total Present Value of Minimum Finance Lease Payments	252	634
Comprising:		
• Within One Year	149	491
• Later than One Year but not later than Five Years	103	143
Total	252	634
Current	149	491
Non-Current	103	143
Total	252	634

1. The face of the financial statements shows the value of finance leases net of GST. GST recoverable is \$0.023 million in 2010-11 and \$0.058 million in 2009-10.

28. Employee Benefits

Current		
Annual Leave	24,309	22,454
Long Service Leave	57,613	51,304
Accrued Salaries	9,057	7,119
Purchased Leave	318	277
Other Employee Benefits	-	1,048
Total Current	91,297	82,202
Non-Current		
Long Service Leave	8,480	11,925
Total Non-Current	8,480	11,925
Total	99,777	94,127

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
28. Employee Benefits – Continued		
<i>For Disclosure Purpose Only</i>		
Estimate of when leave is payable		
Estimated Amount Payable within 12 months		
Salaries	9,057	8,167
Annual Leave	24,309	22,454
Long Service Leave	5,924	6,296
Purchased Leave	318	277
Total Payable within 12 Months	39,608	37,194
Estimated Amount Payable after 12 Months		
Long Service Leave	60,169	56,933
Total Payable after 12 Months	60,169	56,933
Total	99,777	94,127
29. Other Current Liabilities		
International Students Fees Received in Advance	2,759	2,746
Schools Revenue Received in Advance	222	364
Other Revenue Received in Advance	806	890
Total	3,787	4,000
30. Other Provisions		
Provision for Make good		
On 1 July 2008, the Directorate entered into a lease agreement for the office space at Centrecourt – Unit 17 Fyshwick. There are clauses in the lease agreement which require the Directorate, upon cessation of the tenancy, to return the office space to the condition it was in before it was leased (this is referred to as 'make good'). The tenancy runs for 5 years. The estimated costs to make good this office space is \$0.057 million.		
Reconciliation of Provision for Make Good		
Provision for Make Good at the Beginning of the Reporting Period	57	-
Total	57	-

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
EQUITY		
31. Equity		
Asset Revaluation Surplus		
Balance at the Beginning of the Reporting Period	887,297	887,687
Asset Revaluation	140,846	-
Impairment ¹	(6,920)	(390)
Balance at the End of the Reporting Period	1,021,223	887,297

1. Relates to the closure of Urambi Primary School at the end of December 2010.

OTHER

32. Commitments¹

The capital commitments mainly relate to the construction of new schools.

Capital Commitments

• Within One Year	30,681	89,359
• Later than One Year but not later than Five Years	2,703	27,022
• Later than Five Years	367	367

Total	33,751	116,748
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1. All 2010-11 Commitments are GST inclusive where relevant. Total GST recoverable from the Australian Taxation Office is \$3.068 million (2009-10 \$10.613 million). The capital commitments primarily relate to the Directorate's capital works program. The decrease in 2010-11 is mainly due to the completion of major capital works projects associated with new schools and the Building the Education Revolution program.

Operating Lease Commitments¹

Operating Lease Commitments are amounts for building leases, computing equipment and motor vehicles.

• Within One Year	2,131	2,162
• Later than One Year but not later than Five Years	3,595	4,951

Total	5,726	7,113
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1. All 2010-11 commitments are GST inclusive where relevant. Total GST that will be recoverable from the Australian Taxation Office is \$0.520 million (2009-10 \$0.647 million).

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
32. Commitments - Continued		
Other Commitments¹		
• Within One Year	34,077	28,616
• Later than One Year but not later than Five Years	32,455	27,435
• Later than Five Years	-	-
Total	<u>66,532</u>	<u>56,051</u>

1. Other Commitments primarily relate to new contracts for Competitive Allocation for Skills Initiatives.

33. Gain from the Disposal of Non-Current Assets

Gain from the Sale of Assets	3	9
Net Gain from the Disposal of Non-Current Assets	<u>3</u>	<u>9</u>

34. Contingent Liabilities

The estimated liability for known personal injury litigation cases not settled as at 30 June 2011 and 30 June 2010	<u>3,533</u>	<u>2,991</u>
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35. Financial Instruments

Terms, Conditions and Accounting Policies

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, with respect to each class of financial asset and financial liability are disclosed in **Note 2 - Summary of Significant Accounting Policies**.

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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35. Financial Instruments - Continued

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Directorate's financial assets consist of cash and cash equivalents, investments and receivables and its financial liabilities are comprised of payables and finance leases. The Directorate's maximum exposure to interest rate risk relating to these financial assets and liabilities is shown below in the table later in this note on 'Maturity Analysis and Exposure to Interest Rates'.

As receivables and payables are held in non-interest bearing arrangements and finance leases are held in fixed interest arrangements, the Directorate is not exposed to movements in interest rates in respect of these financial assets and liabilities.

A significant proportion of the Directorate's financial assets consist of cash and cash equivalents. As these are held in floating interest arrangements with the Territory's Banking Provider, the Directorate is exposed to movements in the amount of interest it may earn on cash and cash equivalents.

As the Directorate's operating cash flows are not significantly dependant on interest earned from cash and cash equivalents and investments a sensitivity analysis of interest rate risk has not been performed.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial assets consist of cash, investments and receivables. The Directorate's maximum exposure to credit is limited to the amount of these financial assets net of any allowance made for impairment. This is shown below in the table 'Maturity Analysis and Exposure to Interest Rates'.

Cash and investment accounts are held with high credit quality financial institutions under whole-of-government banking arrangements. Cash at the bank is held with the Commonwealth Bank and cash not immediately required is invested with the Territory Banking Account. The Treasury Directorate coordinates the investment of this money with various fund managers. These fund managers have the discretion to invest money in a variety of different investments within certain parameters.

Most of the receivables consist of Goods and Services Tax (GST) refund due from the Australian Taxation Office (ATO) and ACT Government Agencies which have a strong credit history. Credit risk for investments is managed by the Directorate through only investing with the Territory Banking Account, which has appropriate investment criteria for the external fund manager engaged to manage the Territory's surplus funds.

Liquidity Risk

Liquidity risk is the risk that the Directorate will not be able to meet its financial obligations as they fall due.

The Directorate's maximum exposure to liquidity risk is shown below in the table later in this note on 'Maturity Analysis and Exposure to Interest Rates'. This note discloses when the Directorate expects its financial assets and financial liabilities to mature.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

35. Financial Instruments - Continued

Liquidity Risk - Continued

Appropriations received to fund operations are drawn down progressively throughout the year to meet the operating requirements. Under the cash management framework, the Directorate cannot hold excess cash, however, in the event of cash pressure, access to additional funding can be obtained from the Treasury Directorate.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price (other than arising from interest rate risk or currency risk).

The only price risk which the Directorate is exposed to results from its investments in the cash enhanced and fixed interest portfolios. The Directorate has units in these portfolios that fluctuate in value. The price fluctuations in the units of the portfolios are caused by movements in the underlying investments. To limit price risk, all securities that make up the underlying investments must have a long term rating of BBB or higher.

The Directorate's exposure to price risk and the management of this risk has not significantly changed since last reporting period. A sensitivity analysis has not been undertaken for the price risk of the Directorate as it has been determined that the possible impact on profit and loss or total equity from fluctuations in price is immaterial.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes to foreign currency rates.

The Directorate is not exposed to currency risk as all of its transactions are conducted in Australian dollars.

Unrecognised Financial Assets and Financial Liabilities

There were no unrecognised financial assets and liabilities.

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

35. Financial Instruments - Continued

Fair Value of Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and financial liabilities to the end of the reporting period are:

	2011 Carrying Amount \$'000	2011 Fair Value \$'000	2010 Carrying Amount \$'000	2010 Fair Value \$'000
Financial Assets				
Cash and Cash Equivalents	45,261	45,261	34,094	34,094
Investments with the Territory Banking Account	1,774	1,774	1,773	1,773
Receivables	7,125	7,125	7,110	7,110
Total Financial Assets	54,160	54,160	42,977	42,977
Financial Liabilities				
Payables	5,463	5,463	12,131	12,131
Finance Leases	252	252	634	634
Total Financial Liabilities	5,715	5,715	12,765	12,765

Fair Value Hierarchy

The Directorate is required to classify financial assets and financial liabilities into a fair value hierarchy that reflects the significance of the inputs used in determining their fair value. The fair value hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

35. Financial Instruments - Continued

The carrying amount of financial assets measured at fair value, as well as the methods used to estimate the fair value are summarised in the table below. All other financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not included in the table below.

