

## SECTION F

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# FINANCIAL MANAGEMENT REPORTING

**F1 Financial Management Analysis**

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**F3 Capital Works**

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# F1 Financial management analysis

## General overview

### Objectives

The Education and Training Directorate works in partnership with parents and the community to ensure that all young people in the ACT learn, thrive and are equipped with the skills to lead fulfilling, productive and responsible lives. The Directorate works closely with other government agencies, education and training providers, business and industry to position the ACT as Australia's learning capital.

Services of the Directorate include the provision of public school education and early intervention education programs, regulation of education and care services, registration of non-government schools and home education and the planning and coordination of vocational education and training. High achievement for all students through connected and inclusive learning across all sectors of the education system is achieved through focussing on quality learning, inspirational teaching and leadership, high expectations and high performance, and improvement and innovation in business systems.

### Risk Management

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

Key risks, including mitigation strategies, are identified below:

- Implementation of needs based funding for ACT public schools from 2015. The Directorate has commenced the project with appropriate resourcing and committee structures to oversee implementation of the project.
- The MAZE Information Communication Technology (ICT) business system is an aging system. The Directorate is currently in the process of scoping an upgrade and transformation of the MAZE ICT system. The Directorate has the resourcing and appropriate structures to oversee the development and implementation of this project.
- Implementation of the National Disability Insurance Scheme. A whole of ACT Government governance structure has been established including a task-force on which the Directorate is represented. An internal steering committee has been established within the Directorate to operate during the transition phase.
- Compliance with legislative obligations is a priority for the Directorate. A legislative framework has been developed which includes guidance materials, monitoring and training for all Directorate staff.

## Accounting Changes

There were a number of changes to Australian Accounting Standards which impact the 2013-14 Financial Statements. There were two significant changes to Australian Accounting Standards and associated disclosure requirements relevant to the Directorate's 2013-14 Financial Statements. In summary:

- The application of AASB 13 *Fair Value Measurement* (AASB 13) applies to the valuation of land and buildings at school sites and childcare facilities, with increased disclosure requirements regarding the measurement of assets.
- The revision of AASB 119 *Employee Benefits* (AASB 119) to include an amended definition of short-term employee benefits. Short-term employee benefits are now defined as employee benefits expected to be wholly settled within twelve months after the end of the annual reporting period. The amended change has been applied to both annual and long service leave.

The changes to the method for calculating long service leave and annual leave liabilities are not material and therefore prior year comparative numbers have not been re-stated.

## Directorate Financial Performance

The Directorate has managed its operations within the 2013-14 budgeted appropriation. During the financial year, the Directorate achieved savings targets and in addition, internally managed cost pressures associated with workers' compensation premium costs.

The table below provides a summary of the financial operations based on the audited financial statements for 2012-13 and 2013-14.

**Table F1.1 Net cost of services**

	Actual 2013-14 \$m	Amended Budget <sup>1</sup> 2013-14 \$m	Actual 2012-13 \$m
Total expenditure	691.3	698.3	656.9
Total own source revenue <sup>2</sup>	40.7	37.8	37.9
<b>Net cost of services</b>	<b>650.6</b>	<b>660.5</b>	<b>619</b>

Source: Education and Training Directorate

Notes:

1. The Original Budget was amended to include funding for revised wage parameters provided through the 2013-14 2nd Appropriation Act.
2. Relates to Total Revenue excluding Government Payment for Outputs.

## Net Cost of Services

The Directorate's net cost of services for 2013-14 of \$650.6 million was \$9.8 million or 1.5 percent lower than the 2013-14 amended budget. The lower than anticipated cost is primarily due to timing of course completions associated with Productivity Places Program and Vocational Education and Training Skills Reform National Partnerships. This position was further reduced by the revised Commonwealth grants for Universal Access and VET Skills Reform National Partnership Programs due to timing of receipts, combined with lower than anticipated depreciation mainly due to full depreciation of some ICT assets.

The lower than anticipated net cost of services was partially offset by increased costs associated with employee benefits primarily due to a higher than budgeted rate used to estimate the present value of future long service leave payments.

In comparison to 2012-13, the net cost of services increased by \$31.6 million or 5.1 percent primarily relating to additional costs associated with enterprise bargaining agreements for teaching and non-teaching staff, an increase in teacher numbers to meet enrolment growth and increased employee benefits mainly due to wage increases and high present value factor to calculate the long service leave.

## Operating Result

In 2013-14, the operating deficit for the Directorate was \$74.6 million and was \$3.6 million or 5.0 percent higher than the amended budget and \$14.6 million or 24.0 percent higher than 2012-13.

The higher than anticipated operating deficit against the amended budget primarily relates to increased employee benefits cost as a result of higher than budgeted rate used to estimate the present value of future long service leave payments. This is partially offset by lower than anticipated depreciation due to full depreciation of some ICT assets.

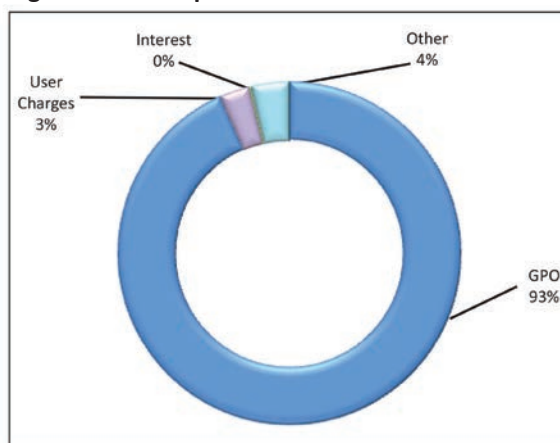
In comparison to 2012-13, the increase in the operating deficit of \$14.6 million or 24 percent primarily relates to high levels of employee benefits mainly due to wage increases associated with the enterprise bargaining agreement and a higher rate used to estimate the present value of future long service leave payments. This is further increased by expenditure associated with the Digital Education Revolution ICT program and repairs and maintenance through cash expenditure.

## Total Revenue

### Components of Revenue

The Directorate's revenue for 2013-14 totalled \$616.8 million. The main source of revenue for the Directorate is Government Payment for Outputs which provides 93% of the Directorate's Total Revenue.

Figure F1.1: Component of Revenue 2013-14



Source: Education and Training Directorate

The Directorate's revenue for 2013-14 totalled \$616.8 million, which was \$10.5 million or 1.7 percent lower than the amended budget. In comparison to the previous year, revenue increased by \$19.8 million or 3.3%.

The lower than anticipated revenue of \$10.5 million compared to the amended budget primarily relates to the timing of course completions associated with Productivity Places Program and VET Skills Reform National Partnerships. This position was further reduced by the revised Commonwealth grants for Universal Access and VET Skills Reform National Partnership Programs due to timing of receipts.

This is partially offset by increased revenue associated with higher than anticipated levels of international private students as well as increased revenue relating to Commonwealth Own Purpose programs for service provision.

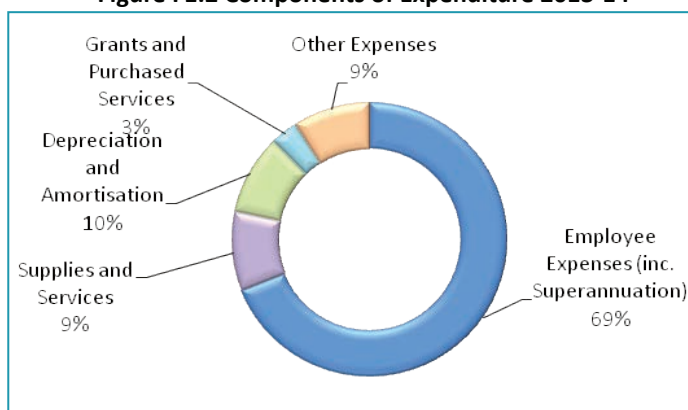
The increased revenue from 2012-13 is primarily due to funding received for increased wages associated with the enterprise agreements for teaching and non-teaching staff combined with increased funding for enrolment growth.

## Total Expenditure

### Components of Expenditure

Expenditure for the Directorate totalled \$691.3 million for 2013-14. As shown in Figure F1.2, the main components of expenditure are employee expenses, including superannuation, comprising 69 percent of total expenditure, depreciation comprising 10 percent of total expenditure and supplies and services and other expenses each comprising 9 percent of total expenditure.

**Figure F1.2 Components of Expenditure 2013-14**



Source: Education and Training Directorate

In 2013-14, total expenditure was \$6.9 million or 1.0 per cent lower than the amended budget primarily due to timing of course completions associated with Productivity Places Program and VET Skills Reform National Partnerships. This position was further reduced by lower than anticipated depreciation due to full depreciation of some ICT assets.

The lower than anticipated expenditure was partially offset by increased costs associated with employee benefits primarily due to a higher than budgeted rate used to estimate the present value of future long service leave payments.

Total expenditure was \$34.4 million or 5.2 percent higher when compared to the previous year. The increase mainly represented additional costs associated with new enterprise agreements for teaching and non-teaching staff, enrolment growth and increased employee benefits.

**Table F1.2: Line item explanation of significant variances from the amended budget – Directorate operating statement**

Significant variances from the amended budget	Actual 2013-14 \$m	Amended Budget 2013-14 \$m <sup>1</sup>	Variance \$m
<b>Revenue</b>			
Government payment for outputs <sup>2</sup>	576.0	589.4	(13.4)
User charges – ACT Government	0.4	0.4	0
User charges – non ACT Government <sup>3</sup>	17.1	15.5	1.6
Interest <sup>4</sup>	1.7	1.5	0.2
Resources received free of charge	0.5	0.4	0.1
Other revenue <sup>5</sup>	21.1	20.0	1.1
<b>Total Revenue</b>	<b>616.8</b>	<b>627.2</b>	<b>(10.4)</b>
<b>Expenditure</b>			
Employee expenses <sup>6</sup>	415.4	406.2	9.2
Superannuation expenses	61.3	60.2	1.1
Supplies and services <sup>7</sup>	64.9	69.3	(4.4)
Depreciation <sup>8</sup>	65.0	68.6	(3.6)
Grants and purchased services <sup>9</sup>	22.0	30.9	(8.9)
Other <sup>10</sup>	62.7	63.0	(0.3)
<b>Total Expenses</b>	<b>691.3</b>	<b>698.2</b>	<b>(6.9)</b>

Source: Education and Training Directorate

Notes:

1. The original budget was amended to reflect the second supplementary appropriation associated with non-teaching enterprise agreement.
2. Lower than anticipated Government Payments for Outputs primarily related to the timing of course completions for the Productivity Places Program and VET Skills Reform National Partnership Programs. The funding for these programs has been transferred to 2014-15.
3. Higher than anticipated revenue primarily related to increase in international private students and Commonwealth Own Purpose grants relating to the Residence Determination Program.
4. Higher than anticipated interest primarily related to increased school bank balances. The increased bank balances resulted from the timing of expenditure associated with National Partnership Programs as schools operate on a calendar year basis.
5. Higher than anticipated revenue mainly related to regulatory fees collected by the Teacher Quality Institute for teacher registration, and revenue relating to excursions.
6. Higher than anticipated costs primarily relating to increased employee benefits as a result of a higher than budgeted rate used to estimate the present value of future long service leave payments, and increased long service leave accruals due to staff not accessing accrued entitlements.
7. Lower than anticipated expenditure mainly due to late receipt of National Partnership Program funding relating to Improving Teacher Quality, combined with timing of expenditure associated with the implementation of the needs based funding model.
8. Lower than anticipated depreciation mainly due to full depreciation of some ICT assets. Forward estimates have been adjusted for this impact.
9. Lower than anticipated grants and purchased services primarily related to the timing of expenditure associated with the Productivity Places Program and Vocational Educational and Skills Reform National Partnership.
10. Lower than anticipated expenditure mainly related to the timing of schools excursion costs as schools operate on a calendar year basis.



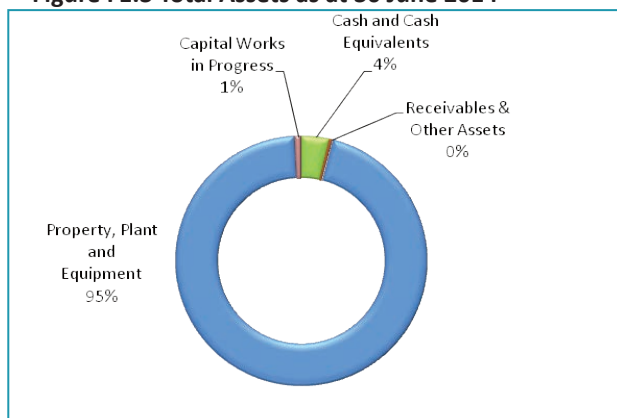
## Financial Position

### Total Assets

#### Components of Total Assets

The Directorate held 96 percent of its assets in property, plant and equipment including capital works in progress and 4 percent related to cash and cash equivalents, receivables and other current assets.

**Figure F1.3 Total Assets as at 30 June 2014**



Source: Education and Training Directorate

#### Comparison to Budget

In 2013-14, the Directorate's assets totalled \$1928.7 million, which was \$154.8 million or 7.4 percent lower than the amended budget. The decrease was primarily due to the impact of asset revaluation combined with timing of expenditure associated with capital works projects. The timing of expenditure related to capital works projects primarily resulted from delays in awarding construction tenders and scoping and design of childcare projects.

This was partially offset by increased cash at bank due to the timing of expenditure associated with the ICT projects, back payment of wages and salaries relating to non teaching staff and schools expenditure relating to national partnership programs, students with disabilities and professional development.

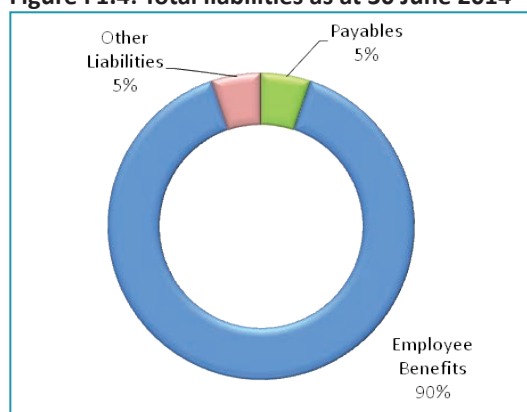
In comparison to 2012-13, total assets decreased by \$129.6 million or 6.3 percent primarily due to the impact of asset revaluation combined with the timing of expenditure associated with the capital works projects as discussed above.

## Financial Position

### Components of Total Liabilities

The Directorate's liabilities comprised employee benefits, payables, finance leases and other borrowings. The majority of the Directorate's liabilities related to employee benefits (90 percent) and payables and other liabilities (10 percent).

**Figure F1.4: Total liabilities as at 30 June 2014**



Source: Education and Training Directorate

As at 30 June 2014, the Directorate's liabilities totalled \$161.9 million. This was \$18.8 million or 13.1 percent higher than the amended budget, primarily relating to an increase in employee benefits associated with the increase in the rate used to estimate the present value of long service leave payments and the impact of increased long service leave accruals.

In comparison to 2012-13, total liabilities increased by \$23.5 million or 17 percent primarily associated with employee benefits due to the impact of teaching and non-teaching enterprise agreements and the increase in rate used to estimate the present value of long service leave payments and increased long service leave accruals.

### Current Assets to Current Liabilities

As at 30 June 2014, the Directorate's current assets were lower than its current liabilities. The Directorate does not consider this as a liquidity risk as cash needs are funded through appropriation from the ACT Government on a cash needs basis.

It is important to note that the Directorate's current liabilities primarily relate to employee benefits, and while the majority are classified under a legal entitlement as current, the estimated amount payable within 12 months is significantly smaller and can be achieved within current assets. In addition, in the event of high termination levels requiring significant payment for leave balances, the Directorate is able to meet its obligations through section 16A of the *Financial Management Act 1996*.

**Table F1.3: Line item explanation of significant variances from the amended budget - Directorate balance sheet**

Significant Variance from budget	Actual 2013-14 \$m	Amended Budget 2013-14 \$m <sup>1</sup>	Variance \$m
<b>Current assets</b>			
Cash and cash equivalents <sup>2</sup>	70.2	51.0	19.2
Receivables <sup>3</sup>	4.3	4.6	(0.3)
Other current assets <sup>4</sup>	1.0	2.6	(1.6)
<b>Non-current assets</b>			
Investment	1.8	1.8	0
Property, plant and equipment <sup>5</sup>	1,834.7	2,005.3	(170.6)
Capital works in progress (WIP) <sup>6</sup>	16.2	17.9	(1.7)
<b>Current liabilities</b>			
Payables <sup>7</sup>	8.5	8.6	(0.1)
Finance leases	0.1	0.1	0.0
Employee benefits <sup>8</sup>	132.4	118.7	13.7
Other	5.7	3.9	1.8
<b>Non-current liabilities</b>			
Finances leases	0.1	0.0	0.1
Employee benefits <sup>8</sup>	12.6	11.7	0.9
Other borrowings	2.6	0.1	2.5

Source: Education and Training Directorate

Notes:

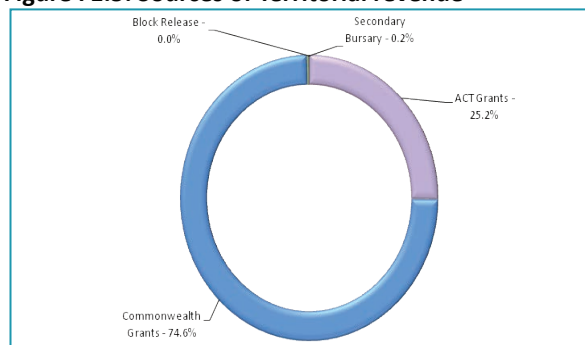
1. The amended budget was adjusted to reflect the second supplementary appropriation for Coombs P-6 (Primary) School Construction.
2. Higher than anticipated cash primarily related to the timing of expenditure associated with ICT projects and back payment of wages and salaries relating to non teaching staff. This is further combined with increased schools bank balances mainly due to the timing of expenditure relating to National Partnerships Programs, students with a disability and professional development noting that schools operate on a calendar year.
3. Marginally lower than budgeted receivable associated with the input tax credit from the Australian Taxation Office relating to expenditure in June.
4. Primarily related to the timing of prepayments for vocational educational and training grants.
5. Lower than budgeted property, plant and equipment is primarily due to a decrease associated with the revaluation of the Directorate's land and building assets and delay of capital works to 2014-15 mainly associated with Trade Training Centres and other capital projects. The delay of capital works to 2014-15 was primarily due to delay in scoping and design of childcare projects and advance receipt of Commonwealth funds for Trade Training Centre.
6. Marginally lower than anticipated capital works in progress primarily due to the timing of expenditure associated with Coombs Primary School.
7. Higher than anticipated payables primarily related to capital works accruals for Information Communication and Technology (ICT) projects due to the timing of invoice receipts.
8. Higher than anticipated employee benefits was mainly associated with an increase in the discount rate used to calculate the estimates for long service leave and annual leave, and increased long service leave accruals.

## Territorial Statement of Revenue and Expenses

### Territorial Revenue

Total income received included revenue for expenses on behalf of the Territory, primarily for the provision of grants to non-government schools.

