



Part C
Financial Management Reporting

Financial Management Analysis

General Overview

The Education Directorate is a leading learning organisation where our people are valued and work together to deliver high quality early childhood education and public-school education in an accessible and inclusive environment.

As stewards of the ACT education system, the Directorate works actively with a range of stakeholders and has a highly collaborative relationship with the Catholic Education Office and the independent school sector represented by the ACT Association of Independent Schools. The Directorate also works closely with the ACT Council of Parents and Citizens Association and maintains a constructive and active working relationship with the Australian Education Union and other relevant unions. The Directorate also engages with a wide range of early childhood providers.

The Directorate will continue to deliver the Government's priorities through the second phase of the Future of Education Strategy and the implementation of Set up for Success: ACT Early Childhood Strategy.

Risk Management

The Education Directorate's Strategic Risk Register identifies key medium to long term risks related to the Directorate's operations and objectives. These risks and mitigation strategies are monitored by the Directorate's senior executive and the Audit Committee through regular engagement and frequent reporting. The key risks and mitigating strategies are as follows:

1. Education is not preparing all students for the changing and social economic future

In preparing for the changing social and economic environment there is a risk that the Directorate may not align with or reflect the expectations of the community. This risk has been amplified by the emergence of the COVID-19 pandemic. Ensuring an ongoing focus on teacher quality is of critical importance in managing this risk.

Implementation of the *Future of Education* and *Set up for Success* strategies will ensure students are equipped for social and economic participation in 2030 and beyond. The Directorate has designed its strategic framework to support all levels of the organisation to contribute to achieving outcomes linked to these strategies, including ensuring the pedagogy is evolving to meet future workforce needs.

2. Insufficient workforce capability to deliver core education services and strategic reforms

A key challenge for the Education Directorate is the shortage of teachers which is being experienced across all education sectors both locally and nationally. The Directorate has a comprehensive professional development planning process in place for school leaders and provides professional learning opportunities to staff. In addition, all new staff attend induction which includes training on key policies and procedures on commencement, complete online training in core topics such as code of conduct and work health and safety, have a professional development plan and undertake professional development training.

3. Health, safety, and wellbeing incidents across the Education Directorate are not managed appropriately

All schools actively manage work health and safety in order to deliver safe and supportive school environments. This is supported by mandatory online training for staff in Work Health and Safety, Occupational Violence in the Workplace and Keeping Children and Young People Safe.

The emergence of the COVID-19 pandemic has required the Directorate to respond quickly to changing circumstances to ensure implementation of policies and practices in line with health advice that support the safety of students, staff and the school community. It has also required a heightened focus on supporting student wellbeing.

The Directorate's Complex Case Management team provides targeted support for schools in undertaking risk assessments and implementing risk management controls in relation to students with challenging behaviours. This team takes a behavioural and therapeutic approach when working with schools to support staff and student safety. The team also monitors reports of occupational violence through RiskMan. This supports timely responses to incidents and provides an increased level of assurance that appropriate responses are in place and actioned.

The Education Directorate's complaints management framework supports management of individual complaints that relate to student wellbeing issues as well as identifying issues and trends to inform school and system improvement.

4. Inadequate prevention, preparedness, and response to environmental threats

The risks associated with aging infrastructure and management of hazardous substances and materials in schools are recognised. The Directorate has established an expert panel to advise on best practice in hazardous materials management and is engaging with school communities to support an understanding of the risks and how they are being managed.

The Education Directorate undertakes a robust program of work annually to address environmental risks and threats including bushfires; occupational violence; physical security threats; pandemics; terrorist attacks, violent extremism and workplace health and safety incidents. It has a body of relevant policies and procedures which are embedded to respond to these risks, which are regularly reviewed.

The Directorate annually reviews emergency management frameworks and plans and participates in ACT Government emergency management planning and governance forums. The Directorate also participates in territory-wide emergency exercises to support preparedness in the event of an incident. This process also identifies any improvements or changes that need to be made to the plan.