2011	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets				
Investment with the Territory Banking Account – Fixed Interest Portfolio	-	1,774	-	1,774
Total	-	1,774	-	1,774

2010	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets				
Investment with the Territory Banking Account – Fixed Asset Portfolio	-	1,773	-	1,773
Total	-	1,773	-	1,773

Transfer between Categories

There have been no transfers of financial assets or financial liabilities between Level 1 and Level 2 during the reporting period.

Maturity Analysis and Exposure to Interest Rate

The following tables set out the Directorate's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2011 and 30 June 2010.

All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

The Directorate does not hold any collateral as security relating to financial assets.

The Directorate does not hold any financial assets that are past due or impaired.

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

35. Financial Instruments - Continued

2011		Fixed Interest Maturing In:					
Financial Instruments	Note No.	Floating Interest Rate \$'000	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Assets							
Cash	20	34,810	-	-	-	10,192	45,002
Cash Equivalents	20	259	-	-	-	-	259
Investments	23	-	-	-	-	1,774	1,774
Receivables	21	-	-	-	-	7,125	7,125
Total Financial Assets		35,069	-	-	-	19,091	54,160
Weighted Average Interest Rate		4.60%					
Financial Liabilities							
Payables	26	-	-	-	-	(5,463)	(5,463)
Finance Leases ¹	27	-	(161)	(108)	-	-	(269)
Total Financial Liabilities		-	(161)	(108)	-	(5,463)	(5,732)
Weighted Average Interest Rate			7.81%	7.81%			
Net Financial Assets/(Liabilities)		35,069	(161)	(108)	-	13,628	48,428

1. The finance lease includes the interest component.

2010		Fixed Interest Maturing In:					
Financial Instruments	Note No.	Floating Interest Rate \$'000	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Assets							
Cash	20	23,109	-	-	-	10,726	33,835
Cash Equivalents	20	259	-	-	-	-	259
Investments	23	-	-	-	-	1,773	1,773
Receivables	21	-	-	-	-	7,110	7,110
Total Financial Assets		23,368	-	-	-	19,609	42,977
Weighted Average Interest Rate		3.52%	-	-	-	-	-
Financial Liabilities							
Payables	26	-	-	-	-	(12,131)	(12,131)
Finance Leases ¹	27	-	(514)	(150)	-	-	(664)
Total Financial Liabilities		-	(514)	(150)	-	(12,131)	(12,795)
Weighted Average Interest Rate		-	8.5%	8.5%	-	-	-
Net Financial Assets/(Liabilities)		23,368	(514)	(150)	-	7,478	30,182

1. The finance lease includes the interest component.

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
35. Financial Instruments - Continued		
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Receivables	7,125	7,110
Financial Assets at Fair Value through Profit and Loss	1,774	1,773
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	5,715	12,765

The Directorate does not have any financial assets in the 'Available for Sale' category or the 'Held to Maturity' category and as such these categories are not included above. Also, the Directorate does not have any financial liabilities in the 'Financial Liabilities at Fair Value through Profit and Loss' category and, as such, this category is not included above.

36. Interest in Joint Venture

Gold Creek Primary School operates adjacent to the Holy Spirit Primary School that is operated by the Catholic Education Office. Both schools share joint facilities including a hall/gymnasium, canteen, library, car park and meeting rooms. The shared facilities are managed by a Joint Facilities Management Committee which was created under a formal agreement in December 1995 between the ACT Government and the Catholic Education Office. All assets and liabilities relating to the shared facilities are owned by the ACT Government and Catholic Education Office in accordance with the participating share of each party, which is 53% for the ACT Government and 47% for the Catholic Education Office. The joint venture is accounted for using the equity method.

	2011 \$'000	2010 \$'000
Share of the Joint Venture Profits		
Revenue	67	63
Expenses	(138)	(131)
Operating (Deficit)	<u>(71)</u>	<u>(68)</u>
Share of the Joint Venture Assets and Liabilities		
Current Assets	56	51
Non-Current Assets	3,142	2,925
Total Assets	<u>3,198</u>	<u>2,976</u>
Current Liabilities	5	5
Non-Current Liabilities	-	-
Total Liabilities	<u>5</u>	<u>5</u>
Net Assets	<u>3,193</u>	<u>2,971</u>
Share of the Joint Venture Cash	<u>50</u>	<u>63</u>

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
37. Cash Flow Reconciliation		
(a) Reconciliation of Net Cash Inflows from Operating Activities to the Operating Deficit		
Operating (Deficit)	(46,947)	(40,147)

Non-Cash Items and Changes in Operating Assets and Liabilities

Depreciation and Amortisation	46,764	43,749
Increase in Employee Benefits	5,649	5,616
Assets Written-Off	245	245
(Decrease)/Increase in Revenue Received in Advance	(213)	403
(Decrease) in Creditors	(488)	(857)
(Increase) in Receivables	(15)	(2,150)
(Increase)/ Decrease in Prepaid Expenditure	(955)	375
(Gain) from Sale of Assets	(3)	(9)
Transfer of Assets ¹	12,641	-
Unrealised Gain on Investment	(1)	(31)
Net Cash Inflows from Operating Activities	16,677	7,194

1. Transfer from the Directorate to the Territory and Municipal Services Directorate.

(b) Non-Cash Financing Activities

The Directorate has entered into finance lease arrangements for plant and equipment.

Plant and Equipment	127	132
Total	127	132

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
37. Cash Flow Reconciliation - Continued		
(c) Reconciliation of Cash and Cash Equivalents		
Cash at the End of the Reporting Period as shown in the Cash Flow Statement is reconciled to the items in the Balance Sheet as follows:		
Cash Flow Statement		
Cash at End of the Reporting Period	45,261	34,094
Balance Sheet		
Cash and Cash Equivalents	45,261	34,094

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

38. Disaggregated Disclosure of Assets and Liabilities

Year Ended 30 June 2011	Output Class 1 \$'000	Output Class 2 \$000	Output Class 3 \$'000	Unallocated \$'000	Total \$'000
Current Assets					
Cash and Cash Equivalents ¹	26,486	-	-	18,775	45,261
Receivables	7,054	-	71	-	7,125
Other	892	-	2,761	-	3,653
Total Current Assets	34,432	-	2,832	18,775	56,039
Non-Current Assets					
Investments	1,252	-	-	522	1,774
Property Plant and Equipment	1,854,892	-	-	-	1,854,892
Capital Works in Progress	26,751	-	-	-	26,751
Total Non-Current Assets	1,882,895	-	-	522	1,883,417
Total Assets	1,917,327	-	2,832	19,297	1,939,456
Current Liabilities					
Payables	5,182	22	259	-	5,463
Finance Leases	149	-	-	-	149
Employee Benefits	90,384	-	913	-	91,297
Other	3,787	-	-	-	3,787
Total Current Liabilities	99,502	22	1,172	-	100,696
Non Current Liabilities					
Finance Leases	103	-	-	-	103
Employee Benefits Make Good Provision	8,395	-	85	-	8,480
	57	-	-	-	57
Total Non-Current Liabilities	8,555	-	85	-	8,640
Total Liabilities	108,057	22	1,257	-	109,336
Net Assets	1,809,270	(22)	1,575	19,297	1,830,120

1. Unallocated Cash and Cash Equivalents

Cash and cash equivalents have been included in the 'Unallocated' column above as this class cannot be reliably attributed to the Directorate's output classes. As the amount in cash and cash equivalents held by the Directorate is comprised of a number of disparate components, no single allocation driver can be used to reliably attribute this asset class. The components include working capital, cash for un-presented cheques, and for specific purpose payments.