**Figure F1.5: Sources of Territorial revenue**



Source: Education and Training Directorate

Territorial revenue mainly comprised funding for non-government schools from the Commonwealth and ACT Governments. It also included ACT Government funding for the Secondary Bursary Scheme and Block Release Programs.

Territorial revenue totalled \$220.7 million in 2013-14, which was \$1.5 million or 1 percent lower than the budget. The lower than anticipated revenue primarily related to the transfer of the Interest Subsidy Scheme funds to 2014-15.

When compared to the same period last year, total revenue increased by \$17.8 million or 9 per cent mainly due to higher levels of general recurrent grants for non-government schools reflecting the impact of indexation and enrolment growth.

### Territorial Expenditure

Territorial expenditure other than transfers of fees to the Territorial Banking Account comprised of grant payments to non-government schools (\$220.0 million), the Bursary Scheme (\$0.6 million) and Block Release grants (\$0.1 million).

The lower than anticipated expenditure primarily related to the transfer of the Interest Subsidy Scheme funds to 2014-15.

Total expenditure increased by \$17.8 million or 9 percent from the corresponding period last year mainly due to higher levels of general recurrent grants for non-government schools reflecting the impact of indexation and enrolment growth.

For further information contact:

Chief Finance Officer  
Strategic Finance  
(02) 6205 5338



AUDITOR-GENERAL AN OFFICER  
OF THE ACT LEGISLATIVE ASSEMBLY



A14/07

Ms Diane Joseph  
Director-General  
Education and Training Directorate  
Level 6, 220 Northbourne Avenue  
BRADDON ACT 2612

Dear Ms Joseph

**AUDIT REPORT – EDUCATION AND TRAINING DIRECTORATE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

The Audit Office has completed the audit of the financial statements of the Education and Training Directorate for the year ended 30 June 2014.

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, Ms Joy Burch MLA.

Yours sincerely

A handwritten signature in blue ink, reading 'M. Cooper'.

Dr Maxine Cooper  
Auditor-General  
12 September 2014

c.c. Ms Carol Lilley, Chair, Audit Committee  
Ms Sushila Sharma, Acting Chief Finance Officer  
Ms Megan Young, Chief Internal Auditor



## 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 2014 have been audited. These comprise the following financial statements and accompanying notes:

- Controlled financial statements – operating statement, balance sheet, statement of changes in equity, cash flow statement and statement of appropriation.
- Territorial financial 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 territorial 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.

#### The auditor's responsibility

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

The audit was conducted in accordance with Australian Auditing Standards to obtain 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 these 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 these financial statements. If users of these 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**

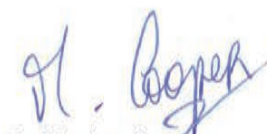
Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

### **Audit opinion**

In my opinion, the financial statements of the Directorate for the year ended 30 June 2014:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Directorate as at 30 June 2014 and the results of its operations and cash flows for the year then ended.

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



Dr Maxine Cooper  
Auditor-General

12 September 2014



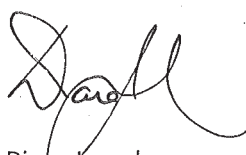
**Financial Statements**  
**For the Year Ended**  
**30 June 2014**

**Education and Training Directorate**

**Education and Training Directorate  
Financial Statements  
For the Year Ended 30 June 2014**

**Statement of Responsibility**

In my opinion, the financial statements are in agreement with the Directorate's accounts and reflect the financial operations of the Directorate for the year ended 30 June 2014 and the financial position of the Directorate on that date.



Diane Joseph

Director-General

Education and Training Directorate

8 September 2014

**Education and Training Directorate  
Financial Statements  
For the Year Ended 30 June 2014**

**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 2014 and the financial position of the Directorate on that date.



Sushila Sharma

A/g Chief Finance Officer

8 September 2014

**EDUCATION AND TRAINING  
DIRECTORATE**

**CONTROLLED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 2014**

**Education and Training Directorate  
Operating Statement  
For the Year Ended 30 June 2014**

	Note No.	Actual 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000
<b>Income</b>				
<i>Revenue</i>				
Government Payment for Outputs	4	576,019	589,429	559,045
User Charges – ACT Government	5	362	415	409
User Charges – Non-ACT Government	5	17,061	15,528	15,628
Interest	6	1,546	1,350	1,161
Distribution from Investments with the Territory Banking Account	7	102	118	121
Resources Received Free of Charge	8	535	385	313
Other Revenue	9	21,119	20,033	20,304
<b>Total Revenue</b>		<b>616,744</b>	<b>627,258</b>	<b>596,981</b>
<i>Gains</i>				
Gains on Investments	10	15	-	-
<b>Total Gains</b>		<b>15</b>	<b>-</b>	<b>-</b>
<b>Total Income</b>		<b>616,759</b>	<b>627,258</b>	<b>596,981</b>
<b>Expenses</b>				
Employee Expenses	12	415,426	406,210	385,940
Superannuation Expenses	13	61,266	60,219	58,043
Supplies and Services	14	64,886	69,324	61,347
Depreciation and Amortisation	15	65,031	68,589	65,323
Grants and Purchased Services	16	22,010	30,949	26,136
Borrowing Costs	17	8	12	7
Other Expenses	18	62,714	62,959	60,138
<b>Total Expenses</b>		<b>691,341</b>	<b>698,262</b>	<b>656,934</b>
<b>Operating (Deficit)</b>		<b>(74,582)</b>	<b>(71,004)</b>	<b>(59,953)</b>
<b>Other Comprehensive Income</b>				
(Decrease)/Increase in the Asset Revaluation Surplus		(145,970)	-	402
<b>Total Other Comprehensive (Deficit)/Income</b>		<b>(145,970)</b>	<b>-</b>	<b>402</b>
<b>Total Comprehensive (Deficit)</b>		<b>(220,552)</b>	<b>(71,004)</b>	<b>(59,551)</b>

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



**Education and Training Directorate**  
**Balance Sheet**  
**As at 30 June 2014**

	<b>Note</b>	<b>Actual</b>	<b>Original</b>	<b>Actual</b>
	<b>No.</b>	<b>2014</b>	<b>Budget</b>	<b>2013</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	21	70,223	50,967	63,938
Receivables	22	4,308	4,603	6,736
Investments	23	259	259	260
Other Assets	27	1,045	2,648	2,098
<b>Total Current Assets</b>		<b>75,835</b>	<b>58,477</b>	<b>73,032</b>
<b>Non-Current Assets</b>				
Investments	23	1,846	1,832	1,831
Property, Plant and Equipment	24	1,834,014	2,005,239	1,964,954
Intangible Assets	25	758	123	895
Capital Works in Progress	26	16,238	10,350	17,622
<b>Total Non-Current Assets</b>		<b>1,852,856</b>	<b>2,017,544</b>	<b>1,985,302</b>
<b>Total Assets</b>		<b>1,928,691</b>	<b>2,076,021</b>	<b>2,058,334</b>
<b>Current Liabilities</b>				
Payables	28	8,452	8,637	5,443
Finance Leases	29	75	50	44
Employee Benefits	30	132,396	118,726	116,715
Other Liabilities	31	5,706	3,853	4,171
<b>Total Current Liabilities</b>		<b>146,629</b>	<b>131,266</b>	<b>126,373</b>
<b>Non-Current Liabilities</b>				
Finance Leases	29	71	5	60
Employee Benefits	30	12,595	11,742	11,878
Other Liabilities	31	2,589	58	73
<b>Total Non-Current Liabilities</b>		<b>15,255</b>	<b>11,805</b>	<b>12,011</b>
<b>Total Liabilities</b>		<b>161,884</b>	<b>143,071</b>	<b>138,384</b>
<b>Net Assets</b>		<b>1,766,807</b>	<b>1,932,950</b>	<b>1,919,950</b>
<b>Equity</b>				
Accumulated Funds		900,172	920,747	907,345
Asset Revaluation Surplus	32	866,635	1,012,203	1,012,605
<b>Total Equity</b>		<b>1,766,807</b>	<b>1,932,950</b>	<b>1,919,950</b>

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 2014**

		Accumulated Funds Actual 2014 \$'000	Asset Revaluation Surplus Actual 2014 \$'000	Total Equity Actual 2014 \$'000	Original Budget 2014 \$'000
	Note No.				
<b>Balance at 1 July 2013</b>		<b>907,345</b>	<b>1,012,605</b>	<b>1,919,950</b>	<b>1,923,832</b>
<b>Comprehensive Income</b>					
Operating (Deficit)		(74,582)	-	(74,582)	(71,004)
(Decrease) in the Asset Revaluation Surplus	32		(145,970)	(145,970)	-
<b>Total Comprehensive (Deficit)</b>		<b>(74,582)</b>	<b>(145,970)</b>	<b>(220,552)</b>	<b>(71,004)</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>					
Capital Injections		67,409	-	67,409	80,122
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>		<b>67,409</b>	<b>-</b>	<b>67,409</b>	<b>80,122</b>
<b>Balance at 30 June 2014</b>		<b>900,172</b>	<b>866,635</b>	<b>1,766,807</b>	<b>1,932,950</b>

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 2014**

		Accumulated Funds Actual 2013 \$'000	Asset Revaluation Surplus Actual 2013 \$'000	Total Equity Actual 2013 \$'000
	Note No.			
<b>Balance at 1 July 2012</b>		<b>831,421</b>	<b>1,012,203</b>	<b>1,843,624</b>
<b>Comprehensive Income</b>				
Operating (Deficit)		(59,953)	-	(59,953)
Increase in the Asset Revaluation Surplus	32	-	402	402
<b>Total Comprehensive (Deficit)/Surplus</b>		<b>(59,953)</b>	<b>402</b>	<b>(59,551)</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>				
Capital Injections		100,489	-	100,489
Net Assets Transferred in as part of an Administrative Restructure	33	35,388	-	35,388
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>		<b>135,877</b>	<b>-</b>	<b>135,877</b>
<b>Balance at 30 June 2013</b>		<b>907,345</b>	<b>1,012,605</b>	<b>1,919,950</b>

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 2014**

	Note No.	Actual 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Government Payment for Outputs		576,019	589,429	559,045
User Charges		19,179	15,943	15,947
Interest Received		1,654	1,350	1,163
Distribution from Investments with the Territory Banking Account		15	118	121
Schools and Other		21,684	20,033	20,319
Goods and Services Tax Received		21,991	19,307	25,547
<b>Total Receipts from Operating Activities</b>		<b>640,542</b>	<b>646,180</b>	<b>622,142</b>
<b>Payments</b>				
Employee		399,754	402,206	379,184
Superannuation		60,396	60,221	57,988
Supplies and Services		62,229	68,592	62,362
Grants and Purchased Services		20,223	30,949	26,304
Borrowing Costs		8	12	7
Schools and Other		62,653	63,157	60,644
Goods and Services Tax Paid		23,075	19,307	24,792
<b>Total Payments from Operating Activities</b>		<b>628,338</b>	<b>644,444</b>	<b>611,281</b>
<b>Net Cash Inflows from Operating Activities</b>	39	<b>12,204</b>	<b>1,736</b>	<b>10,861</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Proceeds from the Sale of Property, Plant and Equipment		25	-	30
<b>Payments</b>				
Purchase of Property, Plant and Equipment		75,814	81,337	100,745
<b>Net Cash (Outflows) from Investing Activities</b>		<b>(75,789)</b>	<b>(81,337)</b>	<b>(100,715)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Capital Injections		67,409	80,122	100,489
Loan Proceeds		2,517	-	
<b>Payments</b>				
Repayment of Finance Leases		56	50	91
<b>Net Cash Inflows from Financing Activities</b>		<b>69,870</b>	<b>80,072</b>	<b>100,398</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>6,285</b>	<b>471</b>	<b>10,544</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		63,938	50,496	53,394
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	39	<b>70,223</b>	<b>50,967</b>	<b>63,938</b>

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

**Education and Training Directorate**  
**Summary of Output Classes**  
**For the Year Ended 30 June 2014**

	Output Class 1 \$'000	Output Class 2 \$'000	Output Class 3 \$'000	Total \$'000
<b>2014</b>				
Total Income	581,622	4,404	30,733	616,759
Total Expenses	(658,990)	(4,108)	(28,243)	(691,341)
<b>Operating (Deficit)/Surplus</b>	<b>(77,368)</b>	<b>296</b>	<b>2,490</b>	<b>(74,582)</b>
<b>2013</b>				
Total Income	559,821	3,541	33,619	596,981
Total Expenses	(622,859)	(3,663)	(30,412)	(656,934)
<b>Operating (Deficit)/Surplus</b>	<b>(63,038)</b>	<b>(122)</b>	<b>3,207</b>	<b>(59,953)</b>



**Education and Training Directorate**  
**Operating Statement for Output Class 1 – Public School Education**  
**For the Year Ended 30 June 2014**

**Description**

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

	Actual 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	541,535	548,459	522,441
User Charges – ACT Government	362	414	399
User Charges – Non-ACT Government	16,869	15,519	15,360
Interest	1,531	1,350	1,149
Distribution from Investments with the Territory Banking Account	101	115	121
Resources Received Free of Charge	529	384	309
Other Revenue	20,680	19,644	20,042
<i>Total Revenue</i>	581,607	585,885	559,821
<i>Gains</i>			
Gains on Investments	15	-	-
<i>Total Gains</i>	15	-	-
<b>Total Income</b>	<b>581,622</b>	<b>585,885</b>	<b>559,821</b>
<b>Expenses</b>			
Employee Expenses	407,712	398,585	379,715
Superannuation Expenses	60,128	59,082	57,098
Supplies and Services	61,615	65,129	59,472
Depreciation and Amortisation	64,910	68,236	65,212
Grants and Purchased Services	1,903	2,560	1,598
Borrowing Costs	8	12	7
Other Expenses	62,714	62,843	59,757
<b>Total Expenses</b>	<b>658,990</b>	<b>656,447</b>	<b>622,859</b>
<b>Operating (Deficit)</b>	<b>(77,368)</b>	<b>(70,562)</b>	<b>(63,038)</b>

**Education and Training Directorate**  
**Operating Statement for Output Class 2 – Non Government School Education**  
**For the Year Ended 30 June 2014**

**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 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	3,765	3,762	3,240
User Charges – ACT Government	-	-	1
User Charges – Non-ACT Government	192	9	25
Interest	14	-	11
Distribution from Investments with the Territory Banking Account	1	1	-
Resources Received Free of Charge	5	-	3
Other Revenue	427	360	261
<i>Total Revenue</i>	4,404	4,132	3,541
<b>Total Income</b>	4,404	4,132	3,541
<b>Expenses</b>			
Employee Expenses	1,608	1,632	1,100
Superannuation Expenses	237	253	174
Supplies and Services	833	2,245	749
Depreciation and Amortisation	115	154	102
Grants and Purchased Services	1,315	-	1,512
Other Expenses	-	3	26
<b>Total Expenses</b>	4,108	4,287	3,663
<b>Operating Surplus/(Deficit)</b>	296	(155)	(122)

**Education and Training Directorate**  
**Operating Statement for Output Class 3 – Vocational Education and Training**  
**For the Year Ended 30 June 2014**

**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 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000
<b>Income</b>			
<i>Revenue</i>			
Government Payment for Outputs	30,719	37,208	33,364
User Charges – ACT Government	-	1	9
User Charges – Non-ACT Government	-	-	243
Interest	1	-	1
Distribution from Investments with the Territory Banking Account	-	2	-
Resources Received Free of Charge	1	1	1
Other Revenue	12	29	1
<i>Total Revenue</i>	<u>30,733</u>	<u>37,241</u>	<u>33,619</u>
<b>Total Income</b>	<u><b>30,733</b></u>	<u><b>37,241</b></u>	<u><b>33,619</b></u>
<b>Expenses</b>			
Employee Expenses	6,106	5,993	5,125
Superannuation Expenses	901	884	771
Supplies and Services	2,438	1,950	1,126
Depreciation and Amortisation	6	199	9
Grants and Purchased Services	18,792	28,389	23,026
Other Expenses	-	113	355
<b>Total Expenses</b>	<u><b>28,243</b></u>	<u><b>37,528</b></u>	<u><b>30,412</b></u>
<b>Operating Surplus/(Deficit)</b>	<u><b>2,490</b></u>	<u><b>(287)</b></u>	<u><b>3,207</b></u>

**Education and Training Directorate  
Controlled Statement of Appropriation  
For the Year Ended 30 June 2014**

	Note No.	Original Budget 2014 \$'000	Total Appropriated 2014 \$'000	Appropriation Drawn 2014 \$'000	Appropriation Drawn 2013 \$'000
<b>Controlled</b>					
Government Payment for Outputs	4	589,429	600,733	576,019	559,045
Capital Injections		80,122	108,812	67,409	100,489
<b>Total Controlled Appropriation</b>		<b>669,551</b>	<b>709,545</b>	<b>643,428</b>	<b>659,534</b>

The above Controlled Statement of Appropriation should be read in conjunction with the notes below.

**Column Heading Explanations**

The *Original Budget* column shows the amounts that appear in the Cash Flow Statement in the Budget Papers. This amount also appears in these financial statements, in the Cash Flow Statement.

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the Directorate during the year. This amount appears in these financial statements, in the Cash Flow Statement.

**Variances between 'Original Budget' and 'Total Appropriated'**

**Government Payment for Outputs**

The difference between the original budget and total appropriated primarily relates to increased Commonwealth grants (\$0.812m) for National Education Reform (Students First), Joint Group Training and Industry and Indigenous Skills Centres National Partnerships and funding transferred from 2012-13 (\$10.478m). The funding transferred from 2012-13 is mainly due to late receipt of Commonwealth funding for VET Training Skills Reform, Support for Students with Disabilities and Literacy and Numeracy National Partnerships in 2012-13 combined with the timing of course completions associated with the Productivity Places Program National Partnership and funding allocated to the MAZE Schools Information Communication Technology (ICT) system upgrade.

**Capital Injections**

The difference between the original budget and the total appropriated relates to new funding for Coombs P-6 Primary School through a 2nd appropriation (\$7.460m), increased Commonwealth payments for the Trade Training Centres National Partnership (\$1.104m) and the transfer of funds from 2012-13 (\$20.126m). The transfer of funds from 2012-13 primarily relates to late receipt of Commonwealth funding for Trade Training Centres and delays in completion of scoping and design works for the Holder Early Childhood Centre and Upgrade of Early Childhood Facilities.

**Variances between 'Total Appropriated' and 'Appropriation Drawn'**

**Government Payment for Outputs**

The difference between the total appropriated and appropriation drawn relates to lower than budgeted Commonwealth payments (\$2.919m) primarily for Universal Access and VET Training Skills Reform National Partnerships and funds transferred to 2014-15 (\$21.796m). The transfer of funds into 2014-15 primarily relates to the timing of course completions associated with the Productivity Places Program and VET Training Skills Reform, timing of expenditure associated with More Support for Students with a Disability and Literacy and Numeracy National Partnerships and delays in the commencement of the MAZE schools ICT system upgrade.