The Education Directorate participates in the whole-of-government COVID-19 Coordinator General group in response to the COVID-19 pandemic. The Directorate has engaged in extensive scenario planning in consultation with key stakeholders to ensure preparedness for changing circumstances.

5. Inadequate information, data, and records management, including acts of fraud and corruption

There is a risk that information could be accidentally or deliberately shared that could result in staff or student confidential information being exposed. There is also a risk that information is used for fraudulent activity, such as altering of information or financial gain.

The Directorate takes security, privacy and data breaches very seriously, implementing a number of activities to manage and monitor, including:

- access to business systems, cloud services and information repository is approved and reviewed regularly;
- business systems and cloud services have audit logging enabled and are monitored;
- awareness and training made available to staff and students;
- all staff and students are required to agree and sign an Acceptable Use of ICT statement;
- security assessments for all software requests to ensure Territory Privacy and Security Requirements are met;
- monitoring of security management and controls through the Directorate's Cyber Security Risk Forum and the Audit Committee;
- privacy breaches are notified to the Directorate's Governance branch for review and determination of appropriate response. The Office of the Australian Information Commissioner is also notified; and
- all security breaches, incidents or issues are reviewed and additional controls put in place.

6. Poor governance and lack of integrity

The Directorate maintains a range of committees to provide regular oversight of operations. These committees include the Executive Governance Committee and its subcommittees, comprising:

- Work Health and Safety Sub-Committee;
- Digital Strategy Sub-Committee;
- Security and Emergency Management Sub-Committee;
- Education Evaluation Sub-Committee;
- Planning Sub-Committee; and
- Finance Sub-Committee.

The Education Support Office supports schools to assess and manage risks at the school level and provides oversight and assurance through provision of compliance checklist tools and an annual program of school audits. Risks are also mapped at a network level to identify emerging risks and system-level controls.

The Directorate's Senior Executive Responsible for Business Integrity Risk (SERBIR) actively champions fraud and corruption prevention across the Directorate and pursues awareness raising opportunities for staff. This includes engagement and training for staff in collaboration with the ACT Integrity Commission and regular updates to school to support awareness of fraud and corruption risks and mitigation strategies.

Accounting Standards - Changes

There were no new or updated accounting standards that the Directorate was required to apply during the 2020-21 financial year.

COVID-19 pandemic – Impact on the Education Directorate's 2020-21 Financial Performance

The Education Directorate's 2020-21 operations continued to be impacted by the COVID-19 pandemic. The Directorate received additional funding through a number of sources in response to the management of COVID-19. Additional funding was provided through:

- the ACT Jobs and Economic Recovery Plan to support staff employed under the Jobs for Canberrans program;
- the ACT Jobs and Economic Recovery Plan to support local business to undertake minor infrastructure upgrades, repairs and maintenance work in ACT public schools;
- budget initiative funding to provide additional support to schools and the community for increased cleaning and cleaning supplies;
- access to Treasurer’s Advance to support continuation of temporary and casual staff in line with ACT Government policies; and
- funding from the Australian Government through the COVID-19 National Partnership Agreement to support schools and the community for increased cleaning and cleaning supplies required in schools during 2020-21.

The total impact on the financial performance of the Directorate was immaterial and therefore has not significantly impacted the 2020-21 financial statements. As the Directorate is primarily government funded through controlled recurrent payments, the COVID-19 pandemic is not expected to have a material impact on future financial performance.

Education Directorate Financial Performance

The Directorate managed its operations within the 2020-21 budgeted appropriation including additional funding provided through a Treasurer’s Advance, primarily associated with a true-up of funding for pay increases associated with teaching, administrative and other staff enterprise agreements and salary costs due to enrolment increases in public schools, as well as costs associated with the COVID-19 pandemic for the continuation of temporary and casual employees. Original budgets presented in the Management Discussion and Analysis reflect amounts presented in the 2020-21 Budget Papers.