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

38. Disaggregated Disclosure of Assets and Liabilities - continued

Year Ended 30 June 2010	Output Class 1 \$'000	Output Class 2 \$000	Output Class 3 \$'000	Output Class 4 \$'000	Unallocated \$'000	Total \$'000
Current Assets						
Cash and Cash Equivalents ¹	23,101	-	-	-	10,993	34,094
Receivables	6,965	-	145	-	-	7,110
Other	791	-	1,879	27	-	2,697
Total Current Assets	30,857	-	2,024	27	10,993	43,901
Non-Current Assets						
Investments	1,252	-	-	-	521	1,773
Property Plant and Equipment	1,486,076	-	-	-	-	1,486,076
Capital Works in Progress	128,052	-	-	-	-	128,052
Total Non-Current Assets	1,615,380	-	-	-	521	1,615,901
Total Assets	1,646,237	-	2,024	27	11,514	1,659,802
Current Liabilities						
Payables	11,114	26	991	-	-	12,131
Finance Leases	491	-	-	-	-	491
Employee Benefits	80,558	-	1,644	-	-	82,202
Other	4,000	-	-	-	-	4,000
Total Current Liabilities	96,163	26	2,635	-	-	98,824
Non Current Liabilities						
Finance Leases	143	-	-	-	-	143
Employee Benefits	11,686	-	239	-	-	11,925
Total Non-Current Liabilities	11,829	-	239	-	-	12,068
Total Liabilities	107,992	26	2,874	-	-	110,892
Net Assets	1,538,245	(26)	(850)	27	11,514	1,548,910

1 Unallocated Cash and Cash Equivalents

Cash and cash equivalents have been included in the 'Unallocated' column above as this class cannot be reliably attributed to the Directorate's output classes. As the amount in cash and cash equivalents held by the Directorate is comprised of a number of disparate components, no single allocation driver can be used to reliably attribute this asset class. The components include working capital, cash for un-presented cheques, specific purpose and salary packaging.

EDUCATION AND TRAINING DIRECTORATE
STATEMENT OF INCOME AND EXPENSES ON BEHALF OF THE TERRITORY
FOR THE YEAR ENDED 30 JUNE 2011

	Note No.	Actual 2011 \$'000	Original Budget 2011 \$'000	Actual 2010 \$'000
INCOME				
Revenue				
Payment for Expenses on Behalf of the Territory	39	212,454	219,651	225,421
Fees	40	246	200	239
Interest	41	-	-	1
Total Revenue		212,700	219,851	225,661
EXPENSES				
Grants and Purchased Services	42	212,454	219,651	225,421
Transfer to Government	43	246	200	240
Total Expenses		212,700	219,851	225,661
Operating Result		-	-	-
Other Comprehensive Income		-	-	-
Total Comprehensive Income		-	-	-

The above Statement of Income and Expenses on Behalf of the Territory should be read in conjunction with the accompanying notes.

EDUCATION AND TRAINING DIRECTORATE
STATEMENT OF ASSETS AND LIABILITIES ON BEHALF OF THE TERRITORY
AS AT 30 JUNE 2011

	Note	Actual	Original	Actual
	No.	2011	Budget	2010
		\$'000	\$'000	\$'000
CURRENT ASSETS				
Cash and Cash Equivalents	44	558	199	241
Receivables	45	99	108	21
Total Current Assets		657	307	262
TOTAL ASSETS		657	307	262
CURRENT LIABILITIES				
Payables	46	657	307	262
Total Current Liabilities		657	307	262
TOTAL LIABILITIES		657	307	262
NET ASSETS		-	-	-
EQUITY				
Accumulated Funds		-	-	-
TOTAL EQUITY		-	-	-

Net Assets and Total Equity has remained at nil, therefore a Statement of changes in Equity on behalf of the Territory has not been performed.

The above Statement of Assets and Liabilities on Behalf of the Territory should be read in conjunction with the accompanying notes.

**EDUCATION AND TRAINING DIRECTORATE
CASH FLOW STATEMENT ON BEHALF OF THE TERRITORY
FOR THE YEAR ENDED 30 JUNE 2011**

	Note No.	Actual 2011 \$'000	Original Budget 2011 \$'000	Actual 2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Cash from Government for Expenses on Behalf of the Territory		229,514	236,998	243,212
Fees		237	200	268
Interest		-	-	1
Goods and Services Tax Received		4,684	4,571	4,754
Payments				
Grants and Purchased Services		229,170	236,998	243,229
Transfer of Territory Receipts to Government		237	200	268
Goods and Services Tax Paid		4,711	4,571	4,696
Net Cash Inflows from Operating Activities	48	317	-	42
CASH FLOWS FROM INVESTING ACTIVITIES				
		-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
		-	-	-
Net Increase in Cash Held		317	-	42
Cash and Cash Equivalents at the Beginning of the Reporting Period		241	199	199
Cash and Cash Equivalents at the End of the Reporting Period	48	558	199	241

The above Cash Flow Statement on Behalf of the Territory should be read in conjunction with the accompanying notes.

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
ON BEHALF OF THE TERRITORY FOR THE YEAR ENDED 30 JUNE 2011

	Notes
Income Notes	
Payment for Expenses on Behalf of the Territory	39
Fees	40
Interest	41
Expense Notes	
Grants and Purchased Services	42
Transfer to Government	43
Asset Notes	
Cash	44
Receivables	45
Liability Notes	
Payables	46
Other Notes	
Financial Instruments	47
Cash Flow Reconciliation	48

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
ON BEHALF OF THE TERRITORY FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
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INCOME

39. Payment for Expenses on Behalf of the Territory

Under the *Financial Management Act 1996*, funds can be appropriated for expenses incurred on behalf of the Territory. The Directorate receives this appropriation to fund a number of expenses incurred on behalf of the Territory, the main one being the payment of grants to non-government schools. Refer **Note 42 – Grants and Purchased Services** for the details of the expenses.

Amounts Received to Meet Expenses Incurred on Behalf of the Territory	212,454	225,421
Total	<u>212,454</u>	<u>225,421</u>

Decrease in 2010-11 mainly relates to the Commonwealth Government's Building the Education Revolution program.

40. Fees

Fees for Regulatory Services – Training	246	239
Total	<u>246</u>	<u>239</u>

41. Interest

Interest	-	1
Total	<u>-</u>	<u>1</u>

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
ON BEHALF OF THE TERRITORY FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
EXPENSES		

42. Grants and Purchased Services

Payments for grants and subsidies were made as follows:

Grants – Non Government Schools ¹	212,009	224,984
Junior Bursary Scheme	356	345
Block Release Grants	89	92
Total	212,454	225,421

1. Decrease in 2010-11 mainly relates to the end of the Commonwealth Government's Building the Education Revolution program.

43. Transfer to Government

Transfers to government in 2010-11 relate only to fees that are collected on behalf of the Territory - refer **Note 40 - Fees**.

Transfer to Government	246	240
Total	246	240

ASSETS

44. Cash

Cash at bank	558	241
Total	558	241

The increase in cash relates to interest subsidy scheme funding yet to be paid.

45. Receivables

Current

GST Receivable from the Australian Taxation Office	46	19
Other Receivables	53	2
Total	99	21

All receivables at 30 June 2011 were current and not overdue.

Receivables	99	21
Total	99	21

**EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
ON BEHALF OF THE TERRITORY FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$'000	2010 \$'000
LIABILITIES		
46. Payables		
Current		
All payables at 30 June 2011 were current and not overdue.		
Current amount owed to the Territory Banking Account	657	262
Total	<u>657</u>	<u>262</u>

47. Financial Instruments

Terms, Conditions and Accounting Policies

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, with respect to each class of financial asset and financial liability are disclosed in **Note 2 - Summary of Significant Accounting Policies**.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The financial assets held by the Directorate on behalf of the Territory consist of cash and cash equivalents and receivables and its financial liabilities are comprised of payables. As cash, receivables and payables are held in non-interest bearing arrangements, the Directorate on behalf of the Territory is not exposed to movements in interest rates in respect of these financial assets and liabilities.

As the Territory's operating cash flows are not dependant on interest earned from cash and cash equivalents, a sensitivity analysis of interest rate risk has not been performed.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. All receivables relate to either Commonwealth, ACT or non-government entities which have strong credit histories (most receivables consist of Goods and Services Tax (GST) refunds due from the Australian Taxation Office). Credit risk is therefore considered to be low.