**Education and Training Directorate  
Controlled Statement of Appropriation - Continued  
For the Year Ended 30 June 2014**

**Capital Injections**

The difference between the total appropriated and appropriation drawn relates to the transfer of funds to 2014-15 (\$40.901m). The transfer of funds primarily relates to the new Coombs P-6 Primary School (\$7.460m) due to delays in awarding the construction tender, advance receipt for the Trade Training Centres National Partnership (\$6.403m), Sustaining Smart Schools project (\$5.6m) due to timing of cash payments, childcare projects (\$4.150m) due to delay in finalisation of construction tenders and scope of works and savings in the delivery of Franklin Early Childhood School and Bonner Primary School (\$3.5m).



## EDUCATION AND TRAINING DIRECTORATE CONTROLLED - NOTE INDEX

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## EDUCATION AND TRAINING DIRECTORATE CONTROLLED - 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 2014

### NOTE 1. OBJECTIVES OF THE DIRECTORATE

#### Operations and Principal Activities

The Education and Training Directorate (the Directorate) works in partnership with parents and the community to ensure that all young people in the ACT learn, thrive and are equipped with the skills to lead fulfilling, productive and responsible lives. The Directorate works closely with other government agencies, education and training providers, business and industry to position the ACT as Australia's learning capital.

Services of the Directorate include the provision of public school education and early intervention education programs, regulation of education and care services, registration of non government schools and home education, and the planning and coordination of vocational education and training. High achievement for all students through connected and inclusive learning across all sectors of the education system is achieved through focussing on quality learning, inspirational teaching and leadership, high expectations and high performance, and improvement and innovation in business systems.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The *Financial Management Act 1996 (FMA)* requires the preparation of annual financial statements for the Directorate.

The FMA and the *Financial Management Guidelines* issued under the Act, requires 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 are 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 and Disclosure Policies.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 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 such as those included in property, plant and equipment and financial instruments which were valued at fair value in accordance with the revaluation policies applicable to the Directorate during the reporting period (refer **Note 2(q): Measurement of Property, Plant and Equipment after Initial Recognition**).

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

The Directorate is an individual reporting entity.

**(b) Controlled and Territorial Items**

The Directorate produces Controlled and Territorial financial statements. The Controlled 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, for example receiving and on passing of grants to non government schools.

The purpose of the distinction between Controlled 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 Note 2(a) above applies to both Controlled and Territorial financial statements except where specified otherwise.

**(c) The Reporting Period**

These financial statements state the financial performance, changes in equity and cash flows of the Directorate for the year ending 30 June 2014 together with the financial position of the Directorate as at 30 June 2014.

**(d) Comparative Figures**

*Budget Figures*

To facilitate a comparison with Budget Papers, as required by the *Financial Management Act 1996*, budget information for 2013-14 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.

**Education and Training Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(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.

**(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. In addition, specific recognition criteria must also be met before revenue is recognised. Revenue for user charges is recorded when received with the exception of international private students which is recognised on an accrual basis. Revenue is also recognised from the Active Leisure Centre in the Directorate’s books as the Directorate controls the facilities.

*Appropriation*

Government Payment for Outputs and Payment for Expenses on Behalf of the Territory are recognised as revenues when the Directorate gains control over the funding. Control over appropriated funds is obtained upon the receipt of cash.

*Interest*

Interest revenue is recognised using the effective interest rate.

*Distribution*

Distribution revenue is received from investments with the Territory Banking Account. This is recognised on an accrual basis.

*Revenue Received in Advance*

Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all are recorded as revenue.

**(g) Resources Received and Provided Free of Charge**

Resources received free of charge are recorded as a revenue and as an 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, and 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.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(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 that are waived during the year under Section 131 of the *Financial Management Act 1996* are expensed during the year in which the right to payment was waived. Further details of waivers are disclosed in **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 the 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 when 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 which do not fall within the current classification 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 changes in 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 costs of disposal' 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.

If a material impairment loss results, the loss is recognised against the relevant class of asset in the Asset Revaluation Surplus with corresponding reduction to the carrying amount 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 the Balance Sheet, cash includes cash at bank and cash on hand. Directorate money held in the Territory Banking Account Cash Fund is classified as a Cash Equivalent. 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. Bank overdrafts are included in cash and cash equivalents in the Cash Flow Statement and are included as borrowings in the Balance Sheet.

**Education and Training Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(n) Receivables**

Accounts receivable (including 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 being recorded in 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 the allowance is recognised in the Operating Statement.

**(o) Investments**

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

These short-term and 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.

**(p) Acquisition and Recognition of Property, Plant and Equipment**

Property, plant and equipment is initially recorded at cost when they 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 \$5,000 (exclusive of GST) are capitalised. Assets below \$5,000 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.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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

Land, buildings and improvements to land 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 that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using the market approach, the cost approach or the income approach valuation techniques as appropriate. In estimating the fair value of an asset or liability, the Directorate takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for land and non-specialised buildings is measured using the market approach valuation technique. This approach uses prices and other relevant information generated by market transactions involving identical or similar assets. Fair value for specialised assets is measured using the cost approach that reflects the cost to construct a comparable asset.

**(r) Intangible Assets**

Internally generated software is recognised when it meets the general recognition criteria and where it also meets the specific recognition criteria relating to intangible assets arising from the development phase of an internal project.

Capitalised software has a finite useful life. Software is amortised on a straight line basis over its useful life, over a period not exceeding five years.

Intangible assets are measured at cost.

**(s) Depreciation and Amortisation of Non-Current Assets**

Non-current assets with a limited useful life are systematically depreciated or 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 or amortisation for non-current assets is determined as follows:

<b>Class of Asset</b>	<b>Depreciation/Amortisation</b>	<b>Useful Life (Years)</b>
Buildings and Improvements to Land	Straight Line	50
Community and Heritage Assets	Straight Line	22
Leasehold Improvements	Straight Line	5
Plant and Equipment	Straight Line	2-20
Leased Assets	Straight Line	2-20
Externally Purchased Intangibles	Straight Line	2-5

The aggregate amount of depreciation and amortisation allocated for each class of asset during the reporting period is disclosed in **Note 15 – Depreciation and Amortisation**.



**Education and Training Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(t) 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 and unpaid at the end of the reporting period and relating 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.

**(u) Joint Venture**

The Directorate is a venturer in a joint venture operation with the Catholic Education Office at Gold Creek Primary School and its share of assets, liabilities, income and expenses have been recognised in the Directorate's financial statements under appropriate headings consistent with AASB 131 'Interests in Joint Ventures (for not-for-profit entities)'. Refer to **Note 38 – Interest in a Jointly Controlled Entity** for details.

**(v) 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 a 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. Assets under finance lease 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 an 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.

**(w) Employee Benefits**

Employee benefits include

- short-term employee benefits such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services - wages and salaries, annual leave loading, and applicable on-costs;
- other long-term benefits such as long service leave and annual leave; and
- termination benefits.



**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(w) Employee Benefits – continued**

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual and long service leave. These benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid.

*Wages and Salaries*

Accrued salaries and wages are measured at the amount that remains unpaid to employees at the end of the reporting period.

*Annual and Long Services Leave*

Annual and long service leave including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2013-14 the rate used to estimate the future payments is 100.9%.

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 of qualifying service, a probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs. In 2013-14, the rate used to estimate the present value of future payments for long service leave is 103.5% (101.3% in 2012-13).

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 a probability factor has been incorporated.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities are determined by an actuary. The Australian Government Actuary performed an assessment in May 2014 with the next review expected in 2019. Further information about this estimate is provided in **Note 2 (ac) – Significant Accounting Judgements and Estimates**.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(w) Employee Benefits – continued**

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the Directorate has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

**(x) Superannuation**

The Directorate receives funding for superannuation payments as part of the Government Payment for Outputs. The Directorate then makes payments on a fortnightly basis to the Territory Banking Account, to cover the Directorate's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). 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.

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.

**(y) Equity Contributed by the ACT Government**

Contributions made by the ACT Government, through its role as owner 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.

**(z) 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.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(aa) Taxation**

The Directorate's activities are exempt from all forms of taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). The amount of FBT paid in the year was \$0.058 million (\$0.073 million; 2012-13). This amount is 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 the purchaser is not recoverable from the Australian Taxation Office.

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.

**(ab) Contingent Liabilities and Assets**

Contingent liabilities include all provisions not meeting both of 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 both of 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 37 – Contingent Liabilities and Contingent Assets**. There are no contingent assets in 2013-14.

**(ac) 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 estimate regarding the fair value of its land and buildings based on an independent valuer's assessment in relation to the valuation techniques, inputs and processes. Refer **Note 2(q) – Measurement of Property, Plant and Equipment after Initial Recognition** and **Note 24 – Property, Plant and Equipment**.
- b. Employee Benefits:* Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wages and salary levels, experience of employee departures, probability that leave will be taken in service 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(w) – Employee Benefits** and **Note 3(a) – Change in Accounting Policy and Accounting Estimates**.

## Education and Training Directorate Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2014

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### (ac) Significant Accounting Judgements and Estimates – continued

- c. *Estimation of Useful Lives of Property, Plant and Equipment:* The Directorate disclosed in **Note 24 – Property, Plant and Equipment** 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 disclosed 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 2013-14, the Directorate has undertaken an assessment in relation to the school buildings utilised. 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 impairment is material. There has been no adjustment for impairment in 2013-14.

#### (ad) After Balance Date Events

There are no known events occurring after 30 June 2014 that will materially affect the financial statements.

#### (ae) Going Concern

As at 30 June 2014, the Directorate's current liabilities (\$146.6 million) exceed its current assets (\$75.8 million) by \$70.8 million. However, this is not considered a liquidity risk as its cash needs are funded through appropriation from the ACT Government on a cash-needs basis. This is consistent with the whole-of-government cash management regime, which requires excess cash balances to be held centrally rather than within individual Directorate bank accounts. The Directorate does not consider this a liquidity risk as cash needs are funded through appropriation from the ACT Government on a needs basis.

#### (af) 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. Where applicable, these Australian Accounting Standards will be adopted from their application date. It is expected that AASB 1055 Budgetary Reporting (application date 1 July 2014) will have a material impact in terms of disclosure requirements relating to variance explanation against budget.

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 9 Financial Instruments (application date 1 January 2017);
- AASB 10 Consolidated Financial Statements (application date 1 January 2014 for not-for-profit entities);
- AASB 11 Joint Arrangements (application date 1 January 2014 for not-for-profit entities);
- AASB 12 Disclosure of Interests in Other Entities (application date 1 January 2014 for not-for-profit entities);

**Education and Training Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(af) Impact of Accounting Standards Issued but yet to be Applied – continued**

- AASB 127 Separate Financial Statements (application date 1 January 2014 for not-for-profit entities);
- AASB 128 Investments in Associates and Joint Ventures (application date 1 January 2014 for not-for-profit entities);
- AASB 1031 Materiality (application date 1 January 2014);
- AASB 2010-7 Amendments to Australian Accounting Standard arising from AASB 9 (December 2010) (application date 1 January 2017);
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (application date 1 January 2014 for not-for-profit entities);
- AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets (application date 1 January 2014);
- AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities (application date 1 January 2014); and
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part B Materiality (application date 1 January 2014) Part C Financial Instruments (application date 1 January 2015).

**NOTE 3. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES AND CORRECTION OF A PRIOR PERIOD ERROR**

**(a) Change in Accounting Estimates**

As disclosed in **Note 2 (w) – 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 present value of future payments is estimated using the Commonwealth Bond rate.

Last financial year the rate used to estimate the present value of future long service leave and annual leave payments was 101.3% for long service leave and 100.0% for annual leave. Due to a change in the Commonwealth Bond rate at 30 June 2014, the rate for 2013-14 is 103.5% for long service leave and 100.9% for annual leave. As such the estimate of the long service leave and annual leave liabilities has changed. This change has resulted in an increase to the estimate of the long service leave liability and expense in the current reporting period of approximately \$2.028 million and an increase to the estimate of the annual leave liability and expense in the current reporting period of approximately \$0.280 million.

As disclosed in **Note 24 – Property, Plant and Equipment** the Directorate revalued its Land, Buildings, Improvements to Land and Community and Heritage assets in 2013-14. This review resulted in the adjustment to the useful lives and residual value of some assets.

**Education and Training Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 3. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES AND  
CORRECTION OF A PRIOR PERIOD ERROR - CONTINUED**

**(b) Change in Accounting Policy**

There have been no changes to accounting policy in 2013-14.

**(c) Correction of Prior Period Errors**

There were no corrections of prior period errors in 2013-14.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**2014**      **2013**  
**\$'000**      **\$'000**

**NOTE 4. GOVERNMENT PAYMENT FOR OUTPUTS**

Government Payment for Outputs <sup>1</sup>	576,019	559,045
<b>Total</b>	<b>576,019</b>	<b>559,045</b>

- 1) The increase is mainly due to funding for pay increases associated with enterprise bargaining agreements for staff.

**NOTE 5. USER CHARGES – ACT AND NON-ACT GOVERNMENT**

**User Charges - ACT Government**

User Charges - ACT Government	362	409
<b>Total</b>	<b>362</b>	<b>409</b>

**User Charges - Non - ACT Government**

International Private Students Program <sup>1</sup>	6,760	6,051
Active Leisure Centre - Hire of Facilities and Recreational Activities	3,588	3,521
Commonwealth National Agreements	4,806	4,574
Commonwealth Own Purpose Payments (COPE) / Specific Projects <sup>2</sup>	1,671	1,264
Other	236	218
<b>Total</b>	<b>17,061</b>	<b>15,628</b>

1. Primarily relates to an increase in the number of international private students accessing education services.
2. Increase primarily relates to Commonwealth funding received for the *Residence Determination Program* and *Indigenous Education Program*.

**NOTE 6. INTEREST**

Interest received from Schools and Other Cash held <sup>1</sup>	1,546	1,161
<b>Total</b>	<b>1,546</b>	<b>1,161</b>

1. The increase mainly relates to higher cash balances in school bank accounts due to timing of expenditure.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

2014      2013  
\$'000      \$'000

**NOTE 7. DISTRIBUTION FROM INVESTMENTS WITH THE TERRITORY BANKING ACCOUNT**

Distribution from Investments with the Territory Banking Account	102	121
<b>Total</b>	<b>102</b>	<b>121</b>

**NOTE 8. RESOURCES RECEIVED FREE OF CHARGE**

This primarily relates to legal advice and other legal services provided by the Government Solicitor's Office.

Resources Received Free of Charge	535	313
<b>Total</b>	<b>535</b>	<b>313</b>

**NOTE 9. OTHER REVENUE**

Other revenue mainly comprises voluntary contributions, fund raising revenue and excursion funds.

School Revenue	19,461	19,041
Other <sup>1</sup>	1,658	1,263
<b>Total</b>	<b>21,119</b>	<b>20,304</b>

1. The increase mainly relates to higher levels of regulatory fees for the registration of teachers.



**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**2014**  
**\$'000**

**2013**  
**\$'000**

**NOTE 10. GAINS ON INVESTMENTS**

Unrealised Gains on Investments with the Territory Banking Account	15	-
<b>Total</b>	<b>15</b>	<b>-</b>

**NOTE 11. GAINS FROM DISPOSAL OF NON-CURRENT ASSETS**

Gains from the Sales of Assets <sup>1</sup>	25	30
<b>Total</b>	<b>25</b>	<b>30</b>

1. The revenue associated with the disposal of assets is reported under **Note 9 – Other Revenue**

**NOTE 12. EMPLOYEE EXPENSES**

Wages and Salaries <sup>1</sup>	387,586	369,749
Movement in Employee Benefits <sup>2</sup>	16,398	6,752
Workers' Compensation Insurance Premium	11,442	9,439
<b>Total</b>	<b>415,426</b>	<b>385,940</b>

1. The increase is mainly due to wage increase provided through enterprise bargaining agreement for teaching and non teaching staff.

2. The increase primarily relates to higher levels of wages and salaries accruals combined with an increase in the rate used to estimate the present value of annual and long service leave liabilities (refer note 2(w) - **Employee Benefits** and 3(a) - **Change in Accounting Estimate**).

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**2014**  
**\$'000**

**2013**  
**\$'000**

**NOTE 13. SUPERANNUATION EXPENSES**

Superannuation Contributions to the Territory Banking Account	36,217	35,871
Productivity Benefit	5,105	5,083
Superannuation Payment to ComSuper (for the PSSAP)	1,077	1,132
Superannuation to External Providers	18,867	15,957
<b>Total<sup>1</sup></b>	<b>61,266</b>	<b>58,043</b>

1. The increase is mainly due to increased staff using external superannuation providers following the closure of the Public Sector Superannuation Scheme, the Commonwealth Superannuation Scheme and the Public Sector Superannuation Accumulation Plan to new entrants.

**NOTE 14. SUPPLIES AND SERVICES**

Property and Maintenance	18,958	17,351
Materials and Services	28,947	27,292
Travel and Transport <sup>1</sup>	7,238	6,556
Administrative	3,268	3,371
Financial <sup>2</sup>	4,760	4,726
Operating Lease Costs	1,434	1,478
Audit Fees	183	236
Asset Write-Off	98	337
<b>Total</b>	<b>64,886</b>	<b>61,347</b>

1. The increase is mainly due to increased special needs transport costs.  
2. Includes insurance and other financial services.

**NOTE 15. DEPRECIATION AND AMORTISATION**

**Depreciation**

Buildings and Land Improvements	53,610	51,197
Plant and Equipment <sup>1</sup>	11,045	13,678
Leasehold Improvements	196	418
Community and Heritage Assets	35	-
<b>Total Depreciation</b>	<b>64,886</b>	<b>65,293</b>

**Amortisation**

Intangible Assets	145	30
<b>Total Amortisation</b>	<b>145</b>	<b>30</b>

**Total Depreciation and Amortisation**

<b>65,031</b>	<b>65,323</b>
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1. The decrease primarily relates to full depreciation of new information and communication technology assets.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

	2014 \$'000	2013 \$'000
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**NOTE 16. GRANTS AND PURCHASED SERVICES**

Grant Payments - educational, apprenticeships, productivity places program and vocational education and training skills reform<sup>1</sup>

	22,010	26,136
<b>Total</b>	<b>22,010</b>	<b>26,136</b>

1. The decrease primarily relates to the timing of course completions associated with the *Productivity Places Program* and *VET Training Skills Reform*.

**NOTE 17. BORROWING COSTS**

Finance Charges on Finance Leases

	8	7
<b>Total</b>	<b>8</b>	<b>7</b>

**NOTE 18. OTHER EXPENSES**

Other expenses mainly comprise utilities, cleaning, security and maintenance costs in schools as well as educational enrichment activities.

School Expenses	61,996	59,237
Other Expenses	718	901
<b>Total</b>	<b>62,714</b>	<b>60,138</b>

**Education and Training Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**2014**      **2013**  
**\$'000**      **\$'000**

**NOTE 19. ACT OF GRACE PAYMENTS, WAIVERS AND WRITE-OFFS**

Write-Off of Assets <sup>1</sup>	98	337
<b>Total</b>	<b>98</b>	<b>337</b>

1. The expense associated with the write-off of assets is reported under **Note 14 – Supplies and Services**.

**NOTE 20. AUDITOR'S REMUNERATION**

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

Audit Fees Paid to the ACT Audit Office	122	125
<b>Total</b>	<b>122</b>	<b>125</b>

**NOTE 21. CASH AND CASH EQUIVALENTS**

The Directorate holds a number of bank accounts with the Westpac Bank as part of the whole-of-government banking arrangements.