The table below provides a summary of the financial operations based on the audited financial statements for 2019-20 and 2020-21.

Table 54: Net Cost of Service

Net Cost of Services	Actual	Actual	Original Budget	Budget	Forward Estimate	Forward Estimate
	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	\$m	\$m	\$m	\$m	\$m	\$m
Total expenditure	913.7	965.3	959.6	1,017.0	1,055.5	1,089.6
Total own source revenue ¹	40.4	49.8	59.4	56.0	55.5	57.1
Net cost of services	873.3	915.5	900.2	961.0	1,000.0	1,032.9

¹Relates to Total Revenue excluding Controlled Recurrent Payments.

Source: Education Directorate’s 2020-21 Financial Statements

Net Cost of Services

The Directorate’s net cost of services for 2020-21 of \$915.5 million was \$15.3 million or 1.7 per cent higher than the 2020-21 original budget of \$900.2 million. The variance was primarily due to additional student enrolments, increased employee expenses associated with COVID-19, an increase in the present value factor applied to long service leave and additional costs and reduced revenue associated with the COVID-19 pandemic including lower international student revenue and lower revenue from the hire of facilities.

In comparison to 2019-20, the net cost of services in 2020-21 increased by \$42.2 million or 4.8 per cent. The net increase is primarily due to additional employee expenses associated with staff wage and salary increases in line with enterprise agreements, additional student enrolments, increased superannuation expenses, and additional costs and reduced revenue associated with the COVID-19 pandemic.

Operating Result

In 2020-21, the operating deficit for the Directorate was \$75.6 million and was \$1.6 million or 2.1 per cent better than the original budget deficit of \$77.2 million. The variance was primarily due to higher than anticipated revenue due to recognition of land asset transferred to the Directorate for the construction of a Primary School at Throsby (\$7.0 million).

Table 55: Line item explanation of significant variances from the original budget – Operating Statement

Variance from Budget	Actual 2020-21 \$m ⁽¹⁾	Original Budget 2020-21 \$m ⁽¹⁾	Variance \$m ⁽¹⁾
Income			
Revenue			
Controlled Recurrent Payments ²	832.9	822.9	10.0
Sales of Goods and Services from Contracts with Customers	24.1	23.9	0.2
Interest ³	0.6	1.4	(0.8)
Resources Received Free of Charge	7.6	8.2	(0.6)
Other Revenue ⁴	17.5	26.0	(8.4)
Total Revenue	882.7	882.3	0.4
Gains			
Other Gains ⁵	7.0	-	7.0
Total Gains	7.0	-	7.0
Total Income	889.7	882.3	7.4

Source: Education Directorate's 2020-21 Financial Statements

Table 56: Line item explanation of significant variances from the original budget – Operating Statement (continued)

Variance from Budget	Actual 2020-21 \$m ⁽¹⁾	Original Budget 2020-21 \$m ⁽¹⁾	Variance \$m ⁽¹⁾
Expenses			
Employee Expenses ⁶	654.2	633.7	20.5
Superannuation Expenses ⁷	101.4	97.2	4.2

Variance from Budget	Actual 2020-21 \$m ⁽¹⁾	Original Budget 2020-21 \$m ⁽¹⁾	Variance \$m ⁽¹⁾
Supplies and Services	79.0	79.1	(0.1)
Depreciation and Amortisation	74.8	77.0	(2.2)
Grants and Purchased Services ⁸	3.0	6.9	(3.9)
Borrowing Costs	0.1	0.5	(0.4)
School and Other Expenses ⁹	52.8	65.1	(12.3)
Total Expenses	965.3	959.5	5.8
Operating (Deficit)	(75.6)	(77.2)	1.6
Other Comprehensive Income			
Increase/(Decrease) in Asset Revaluation Surplus	-	-	-
Total Other Comprehensive Income			
Total Comprehensive Income	(75.6)	(77.2)	1.6