Financial assets consist of cash and receivables. The Directorate on behalf of the Territory's maximum exposure to credit risk is limited to the amount of these financial assets net of any allowance made for impairment. This is shown below in the table 'Maturity Analysis and Exposure to Interest Rates'.

Liquidity Risk

Liquidity risk is the risk that the Directorate on behalf of the Territory will not be able to meet its financial obligations as they fall due.

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
ON BEHALF OF THE TERRITORY FOR THE YEAR ENDED 30 JUNE 2011

47. Financial Instruments – Continued

Expenses on behalf of the Territory appropriations are drawn down progressively throughout the year to meet operating requirements. In the event of cash pressure, access to additional funding may be obtained from the Treasury Directorate.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price.

The Directorate on behalf of the Territory is not exposed to price risk as its financial assets, consisting of cash and receivables are not affected by movements in market price.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes to foreign currency rates.

The Directorate on behalf of the Territory is not exposed to currency risk as all of its transactions are made in Australian dollars.

Unrecognised Financial Assets and Financial Liabilities

There were no unrecognised financial assets and liabilities.

Fair Value of Financial Assets and Liabilities

	2011 Carrying Amount \$'000	2011 Fair Value \$'000	2010 Carrying Amount \$'000	2010 Fair Value \$'000
Financial Assets				
Cash	558	558	241	241
Receivables	99	99	21	21
Total Financial Assets	657	657	262	262
Financial Liabilities				
Payables	657	657	262	262
Total Financial Liabilities	657	657	262	262

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
ON BEHALF OF THE TERRITORY FOR THE YEAR ENDED 30 JUNE 2011

47. Financial Instruments – Continued

Maturity Analysis and Exposure to Interest Rates

2011		Fixed Interest Maturing In:					Total \$'000
Financial Instruments	Note No.	Floating Interest Rate \$'000	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	
Financial Assets							
Cash	44	-	-	-	-	558	558
Receivables	45	-	-	-	-	99	99
Total Financial Assets		-	-	-	-	657	657
Weighted Average Interest Rate		-	-	-	-	-	-
Financial Liabilities							
Payables	46	-	-	-	-	(657)	(657)
Total Financial Liabilities		-	-	-	-	(657)	(657)
Weighted Average Interest Rate		-	-	-	-	-	-
Net Financial Assets/(Liabilities)		-	-	-	-	-	-

2010		Fixed Interest Maturing In:					Total \$'000
Financial Instruments	Note No.	Floating Interest Rate \$'000	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	
Financial Assets							
Cash	44	-	-	-	-	241	241
Receivables	45	-	-	-	-	21	21
Total Financial Assets		-	-	-	-	262	262
Weighted Average Interest Rate		-	-	-	-	-	-
Financial Liabilities							
Payables	46	-	-	-	-	(262)	(262)
Total Financial Liabilities		-	-	-	-	(262)	(262)
Weighted Average Interest Rate		-	-	-	-	-	-
Net Financial Assets/(Liabilities)		-	-	-	-	-	-

EDUCATION AND TRAINING DIRECTORATE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
ON BEHALF OF THE TERRITORY FOR THE YEAR ENDED 30 JUNE 2011

47. Financial Instruments – Continued

Fair Value Hierarchy

All financial assets and liabilities are measured, subsequent to initial recognition at amortised cost and as such no fair value hierarchy disclosures have been made.

	2011 \$'000	2010 \$'000
48. Cash Flow Reconciliation		
(a) Reconciliation of Net Cash Inflows from Operating Activities with the Operating Result		
Operating Result	-	-
Non Cash Changes in Operating Assets and Liabilities:		
(Increase) / Decrease in Receivables	(78)	87
Increase / (Decrease) in Payables	395	(45)
Net Cash Inflows from Operating Activities	317	42

(b) Reconciliation of Cash

Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the items in the Statement of Assets and Liabilities as follows:

Cash Flows Statement:

Cash at the End of the Reporting Period	558	241
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Statement of Assets and Liabilities on Behalf of the Territory:

Cash	558	241
Total	558	241

Appendix 3: A7 Statement of performance



ACT AUDITOR-GENERAL'S OFFICE



A11/22

Dr Jim Watterston
Director-General
Education and Training Directorate
Level 6, 220 Northbourne Avenue
BRADDON ACT 2612

Dear Dr Watterston

**REPORT OF FACTUAL FINDINGS
EDUCATION AND TRAINING DIRECTORATE
STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011**

The Audit Office has completed the review of the statement of performance of the Education and Training Directorate for the year ended 30 June 2011.

I have attached the statement of performance and unqualified report of factual findings.

I have provided a copy of the statement of performance and report of factual findings to the Minister for Education and Training, Mr Andrew Barr MLA.

Yours sincerely

Dr Maxine Cooper
Auditor-General

13 September 2010

c.c. Ms Sushila Sharma, Acting Director, Finance and Corporate Support
Ms Jenny Morison, Chair, Audit Committee
Ms Megan Young, Chief Internal Auditor, Risk Management and Audit

Level 4, 11 Moore Street, Canberra City, ACT 2601 | PO Box 275, Civic Square, ACT 2608
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ACT AUDITOR-GENERAL'S OFFICE



REPORT OF FACTUAL FINDINGS EDUCATION AND TRAINING DIRECTORATE

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of the Education and Training Directorate (the Directorate) for the year ended 30 June 2011 has been reviewed.

Responsibility for the statement of performance

The Director-General of the Directorate is responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures used to measure the results reported in the statement of performance.

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*, I am responsible for providing a report of factual findings on the statement of performance.

This review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the performance indicators reported in the statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Directorate, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the performance indicators reported in the statement of performance or the related performance targets.

No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

Electronic presentation of the statement of performance

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from this statement. If users of the statement of performance are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

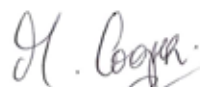
Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the review.

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the performance indicators, reported in the statement of performance of the Directorate for the year ended 30 June 2011, are not fairly presented in accordance with the *Financial Management Act 1996*.

This review opinion should be read in conjunction with the other information disclosed in this report.



Dr Maxine Cooper
Auditor-General
12 September 2011

**Education and Training Directorate
Statement of Performance
For the Year Ended 30 June 2011**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Directorate's records, fairly reflects the service performance of the Directorate in providing each class of outputs during the financial year ended 30 June 2011 and also fairly reflects the judgements exercised in preparing them.



Dr Jim Watterston
Director-General
15 August 2011

Statement of performance

Output Class 1: Public School Education

Output 1: Public School Education

Description

Public primary school education is available on average for eight years, with a preschool age of four years and a kindergarten starting age of five years. A balanced preschool/primary school curriculum covering the early and later childhood bands in the ACT curriculum framework allows students to develop the qualities needed for lifelong learning.

Public high school education covers years 7 to 10. ACT public high schools offer a broad and comprehensive education across all key learning areas. Public secondary college education covers years 11 and 12, offering courses catering for a broad range of student needs and interests.

A range of programs are available in the ACT public schools for students with a disability. Special needs schools, specific classes or units in mainstream schools, or participation in mainstream classes with the support required are offered.

The Directorate also provides early intervention programs to children, between the ages of two to five years, who have a disability or a developmental delay. Early learning and development programs identify and address the physical, emotional, social and educational needs of children from birth to five years.