Central Office Bank Accounts <sup>1</sup>	27,567	19,031
School Management Accounts	39,838	36,682
Other Operations Bank Accounts	2,807	8,214
Cash on Hand	11	11
<b>Total</b>	<b>70,223</b>	<b>63,938</b>

1. The increase primarily relates to the timing of expenditure for the back payment of the non-teaching enterprise bargaining agreement.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

2014  
\$'000

2013  
\$'000

**NOTE 22. RECEIVABLES**

**Current Receivables**

Trade Receivables	241	998
Less: Allowance for Impairment Losses	(147)	(89)
	<b>94</b>	<b>909</b>
Other Trade Receivables <sup>1</sup>	490	3,187
Less: Allowance for Impairment Losses	-	-
	<b>490</b>	<b>3,187</b>
Accrued Revenue	36	36
Net Goods and Services Tax Receivable	3,688	2,604
<b>Total Current Receivables</b>	<b>3,724</b>	<b>2,640</b>
<b>Total</b>	<b>4,308</b>	<b>6,736</b>

1. The decrease in 2013-14 is due to a receivable in the prior year for information communication and technology services provided by the Commerce and Works Directorate based on service level agreement payments and actual usage.

**Ageing of Receivables**

	Not Overdue \$'000	Overdue			Total \$'000
		Less than 30 Days \$'000	30 to 60 Days \$'000	Greater than 60 Days \$'000	
<b>2014</b>					
<b>Not Impaired</b>					
Receivables	3,900	28	33	347	4,308
<b>Impaired</b>					
Receivables	-	-	-	147	147
<b>2013</b>					
<b>Not Impaired</b>					
Receivables	6,207	28	144	357	6,736
<b>Impaired</b>					
Receivables	-	-	-	89	89

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

2014      2013  
\$'000      \$'000

**NOTE 22. RECEIVABLES - CONTINUED**

**Reconciliation of the Allowance for Impairment Losses**

Allowance for Impairment Losses at the Beginning of the Reporting Period	89	5
Additional Allowance Recognised During the Reporting Period	58	84
<b>Allowance for Impairment Losses at the End of the Reporting Period</b>	<b>147</b>	<b>89</b>

**Classification of ACT Government/Non-ACT Government Receivables**

**Receivables with ACT Government Entities**

Net Trade Receivables	76	847
Net Other Trade Receivables	39	2,684
Accrued Revenue	25	5
<b>Total Receivables with ACT Government Entities</b>	<b>140</b>	<b>3,536</b>

**Receivables with Non-ACT Government Entities**

Net Trade Receivables	165	151
Net Other Trade Receivables	451	503
Accrued Revenue	11	31
Net Goods and Services Tax Receivable	3,688	2,604
Less: Allowance for Impairment Losses	(147)	(89)
<b>Total Receivables with Non- ACT Government Entities</b>	<b>4,168</b>	<b>3,200</b>

<b>Total</b>	<b>4,308</b>	<b>6,736</b>
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**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 23. INVESTMENTS**

Short-term investments were held with the Territory Banking Account in the Cash Enhanced Portfolio throughout the year. These funds are able to be withdrawn upon request.

The purpose of the investment in the Fixed Interest Portfolio is to hold it for a period of longer than 12 months. The total carrying amount of the Fixed Interest Portfolio investment below has been measured at fair value.

	2014 \$'000	2013 \$'000
<b>Current Investments</b>		
Investments with the Territory Banking Account - Cash Enhanced Portfolio	259	260
<b>Total</b>	<b>259</b>	<b>260</b>
<b>Non-Current Investments</b>		
Investments with the Territory Banking Account - Fixed Interest Portfolio	1,846	1,831
<b>Total</b>	<b>1,846</b>	<b>1,831</b>
<b>Total</b>	<b>2,105</b>	<b>2,091</b>



**Education and Training Directorate**  
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**NOTE 24. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment includes the following classes of assets – land, buildings, improvement to land, leasehold improvements, plant and equipment, and community and heritage assets.

	2014 \$'000	2013 \$'000
<b>Land</b>		
Land at Fair Value	330,814	275,799
<b>Total Land Assets<sup>1</sup></b>	<b>330,814</b>	<b>275,799</b>
Buildings and Improvements to Land at Fair Value <sup>2</sup>	1,473,760	1,754,642
Less: Accumulated Depreciation	-	(95,479)
<b>Total Written Down Value of Buildings and Improvements to Land<sup>1</sup></b>	<b>1,473,760</b>	<b>1,659,163</b>
<b>Total Land and Written Down Value of Buildings and Improvements to Land</b>	<b>1,804,574</b>	<b>1,934,962</b>
<b>Leasehold Improvements</b>		
Leasehold Improvements at Cost	5,643	5,643
Less: Accumulated Depreciation	(4,314)	(4,118)
<b>Total Written Down Value of Leasehold Improvements</b>	<b>1,329</b>	<b>1,525</b>
<b>Plant and Equipment</b>		
Plant and Equipment at Cost	92,739	82,049
Less: Accumulated Depreciation	(65,588)	(54,542)
<b>Total Written Down Value of Plant and Equipment</b>	<b>27,151</b>	<b>27,507</b>
<b>Community and Heritage Assets</b>		
Community and Heritage Assets at Fair Value	960	960
Less: Accumulated Depreciation	-	-
<b>Total Written Down Value of Community and Heritage Assets<sup>1</sup></b>	<b>960</b>	<b>960</b>
<b>Total</b>	<b>1,834,014</b>	<b>1,964,954</b>

1. During 2013-14, Colliers International Holdings performed a revaluation of the Directorate's Land, Buildings and Improvements to Land and Community and Heritage Assets in line with AASB 1041 'Revaluation of Non-Current Assets'.
2. The decrement primarily relates to a more competitive construction market.

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**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of Property, Plant and Equipment during 2013-14.

	Land \$'000	Buildings and Improvements To Land \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Community and Heritage Assets \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	275,799	1,659,163	1,525	27,507	960	1,964,954
Additions	-	69,221	-	10,787	6	80,014
Revaluation Increment/(Decrement)	55,015	(201,014)	-	-	29	(145,970)
Depreciation	-	(53,610)	(196)	(11,045)	(35)	(64,886)
Disposals	-	-	-	(13)	-	(13)
Write-offs	-	-	-	(85)	-	(85)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>330,814</b>	<b>1,473,760</b>	<b>1,329</b>	<b>27,151</b>	<b>960</b>	<b>1,834,014</b>

**Education and Training Directorate**  
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**For the Year Ended 30 June 2014**

**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of Property, Plant and Equipment during 2012-13.

	Land \$'000	Buildings and Improvements To Land \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Community and Heritage Assets \$'000	Total \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>259,873</b>	<b>1,576,875</b>	<b>2,035</b>	<b>39,431</b>	<b>-</b>	<b>1,878,214</b>
Additions	-	115,946	-	2,819	-	118,765
Revaluation (Increment/Decrement)	494	218	-	-	(310)	402
Depreciation	-	(51,197)	(418)	(13,677)	-	(65,292)
Acquisition through Administrative Restructuring	15,432	16,557	-	-	1,270	33,259
Acquisition/(Disposal) from Transfers	-	-	-	-	-	-
Reclassification of Assets	-	766	-	(766)	-	-
Disposals	-	-	-	(30)	-	(30)
Write Offs	-	(2)	(92)	(270)	-	(364)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>275,799</b>	<b>1,659,163</b>	<b>1,525</b>	<b>27,507</b>	<b>960</b>	<b>1,964,954</b>

**Education and Training Directorate**  
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**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Fair Value Hierarchy**

The Directorate is required to classify property, plant and equipment 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 that the Directorate can access at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs that are unobservable for particular assets or liabilities

Details of the Directorate's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June 2014 are as follows:

**2014**

	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Property, Plant and Equipment at Fair Value</b>				
Land	-	13,910	316,904	<b>330,814</b>
Buildings and Improvements to Land	-	27,088	1,446,672	<b>1,473,760</b>
Community and Heritage Assets	-	-	960	<b>960</b>
	-	<b>40,998</b>	<b>1,764,536</b>	<b>1,805,534</b>

The Directorate has used the exemption under AASB 13.C3 'Fair Value Measurement' that comparative information for periods before initial application of the standard need not be applied.

**Transfers Between Categories**

There have been no transfers between Levels 1, 2 and 3 during the reporting period.

**Valuation Techniques, Inputs and Processes**

**Level 2 Valuation Techniques and Inputs**

**Valuation Technique:** The valuation technique used to value land and buildings is the market approach that reflects recent transaction prices for similar properties and buildings (comparable in location and size).

**Inputs:** Prices and other relevant information generated by market transactions involving comparable land and buildings were considered. Regard was taken of the Crown Lease terms and tenure, The Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning.

**Level 3 Valuation Techniques and Inputs**

**Valuation Technique:** Land where there is no active market or significant restrictions is valued through the market approach which values a selection of land with similar approximate utility.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Level 3 Valuation Techniques and Inputs - continued**

Valuation Technique: Buildings, improvements to land and community and heritage assets were considered specialised assets by the valuers and measured using the cost approach that reflects the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For Buildings, historical cost per square metre of floor area was also used in measuring fair value.

Inputs: In determining the value of land with similar approximate utility significant adjustment to market based data was required.

Inputs: In determining the value of buildings, improvements to land and community and heritage assets regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to the Education and Training Directorate.

There has been no change to the above valuation techniques during the year.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer.

**Fair Value Measurements using Significant Unobservable Inputs (Level 3)**

Description and Fair Value as at 30 June 2014	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs (Weighted Average)	Relationship of Unobservable Inputs to Fair Value
\$'000				
Land \$316,904	Market Approach - Direct comparison.	Selection of land with similar approximate utility.	\$100 per square metre to \$150 per square metre	Higher value of similar land increases estimated fair value.
Buildings and Improvements to Land including Community and Heritage Assets  \$1,447,632	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset.	2 percent to 5 percent	Greater consumption of economic benefit or increased obsolescence lowers fair value.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**2014**      **2013**  
**\$'000**      **\$'000**

**NOTE 25. INTANGIBLE ASSETS**

The Directorate has externally purchased software. Other Intangibles recognised below are all externally purchased.

**Computer Software**

*Externally Generated Software*

Computer Software at Cost	1,017	1,010
Less: Accumulated Amortisation	(259)	(115)
<b>Total Computer Software<sup>1</sup></b>	<b>758</b>	<b>895</b>

1. The movement primarily relates to annual amortisation (\$0.144 million) of the assets in 2013-14.

**NOTE 26. CAPITAL WORKS IN PROGRESS**

Capital works in progress are assets being constructed over periods of time.

Capital Work in Progress	16,238	17,622
<b>Total</b>	<b>16,238</b>	<b>17,622</b>

**Reconciliation of Capital Works in Progress**

The following table shows the movement of capital works in progress during the reporting period.

Balance at the Beginning of the Reporting Period	17,622	38,543
Additions	11,365	15,937
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(12,749)	(36,858)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>16,238</b>	<b>17,622</b>

**NOTE 27. OTHER ASSETS**

**Other Current Assets**

Prepayments	1,045	2,098
<b>Total</b>	<b>1,045</b>	<b>2,098</b>

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

2014      2013  
\$'000      \$'000

**NOTE 28. PAYABLES**

Payables - ACT Government Entities	53	34
Payables - Non-ACT Government Entities	414	202
Accrued Expenses <sup>1</sup>	7,985	5,207
<b>Total</b>	<b>8,452</b>	<b>5,443</b>

1. The increase primarily relates to capital accruals for information communication technology projects in particular Sustaining Smart Schools.

**Payables are aged as followed**

Not Overdue	8,283	5,406
Overdue for Less than 30 Days	144	24
Overdue for 30 to 60 Days	2	1
Overdue for More than 60 Days	23	12
<b>Total</b>	<b>8,452</b>	<b>5,443</b>

**Classification of ACT Government/Non-ACT Government Payables**

**Payables with ACT Government Entities**

Payables	53	34
Accrued Expenses	5,678	3,792
<b>Total Payables with ACT Government Entities</b>	<b>5,731</b>	<b>3,826</b>

**Payables with ACT Non-Government Entities**

Payables	414	202
Accrued Expenses	2,307	1,415
<b>Total Payables with ACT Non-Government Entities</b>	<b>2,721</b>	<b>1,617</b>

<b>Total</b>	<b>8,452</b>	<b>5,443</b>
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**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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	2014	2013
	\$'000	\$'000

**NOTE 29. FINANCE LEASES**

**Finance Leases**

Finance lease commitments are payable as follows:

Within one year	81	49
Later than one year but not later than five years	79	60
<b>Minimum Lease Payments</b>	<b>160</b>	<b>109</b>

Less: Future Finance Lease Charges	(14)	(5)
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<b>Total Present Value of Minimum Finance Lease Payments</b>	<b>146</b>	<b>104</b>
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Comprising:

Within one year	75	44
Later than one year not later than five years	71	60
<b>Total</b>	<b>146</b>	<b>104</b>

Current	75	44
Non-current	71	60
<b>Total</b>	<b>146</b>	<b>104</b>

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

	2014 \$'000	2013 \$'000
<b>NOTE 30. EMPLOYEE BENEFITS</b>		
<b>Current Employee Benefits</b>		
Annual Leave	31,414	28,857
Long Service Leave	82,813	75,439
Accrued Salaries	17,811	12,061
Purchased Leave	358	358
<b>Total Current Employee Benefits</b>	<b>132,396</b>	<b>116,715</b>
<b>Non-Current Employee Benefits</b>		
Long Service Leave	12,595	11,878
<b>Total Non-Current Employee Benefits</b>	<b>12,595</b>	<b>11,878</b>
<b>Total<sup>1</sup></b>	<b>144,991</b>	<b>128,593</b>
<b>Estimate of when Leave is Payable</b>		
<b>Estimated Amount Payable within 12 months</b>		
Annual Leave	24,372	22,364
Long Service Leave	6,353	6,445
Accrued Salaries	17,811	12,061
Purchased Leave	358	358
<b>Total Employee Benefits Payable within 12 months</b>	<b>48,894</b>	<b>41,228</b>
<b>Estimated Amount Payable after 12 months</b>		
Annual Leave	7,042	6,493
Long Service Leave	89,055	80,872
<b>Total Employee Benefits Payable after 12 months</b>	<b>96,097</b>	<b>87,365</b>
<b>Total</b>	<b>144,991</b>	<b>128,593</b>

1. The increase primarily relates to an increase in the rate used to estimate the present value of future long service leave payments, increased wages and salaries accrual associated with increased pay rates in the enterprise bargaining agreement and the back payment of the non-teaching enterprise bargaining agreement.

**NOTE 31. OTHER LIABILITIES**

**Current Other Liabilities**

International Students Revenue Received in Advance	4,155	3,233
Schools Revenue Received in Advance <sup>1</sup>	1,551	938
<b>Total</b>	<b>5,706</b>	<b>4,171</b>

**Non-Current Other Liabilities**

Other Loans <sup>2</sup>	2,589	73
<b>Total</b>	<b>2,589</b>	<b>73</b>
<b>Total Other</b>	<b>8,295</b>	<b>4,244</b>

1. The increase relates to additional revenue received in advance from the Embassy of France for the French program at Telopea Park School.
2. In 2013-14 the Directorate received interest free loans from the former Economic Development Directorate for sustainability projects. The loans will be re-paid over six years.

**Education and Training Directorate**  
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**2014**  
**\$'000**

**2013**  
**\$'000**

**NOTE 32. EQUITY**

**Asset Revaluation Surplus**

The Asset Revaluation Surplus is used to record the increments and decrements in the value of the property, plant and equipment.

<b>Balance at the Beginning of the Reporting Period</b>	<b>1,012,605</b>	<b>1,012,203</b>
Increment in Land due to Revaluation	55,015	402
Decrement in Buildings and Improvements to Land due to Revaluation <sup>1</sup>	(200,985)	-
<b>Total (Decrease)/Increase in the Asset Revaluation Surplus</b>	<b>(145,970)</b>	<b>402</b>
<b>Balance at the End of the Reporting Period</b>	<b>866,635</b>	<b>1,012,605</b>

1. The decrement primarily relates to a more competitive construction market.

**NOTE 33. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS**

There have been no restructures of Administrative Arrangements that impacted the Directorate in 2013-14. The 2012-13 comparative reflects the transfers on November 2012, a restructuring of administrative arrangements occurred between the Directorate and Community Services Directorate (CSD) involving the transfer of CSD's responsibility regarding education and child care services. The assets and liabilities transferred as part of the restructuring of administrative arrangements at the date of transfer were as follows:

	<b>Transferred Amounts 2013-14 \$'000</b>	<b>Transferred Amounts 2012-13 \$'000</b>
Total Revenue	-	2,509
Total Expenses	-	2,952
<b>Assets</b>		
Land	-	16,062
Buildings	-	17,197
Capital In Progress	-	2,435
<b>Total Assets Transferred</b>	<b>-</b>	<b>35,694</b>
<b>Liabilities</b>		
Employee Benefits	-	(306)
<b>Total Liabilities Transferred</b>	<b>-</b>	<b>(306)</b>
<b>Total Net Assets Transferred</b>	<b>-</b>	<b>35,388</b>

**Education and Training Directorate**  
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**NOTE 34. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES**

Year Ended 30 June 2014

	Output Class 1 \$'000	Output Class 2 \$'000	Output Class 3 \$'000	Unallocated \$'000	Total \$'000
<b>Current Assets</b>					
Cash and Cash Equivalents <sup>1</sup>	40,696	496	-	29,031	70,223
Receivables	4,265	2	41	-	4,308
Investments	-	-	-	259	259
Other Assets	1,041	-	4	-	1,045
<b>Total Current Assets</b>	<b>46,002</b>	<b>498</b>	<b>45</b>	<b>29,290</b>	<b>75,835</b>
<b>Non-Current Assets</b>					
Investments	1,304	-	-	542	1,846
Property, Plant and Equipment	1,834,014	-	-	-	1,834,014
Intangible Assets	758	-	-	-	758
Capital Works in Progress	16,238	-	-	-	16,238
<b>Total Non-Current Assets</b>	<b>1,852,314</b>	<b>-</b>	<b>-</b>	<b>542</b>	<b>1,852,856</b>
<b>Total Assets</b>	<b>1,898,316</b>	<b>498</b>	<b>45</b>	<b>29,832</b>	<b>1,928,691</b>
<b>Current Liabilities</b>					
Payables	7,857	34	561	-	8,452
Finance Leases	75	-	-	-	75
Employee Benefits	129,880	530	1,986	-	132,396
Other Liabilities	5,706	-	-	-	5,706
<b>Total Current Liabilities</b>	<b>143,518</b>	<b>564</b>	<b>2,547</b>	<b>-</b>	<b>146,629</b>
<b>Non-Current Liabilities</b>					
Finance Leases	71	-	-	-	71
Employee Benefits	12,356	50	189	-	12,595
Other Liabilities	2,589	-	-	-	2,589
<b>Total Non-Current Liabilities</b>	<b>15,016</b>	<b>50</b>	<b>189</b>	<b>-</b>	<b>15,255</b>
<b>Total Liabilities</b>	<b>158,534</b>	<b>614</b>	<b>2,736</b>	<b>-</b>	<b>161,884</b>
<b>Net Assets / (Liabilities)</b>	<b>1,739,782</b>	<b>(116)</b>	<b>(2,691)</b>	<b>29,832</b>	<b>1,766,807</b>

1. 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**  
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**NOTE 34. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES - CONTINUED**

Year Ended 30 June 2013

	Output Class 1 \$'000	Output Class 2 \$'000	Output Class 3 \$'000	Unallocated \$'000	Total \$'000
<b>Current Assets</b>					
Cash and Cash Equivalents <sup>1</sup>	36,787	-	-	27,151	63,938
Investments	-	-	-	260	260
Receivables	6,671	1	64	-	6,736
Other Assets	760	-	1,338	-	2,098
<b>Total Current Assets</b>	<b>44,218</b>	<b>1</b>	<b>1,402</b>	<b>27,411</b>	<b>73,032</b>
<b>Non-Current Assets</b>					
Investments	1,292	-	-	539	1,831
Property, Plant and Equipment	1,964,954	-	-	-	1,964,954
Intangible Assets	895	-	-	-	895
Capital Works in Progress	17,622	-	-	-	17,622
<b>Total Non-Current Assets</b>	<b>1,984,763</b>	<b>-</b>	<b>-</b>	<b>539</b>	<b>1,985,302</b>
<b>Total Assets</b>	<b>2,028,981</b>	<b>1</b>	<b>1,402</b>	<b>27,950</b>	<b>2,058,334</b>
<b>Current Liabilities</b>					
Payables	5,327	6	110	-	5,443
Finance Leases	44	-	-	-	44
Employee Benefits	116,436	60	219	-	116,715
Other Liabilities	4,171	-	-	-	4,171
<b>Total Current Liabilities</b>	<b>125,978</b>	<b>66</b>	<b>329</b>	<b>-</b>	<b>126,373</b>
<b>Non-Current Liabilities</b>					
Finance Leases	60	-	-	-	60
Employee Benefits	11,810	26	42	-	11,878
Other Liabilities	73	-	-	-	73
<b>Total Non-Current Liabilities</b>	<b>11,943</b>	<b>26</b>	<b>42</b>	<b>-</b>	<b>12,011</b>
<b>Total Liabilities</b>	<b>137,921</b>	<b>92</b>	<b>371</b>	<b>-</b>	<b>138,384</b>
<b>Net Assets / (Liabilities)</b>	<b>1,891,060</b>	<b>(91)</b>	<b>1,031</b>	<b>27,950</b>	<b>1,919,950</b>

1. 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 2014

### NOTE 35. FINANCIAL INSTRUMENTS

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 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, 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 Westpac Bank and cash not immediately required is invested with the Territory Banking Account. The Chief Minister, Treasury and Economic Development 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.