1. Figures may not add due to rounding.
2. The higher than budgeted Controlled Recurrent Payments primarily relates to additional funding provided through Treasurer's Advance for increased enrolments and additional funding to support response to management of COVID-19.
3. The lower than budgeted Interest received relates to lower interest rates on school cash balances.
4. The lower than budgeted Other Revenue mainly relates to the reduced number of school excursions due to travel restrictions related to the COVID-19 pandemic.
5. Other gains relate to the transfer of land to the Directorate for construction of a new school at Throsby.
6. Higher than anticipated employee expenditure primarily relates to increases in line with enterprise agreements, growth in staff numbers to meet increased student enrolment and need in ACT public schools, along with costs related to the Directorate's response to the management of COVID-19.
7. The higher than budgeted superannuation expenditure mainly relates to the Directorate's response to the COVID-19 pandemic.
8. The reduction against budget mainly relates to rollovers for early childhood scholarships and the National School Chaplaincy program due to timing of payments.
9. The lower than budgeted schools and other expenditure primarily relates to reduced expenditure associated with school excursions and other school activities due to COVID-19 restrictions.

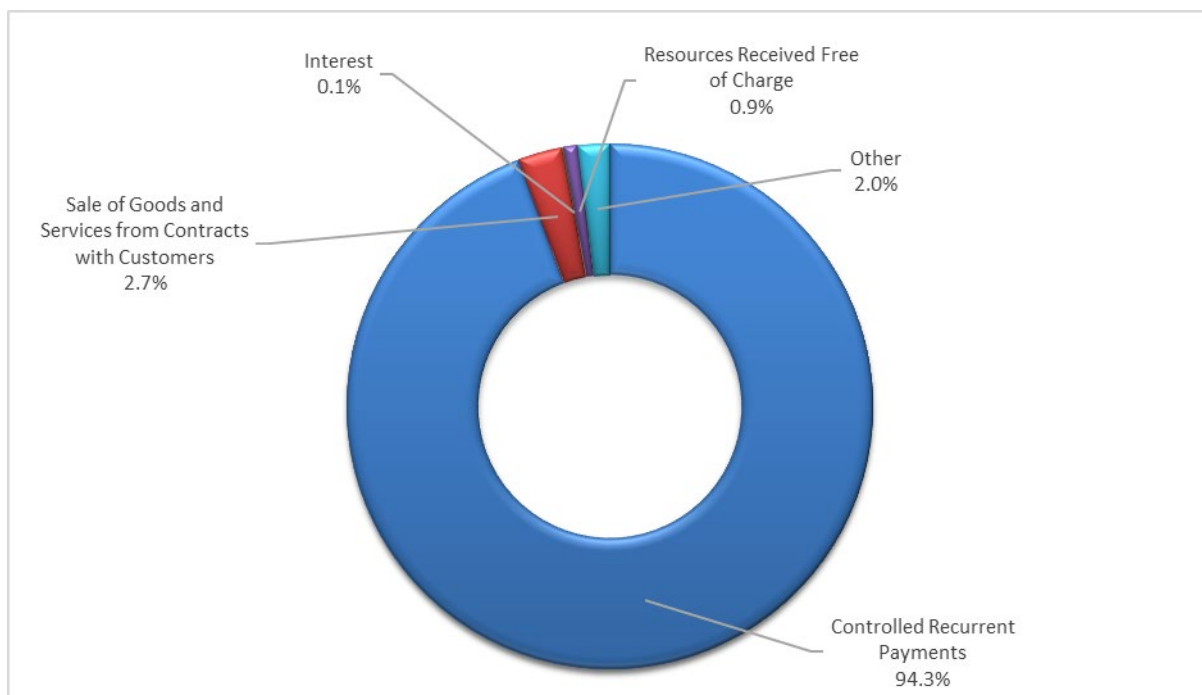
Source: Education Directorate's 2020-21 Financial Statements

Total Revenue

Components of Revenue

The Directorate's revenue for 2020-21 totalled \$882.7 million. The main source of revenue for the Directorate is Controlled Recurrent Payments.