Output Class 1: Public School Education	2010-11 Target	2010-11 Actual result	Percentage variance from target	Explanation of material variance
Total Cost (\$'000)				
1.1 Public Primary School Education	247,014	258,711	4.7%	
1.2 Public High School Education	145,324	142,431	(2.0%)	
1.3 Public Secondary College Education	96,826	95,068	(1.8%)	
1.4 Special Education in Public Schools	54,248	59,606	9.9%	The variance is due to increased enrolments of and transport costs for students with a disability.
Total Output Class 1	543,412	555,816	2.3%	

Output Class 1: Public School Education	2010-11 Target	2010-11 Actual result	Percentage variance from target	Explanation of material variance
Government Payment for Output (\$'000)				
1.1 Public Primary School Education	205,172	204,687	(0.2%)	
1.2 Public High School Education	128,275	127,973	(0.2%)	
1.3 Public Secondary College Education	81,778	81,544	(0.3%)	
1.4 Special Education in Public Schools	46,737	50,310	7.6%	The variance is due to increased enrolments of and transport costs for students with a disability.
Total Output Class 1	461,962	464,514	0.6%	

Accountability Indicators

National Assessment Program – Literacy and Numeracy¹

Literacy mean achievement score of:

a. all year 3 students in reading	417	435	4.3%	
b. Indigenous year 3 students in reading	357	368	3.1%	
c. all year 5 students in reading	499	502	0.6%	
d. Indigenous year 5 students in reading	439	427	(2.7%)	
e. all year 7 students in reading	547	555	1.5%	
f. Indigenous year 7 students in reading	499	505	1.2%	
g. all year 9 students in reading	590	582	(1.4%)	
h. Indigenous year 9 students in reading	548	545	(0.5%)	
i. all year 3 students in writing	422	428	1.4%	
j. Indigenous year 3 students in writing	381	371	(2.6%)	
k. all year 5 students in writing	483	488	1.0%	
l. Indigenous year 5 students in writing	434	441	1.6%	
m. all year 7 students in writing	523	530	1.3%	

Output Class 1: Public School Education	2010-11 Target	2010-11 Actual result	Percentage variance from target	Explanation of material variance
n. Indigenous year 7 students in writing	479	480	0.2%	
o. all year 9 students in writing	557	556	(0.2%)	
p. Indigenous year 9 students in writing	511	512	0.2%	
<i>Numeracy mean achievement score of:</i>				
a. all year 3 students	411	411	0	
b. Indigenous year 3 students	355	355	0	
c. all year 5 students	482	494	2.5%	
d. Indigenous year 5 students	428	431	0.7%	
e. all year 7 students	547	547	0	
f. Indigenous year 7 students	494	494	0	
g. all year 9 students	583	586	0.5%	
h. Indigenous year 9 students	542	546	0.7%	
Senior Secondary Education				
a. Percentage of year 10 students who proceed to public secondary college education	85%	89%	4.7%	
b. Percentage of year 12 students who receive a Year 12 Certificate ²	88%	Not applicable	Not applicable	
c. Percentage of year 12 students who receive a Tertiary Entrance Statement	50%	51%	2.0%	
d. Percentage of year 12 students who receive a nationally recognised vocational qualification	60%	64%	6.7%	
Special Education				
a. Individual Learning Plans completed for students in special and mainstream schools who access special education services	97%	95%	(2.1%)	

Output Class 1: Public School Education	2010-11 Target	2010-11 Actual result	Percentage variance from target	Explanation of material variance
Early intervention				
a. Number of eligible children with developmental delays and disabilities who attended an early intervention program	450	392	(12.9%)	The variance is due to a lower than expected number of enrolments in early intervention programs.
b. Individual Learning Plans commenced within one month of the student's first attendance at an early intervention program	100%	100%	0	
c. Parent satisfaction with their children's progress in early intervention placement as measured by annual survey	90%	98%	8.9%	The variance is indicative of the continuing high level of parent satisfaction.
d. Average cost (\$) per child attending an early intervention program	3,924	4,736	20.7%	The variance is due to a lower than expected number of enrolments in early intervention programs.
Average cost (\$) per student per annum in public:				
a. Primary schools	12,418	13,030	4.9%	
b. Preschools	5,936	5,404	(9.0%)	The variance is due to an unexpected increase in enrolments.
c. High schools	15,559	15,500	(0.4%)	
d. Secondary colleges	16,628	16,198	(2.6%)	
e. Special schools	53,744	63,323	17.8%	The variance is due to increased enrolments of and transport costs for students with a disability.

Output Class 1: Public School Education	2010-11 Target	2010-11 Actual result	Percentage variance from target	Explanation of material variance
f. Mainstream schools' student with a disability	23,627	24,996	5.8%	The variance is due to increased enrolments of and transport costs for students with a disability.

Notes:

1. The target and reported results for these indicators are based on the National Assessment Program – Literacy and Numeracy conducted in May 2010.
2. This indicator was removed as an accountability indicator by the Notifiable Instrument in June 2010. This indicator became a strategic indicator.

Output Class 2: Non Government Education

Output 2.1: Non Government Education

Description

The Directorate contributes to the maintenance of standards in non government schools and home education through compliance and registration, and the accreditation and certification of senior secondary courses through the Board of Senior Secondary Studies. The Directorate also undertakes the administration and payment of Commonwealth Government and Territory grants.

Output Class 2: Non Government Education	2010-11 Target	2010-11 Actual result	Percentage variance from target	Explanation of material variance
Total Cost (\$'000)	2,533	1,873	(26.0%)	The variance primarily relates to the rollover of Teacher Quality Institute funding into 2011-12.
Government Payment for Output (\$'000)	2,455	2,457	0.1%	
Accountability Indicators				
a. Non government school registration reviews completed within the period required under the <i>Education Act 2004</i>	100%	100%	0	
b. Home education registration reviews for provisionally registered children be completed within three months	96%	100%	4.2%	
c. Grants paid within the required period of receiving funds from the Commonwealth Government	100%	100%	0	
d. Satisfaction with the processes of the Non Government Education section	87%	100%	14.9%	The variance reflects the continued high level of support and advice provided to stakeholders.

Output Class 3: Vocational Education and Training

Output 3.1: Planning and Coordination of Vocational Education and Training

Description

The Directorate is responsible and accountable for the provision of strategic advice and management of vocational education and training (VET) and higher education in the ACT. This includes administering territory and national funds for a variety of programs addressing skills development for entry level and existing workers, as well as adult and community education. The VET system in the ACT responds to the demands and requirements of industry and the community. The Directorate gathers advice from industry stakeholders to predict industry trends and identify the future training requirements of the ACT.

Output Class 3: Vocational Education and Training	2010-11 Target	2010-11 Actual result	Percentage variance from target	Explanation of material variance
Total Cost (\$'000)	38,519	30,206	(21.6%)	The variance primarily relates to the rollover of funding into 2011-12 for Productivity Places Program (National Partnership).
Government Payment for Output (\$'000)	37,720	34,244	(9.2%)	The variance primarily relates to the rollover of funding into 2011-12 for Productivity Places Program (National Partnership).
Accountability Indicators				
a. Total number of hours under programs available for competitive purchase	1,800,000	1,628,005	(9.6%)	The variance relates to a change in reporting systems which could not capture all activity for the financial year. The introduction of local funding codes will rectify this in 2011-12.

Output Class 3: Vocational Education and Training	2010-11 Target	2010-11 Actual result	Percentage variance from target	Explanation of material variance
b. Total reported number of training commencements under available programs ¹	6,800	6,880	1.2%	
c. Percentage of apprentices satisfied with their training under Australian Apprenticeships	80%	85.2%	6.5%	
d. Percentage of employers satisfied with their employees' training under Australian Apprenticeships ²	80%	Not applicable	Not applicable	

Notes:

1. Refers to Australian Apprenticeships under User Choice Programs and the Priorities Support Program.
2. This indicator has been removed by the Notifiable Instrument in December 2010 as the survey, from which the results are taken, is not conducted annually.

Appendix 4: A10 Triple bottom line report

The ACT Government is committed to sustainable government operations. The ACT Government's framework for sustainability is laid out in *People, Place, Prosperity*, which uses a triple bottom line approach to sustainability, recognising the interdependence of social, economic and environmental wellbeing.

An essential element of sustainability is transparent reporting. Table A10.1 below compares the Directorate performance in 2010-11 and 2009-10. The table also provides the percentage change from 2009-10 to 2010-11.