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 and therefore the credit risk is considered low.

**Education and Training Directorate**  
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**NOTE 35. FINANCIAL INSTRUMENTS - CONTINUED**

**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.

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 appropriation can be obtained from the Territory Banking Account.

**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 Fixed Interest and Cash Enhanced Portfolio. The Directorate has units in the Fixed Interest Portfolio that fluctuate in value. The price fluctuations in the units of the Fixed Interest Portfolio are caused by movements in the underlying investments of the portfolio. To limit price risk, all bonds that make up the underlying investments of the Fixed Interest Portfolio must have a long term credit rating.

Cash and cash equivalents do not have a price risk.

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 2014**

**NOTE 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:

	Carrying Amount 2014 \$'000	Fair Value 2014 \$'000	Carrying Amount 2013 \$'000	Fair Value 2013 \$'000
<b>Financial Assets</b>				
Cash and Cash Equivalents	70,223	70,223	63,938	63,938
Investment with the Territory Banking Account	2,105	2,105	2,091	2,091
Receivables <sup>1</sup>	620	620	4,132	4,132
<b>Total</b>	<b>72,948</b>	<b>72,948</b>	<b>70,161</b>	<b>70,161</b>
<b>Financial Liabilities</b>				
Payables	8,452	8,452	5,443	5,443
Finance Leases	146	146	104	104
Other Loans	2,589	2,589	73	73
<b>Total</b>	<b>11,187</b>	<b>11,187</b>	<b>5,620</b>	<b>5,620</b>

1. Receivables reported under Financial Assets do not include receivables relating to goods and service tax in accordance with AASB 132 'Financial Instruments'.



**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 35. FINANCIAL INSTRUMENTS - CONTINUED**

**Fair Value Hierarchy**

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.

2014	Classification According to the Fair Value				Total
	Hierarchy				
	Level 1	Level 2	Level 3		
	\$'000	\$'000	\$'000		
Financial Assets					
Investment with the Territory Banking Account - Cash Enhanced Portfolio	-	259	-	259	
Investment with the Territory Banking Account - Fixed Interest Portfolio	-	1,846	-	1,846	
Total	-	2,105	-	2,105	

**Transfer between Categories**

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

The Fair Value Hierarchy for financial instruments measured at fair value is shown for the year ended 30 June 2013.

2013	Classification According to the Fair Value				Total \$'000
	Hierarchy				
	Level 1	Level 2	Level 3		
	\$'000	\$'000	\$'000		
Financial Assets					
Investment with the Territory Banking Account - Cash Enhanced Portfolio	-	260	-	260	
Investment with the Territory Banking Account - Fixed Interest Portfolio	-	1,831	-	1,831	
Total	-	2,091	-	2,091	

**Education and Training Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 35. FINANCIAL INSTRUMENTS – CONTINUED**

**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 Rates**

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 2014. Except for non-current payables, 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.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 35. FINANCIAL INSTRUMENTS – CONTINUED**

**Maturity Analysis and Exposure to Interest Rates – continued**

As at 30 June 2014		Fixed Interest Maturing In:					Non-Interest Bearing \$'000	Total \$'000
Note No.	Weighted Average Interest Rate	Floating Interest Rate	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000			
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	21	2.35%	42,649	-	-	-	27,574	70,223
Investments with the Territory								
Banking Account	23			-	-	-	2,105	2,105
Receivables	22			-	-	-	620	620
Total			42,649	-	-	-	30,299	72,948
Financial Liabilities								
Payables	28		-	-	-	-	(8,452)	(8,452)
Other Liabilities	31		-	-	-	-	(2,589)	(2,589)
Finance Leases	29	6.29%	-	(81)	(79)	-	-	(160)
Total			-	(81)	(79)	-	(11,041)	(11,201)
Net Financial Assets/(Liabilities)								
			42,649	(81)	(79)	-	19,258	61,747

				Fixed Interest Maturing In:				
As at 30 June 2013				1 Year	Over 1 Year	Over		
	Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	or Less \$'000	to 5 Years \$'000	5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	21	2.99%	44,794	-	-	-	19,144	63,938
Investments with the Territory Banking Account	23		-	-	-	-	2,091	2,091
Receivables	22		-	-	-	-	4,132	4,132
Total			44,794	-	-	-	25,367	70,161
Financial Liabilities								
Payables	28		-	-	-	-	(5,443)	(5,443)
Other Liabilities	31				(73)		-	(73)
Finance Leases	29	6.85%	-	(49)	(60)	-	-	(109)
Total			-	(49)	(133)	-	(5,443)	(5,625)
Net Financial Assets/(Liabilities)								
			44,794	(49)	(133)	-	19,924	64,536

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**2014**  
**\$'000**

**2013**  
**\$'000**

**NOTE 35. FINANCIAL INSTRUMENTS - CONTINUED**

**Carrying Amount of Each Category of Financial Asset and Financial Liability**

**Financial Assets**

Financial Assets at Fair Value through the Profit and Loss	2,105	2,091
Loans and Receivables	620	4,132

**Financial Liabilities**

Financial Liabilities Measured at Amortised Cost	11,187	5,620
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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. 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.

**Gains / (Losses) on Each Category of Financial Asset and Financial Liability**

**Gains / (Losses) on Financial Assets**

Financial Assets at Fair Value through the Profit and Loss	15	-
Loans and Receivables	-	-

**Gains / (Losses) Financial Liabilities**

Financial Liabilities Measured at Amortised Cost	-	-
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**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**2014**  
**\$'000**

**2013**  
**\$'000**

**NOTE 36. COMMITMENTS**

**Capital Commitments**

Capital commitments contracted at reporting date that have not recognised as liabilities, are payable as follows:

*Capital Commitments - Property, Plant and Equipment*

Payable:

Within one year	17,522	42,597
Later than one year but not later than five years	4,473	7,639
<b>Total<sup>1</sup></b>	<b>21,995</b>	<b>50,236</b>

1. The decrease is primarily due to the completion of a number of major projects including the Franklin Early Childhood School and Bonner Primary School.

**Other Commitments**

Other commitments contracted at reporting date that have not been recognised as liabilities, are payable as follows:

Within one year	41,771	35,880
Later than one year but not later than five years	38,208	41,793
<b>Total</b>	<b>79,979</b>	<b>77,673</b>

**Operating Lease Commitments**

Within one year	2,407	2,609
Later than one year but not later than five years	2,505	2,625
<b>Total</b>	<b>4,912</b>	<b>5,234</b>

All amounts shown in the commitment note are inclusive of goods and services tax.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 37. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**Contingent Liabilities**

As at 30 June 2014 the Directorate had contingent liabilities in relation to known personal injury cases not settled of \$5.276m. As at 30 June 2013 the liability was \$6.183m.

	2014 \$'000	2013 \$'000
The estimated liability for known personal injury litigation cases not settled <sup>1</sup>	5,276	6,183
<b>Total</b>	<b>5,276</b>	<b>6,183</b>

1. It is expected that the contingent liability will be offset by insurance, however, the amount cannot be accurately estimated as at 30 June 2014.

There were no contingent assets in 2013-14 or 2012-13.

**NOTE 38. INTEREST IN A JOINTLY CONTROLLED ENTITY**

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 initial equity and distribution method.

	2014 \$'000	2013 \$'000
<b>Share of the Joint Venture Profit is as follows:</b>		
Revenue	66	53
Expenses	(141)	(125)
<b>Operating (Deficit)</b>	<b>(75)</b>	<b>(72)</b>
<b>Share of the Joint Venture Assets and Liabilities</b>		
Current Assets	48	64
Non-Current Assets	3,397	3,063
<b>Total Assets</b>	<b>3,445</b>	<b>3,127</b>
Current Liabilities	8	7
Non-Current Liabilities	-	-
<b>Total Liabilities</b>	<b>8</b>	<b>7</b>
<b>Net Assets</b>	<b>3,437</b>	<b>3,120</b>
<b>Share of the Joint Venture Cash</b>	<b>37</b>	<b>52</b>

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**2014**      **2013**  
**\$'000**      **\$'000**

**NOTE 39. CASH FLOW RECONCILIATION**

**(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet**

Total Cash and Cash Equivalents Recorded in the Balance Sheet	70,223	63,937
<b>Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement</b>	<b>70,223</b>	<b>63,937</b>

**(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating (Deficit)**

Operating (Deficit)	(74,582)	(59,953)
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**Add/(Less) Non-Cash Items**

Depreciation	65,031	65,323
Assets Written Off	98	337
(Gain) from Sale of Assets	(25)	(30)
Unrealised (Gain) on Investment	(15)	-

<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b>(9,493)</b>	<b>5,677</b>
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**Changes in Operating Assets and Liabilities**

Decrease/(Increase) in Receivables	2,371	(2,124)
Decrease in Prepaid Expenditure	1,053	550
Increase/(Decrease) in Payables	340	(312)
Increase in Employee Benefits	16,398	6,752
Increase in Revenue Received in Advance	1,535	318

<b>Net Changes in Operating Assets and Liabilities</b>	<b>21,697</b>	<b>5,184</b>
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<b>Net Cash Inflows from Operating Activities</b>	<b>12,204</b>	<b>10,861</b>
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**(c) Non-Cash Financing and Investing Activities**

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

Plant and Equipment	98	93
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**EDUCATION AND TRAINING  
DIRECTORATE**

**TERRITORIAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 2014**



**Education and Training Directorate**  
**Statement of Income and Expenses on Behalf of the Territory**  
**For the Year Ended 30 June 2014**

	Note No.	Actual 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000
<b>Income</b>				
<i>Revenue</i>				
Payments for Expenses on Behalf of the Territory	40	220,648	222,146	202,799
Fees	41	14	-	14
<b>Total Income</b>		<b>220,662</b>	<b>222,146</b>	<b>202,813</b>
<b>Expenses</b>				
Grants and Purchased Services	42	220,648	222,146	202,799
Transfer to Government	43	14	-	14
<b>Total Expenses</b>		<b>220,662</b>	<b>222,146</b>	<b>202,813</b>
<b>Operating Result</b>		<b>-</b>	<b>-</b>	<b>-</b>
Other Comprehensive Income		-	-	-
<b>Total Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>

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 2014**

	Note No.	Actual 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000
<b>Current Assets</b>				
Cash and Cash Equivalents	44	80	50	261
Receivables	45	7	23	-
<b>Total Current Assets</b>		<b>87</b>	<b>73</b>	<b>261</b>
<b>Total Assets</b>		<b>87</b>	<b>73</b>	<b>261</b>
<b>Current Liabilities</b>				
Payables	46	87	73	261
<b>Total Current Liabilities</b>		<b>87</b>	<b>73</b>	<b>261</b>
<b>Total Liabilities</b>		<b>87</b>	<b>73</b>	<b>261</b>
<b>Net Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity</b>				
Accumulated Funds		-	-	-
<b>Total Equity</b>		<b>-</b>	<b>-</b>	<b>-</b>

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

Net Assets and Total Equity has remained at nil, therefore a Statement of Changes in Equity on Behalf of the Territory has not been prepared.

**Education and Training Directorate**  
**Cash Flow Statement on Behalf of the Territory**  
**For the Year Ended 30 June 2014**

	<b>Note No.</b>	<b>Actual 2014 \$'000</b>	<b>Original Budget 2014 \$'000</b>	<b>Actual 2013 \$'000</b>
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Cash from Government for Expenses on Behalf of the Territory		236,994	238,609	218,114
Fees		14	-	14
Goods and Services Tax Received		5,474	5,588	5,119
<b>Total Receipts from Operating Activities</b>		<b>242,482</b>	<b>244,197</b>	<b>223,247</b>
<b>Payments</b>				
Grants and Purchased Services		237,167	238,609	217,922
Transfer of Territory Receipts to the ACT Government		14	-	14
Goods and Services Tax Paid		5,482	5,588	5,100
<b>Total Payments for Operating Activities</b>		<b>242,663</b>	<b>244,197</b>	<b>223,036</b>
<b>Net Cash (Outflows)/Inflows from Operating Activities</b>	48	<b>(181)</b>	<b>-</b>	<b>211</b>
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Flows from Financing Activities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<b>(181)</b>	<b>-</b>	<b>211</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		261	50	50
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	48	<b>80</b>	<b>50</b>	<b>261</b>

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

**Education and Training Directorate  
Territorial Statement of Appropriation  
For the Year Ended 30 June 2014**

	Original Budget 2014 \$'000	Total Appropriated 2014 \$'000	Appropriation Drawn 2014 \$'000	Appropriation Drawn 2013 \$'000
<b>Expenses on Behalf of the Territory</b>				
Expenses on Behalf of the Territory	238,609	240,511	236,994	218,114
<b>Total Territorial Appropriation</b>	<b>238,609</b>	<b>240,511</b>	<b>236,994</b>	<b>218,114</b>

The above Territorial Statement of Appropriation should be read in conjunction with the notes below.

1. The difference between the original budget and total amount appropriated relates to increased Commonwealth grants (\$1.464m) for National Education Reform (Students First) and the transfer of funds from 2012-13 for the Interest Subsidy Scheme (\$0.401m) and Reward for Great Teachers National Partnership (\$0.037m).
2. The difference between the total appropriated and appropriation drawn mainly relates to actual Commonwealth grants on-passed to non government schools being below the original Commonwealth Budget Estimates (\$0.578m) and the rollover of funds to 2014-15 for the Interest Subsidy Scheme (\$1.974m) due to lower interest rates and finalisation of loans under the scheme and Supporting Non Government Preschools program (\$0.700m) as grant recipients are yet to be finalised.

## Education and Training Directorate

### Territorial Note Index

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#### Income Notes

Note	40.	Payment for Expenses on behalf of the Territory
Note	41.	Fees

#### Expenses Notes

Note	42.	Grants and Purchased Services
Note	43.	Transfer to Government

#### Assets Notes

Note	44.	Cash and Cash Equivalents
Note	45.	Receivables

#### Liabilities Notes

Note	46.	Payables
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#### Other Notes

Note	47.	Financial Instruments
Note	48.	Cash Flow Reconciliation

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 40. 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.

	2014 \$'000	2013 \$'000
Funding Received to Meet Expenses Incurred on Behalf of the Territory <sup>1</sup>	220,648	202,799
<b>Total Payment for Expenses on Behalf of the Territory</b>	<b>220,648</b>	<b>202,799</b>

1. The increase from 2012-13 primarily relates to increased Commonwealth grants due to indexation and enrolment increases.

**NOTE 41. FEES**

**Fees**

Fees for Regulatory Services – Training	14	14
<b>Total</b>	<b>14</b>	<b>14</b>

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 42. GRANTS AND PURCHASED SERVICES**

	2014 \$'000	2013 \$'000
Payments for grants and subsidies were as follows:		
Grants - Non-Government Schools <sup>1</sup>	220,015	202,232
Bursary Scheme	601	523
Block Release Grants	32	44
<b>Total</b>	<b>220,648</b>	<b>202,799</b>

1. The increase from 2012-13 primarily relates to increased Commonwealth grants due to indexation and enrolment increases.

**NOTE 43. TRANSFER TO GOVERNMENT**

Transfers to Government primarily relates to fees that are collected  
On behalf of the Territory – refer to **Note 41 – Fees**.

Transfer to Government	14	14
<b>Total</b>	<b>14</b>	<b>14</b>

**NOTE 44. CASH AND CASH EQUIVALENTS**

Cash at Bank	80	261
<b>Total</b>	<b>80</b>	<b>261</b>

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 45. RECEIVABLES**

	2014 \$'000	2013 \$'000
<b>Current Receivables</b>		
Goods and Services Tax Receivable from the Australian Taxation Office	7	-
<b>Total</b>	<u>7</u>	<u>-</u>

**NOTE 46. PAYABLES**

All payables at 30 June 2014 are current and not overdue.

<b>Current Payables</b>		
Payables	87	261
<b>Total Current Payables</b>	<u>87</u>	<u>261</u>
<b>Total Payables</b>	<u>87</u>	<u>261</u>



**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 47. FINANCIAL INSTRUMENTS**

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 shown in the table 'Fair Value of 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. Receivables generally relate to either Commonwealth, ACT or non government agencies which have strong credit histories. Credit risk is therefore considered to be low.

Financial assets consist of cash and receivables. 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.

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 Territory Banking Account.

**Price Risk**

Price risk is the risk that the fair value of 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.

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 47. FINANCIAL INSTRUMENTS – CONTINUED**

**Unrecognised Financial Assets and Financial Liabilities**

There were no unrecognised financial assets and liabilities.