Figure 13: Components of Revenue 2020-21



Source: Education Directorate's 2020-21 Financial Statements.

The Directorate's revenue for 2020-21 was \$7.4 million or 0.8 per cent higher than the original budget (\$882.3 million), which is materially in line with the forecast. The increase against budget primarily relates to the recognition of land asset transferred to the Directorate to accommodate a new primary school at Throsby.

In comparison to the 2019-20 actual, revenue increased by \$72.5 million or 8.9 per cent. The increased revenue from 2019-20 is primarily due to additional funding received for increased salaries and wages associated with staff enterprise agreements, Commonwealth grants and funding related to new initiatives. The Directorate also received additional revenue for support of the Jobs for Canberrans program, along with access to a Treasurer's Advance to fund the enrolment growth in schools in 2021 and other costs in response to the management of COVID-19. The increase has been partially offset by:

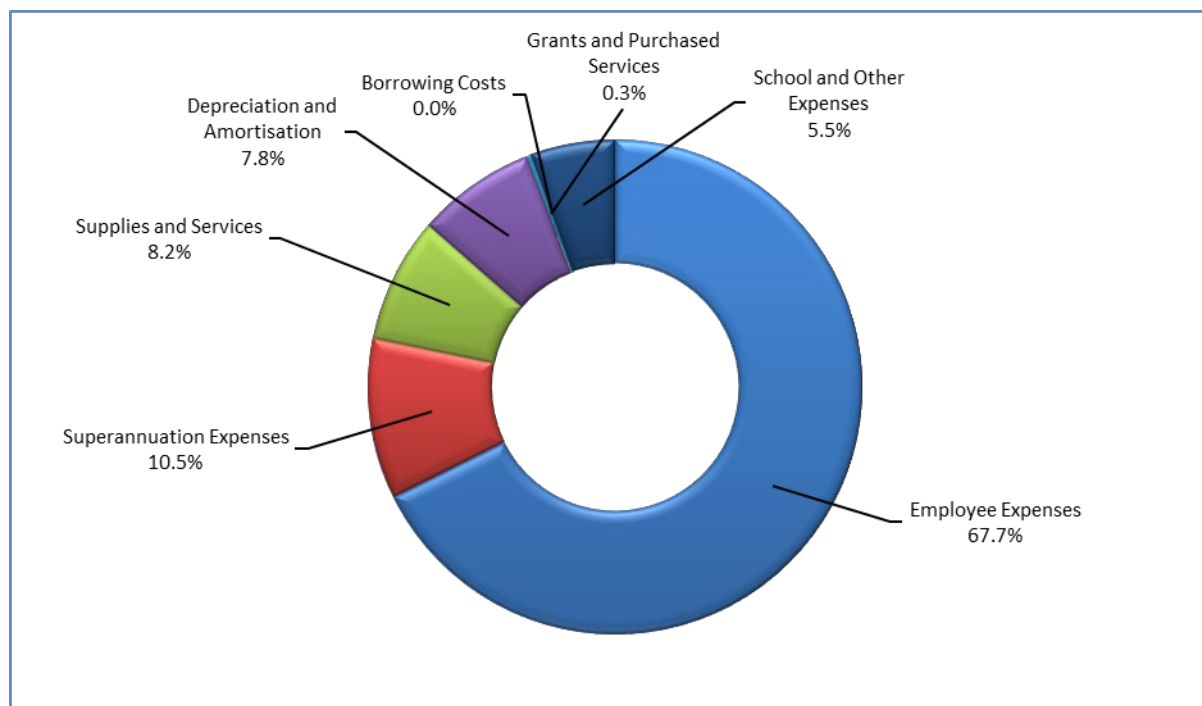
- lower revenue in schools associated with the COVID-19 pandemic; and
- decreased revenue from international students due to lower student numbers associated with the COVID 19 pandemic and a decision by the Directorate to accept a reduced number of international students to ensure equity of access for local students in a growing system.