Table A10.1: Triple bottom line performance in 2009-10 and 2010-11

	Indicator	2009-10	2010-11	Change
Economic	Employee expenses			
	• Number of staff employed (headcount)	5,608	5,694	1.5%
	• Total employee expenditure (\$million)	375.1	392.3	4.6%
	Operating statement			
	• Total expenditure (\$million)	548.9	587.9	7.1%
Environmental ^a	• Total own source revenue (\$million)	35.8	39.7	10.9%
	• Total net cost of services (\$million)	513.1	548.2	6.8%
	Economic viability			
	• Total assets (\$million)	1,659.8	1,939.5	16.9%
	• Total liabilities (\$million)	110.9	109.3	-1.4%
	Transport			
	• Total number of fleet vehicles	33	24	-27.3%
	• Total transport fuel used (kilolitres)	29	24	-17.2%
	• Total direct greenhouse emissions of the fleet (tonnes of CO ₂ -e)	82	63	-23.2%
	Energy use			
Environmental ^a	• Total office energy use (megajoules)	8,743,367	7,386,858	-15.5%
	• Office energy use per person (megajoules)	24,671	21,919	-11.2%
	• Office energy use per square meter (megajoules)	1,213	946.06	-22.0%
	Greenhouse emissions			
	• Total office greenhouse emissions - direct and indirect (tonnes of CO ₂ -e)	1,543	1,379	-10.6%
	• Total office greenhouse emissions per person (tonnes of CO ₂ -e)	4.35	4.09	-6.0%
	• Total office greenhouse emissions per square meter (tonnes of CO ₂ -e)	0.21	0.18	-14.3%
	Water consumption^b			
	• Total water use (kilolitres)	114,302	7,254	-93.7%
	• Office water use per person (kilolitres)	323	22	-93.2%
	• Office water use per square metre (kilolitres)	16	0.93	-94.2%
	Resource efficiency and waste			
	• Total co-mingled office waste (litres) per full time equivalent (FTE)	14	4	-71.4%
	• Total paper recycled (litres)	256,680	224,400	-12.6%
	• Total paper used (by reams) per FTE	31	25	-19.4%

	Indicator	2009-10	2010-11	Change
Social	Diversity of our workforce			
	• Women (female FTEs as a percentage of total workforce)	76.5%	76.2%	-0.4%
	• People with a disability (percentage of the total workforce)	1.2%	1.3%	8.3%
	• Aboriginal and Torres Strait Islander people (percentage of the total workforce)	0.7%	0.7%	0.0%
	• Staff with English as a second language (percentage of the total workforce)	9.5%	9.3%	-2.1%
	Staff health and wellbeing			
	• Occupational Health and Safety Incident Reports	732	533	-27.2%
	• Accepted claims for compensation	150	155	3.3%
	• Staff receiving influenza vaccinations	1,714	2,215	29.2%
	• Workstation assessments requested ^c	33	34	3.0%

Source: Finance and Corporate Support Branch

Notes:

- The results for the environment element are based on four central office sites at 220 Northbourne Avenue in Braddon, Hedley Beare Centre for Teaching and Learning in Stirling, former Higgins Primary School Annex and the Fyshwick Annex. The Directorate is looking to expand this data in the future to include schools.
- The decrease in water consumption in 2010-11 from 2009-10 was due to one burst water main and two burst water pipes being replaced at the former Higgins Primary School.
- The provision of workstation assessments for staff has been ongoing by the Directorate but not specifically recorded. During the 200910 reporting period workstation assessments were available through the Safety First Physiotherapy program and assessments conducted were tracked and reported.

For more information contact:

Director

Finance and Corporate Support

(02) 6205 9108

Appendix 5: C14 Government contracting

All procurement processes in place within the Directorate comply with the procurement legislative framework including the *Government Procurement Act 2001*, *Government Procurement Regulation 2007* and subordinate guidelines and circulars. Confirmation of the procurement selection and management processes is authorised by the appropriate delegate within the Directorate.

Under whole of government procurement arrangements, Shared Services Procurement continues to provide advice and support in relation to procurement and contract management issues, and undertakes higher value procurement activities on behalf of the Directorate.

The Directorate continues to be responsible for the management of contracts. Where these obligations are not met, including responsibility to comply with employment and industrial relations conditions, the contractor is required to rectify the non-compliance immediately to avoid cancellation of the contract.

The Directorate's central office expenditure included the acquisition of expert advice regarding curriculum, national assessment testing, other education related matters, human resource issues and capital activities.

Contract information for schools related mainly to cleaning and grounds maintenance. All contracts are organised through Shared Services Procurement.

The Directorate did not manage any contracts for non-government schools in 2010-11.

External sources of labour and services

Table C14.1: Central office contracts greater than \$20,000 or smaller contracts held by one contractor that total more than \$20,000 (GST exclusive) in 2010-11

Contractor	Purpose	Section	Date contract let	Type of contract	Expenditure
Australian Council for Educational Research (ACER)	Provision of the ACT Scaling Test	Board of Senior Secondary Studies (BSSS)	20-Feb-08	Open tender	145,764
ACER	Provision of the ACT Scaling Test	BSSS	15-Dec-10	Open tender	310,979
ACER	Funding International Testing under National Agreement	Planning and Performance (P&P)	01-Jul-10	Commonwealth agreement	26,143
NSW Department of Education and Training	NAPLAN Testing for 2011	P&P	01-Jan-10	Service agreement	770,483

Contractor	Purpose	Section	Date contract let	Type of contract	Expenditure
University of Western Australia	Early Years Assessment Tool	P&P	01-Jan-10	Open tender	32,396
The Social Research Centre	Data Collection for Survey	P&P	04-May-10	Single select ¹	124,643
Excelerated Consulting	Data Processing Tool	P&P	01-Jul-10	Open tender	42,484
Michael Fullan	Day consultation on 11 November 2010 and ongoing work for 2011	Executive Director, School Improvement	11-Nov-10	Single select ²	55,150
Growth Coaching International	Leadership Coaching	Professional Learning	02-Oct-10	Select tender ³	99,500
Oakton Services	2011 February Census	Risk Management and Audit	24-Feb-11	Single select ⁴	28,127
Coach in a Box Pty Ltd	Training for Field Officers to improve Literacy & Numeracy Outcomes	National Partnerships	10-Sep-10	Single select ⁵	20,680
Coach in a Box Pty Ltd	Training for Educational Leadership	National Partnerships	10-Sep-10	Single select ⁵	20,680
May and Russell Architects	Design Study	Schools Capital Works	21-Feb-11	Single select ⁶	24,950
Susan Boucher T/a The Leadership Practice	Oversee External Validation of the Public School System	School Improvement Support	17-Mar-10	Select sender ⁷	87,509
ACT Property Group	Building rent and operating costs for 220 Northbourne Avenue and Fyshwick Annex	Corporate Support	01-Jun-10	Lease agreement	1,580,838
Australia Post	School Mail Run	Corporate Support	22-Aug-08	Open tender	57,093
Universal Express Group	Central Office Mail Run	Corporate Support	07-Jul-06	Open tender	24,227

Contractor	Purpose	Section	Date contract let	Type of contract	Expenditure
National Cleaning Australia Pty Ltd	Cleaning provider for Lyons Education Centre	Corporate Support	14-Dec-04	Open tender	29,441
Phillips Cleaning Services	Cleaning provider for Hedley Beare Centre for Teaching and Learning/ Canberra College Weston Campus	Corporate Support	22-Apr-10	Open tender	113,324
Rolfe Property Services Pty Ltd	Cleaning provider for Higgins Primary School Annex	Corporate Support	30-Jun-04	Open tender	29,938
SNP Security	Security Provider for North Side Schools	Corporate Support	16-Feb-10	Open tender	207,760
Wilson Security Services	Security Provider for South Side Schools	Corporate Support	16-Feb-10	Open tender	109,047
CRIMTRAC	Provide Pre-employment Criminal History Checks	Human Resources	03-Jul-05	Single select ⁸	83,533
Davidson and Trahaire Corpsych	Employee Assistance Program	Human Resources	28-Feb-11	Open tender	136,000
University of Canberra	Academic Partnership with Low SES NP Schools	Director's Office - Learning & Teaching	01-Jul-10	Single select ⁹	20,000
Centre for Strategic Education	Project management and consultancy services to assist the Directorate in hosting the ACT Student Summit: <i>Who R U in the digital world?</i>	ACT Cyber Safety Summit	03-Mar-11	Single select ¹⁰	34,941