**Fair Value of Financial Assets and Liabilities**

	Carrying Amount 2014 \$'000	Fair Value 2014 \$'000	Carrying Amount 2013 \$'000	Fair Value 2013 \$'000
<b>Financial Assets</b>				
Cash and Cash Equivalents	80	80	261	261
<b>Total</b>	<b>80</b>	<b>80</b>	<b>261</b>	<b>261</b>
<b>Financial Liabilities</b>				
Payables	80	80	261	261
<b>Total</b>	<b>80</b>	<b>80</b>	<b>261</b>	<b>261</b>

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 47. FINANCIAL INSTRUMENTS – CONTINUED**

The following table sets 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 2014. All financial assets and liabilities which 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.

Year 2014	Note No.	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
			1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	44	-	-	-	-	80	80
Total Financial Assets		-	-	-	-	80	80
Financial Liabilities							
Payables	46	-	-	-	-	(80)	(80)
Total Financial (Liabilities)		-	-	-	-	(80)	(80)
Net Financial Assets/(Liabilities)		-	-	-	-	-	-

The following table sets 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 2013. All financial assets and liabilities which 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.

Year 2013	Note No.	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
			1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	44	-	-	-	-	261	261
Total Financial Assets		-	-	-	-	261	261
Financial Liabilities							
Payables	46	-	-	-	-	(261)	(261)
Total Financial (Liabilities)		-	-	-	-	(261)	(261)
Net Financial Assets/(Liabilities)		-	-	-	-	-	-

**Education and Training Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 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.

	2014 \$'000	2013 \$'000
<b>Carrying Amount of Each Category of Financial Asset and Financial Liability</b>		
<b>Financial Assets</b>		
Financial Assets at Fair Value through the Profit and Loss	-	-
Loans and Receivables	-	-
<b>Financial Liabilities</b>		
Financial Liabilities Measured at Amortised Cost	80	261

**NOTE 48. CASH FLOW RECONCILIATION**

a) Reconciliation of Cash and Cash Equivalents at the end of the Reporting Period in the Cash Flow Statement on Behalf of the Territory to the Related Items in the Statement of Assets and Liabilities on Behalf of the Territory.

Total Cash Disclosed on the Statement of Assets and Liabilities on Behalf of the Territory	80	261
Cash at the End of the Reporting as Recorded in the Cash Flow Statement on Behalf of the Territory	<u>80</u>	<u>261</u>

b) Reconciliation of Net Cash (Outflows) / Inflows from Operating Activities to the Operating Result

Operating Result	-	-
Cash Before Changes in Operating Assets and Liabilities	<u>261</u>	<u>50</u>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase)/Decrease in Receivables	(7)	23
(Decrease)/Increase in Payables	(174)	188
Net Changes in Operating Assets and Liabilities	<u>(181)</u>	<u>211</u>
Net Cash (Outflows)/Inflows from Operating Activities	<u>(181)</u>	<u>211</u>

# F3 Capital works

## Overview

In 2013-14, the Directorate again delivered a significant capital works program, totalling \$64.3 million, following on from the \$90.2 million program in 2012-13 and \$92.3 million program delivered in 2011-12.

Highlights for the year were the opening of the final stages of Neville Bonner Primary School and Franklin Early Childhood School, the reopening of Taylor Primary School and the expansion of Macgregor, Majura and Duffy Primary Schools.

All major projects were either completed or were on target to be delivered by the scheduled completion date.

## New schools and childcare centres

### Primary school in Coombs

Redesign work for a smaller school to reflect revised demographic projections was completed to Final Sketch Plan stage in the 2012-13 reporting period. The procurement process to engage a builder for the project was commenced with an expected appointment early in the 2014-15 reporting period.

The Government is investing a total of \$47.25 million in the construction of the primary school in Coombs, the first school in the district of Molonglo. The new school is scheduled to open at the start of the 2016 school year.

### Holder Early Childhood Centre

Construction of the Holder Early Childhood Centre was completed during the reporting period. This facility was the first purpose-built early childhood centre in the ACT under the National Quality Framework for Early Childhood Education and Care. The new centre provides 124 places supporting families in the Weston Creek area and the new development areas in the Molonglo district.

## School improvements

### Taylor Primary School rectification

Rectification and upgrade works were completed at Taylor Primary School ready for the start of the 2014 school year. This included the removal and replacement of the external asbestos wall sheeting. The works also included the expansion of the on-site childcare centre from 26 to 65 places.

## Canberra College Cares program

Designs for the new Canberra College Cares (CCCares) facility on the Woden campus of Canberra College were completed and construction commenced during the reporting period. The new facility will enable students and their children attending the CCCares program to transfer from the college's Weston campus and to be integrated into the college's Woden campus.

This project is scheduled to be completed ready for the start of the 2015 school year.

## Sustainable Learning Trade Training Centre – Tuggeranong Network

The Australian Government approved a grant in December 2011 to establish the Tuggeranong Sustainable Learning Trade Training Centre. This project involves work at four high schools (Calwell and Lanyon High schools and Caroline Chisholm and Wanniasa schools) and two colleges (Erindale and Lake Tuggeranong) across the Tuggeranong School Network.

The hospitality services extension and cafe at Erindale College and the construction services workshop at Lake Tuggeranong College were completed during the reporting period. A project manager was appointed to manage refurbishment works at Lake Tuggeranong College and four high schools. Works were completed at the four high schools with the Lake Tuggeranong College metal and automotive workshop refurbishment to be completed early in the 2014-15 reporting period.

## Trade Skills Centre – Belconnen Network

The Australian Government approved a grant in January 2013 to establish the Belconnen Trade Skills Centre in the Belconnen School Network. The project will involve facility improvements at Hawker College and University of Canberra Senior Secondary College Lake Ginninderra, University of Canberra High School Kaleen, Canberra and Belconnen High schools, Melba Copland Secondary School and Kingsford Smith School. Detailed design work commenced during the reporting period.

## Duffy Primary School extension

New modular classrooms were manufactured off-site and assembled on-site at the school during the reporting period. This extended Duffy Primary School to a full three-stream school (three classes in each year group from kindergarten to year 6). Works were completed ready for the start of the 2014 school year.

### **Majura Primary School extension**

Construction work to extend Majura Primary School was completed ready for the start of the 2014 school year. This extended Majura Primary School to a full four-stream school (four classes in each year group from kindergarten to year 6).

### **Macgregor Primary School extension**

Construction work to extend Macgregor Primary School was completed ready for the start of the 2014 school year. This extended Macgregor Primary School to a full four-stream school (four classes in each year group from kindergarten to year 6).

### **Preschool expansions**

Construction of the new Deakin preschool was completed during the reporting period.

Designs for upgrades and expansion of the Latham and Campbell preschools were completed with construction commenced during the reporting period.

Upgrade and expansion works were completed at Watson preschool and refurbishment works were completed at Pearce and Turner preschools during the reporting period.

### **Childcare centres**

Upgrade and expansion works were completed at Campbell Cottage, Greenway Childcare Centre, Narrabundah Cottage and Nimbin Childcare Centre in Narrabundah.

Designs were completed to upgrade and expand the Gungahlin centre, Treehouse in the Park centre in Turner and Appletree House centre in Wanniasa during the reporting period.

Construction work commenced on the Fyshwick, Forrest, Treehouse in the Park and Appletree House centres during the reporting period. Work will commence on the Gungahlin centre early in the 2014-15 reporting period.

Design work commenced during the reporting period to upgrade and expand the Totom House centre in Kaleen.

A feasibility study to review the Civic Early Childhood Centre was completed during the 2013-14 reporting period.

### **Belconnen High School modernisation – Stage 1**

Planning and consultation work was undertaken during the reporting period, with work progressed on the master plan and infrastructure plans. Construction and demolition works will be undertaken during the 2014-15 financial year.

### **Tuggeranong Introductory English Centre**

Designs for a new centre at Wanniasa Hills Primary School were completed during the reporting period. Construction will be undertaken during the 2014-15 financial year.

### **School Infrastructure for the Future**

Projects completed under this program during the reporting period included the construction of a library and the refurbishment of classrooms at Malkara School, staffroom refurbishment and toilet upgrades at Forrest Primary School, landscape improvements including a learn to ride facility at Southern Cross Early Childhood School, a dirt bike track at Melrose High School, restoration of the grass oval at Hawker Primary School and the upgrade of information and communication technology infrastructure in schools.

### **Older schools upgrade program**

Major upgrade works were completed at Hughes and Yarralumla Primary Schools in the 2013-14 reporting period.

### **Security fences**

New security fences were installed during the reporting period at University of Canberra Senior Secondary College Lake Ginninderra, Wanniasa School (senior campus) and Fraser, Macgregor, Maribyrnong, Mount Rogers and Red Hill Primary Schools.

Designs for security fences at Arawang, Duffy and Mawson Primary schools were completed during the reporting period.

### **Car parks and traffic improvements**

Construction works at Weetangera and Curtin Primary schools and Southern Cross Early Childhood School were completed during the reporting period.

Designs were completed for car park upgrades and expansions at Majura and Macgregor Primary schools during the reporting period.

### School roof replacement program

A major roof replacement was completed at Chapman Primary School in the 2013-14 reporting period. Works were commenced at Canberra High School and will be completed during the next reporting period.

### Digital front signage

New digital signs were installed at the front of Namadgi School and Neville Bonner Primary School during the reporting period.

### Environmental sustainability

A total of \$1.2 million was allocated from the annual schools capital upgrades program to support the Directorate's strategic priorities for environmental sustainability initiatives. Refer to Section B4 for an overview of the projects and policies implemented during the 2013-14 reporting period.

### Capital works schedules

The Directorate's capital works management program for 2013-14, detailing the completed projects and works still in progress at the year's end, is shown in Table F3.1.

**Table F3.1: Capital works management 2013-14**

Project	Original project value	Revised project value	Prior year expenditure	Actual finance 2013-14	Actual expenditure 2013-14	Total expenditure to date	Estimated completion date	Actual completion date	Project approval year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
<b>NEW CAPITAL WORKS</b>									
Canberra College Cares - new building at Woden Campus	14,000	14,000	0	4,253	4,260	4,260	Feb-15		2013-14
School Infrastructure for the Future	3,345	3,345	0	2,089	2,799	2,799	Jun-14		2013-14
Childcare centre upgrades - Stage 2	2,000	2,000	0	181	183	183	Jun-15		2013-14
Belconnen High School modernisation - Stage 1	2,000	2,000	0	127	132	132	Jun-15		2013-14
Tuggeranong Introductory English Centre	1,800	1,800	0	226	228	228	Jun-15		2013-14
Coombs P-6 school construction funding	0	47,250	0	19	19	19	Jan-16		2013-14
<b>CAPITAL UPGRADES</b>									
Older school upgrades	2,740	2,740	0	2,405	2,431	2,431	Jun-14	Jun-14	2013-14
Excellence and Enterprise – high school frontages	0	0	0	534	171	171	Jun-14	Jun-14	2013-14
New school facilities	960	960	0	580	945	945	Jun-14	Jun-14	2013-14
School infrastructure improvements	4,670	4,412	0	4,463	4,469	4,469	Jun-14	Jun-14	2013-14
Building compliance upgrades	1,060	1,060	0	1,002	1,105	1,105	Jun-14	Jun-14	2013-14
School security improvements	1,220	1,220	0	1,237	1,206	1,206	Jun-14	Jun-14	2013-14
School safety improvements	1,660	1,660	0	1,629	1,660	1,660	Jun-14	Jun-14	2013-14
Environmentally sustainable design initiatives	1,220	1,220	0	1,186	1,190	1,190	Jun-14	Jun-14	2013-14
Childcare facilities	425	425	0	212	212	212	Jun-14		2013-14
<b>Total new works</b>	<b>37,100</b>	<b>84,092</b>	<b>0</b>	<b>20,143</b>	<b>21,010</b>	<b>21,010</b>			

**Table F3.1: Capital works management 2013-14 (continued)**

Project	Original project value	Revised project value	Prior year expenditure	Actual finance 2013-14	Actual expenditure 2013-14	Total expenditure to date	Estimated completion date	Actual completion date	Project approval year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
<b>WORK IN PROGRESS</b>									
Duffy Primary School expansion	2,800	2,800	315	2,289	2,352	2,667	Dec-13	Jan-14	2012-13
Carbon Neutral Schools - Stage 1	3,500	3,500	176	601	807	983	Jun-16		2012-13
Childcare centre improvements	0	900	0	111	142	142	Jun-14		2012-13
COAG Universal Access to Preschools - Stage 1 expansion works	6,200	6,200	3,196	1,803	1,685	4,881	Apr-14		2011-12
West Macgregor development - Macgregor Primary School expansion	5,650	5,899	2,185	3,694	3,203	5,388	Oct-13	Sep-13	2011-12
Upgrade of early childhood facilities	0	7,716	2,143	3,662	3,920	6,063	Dec-13		2011-12
Holder Early Childhood Centre	0	6,209	734	4,880	4,896	5,630	May-14	May-14	2011-12
Sustainable Learning Trade Training Centre - Tuggeranong	10,207	8,301	451	5,580	5,691	6,142	Apr-14		2011-12
Belconnen Trade Skills Centre	8,968	8,120	0	66	66	66	Jun-16		2013-14
North Watson development - Majura Primary School expansion	4,400	4,680	1,512	2,809	2,574	4,086	May-14	Sep-14	2011-12
<b>Total work in progress</b>	<b>41,725</b>	<b>54,325</b>	<b>10,712</b>	<b>25,495</b>	<b>25,336</b>	<b>36,048</b>			



**Table F3.1: Capital works management 2013-14 (continued)**

Project	Original project value	Revised project value	Prior year expenditure	Actual finance 2013-14	Actual expenditure 2013-14	Total expenditure to date	Estimated completion date	Actual completion date	Project approval year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
<b>Projects Completed</b>									
Coombs Primary School design (finalisation of design)	550	550	0	532	551	551	Jun-14	Jun-14	2013-14
Rectification and upgrade of Taylor Primary School	12,930	13,731	6,256	8,336	7,475	13,731	Dec-13	Dec-13	2012-13
Installation of artificial grass surfaces – Stage 1	2,300	2,570	2,426	154	144	2,570	Apr-13	Apr-13	2011-12
Canberra College Cares (CCCares) program (design)	1,400	1,400	562	839	839	1,401	Jun-13	Oct-13	2011-12
School toilet upgrade program - Stage 1	2,000	2,000	1,960	41	41	2,001	Jun-13	Oct-13	2011-12
School roof replacement program - Stage 1	2,800	4,029	2,780	1,249	1,249	4,029	Sep-13	Oct-13	2011-12
Coombs Primary School (design)	1,950	1,950	1,309	641	641	1,950	Jun-14	Jun-14	2010-11
Harrison School (secondary school site)	43,500	47,370	46,441	929	929	47,370	Dec-11	Dec-11	2009-10
Namadgi School	50,000	55,550	55,474	152	76	55,550	Apr-11	Apr-11	2007-08
2012-13 childcare capital upgrades	390	390	95	327	295	390	Jun-13	Dec-13	2012-13
Franklin Early Childhood School	42,700	25,641	24,473	-36	605	25,078	Dec-13	Jan-14	2011-12
Neville Bonner Primary School	60,270	43,270	36,092	5,019	4,915	41,007	Dec-13	Jan-14	2011-12
Gungahlin College	60,700	74,407	73,991	119	152	74,143	Mar-11	Mar-11	2007-08
<b>Total projects completed</b>	<b>281,490</b>	<b>272,858</b>	<b>251,859</b>	<b>18,302</b>	<b>17,912</b>	<b>269,771</b>			
<b>TOTAL CAPITAL WORKS PROGRAM 2013-14</b>	<b>360,315</b>	<b>411,275</b>	<b>262,571</b>	<b>63,940</b>	<b>64,258</b>	<b>326,829</b>			

Source: Education and Training Directorate

**Table F3.2: End of year reconciliation schedule 2013-14**

Reconciliation of total current year financing	\$'000
Total current year capital works financing	58,095
Add: Financing of other capital initiatives	9,314
<b>Capital injection from Govt. per cash flow statement</b>	<b>67,409</b>
<b>Reconciliation of total current year actual expenditure - against financing</b>	
Total current year capital works expenditure	59,095
Total current year capital initiatives expenditure	17,888
Less: Net impact of accruals between financial years	-2,705
Less: Capital purchases funded outside of capital injections	-6,868
<b>Capital injection from Govt. per cash flow statement</b>	<b>67,409</b>
<b>Reconciliation of total current year actual expenditure</b>	
Total current year capital works expenditure	59,095
Add: Capital initiatives	17,888
Add: Other asset purchases outside of capital works program	1,537
Less: Net impact of accruals between financial years	-2,705
<b>Purchase of property, plant and equipment as per cash flow statement</b>	<b>75,814</b>

Source: Education and Training Directorate

For further information contact:  
 Director  
 Infrastructure and Capital Works  
 (02) 6205 3173

## F4 Asset management

The Directorate's asset management strategy is based on the following key principles:

- asset management activities are undertaken within an integrated and coordinated framework;
- asset management practices and decisions are guided by service delivery needs;
- asset planning and management are integrated with corporate and business plans, as well as budgetary and reporting processes; and
- capital expenditure decisions are based on evaluations of alternatives that take into account estimated costs, benefits and risks, in particular workplace, health and safety risks.

In 2013-14, the Directorate undertook the following work in relation to the asset management strategy:

- an updated Strategic Asset Management Plan;
- commenced regional education, training and care studies;
- updated principles that will guide future planning of public schools;
- a process for the development of School Master Plans;
- a process for the post-occupancy evaluation of new and refurbished assets; and
- public communication for the strategic asset planning strategy.

The Directorate is responsible for 86 public schools (including preschool sites), and 33 early childhood and childcare centres. In addition, the Directorate manages four facilities for central office staff. In total, there are 144 sites under direct management by the Directorate.

To ensure Directorate facilities are kept at standards suitable for delivering quality educational and care programs, the Directorate has a maintenance program for urgent and minor repairs, planned maintenance, and repair of vandalised and damaged facilities. For early childhood and childcare centres, the Directorate shares the responsibility for maintenance and repairs with the management organisations who are responsible for ongoing and minor maintenance. The Directorate also has an ongoing capital works program for the upgrade of school, preschool, early childhood and childcare centre facilities.

Issues managed by the Directorate included:

- ageing asset stock (average age of schools is 40 years, with 65 percent between 30 and 50 years);
- demographic change (areas of growth, regeneration and decline);
- refurbishment to support changing curriculum activities and service delivery needs;
- installation of information and communication technology infrastructure;
- special needs education – accessibility and learning environments;
- utilisation of existing facilities;
- car parking and traffic management;
- installation of security related infrastructure;
- hazardous materials management, removal and disposal;
- environmental efficiency and sustainable landscapes; and
- energy efficiency and climate change.

### Assets managed

As at 30 June 2014, the Directorate managed school and childcare infrastructure assets with a total net book value of \$1,834.0 million (Table F4.1).

**Table F4.1: Assets and their values at 30 June 2014**

Asset class	Value (\$ million)
Land and building (including improvements) for schools, preschools, early childhood and childcare centres	1,804.6
Leasehold improvements	1.3
Property, plant and equipment	26.3
Community and heritage assets	1.0
Intangible assets	0.8
<b>Total</b>	<b>1,834.0</b>

Source: Education and Training Directorate

The significant assets added to the Directorate's asset register during 2013-14 are given in Table F4.2.

**Table F4.2: Assets added to the asset register during 2013-14**

Assets	Value (\$ million)
Capital works (schools): <ul style="list-style-type: none"> <li>• Taylor Primary School redevelopment;</li> <li>• Duffy Primary School expansion</li> <li>• Macgregor Primary School expansion</li> <li>• Majura Primary School expansion</li> <li>• Tuggeranong Sustainable Learning Trade Training Centre facilities</li> </ul>	32.6
Capital works (childcare) – Holder Early Childhood Centre (new)	6.0
Capital works - various schools, preschools and childcare centre sites	30.3
Capital initiatives – various ICT and other projects	9.5
<b>Total</b>	<b>78.4</b>

Source: Education and Training Directorate

### Asset transfers

During 2013-14, the Directorate transferred the former Higgins and Urambi Primary schools and Village Creek Preschool sites to the Economic Development Directorate. As these sites no longer operated as schools.

### Assets maintenance and upgrade

The Directorate undertakes maintenance and upgrades in consultation with schools and their communities. The Directorate prepared annual repairs and maintenance plans for each school on the basis of information from building condition assessments, requests from schools and information gained from other sources such as consultant reports and site visits.

Works were subsequently undertaken, at a local level by schools and through the Directorate's Infrastructure and Capital Works Branch, with larger and more significant works included in the Directorate's capital works program in priority order within the available funds.

The maintenance of childcare facilities is undertaken by the Directorate in conjunction with the service providers who are responsible for ongoing and minor maintenance.

Maintenance and major refurbishment are a priority for the Directorate given the increasing average age of school and childcare facilities.

### Asset maintenance

In 2013-14, the Directorate expended \$16.25 million on school and childcare centre repairs and maintenance. The repairs and maintenance program included:

- a program of works for all primary and secondary schools, based on the annual rolling program;
- an allocation for unforeseen maintenance such as vandalism, fire and flood damage;
- high priority works arising from school building condition assessment reports;
- a schedule of maintenance for preschools; and
- a program of works for early childhood and care (childcare) centres.

In addition, \$2.0 million was spent on painting and new carpet at seven priority schools – Alfred Deakin and Calwell High schools, Turner School, and Arawang, Gordon, Macquarie and Richardson Primary schools.

Building condition assessments of all schools (including preschools) and childcare facilities are conducted on a three-year rolling program and cover buildings, services and grounds. During 2013-14, building condition assessments were conducted at 30 schools and 23 childcare centres. The results of these reports are taken into account in preparing the Directorate's annual repairs and maintenance programs.

In line with the *Dangerous Substances Act 2004*, the Directorate completed the program of inspections to prepare Hazardous Materials Survey Management Plans (HMSMP) for each school (including preschool) and childcare facility. These plans are comprehensive and include all potentially hazardous materials (asbestos containing materials, lead-based paint, synthetic mineral fibres, polychlorinated biphenyls and ozone depleting substances). The HMSMP is updated every three years, with the asbestos materials component updated annually and issued as a separate report titled *Re-inspection of Asbestos Containing Material Report*.

Copies of the HMSMP and the Asbestos Register are accessible at each school, preschools and childcare centre for inspection by staff, parents, carers and trades people. Plans showing areas of known asbestos containing materials are mounted in entry areas of all schools and preschools.

Tree assessment audits are conducted at each school on an annual basis. The 2013-14 year was the fourth year of annual audits with 87 audits conducted. The outcomes are included in the Directorate's tree maintenance program.

During the reporting period, the Directorate conducted its annual bushfire prevention audit. These audits were conducted across all ACT public schools and included removing leaf litter from roofs, gutters and downpipes, cutting long grass, clearing grounds of tree litter and removing stockpiles of combustible material such as paper, cardboard and compost.

In addition to the planned school asset maintenance and upgrade programs managed and delivered by central office, schools are also funded to undertake repairs and minor works tasks.

### Asset upgrades

In the 2013-14 Budget, funding of \$13.53 million was provided for capital upgrades at schools and preschools and \$0.425 million was provided for capital upgrades at childcare centres. Details of specific works are included in Section F3.

### Office accommodation

During the 2013-14 year, central office staff were located at 220 Northbourne Avenue in Braddon, the Hedley Beare Centre for Teaching and Learning in Stirling, Maribyrnong Primary School in Kaleen and the Lyons Education Centre (Table F4.3).

Staff census of schools conducted in February 2014 recorded 3,283 full-time equivalent staff employed in non-office environments at ACT public school sites. Staff located at these sites included teachers, school leaders, office administrators, general service officers and building service officers.

**Table F4.3: Central office sites, staff numbers (head count) and space occupied, as at 30 June 2014**

Building and location	Staff numbers	Approximate area occupied (m <sup>2</sup> )	Average area occupied per employee (m <sup>2</sup> )
220 Northbourne Avenue, Braddon	209	3,303 <sup>a</sup>	15.8
Hedley Beare Centre for Teaching and Learning, Stirling	171	3,196	18.7
Maribyrnong Primary School, Kaleen	26	727 <sup>a,b</sup>	27.9
Lyons Education Centre	16 <sup>c</sup>	713	44.5
<b>Total</b>	<b>422<sup>d</sup></b>	<b>7,939</b>	<b>18.8</b>

Source: Education and Training Directorate  
Notes:

- a. Includes meeting rooms.
- b. Space occupied by Student Services (Vision Support Team and Hearing Support Team).
- c. Space occupied by the Board of Senior Secondary Studies (Lyons Education Centre) includes 202 m<sup>2</sup> for meeting rooms and secure storage.
- d. Staff numbers have been calculated based on occupied workstations at 30 June 2014.

For further information contact:

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Infrastructure and Capital Works  
(02) 6205 3173

## F5 Government contracting

All procurement processes in place within the Directorate are required to 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 continued to provide advice and support in relation to procurement and contract management issues and undertook higher value procurement activities on behalf of the Directorate.

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

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

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

**Table F5.1: Central office contracts greater than \$25,000 or smaller contracts held by one contractor that total more than \$25,000 (GST exclusive) in 2013-14**

Contractor	Purpose	Branch/Section	Date contract let	Type of contract	2013-14 expenditure \$
NSW Board of Studies, Teaching and Educational Standards	National Assessment Program Literacy and Numeracy Testing 2014	Planning and Performance	22-May-14	Service agreement	648,024
Creating Tomorrow	Providers of change management professional development and training service for 15 Directorate managers/leaders	School Performance	26-Feb-14	Single select <sup>a</sup>	28,125
ACIL Allen Consulting Pty Ltd	Undertake a comprehensive study of the ACT's education and care workforce, working towards meeting the new qualification requirements under the National Quality Framework.	Governance and Assurance	23-Sep-13	Open tender - Request for quotation	123,291
Quality Learning Australia	Provide services as lead validators for the ACT validation process	School Performance	08-Jun-12	Open tender	116,727
John McCarthy Consulting	Policy advice	School Performance	25-Jul-13 & 27-Mar-14	Single select <sup>b</sup>	35,000
Victoria University	Applied research on school funding in the ACT	School Performance	20-May-14	Single select <sup>b</sup>	90,210
Alyssa Ashley Buchardt	Forecasting of Industry Needs and Entitlement (FINE) phase 1	Training and Tertiary Education	03-Dec-12 & 16-Aug-13	Single select <sup>c</sup>	32,810
AMR Advisory	Better Linkages Database Development, Skills Reform database enhancement & Forecasting of Industry Needs and Entitlement (FINE) phase 2	Training and Tertiary Education	15-May-13, 6-May-13 & 15-Aug-13	Single select <sup>c</sup>	47,523
Ernst and Young	ACT Quality Framework	Training and Tertiary Education	04-Apr-14	Open tender	68,750
Millpost Technologies	AVETARS Project manager	Training and Tertiary Education	26-Aug-13	Single select <sup>c</sup>	37,455

**Table F5.1: Central office contracts greater than \$25,000 or smaller contracts held by one contractor that total more than \$25,000 (GST exclusive) in 2013-14 (continued)**

Contractor	Purpose	Branch/Section	Date contract let	Type of contract	2013-14 expenditure \$
PricewaterhouseCoopers	Audit scantions methodology	Training and Tertiary Education	26-Nov-13	Single select <sup>c</sup>	46,550
PricewaterhouseCoopers	ACT Qualification Pricing Review	Training and Tertiary Education	25-Feb-14	Open tender	88,569
PricewaterhouseCoopers	FINE conceptual framework validation	Training and Tertiary Education	30-Oct-13	Open tender	69,408
PricewaterhouseCoopers	Forecasting of Industry Needs and Entitlement (FINE) phase 2	Training and Tertiary Education	30-Oct-13	Open tender	224,559
Gasten Pty Ltd	Forecasting of Industry Needs and Entitlement (FINE) phase 2	Training and Tertiary Education	18-Dec-13	Open tender	25,410
Gasten Pty Ltd	Skills Needs List model advice	Training and Tertiary Education	07-Jul-13	Single select <sup>c</sup>	25,000
Australian Council for Educational Research	Provision of the ACT Scaling Test	ACT Board of Senior Secondary Studies	15-Dec-10	Open tender	558,699
MXA Consulting	Review of the Special Needs Transport Program	Student Engagement	19-Mar-14	Open tender	39,600
Oakton Services P/L	Further development of business requirements and market research for Schools Administration System Project	Information and Knowledge Services	29-Apr-14	Whole of government internal audit panel	52,056
Dragonfly Consulting	Implementation of Professional Standards	Teacher Quality Institute	Jul-13	Single select <sup>d</sup>	27,680
Wilson Parking	Public schools security patrols	Infrastructure and Capital Works	01-Jul-11	Open tender	251,272
SNP Security	Public schools security patrols	Infrastructure and Capital Works	01-Jul-11	Open tender	180,386
Noetic Solutions	Develop a detailed empowerment implementation plan	Deputy Director-General's Office	23-Oct-13	Single select <sup>e</sup>	27,650
Noetic Solutions	Progress implementation of empowerment across public schools.	Office for Schools	Apr-13	Single select <sup>f</sup>	46,550
Anglicare Canberra and Goulburn	Youth Education Program	Student Wellbeing / Student Engagement	30-Nov-11	Single select <sup>g</sup>	160,998
Sexual Health and Family Planning ACT Incorporated	Provision of sexual health services for students with a disability in public schools	Disability Education/ Student Engagement	01-Jan-11	Open tender	150,000
House with No Steps	Work experience and social placement for students with a disability in years 9 and 10 in public schools	Disability Education/ Student Engagement	01-Jan-11	Open tender	163,636

**Table F5.1: Central office contracts greater than \$25,000 or smaller contracts held by one contractor that total more than \$25,000 (GST exclusive) in 2013-14 (continued)**

Contractor	Purpose	Branch/Section	Date contract let	Type of contract	2013-14 expenditure \$
The Shepherd Centre	Provision of therapy services for students with a disability in ACT public schools	Disability Education/ Student Engagement	01-Jan-11	Open tender	163,636
The Shepherd Centre	Provision of therapy services for students with a disability in ACT public schools	Disability Education/ Student Engagement	01-Jan-11	Open tender	163,636
ACT Property Group	Building rent, parking and operating costs for 220 Northbourne Avenue	Property Management & Maintenance/ Infrastructure and Capital Works	Jun-07	Lease agreement	1,390,208
The Social Research Centre	School Leaver Survey	Performance and Systems	13-Mar-12	Select tender	71,420
Knowquestion	Intranet review	Media and Communications	04-Dec-13	Open tender	35,200
Randstad Pty Limited	Review of Internet	Media and Communications	19-Nov-12	Open tender	32,009
Randstad Pty Limited	Review of Internet	Media and Communications	19-Nov-12	Open tender	32,009
Axiom Associates	Internal audits	Audit and Assurance/ Governance and Assurance	02-Oct-13	Whole of government internal audit panel	43,400
PricewaterhouseCoopers	Internal audits	Audit and Assurance/ Governance and Assurance	27-Sep-13	Whole of government internal audit panel	26,114
ARACY Pty Ltd - Australian Research Alliance for Children and Youth	Project establishment for Progressing Parent Engagement Project	Early Childhood Education/ Learning and Teaching	27-Apr-14	Single select <sup>b</sup>	74,800
Volunteering ACT Inc	SPICE - Student Participating in Community Enterprise	Transitions and Careers/ Student Engagement	2008	Open tender	106,500
SQUIZ - Supported Open Source Solutions	Support pack Career and Transitions (CAT) database	Transitions and Careers/ Student Engagement	19-Jun-13	Shared Services IT Panel	100,000
SQUIZ - Supported Open Source Solutions	Completion of CAT database	Transitions and Careers/ Student Engagement	19-Jun-13	Shared Services IT Panel	204,660
Australian Council for Educational Research	Greater Teachers by Design Project	Learning and Teaching	22-Jun-14	Open tender	25,581
Colliers International	Revaluation of Directorate land and building assets	Strategic Finance	14-Mar-14	Whole of government valuation services panel	140,000
Universal Express Group	Directorate courier service	Property Management & Maintenance/ Infrastructure Capital Works	29-Jun-11	Open tender	133,604
Phillips Cleaning Services Pty Ltd	Central office cleaning contract at the Hedley Beare Centre for Teaching and Learning	Property Management & Maintenance/ Infrastructure Capital Works	22-Apr-10 & 2-Apr-14	Cleaning Contract Panel	121,481



**Table F5.1: Central office contracts greater than \$25,000 or smaller contracts held by one contractor that total more than \$25,000 (GST exclusive) in 2013-14 (continued)**

Contractor	Purpose	Branch/Section	Date contract let	Type of contract	2013-14 expenditure \$
National Cleaning Services Australia	Central office cleaning contract at the Lyons Education Centre	Property Management & Maintenance/ Infrastructure Capital Works	Contract commenced in 2006. Cleaning arrangements are on a monthly basis since the contract expired in 2009	Select tender	30,295
Shared Services, Record Services	Provision of mail room services and external postage charges for the Directorate	Property Management & Maintenance/ Infrastructure Capital Works	Ongoing arrangement between Record Services and ETD.	Service level agreement	29,765
Davidson and Trahaire Corpsych	Employee Assistance Program	People and Performance	29-Feb-12	Open tender	111,435
<b>Total</b>					<b>6,206,048</b>

Notes:

- The contractor had already trained Directorate staff using this model in the previous year meaning consistency/sustainability, as well as the contractor being recommended via AITSL, as well as having a proven record via her significant change to education in the UK.
- Contractor has specific expertise.
- Contractor has specialist knowledge and experience.
- Contractor has specific and unique expertise relating to the needs of Teacher Quality Institute.
- Contractor has a specialised knowledge of the history and processes developed by the Directorate in implementing empowered business practices.
- Contractor was engaged off whole of government panel arrangement for the Expenditure and Evaluation Committee.
- This contract was originally held with the Community and Services Directorate, and was handed over to Education and Training Directorate as part of Administrative Arrangement Orders in November 2012.

**Table F5.2: Contracts held in individual public schools exceeding \$25,000 or smaller contracts held by one contractor that totalled more than \$25,000 (GST exclusive) in 2013-14**

Contractor	School	Date contract let	Amount (\$)
<b>Cleaning Contracts</b>			
24/7 Facilities Management	Evatt Primary	1-Sep-11	\$67,824
<b>Total</b>			<b>\$67,824</b>
Abdos Cleaning	Fadden Primary	1-Jun-11	\$64,978
	Wanniassa Hills Primary	2-Apr-12	\$74,861
<b>Total</b>			<b>\$139,839</b>
ACT Commercial Cleaning	Bonython Primary	5-Mar-12	\$66,011
	Franklin Early Childhood	1-Feb-13	\$66,612
	Latham Primary	23-Jan-12	\$75,913
	Lyneham Primary	3-Sep-12	\$105,861
<b>Total</b>			<b>\$314,397</b>
Alpha Cleaning	Red Hill	14-Nov-11	\$116,086
<b>Total</b>			<b>\$116,086</b>
Celeski Cleaning	Isabella Plains Early Childhood	1-Sep-11	\$46,778
	Lyons Early Childhood	5-Mar-12	\$46,658
<b>Total</b>			<b>\$93,436</b>
City and Town Civil Cleaning	Charnwood Dunlop	1-Apr-09	\$81,475
<b>Total</b>			<b>\$81,475</b>
Dynuse Cleaning	Arawang Primary	16-Apr-12	\$92,544
	Campbell Primary	1-Sep-11	\$77,198
	Forrest Primary	31-Oct-11	\$90,006
	Hughes Primary	1-Feb-14	\$83,358
<b>Total</b>			<b>\$343,106</b>
Faraj Cleaning	Aranda Primary	1-Sep-11	\$79,500
	UC High Kaleen	1-Jun-11	\$93,819
<b>Total</b>			<b>\$173,319</b>
Freds Express Cleaning	Ainslie	19-Dec-11	\$88,349
	Gowrie Primary	19-Dec-11	\$64,411
	Malkara	5-Dec-11	\$68,327
	Richardson Primary	1-Feb-12	\$46,320
	The Woden School	1-Jun-11	\$58,877
<b>Total</b>			<b>\$326,284</b>

**Table F5.2: Contracts held in individual public schools exceeding \$25,000 or smaller contracts held by one contractor that totalled more than \$25,000 (GST exclusive) in 2013-14 (continued)**

Contractor	School	Date contract let	Amount (\$)
GJK Cleaning	Chapman Primary	1-Jun-11	\$81,464
	Curtin Primary	7-May-12	\$89,161
	Duffy Primary	1-Jun-11	\$48,717
	Gold Creek	30-Jan-12	\$236,418
	Mount Rogers Primary	5-Mar-12	\$93,583
	Mount Stromlo High	1-Jun-11	\$72,427
<b>Total</b>			<b>\$621,770</b>
Lingard Cleaners	Jervis Bay	31-May-12	\$22,563
<b>Total</b>			<b>\$22,563</b>
M&V Cleaning	Garran Primary	1-Jun-11	\$96,181
	Torrens Primary	1-Apr-12	\$69,712
<b>Total</b>			<b>\$165,893</b>
Menzies Cleaning	Black Mountain	1-Jun-11	\$74,880
	Cranleigh	1-Jun-11	\$60,370
	Turner	1-Jun-11	\$107,535
	UC College Lake Ginninderra	7-Nov-11	\$137,218
<b>Total</b>			<b>\$380,003</b>
Mirrors Cleaning	Farrer Primary	31-Oct-11	\$74,563
	Kingsford Smith	1-Feb-14	\$180,897
	Macquarie Primary	1-Oct-09	\$74,532
	Mawson Primary	1-Sep-11	\$56,738
	Ngunnawal Primary	1-Oct-13	\$107,424
	Weetangera Primary	1-Sep-11	\$83,848
<b>Total</b>			<b>\$578,002</b>
National Cleaning	The Canberra College	1-Sep-11	\$182,472
<b>Total</b>			<b>\$182,472</b>
Phillips Cleaning Service	Alfred Deakin High	19-Dec-11	\$171,712
	Neville Bonner Primary	1-Feb-13	\$79,495
	Calwell High	20-Aug-12	\$147,186
	Gungahlin College	1-Dec-11	\$212,241
	Harrison	1-Jun-11	\$236,074
	Lake Tuggeranong College	14-Nov-11	\$172,079
	Lyneham High	19-Dec-11	\$203,755
	Melba Copland Secondary	1-Feb-14	\$240,866
	Telopea Park	28-Apr-14	\$47,603
<b>Total</b>			<b>\$1,511,011</b>