Contractor	Purpose	Section	Date contract let	Type of contract	Expenditure
LSI Consultancy	Human Resources Review	Human Resources	Sep-10	Open tender ¹¹	110,000
LSI Consultancy	Human Resources Implementation	Human Resources	May-11	Open tender ¹¹	180,000
Price Waterhouse Coopers	Professional services for BCP enhancement	Risk Management and Audit	Mar-10	Single select ⁴	38,000
Canington International Training	Audit Services for Defence	Training and Tertiary Education (TaTE)	01-Jul-09	Open tender	173,397
Price Waterhouse Coopers	Review of User Choice Requirements	TaTE	01-Feb-10	Single select ¹²	48,855
ACT Regional Building and Construction Industry Training Council	ARC Audits	TaTE	01-Jul-08	Panel Contract	29,227
Volunteering ACT	Support placing students into work experience placements	TaTE	09-Apr-09	Single select ¹³	203,000
Catholic Education Office	Support Catholic Schools deliver VET	TaTE	May-10	Deed of Grant	175,398
Association of Independent Schools	Support Independent Schools deliver VET	TaTE	May-10	Deed of Grant	93,217
Total¹⁴					5,266,724

Source: Finance and Corporate Support Branch

Notes:

1. Proven capacity and expertise in delivering the best value for money.
2. Provider is able to deliver a particular and unique service in assisting the ACT public education system through a range of long term presentations.
3. Proposals were invited from three companies.
4. Provider was contracted through WhOG Audit Panel.
5. This provider was assessed to provide a package which supports the field officers in their role.
6. The only company that could deliver the services in the time required.
7. Following an open tender when only one application was received.
8. The only company in Canberra that can provide this service.
9. The University of Canberra was chosen as the academic partner due to its established links with the Directorate through a number of prior programs and a pre-existing agreement regarding the access to and use of confidential NAPLAN data.
10. Specialisation and experience required by the consultant to successfully conduct the summit. Access through the consultancy to Professor Donna Cross, one of Australia's foremost experts and researchers in cyber safety and bullying, as a keynote speaker.

11. Directorate used the ACT Treasury panel of consultants.
12. Internal audit completed by Megan Young. Recommendation was for an external review to be completed.
13. Volunteering ACT is the only organisation that provides this type of program.
14. Figures in the table have been rounded to the nearest dollar.

Table C14:2: Contracts held in individual public schools exceeding \$20,000 or smaller contracts held by one contractor that total more than \$20,000 (GST exclusive) in 2010-11

Contractor	School	Date contract let	Expenditure
CLEANING CONTRACTS (OPEN TENDER)			
24/7 Cleaning	Calwell Primary	01-Apr-08	55,847
	Charles Conder Primary ¹	02-Feb-10	44,686
	Evatt Primary	Monthly	56,100
	Gowrie Primary ¹	30-Sep-09	12,723
	Isabella Plains ECS ¹	Monthly	3,339
	Macgregor Primary	04-Feb-08	58,562
	Mawson Primary ¹	06-Jan-07	3,582
	Turner	01-Apr-10	97,699
Total			332,538
Abdo's Cleaning	Wanniassa Hills Primary	30-Jan-10	61,500
	Fadden Primary ²	01-Jun-11	-
Total			61,500
Alpha Cleaning	Farrer Primary	01-Feb-07	50,838
Total			50,838
Broadlex Cleaning	Duffy Primary ¹	01-Jan-09	47,025
	Fadden Primary	27-Jan-09	60,810
	Black Mountain	01-Sep-09	56,111
	Cranleigh	01-Sep-08	47,711
	Woden ¹	01-Sep-09	44,796
Total			256,453
Celeski Cleaning	Isabella Plains ECS ¹	01-Aug-10	29,925
	Lyons ECS	01-Feb-10	33,320
Total			63,245
City Group	Harrison ¹	01-Feb-10	85,580
	Gordon Primary ¹	01-Jul-10	80,655
Total			166,235
City Town Cleaning	Charnwood Dunlop ³	01-Apr-11	72,029
Total			72,029
Clearglass Pty Ltd	Caroline Chisholm ¹	01-Jan-05	162,716
Total			162,716

Contractor	School	Date contract let	Expenditure
Dynuse Cleaning	Telopea Park	08-Aug-07	160,360
	Campbell Primary	02-Mar-09	74,156
	Forrest Primary	28-Feb-10	85,447
Total			319,963
Faraj Cleaning	UC High School, Kaleen ²	01-Jun-11	-
Total			-
Freds Express	Ainslie Primary	01-Feb-07	64,334
	Gowrie Primary	01-Oct-10	42,419
	Richardson Primary	01-Jul-10	44,479
	Malkara	01-May-07	41,147
	Woden ¹	01-Jun-11	4,081
Total			196,460
GJK Facility Services	Duffy Primary ¹	01-Jun-11	4,488
	Stromlo High ²	01-Jun-11	-
	Chapman Primary ²	01-Jun-11	-
Total			4,488
Hygiene Plus Cleaning	Erindale College	01-Jun-09	126,558
	Hawker College	01-Jan-09	78,554
	UC Senior Secondary College, Lake Ginninderra	01-Mar-11	130,582
	Gold Creek	20-Dec-08	106,193
	Kingsford Smith	30-Jan-09	153,313
	Melba Copland	02-Mar-09	233,086
	UC High School, Kaleen	02-Feb-10	80,705
	Melrose High	01-Jan-09	164,072
	Stromlo High	02-Mar-09	167,179
	Arawang Primary	02-Mar-09	75,587
	Hughes Primary	01-Jan-08	68,000
	Maribyrnong Primary ¹	01-Feb-09	4,080
Total			1,387,909
K Lingard & R Meech	Jervis Bay	31-May-08	41,024
Total			41,024
Menzies International	Turner	01-Jun-11	-
	Black Mountain ²	01-Jun-11	-
	Cranleigh ²	01-Jun-11	-
Total			-

Contractor	School	Date contract let	Expenditure
M&M Rolfe Cleaning	Garran Primary	31-Jul-08	54,973
	Theodore Primary ¹	04-Feb-09	53,438
Total			108,411
M&V Cleaning Service	Torrens Primary	Monthly	62,401
	Garran Primary ²	01-Jun-11	-
Total			62,401
Mirrors Cleaning	Macquarie Primary	01-Oct-09	58,206
	Mawson Primary ¹	01-Aug-10	37,027
	Ngunnawal Primary	01-Mar-09	52,765
Total			147,998
National Cleaning	Canberra College	30-Jan-07	145,877
	Chapman Primary ¹	01-Dec-06	6,134
	Curtin Primary ²	01-Mar-11	78,217
	Kaleen Primary	01-Aug-08	73,320
	Monash Primary	31-Oct-07	74,766
	Weetangera Primary	23-Feb-08	76,992
Total			455,306
Phillips Cleaning	Gungahlin College	Monthly	65,099
	Lake Tuggeranong College ³	29 Feb 11	146,905
	Harrison ¹	01-Jun-11	9,539
	Alfred Deakin High	02-Dec-06	149,760
	Calwell High	Monthly	124,679
	Lyneham High	01-Feb-09	192,760
Total			688,742
Rose Cleaning	Dickson College ¹	01-Jun-11	19,313
	Caroline Chisholm ¹	01-Jun-11	15,795
	Namadgi	Monthly	59,410
	Chapman Primary ¹	01-Aug-10	70,801
	Charles Conder Primary ¹	Monthly	41,159
	Gordon Primary ¹	01-Jun-11	7,481
Total			213,959
S & M Riteway	Palmerston Primary	01-Jan-07	70,385
Total			70,385
S & M Cleaning	Lyneham Primary	01-Jan-06	65,438
	Maribyrnong Primary ¹	19-Jul-10	60,898
	Southern Cross ECS	01-Oct-09	49,385
Total			175,721

Contractor	School	Date contract let	Expenditure
Salloum Cleaning	Florey Primary	01-Jul-10	65,448
	Latham Primary	01-Dec-06	55,278
	Taylor Primary	01-Feb-07	50,494
	Yarralumla Primary	01-Feb-07	59,170
Total			230,390
Stefan Sparks Cleaning	Torrens Preschools	Monthly	27,720
Total			27,720
Storm Cleaning	Theodore Primary ¹	01-Jun-11	4,937
Total			4,937
Universal Cleaning	Dickson College ¹	01-Jul-08	142,306
Total			142,306
VIP Cleaning	Fraser Primary	01-Feb-08	57,129
Total			57,129
VNT Cleaning Services	Narrabundah College	09-Nov-07	134,052
	Amaroo	01-Jan-09	205,457
	O'Connor Cooperative	Monthly	17,955
	Wanniassa Hills Primary	14-Feb-09	162,416
	Belconnen High	02-Jan-07	85,695
	Campbell High	01-Jul-09	138,000
	Canberra High	31-Aug-09	136,557
	Lanyon High	31-Jan-09	141,477
	Aranda Primary	01-Jan-04	58,900
	Bonython Primary	01-Dec-07	55,373
	Gilmore Primary	04-Aug-08	43,984
	Giralang Primary	30-Sep-09	43,233
	Hawker Primary ³	01-Jan-11	50,985
	Majura Primary	01-Feb-10	72,190
	Miles Franklin Primary	30-Jun-10	57,129
	Mount Rogers Primary	23-Jun-07	68,240
	Narrabundah ECS	21-Jun-09	20,734
	North Ainslie Primary	04-Aug-08	63,836
	Red Hill Primary	01-Dec-06	90,288
Total			1,646,501
Total Cleaning			7,147,304