**Table F5.2: Contracts held in individual public schools exceeding \$25,000 or smaller contracts held by one contractor that totalled more than \$25,000 (GST exclusive) in 2013-14 (continued)**

Contractor	School	Date contract let	Amount (\$)
Riteway Cleaning	Palmerston District Primary	19-Dec-11	\$94,244
<b>Total</b>			<b>\$94,244</b>
Rose Cleaning Group	Charles Conder Primary	1-Feb-12	\$100,902
	Gordon Primary	1-Jun-11	\$106,994
	Monash Primary	29-Aug-11	\$93,244
<b>Total</b>			<b>\$301,140</b>
Rose Cleaning Services	Caroline Chisholm High	1-Jun-11	\$188,928
	Dickson College	1-Jul-11	\$98,744
	Erindale College	1-Feb-14	\$133,485
	Melrose High	5-Jun-13	\$187,152
	Namadgi	5-Dec-11	\$229,973
	Narrabundah College	7-Nov-11	\$188,818
<b>Total</b>			<b>\$1,027,100</b>
S&M Cleaning	Giralang Primary	28-Jan-14	\$25,734
	Macgregor Primary	1-Jan-12	\$73,787
	Maribyrnong Primary	1-Sep-11	\$62,316
	Southern Cross Early Childhood	1-Dec-13	\$46,788
<b>Total</b>			<b>\$208,625</b>
Salloum Cleaning	Florey Primary	23-Jan-12	\$74,785
	Yarralumla Primary	1-Sep-11	\$63,425
<b>Total</b>			<b>\$138,210</b>
Stefan Sparks Cleaning	Calwell Primary	20-Aug-12	\$70,140
	Taylor Primary	3-Feb-14	\$24,534
	Torrens Primary	5-Mar-12	\$20,709
<b>Total</b>			<b>\$115,383</b>
Storm International	Theodore Primary	1-Jun-11	\$67,836
<b>Total</b>			<b>\$67,836</b>
Universal Cleaners	Hawker College	1-Feb-14	\$140,133
	Kaleen Primary	29-Aug-11	\$102,834
<b>Total</b>			<b>\$242,967</b>
VIP Cleaners	Fraser Primary	17-Oct-11	\$65,503
<b>Total</b>			<b>\$65,503</b>
VNT Services Pty Ltd	Amaroo	1-Jan-13	\$222,261
	Belconnen High	14-Nov-11	\$123,575
	Campbell High	1-Jul-11	\$137,854
	Canberra High	31-Aug-09	\$173,517
	O'Connor Cooperative	1-Jan-12	\$26,183
	Gilmore Primary	1-Sep-11	\$54,571
	Hawker Primary	14-Nov-11	\$60,828
	Lanyon High	5-Dec-11	\$136,172
	Majura Primary	1-Jul-09	\$97,483

**Table F5.2: Contracts held in individual public schools exceeding \$25,000 or smaller contracts held by one contractor that totalled more than \$25,000 (GST exclusive) in 2013-14 (continued)**

Contractor	School	Date contract let	Amount (\$)
VNT Services Pty Ltd	Miles Franklin Primary	5-Dec-11	\$65,655
	Narrabundah Early Childhood	1-Dec-13	\$23,448
	North Ainslie Primary	19-Dec-11	\$93,432
	Wanniassa	2-Feb-09	\$205,768
<b>Total</b>			<b>\$1,420,747</b>
<b>Total Cleaning</b>			<b>\$8,799,234</b>
<b>Maintenance</b>			
Burgess Horticultural	Narrabundah College	1-Jan-10	\$16,849
<b>Total</b>			<b>\$16,849</b>
Programmed Maintenance Service	Campbell High	1-Jan-14	\$15,784
	Hawker College	29-Mar-13	\$15,624
	UC College Lake Ginninderra	1-Apr-14	\$6,105
<b>Total</b>			<b>\$37,513</b>
<b>Total Maintenance</b>			<b>\$54,362</b>
<b>HVAC</b>			
Dalkia Technical Services	Erindale College	1-Jul-11	\$51,904
<b>Total HVAC</b>			<b>\$51,904</b>
<b>Hydro Pool Maintenance</b>			
In the Swim	Black Mountain	9-Oct-07	\$24,360
	Cranleigh	22-Oct-07	\$21,100
	Turner	22-Oct-07	\$20,619
<b>Hydro Pool Maintenance</b>			
In the Swim	Black Mountain	9-Oct-07	\$24,360
	Cranleigh	22-Oct-07	\$21,100
	Turner	22-Oct-07	\$20,619
<b>Total Hydro Pool Maintenance</b>			<b>\$66,079</b>
<b>Hygiene</b>			
Flick Washroom Services	Black Mountain	19-Jun-13	\$13,254
	Cranleigh	1-Jul-12	\$8,813
	Macgregor Primary	Monthly	\$2,160
	Malkara	Monthly	\$8,424
<b>Total Hygiene</b>			<b>\$32,651</b>
<b>Waste Management</b>			
SITA	Belconnen High	17-Jun-10	\$13,200
	Curtin Primary	17-Jun-14	\$8,358
	Gold Creek	11-Jun-14	\$9,436
	Gordon Primary		\$8,594
	Weetangera Primary	1-Jul-13	\$4,498
	Amaroo		\$19,666
<b>Total Waste Management</b>			<b>\$63,752</b>
<b>GRAND TOTAL</b>			<b>\$9,067,982</b>

**Table F5.3: Smaller Works by suppliers in public schools exceeding \$25,000 (GST Exclusive) in 2013-14**

Contractor	School	Purpose	Amount (\$)
A&K Electrics	The Canberra College	Electrical services	25,151
Network Electrical Solutions	Melrose High	Electrical services	86,042
School Electrical Services	UC High Kaleen	Electrical services	36,400
Twin City Electricals	Wanniassa	Electrical services	56,646
<b>Total Electrical Services</b>			<b>204,239</b>
Cityscape Interiors	Mount Stromlo High	Interior services	28,410
Fitout Factory	Macquarie Primary	Interior services	30,595
Fitout Factory	Melrose High	Interior services	34,823
Infinite Joinery	Canberra High	Interior services	28,460
<b>Total Interior Services</b>			<b>122,288</b>
ARIS Building Services	Chapman Primary	Maintenance	26,983
J & B Home Maintenance	UC High Kaleen	Maintenance	40,128
MR Building Pty Ltd	Canberra High	Maintenance	28,681
Pauls Vinyl Laying	Melrose High	Maintenance	39,328
Programmed Maintenance Services	Gold Creek	Maintenance	50,954
TFC	Mount Rogers Primary	Maintenance	30,243
<b>Total Maintenance</b>			<b>216,317</b>
Don't Panic Plumbing	UC College Lake Ginninderra	Plumbing services	31,363
G&G Plumbing	Ainslie	Plumbing services	38,324
Harry Black Plumbing	Narrabundah College	Plumbing services	27,606
Raiders Plumbing	Melrose High	Plumbing services	27,245
<b>Total Plumbing Services</b>			<b>124,538</b>
Jane Farrall - Literacy consultants	Malkara	Educational services	27,330
Summers Glass	Wanniassa	Glazing	25,760
PJ Nott	Amaroo	Ground maintenance	25,320
Grand Designs Landscaping	Narrabundah Early Childhood	Landscaping services	30,580
Glendening Painting	UC College Lake Ginninderra	Painting services	27,840
Playground People	Mount Rogers Primary	Playground equipment	44,673
<b>Total Other Services</b>			<b>181,503</b>
<b>GRAND TOTAL</b>			<b>848,885</b>

For further information contact:  
 Director  
 Strategic Finance  
 (02) 6205 5338



AUDITOR-GENERAL AN OFFICER  
OF THE ACT LEGISLATIVE ASSEMBLY 

A14/07

Ms Diane Joseph  
Director-General  
Education and Training Directorate  
Level 6, 220 Northbourne Avenue  
BRADDON ACT 2612

Dear Ms Joseph

**REPORT OF FACTUAL FINDINGS – EDUCATION AND TRAINING DIRECTORATE  
STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014**

The Audit Office has completed the review of the statement of performance of Education and Training Directorate for the year ended 30 June 2014.

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, Ms Joy Burch MLA.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Cooper'.

Dr Maxine Cooper  
Auditor-General  
16 September 2014

c.c. Ms Carol Lilley, Chair, Audit Committee  
Ms Sushila Sharma, Acting Chief Financial Officer  
Ms Megan Young, Chief Internal Auditor

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## **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 2014 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 of the Directorate 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 to measure the results of the accountability indicators 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.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the accountability indicators reported in 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 accountability 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 of performance. If users of this 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.

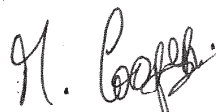
### **Independence**

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 accountability indicators, reported in the statement of performance of the Directorate for the year ended 30 June 2014, 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

16 September 2014

**EDUCATION AND TRAINING DIRECTORATE**

**STATEMENT OF PERFORMANCE**

**For the year ended 30 June 2014**

**Circulated by authority of  
Ms Joy Burch MLA  
Minister for Education and Training  
September 2014**

**Education and Training Directorate  
Statement of Performance  
For the year ended 30 June 2014**

**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 2014.



Leanne Cover  
Acting Director-General  
16 September 2014

## Output Class 1: Public School Education

### Description

Public primary school education spans the years from preschool to year 6. It is available, on average, for eight years with a preschool age of four years and a kindergarten starting age of five years. A balanced curriculum allows the students to develop the qualities needed for lifelong learning. Public high school education covers the 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 educational settings are available in ACT public schools for students with a disability. These include special needs schools, special classes or units in mainstream schools, additional support in mainstream classes and early intervention programs to children between the ages of two to five years who have a disability or a developmental delay.

	2013-14 Target	2013-14 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
<b>Total Cost (\$'000)</b>				
1.1 Public Primary School Education	315,852	316,210	0.1	
1.2 Public High School Education	164,120	164,815	0.4	
1.3 Public Secondary College Education	107,759	107,038	(0.7)	
1.4 Disability Education in Public Schools	68,716	70,927	3.2	
<b>Total Output Class 1</b>	<b>656,447</b>	<b>658,990</b>	<b>0.4</b>	
<b>Government Payment for Output (\$'000)</b>				
1.1 Public Primary School Education	258,028	254,679	(1.3)	
1.2 Public High School Education	139,397	137,590	(1.3)	
1.3 Public Secondary College Education	90,032	88,806	(1.4)	
1.4 Disability Education in Public Schools	61,002	60,460	(0.9)	
<b>Total Output Class 1</b>	<b>548,459</b>	<b>541,535</b>	<b>(1.3)</b>	

Output Class 1: Public School Education	2013-14 Target	2013-14 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
<b>Accountability Indicators</b>				
<b>Early intervention</b>				
a. Number of eligible children with developmental delays and disabilities who attended an early intervention program	400	397	(0.8)	
b. Individual Learning Plans commenced within one month of the student's first attendance at an early intervention program	100%	98%	(2.0)	
c. Parent satisfaction with their children's progress in early intervention placement as measured by annual survey	90%	100%	11.1	Note 1
d. Average cost (\$) per child attending an early intervention program	4,755	4,358	(8.3)	
<b>Early childhood education</b>				
a. Number of enrolments in preschool in public schools	4,425	4,583	3.6	
b. Number of enrolments of Aboriginal and Torres Strait Islander students in preschool in public schools	220	212	(3.6)	
<b>School participation</b>				
a. Attendance rate of public school students in year 1 to year 10	91.5%	92.2%	0.8	
<b>Education and care services</b>				
a. Number of visits to approved education and care services to administer the <i>Education and Care Services National Law (ACT) Act 2011</i> and the <i>Children and Young People Act 2008</i>	504	544	7.9	
b. Education and care services satisfaction with assessment and monitoring functions <sup>b</sup>	85%	73%	(14.1)	Note 2
<b>Disability education</b>				
a. Individual Learning Plans completed for students in special and mainstream schools who access special education services	100%	99%	(1.0)	
<b>Senior secondary education</b>				
a. Percentage of year 10 students who proceed to public secondary college education	85%	93%	9.4	
b. Percentage of year 10 Aboriginal and Torres Strait Islander students who proceed to public secondary college education	80%	85%	6.3	
c. Apparent retention of public school students from year 7 to year 12 <sup>c, d</sup>	100%	104%	4.0	
d. Apparent retention of Aboriginal and Torres Strait Islander public school students from year 7 to year 12	75%	65%	(13.3)	Note 3
e. Percentage of year 12 students who receive a Tertiary Entrance Statement	50%	48%	(4.0)	
f. Percentage of year 12 Aboriginal and Torres Strait Islander students who receive a Tertiary Entrance Statement	20%	18%	(10.0)	Note 4
g. Percentage of year 12 students who receive a nationally recognised vocational qualification	60%	58%	(3.0)	

Output Class 1: Public School Education		2013-14 Target	2013-14 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
Accountability Indicators					
h.	Percentage of year 12 Aboriginal and Torres Strait Islander students who receive a nationally recognised vocational qualification	50%	71%	42.0	Note 5
<b>Average cost (\$) per student per annum in public:</b>					
a.	Preschool	6,419	6,357	(1.0)	
b.	Primary schools <sup>a</sup>	14,509	14,321	(1.3)	
c.	High schools	17,644	17,789	0.8	
d.	Secondary colleges	18,364	18,013	(1.9)	
e.	Special schools	57,455	58,242	1.4	
f.	Mainstream schools' student with a disability	27,680	27,624	(0.2)	

**Notes to accountability indicator description:**

- For this indicator, primary school students are defined as kindergarten to year 6 to enable cross-jurisdiction comparisons.
- The survey was conducted during June 2014. A total of 111 approved education and care services completed the survey. Responses were collected on a five point scale of strongly agree, agree, neither agree nor disagree, disagree or strongly disagree. Strongly agree and agree responses were counted as satisfied. Non-responses were excluded.
- The apparent retention rate is an indicative measure of the number of students who have stayed in school, as at a designated year level. It is the percentage of the respective cohort group that those students would be expected to have come from assuming an expected progression of one grade per year.
- The apparent retention rate for the ACT may be higher than 100% as a result of cross border students attending ACT schools.

**Notes to variance explanation:**

- The result is indicative of the continuing high level of parent satisfaction with early intervention programs.
- The target of 85 percent was set prior to the implementation of the National Quality Framework. Changes to the functions of the Children's Policy Regulation Unit (CPRU) as the Regulatory Authority responsible for the administration of the National Quality Framework is likely to have impacted on the result. From 1 June 2012, the CPRU commenced the quality assessment and rating of education and care services. The CPRU provides an overall rating for each service. This is a more rigorous assessment of each service against nationally agreed standards. The results of this assessment are published nationally. It is anticipated that adjusting to be part of the new system may have been a factor in the lower satisfaction rate. Comments received as part of survey feedback indicated levels of dissatisfaction in some circumstances may have been attributed to the new system rather than the way in which an individual authorised officer conducted the function.
- Aboriginal and Torres Strait Islander students are small populations and as such, relative small changes in the number of students create large movements. In relation to the result, 69 students commenced year 7 and 45 progressed to year 12. The target required 52 students to progress to year 12, a shortfall of seven students.
- There were 55 Aboriginal and Torres Strait Islander students in year 12 in 2013. Ten received a Tertiary Entrance Statement. The target of 20% required 11 students to receive a Tertiary Entrance Statement. The variance of -10% represents a shortfall of one student.
- The percentage of year 12 Aboriginal and Torres Strait Islander students receiving a nationally recognised vocational qualification in 2013 was substantially higher than expected, based on previous years' attainment. Over the previous four years, from 2009 to 2012, the highest percentage was 60.0 percent (in 2009), while the lowest was 51.8 percent (in 2011). The 2013 percentage represented 39 of the 55 students achieving a qualification.

## 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 the Commonwealth and ACT Government grants.

	2013-14 Target	2013-14 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
<b>Total Cost (\$'000)</b>	4,287	4,108	(4.2)	
<b>Government Payment for Output (\$'000)</b>	3,762	3,765	0.1	
<b>Accountability Indicators</b>				
a. Non-government school registration reviews completed within the period required under the <i>Education Act 2004</i> <sup>a</sup>	100%	100%	Nil	
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%	Nil	
d. Satisfaction with the processes of the non-government education section <sup>b</sup>	87%	98%	12.6	Note 1

#### Notes to accountability indicator description:

- The Education and Training Directorate is responsible for the management of the registration processes pertaining to new and existing ACT non-government schools. Whilst the *Education Act 2004* does not prescribe a period for the completion of registration processes/reviews it requires non-government schools to be registered before any student is educated. During the reporting period all registration processes were completed prior to the commencement of the school educating any students, or before the expiration of the registration of a school seeking registration renewal.
- Non-government Education processes formerly managed by the Non-government Education section comprise the registration of non-government schools and home educated students. Since 2012 these regulatory processes have been managed by the Liaison Unit. This survey measured satisfaction relating to the services provided by the Liaison Unit throughout 2013-14.

#### Notes to variance explanation:

- Fifty-four responses to the survey were received from non-government schools and registered home educators. Thirty-five respondents indicated they were very satisfied with the overall services provided by the Liaison Unit, seventeen indicated they were satisfied, one indicated they were neither satisfied nor dissatisfied, and one indicated the question was not applicable.

## Output Class 3: Vocational Education and Training

### Output 3.1: Planning and Coordination of Vocational Education and Training Services

#### 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, monitoring and auditing territory and national funds for a variety of programs addressing skills development. 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.

	2013-14 Target	2013-14 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
<b>Total Cost (\$'000)</b>	37,528	28,243	(24.7)	Note 1
<b>Government Payment for Output (\$'000)</b>	37,208	30,719	(17.4)	Note 1
<b>Accountability Indicators<sup>a</sup></b>				
f. Funded training initiative allocation rounds administered within published timeframes	100%	100%	Nil	
g. Registered training organisation audit reports provided within 30 days of completion of on-site audit	100%	100%	Nil	
h. Total number of students undertaking vocational qualifications:				
i. all students	29,500	30,068	1.9	
ii. Aboriginal and Torres Strait Islander students	740	851	15.0	Note 2
iii. students with a disability	1,900	1,889	(0.6)	
i. Participation in vocational education and training:				
i. all students (percentage)	8.2%	8.0%	(2.4)	
ii. Aboriginal and Torres Strait Islander students (percentage)	15.5%	17.2%	11.0	Note 2

#### Notes to accountability indicator description:

- a. Previous indicators a. to e. were discontinued and advised in the 2013-14 Budget.

#### Notes to variance explanation:

- The lower than anticipated result primarily relates to the delayed timing of course completions and transfer of funding to 2014-15 associated with the Productivity Places program and national Skills Reform program.
- The increase is in part due to a targeted effort to improve data quality for Aboriginal and Torres Strait Islander students and partly due to an increase in Aboriginal and Torres Strait Islanders students.