Contractor	School	Date contract let	Expenditure
HVAC (STANDING OFFER)			
Dalkia Technical Services	Erindale College	01-Feb-99	45,072
Total HVAC			45,072
GROUNDS MAINTENANCE (STANDING OFFER)			
Burgess Grounds Horticultural	Narrabundah College	01-Jan-10	14,376
Programmed Maintenance	Melrose High	10-Jun-06	37,079
Total Grounds maintenance			51,455
HYGIENE SERVICES (OPEN TENDER)			
ISS Hygiene Services	Amaroo	Monthly	6,442
	Belconnen High	01-Jul-10	1,953
	Macgregor Primary	Monthly	1,652
	Evatt Primary	Monthly	795
	Wanniassa Hills	Monthly	2,622
	Weetangera Primary	Monthly	520
	Black Mountain	Monthly	13,284
	Cranleigh	Monthly	8,452
	Malkara	Monthly	7,028
Total Hygiene services			42,748
HYDRO POOL CONTRACTS (OPEN TENDER)			
In the Swim	Black Mountain	22-Oct-07	20,911
	Cranleigh	22-Oct-07	19,845
	Malkara	22-Oct-07	26,427
	Turner	22-Oct-07	19,037
Total Hydro pool contracts			86,220

Source: Finance and Corporate Support Branch

Notes:

1. Two separate contracts in 2010-11.
2. New contract commenced 1 June 2011 - No expenditure to 30 June 2011.
3. New contract commencement date, same contractor as previous contract.

Table C14.3: Smaller works by suppliers in public schools exceeding \$20,000 in total (GST exclusive) in 2010-11

Contractor/consultant	School	Purpose	Expenditure
A & K Electrics	Hawker College	Electrical Services	36,178
	Alfred Deakin High	Electrical Services	24,586
	Calwell High	Electrical Services	20,194
Total A & K Electrics			80,958
Croft and Burke	Canberra College	Painting Services	64,190
Everloch Electrical	Black Mountain	Electrical Services	34,297
FJ Constructions	Wanniassa	Maintenance	32,437
GPT	Melrose High	Sound Technology	53,153
Greaney & Sweeny	Wanniassa	Plumbing Services	36,095
Help Maintenance	Canberra College	Maintenance Services	29,979
	Narrabundah College	Plumbing Services	41,004
	Isabella Plains ECS	Plumbing Services	33,690
Total Help Maintenance			104,673
J & B Home Maintenance	Canberra College	Maintenance Services	29,725
Nu-Lay Flooring	Canberra College	Carpet	40,844
	Hughes Primary	Carpet	40,000
Total Nu-Lay Flooring			80,844
Peter Chudleigh	Charles Conder Primary	Maintenance Services	26,861
PJ Nott	Amaroo	Ground Maintenance	28,124
RE Batger	Melrose High	Furniture	22,226
Rock Tech	Melrose High	Rock Walls	22,000
Scandia	Calwell Primary	Air Conditioning	24,420
School Electrical Services	Melrose High	Electrical Services	28,633
Summers Glass	Hawker College	Glass	31,588
	Narrabundah College	Glass	26,196
	Melba Copland Secondary	Glass	22,994
	Belconnen High	Glass	25,933
Total Summers Glass			106,711

Contractor/consultant	School	Purpose	Expenditure
Turf Management	Alfred Deakin High	Grounds Maintenance	22,516
Vince Gelonese	Canberra High	Plumber	34,050
Frederick J Watt	Weetangera Primary	ICT	20,000
Kay Boulden	Canberra College	ICT	27,000
Chris Henderson	Canberra College	ICT	23,500
Grand Total			902,413

Source: Finance and Corporate Support Branch

For more information contact:
 Director
 Finance and Corporate Support
 (02) 6205 9108

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Appendix 9: Abbreviations and acronyms

AACs	Australian Apprenticeship Centres
ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACE	Adult and Community Education
ACER	Australian Council for Educational Research
ACT	Australian Capital Territory
ACT CLS	ACT Community Language Schools Association
ACT ESA	ACT Emergency Services Agency
ACT RFS	ACT Rural Fire Service
ACTPS	Australian Capital Territory Public Service
AEDI	Australian Early Development Index
AEU	Australian Education Union
AITSL	Australian Institute of Teaching and School Leadership
AMC	Alexander Maconochie Centre
ANU	Australian National University
AQTF	Australian Quality Training Framework
ARC	Accreditation and Registration Council
ASBA	Australian School-based Apprenticeship
ASQA	Australian Skills Quality Authority
AST	ACT Scaling Test
ATAR	Australian Tertiary Admissions Rank
ATRA	Australasian Teacher Regulatory Authorities
ATSIECG	Aboriginal and Torres Strait Islander Education Consultative Group
ATSIEOs	Aboriginal and Torres Strait Islander Education Officers
AUQA	Australian Universities Quality Agency
AuSSI	Australian Sustainable Schools Initiative
AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard
AWA	Australian Workplace Agreement
BER	Building the Education Revolution
BSSS	Board of Senior Secondary Studies
CCCares	Canberra College Cares
CIT	Canberra Institute of Technology
cLc	Connected Learning Community
CO ₂	Carbon dioxide
COAG	Council of Australian Governments
CRICOS	Commonwealth register of institutions and courses for overseas students
DERG	Disability Education Reference Group
ELICOS	English Language Intensive Courses for Overseas Students
ESDD	Environment and Sustainable Development Directorate
ESL	English as a second language
FOI	Freedom of information
FTE	Full-time equivalent
FWA	Fair Work Australia

GSEC	Government Schools Education Council
GTOs	Group training organisations
HEC	Higher Education Committee
HMSMP	Hazardous Materials Survey Management Plans
HWNS	House with No Steps
ICT	Information and communication technology
IECs	Introductory English Centres
ISD	Integrated Service Delivery
JGTP	Joint Group Training Program
LCC	Learning Capital Council
MAZE	School-based student data management system
MCEECDYA	Ministerial Council for Education, Early Childhood Development and Youth Affairs
NALSSP	National Asian Languages and Studies in Schools Program
NAPLAN	National Assessment Program-Literacy and Numeracy
NCVER	National Centre for Vocational Education Research
NGSEC	Non-government Schools Education Council
NP	National Partnership
NSP	National School Pride
NSW	New South Wales
P&P	Planning and Performance
P21	Primary Schools for the 21st Century
PID Act	Public Interest Disclosure Act 1994
PIPS	Performance Indicators in Primary Schools
PPP	Productivity Places Program
PSP	Priorities Support Program
QTm	Quality Teaching model
RAP	Reconciliation Action Plan
RCG	Research Collaboration Group
REDCOs	Respect, Equity and Diversity Contact Officers
RPL	Recognition of prior learning
RTOs	Registered training organisations
SBM	School Based Management
SEA	Special Employment Arrangement
SES	Socio-economic status
SIEC	Secondary Introductory English Centre
SiMS	School Staffing Integrated Management System
TaTE	Training and Tertiary Education
TaTE Act	Training and Tertiary Education Act 2003
TEQSA	Tertiary Education Quality and Standards Agency
TES	Tertiary Entrance Statement
TQI	Teacher Quality Institute
TQNP	National Partnership Agreement on Improving Teacher Quality
UAGC	Universal Access Governance Committee
UC	University of Canberra
VET	Vocational education and training
VLA	Virtual Learning Academy

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