Total Expenses

Components of Expenses

Expenses for the Directorate totalled \$965.3 million for 2020-21. As shown below, the main component of expenses is employee expenses, including superannuation.

Figure 14: Components of Expenditure 2020-21



Source: Education Directorate's 2020-21 Financial Statements.

In 2020-21, total expenses were \$5.8 million or 0.6 per cent higher than the original budget of \$959.6 million, which is materially in line with budget. The variance is primarily due to wage increases in line with staff enterprise agreements, increased support for growth in student numbers and student need, partially offset by lower than budgeted expenditure related to school activities such as school excursions, due to COVID-19 restrictions.

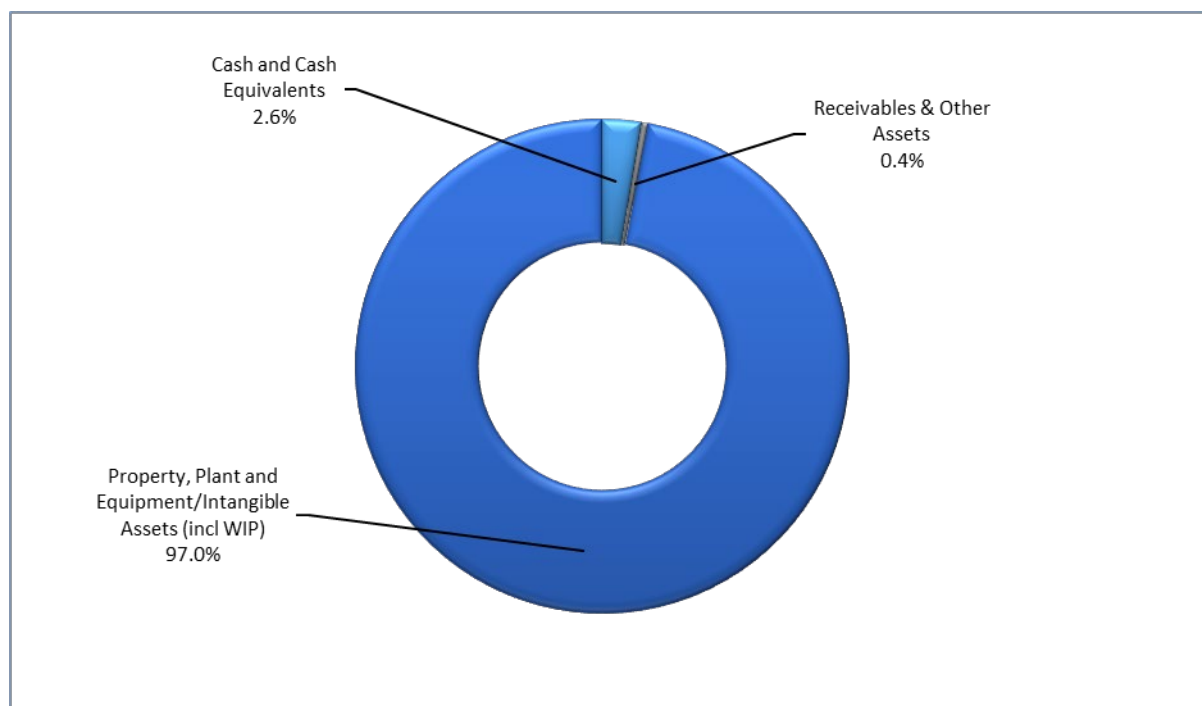
Total expenses were \$51.5 million or 5.6 per cent higher than the previous year (\$913.7 million). The increase is primarily due to additional employee expenses associated with staff wage and salary increases in line with staff enterprise agreements, higher superannuation expenses, an increase in school based support staff numbers to meet enrolment growth and student need, and expenditure associated with the Directorate's response to the management of COVID-19 in schools.

Financial Position

Components of Total Assets

The Education Directorate held most of its assets in property, plant and equipment including capital works in progress.

Figure 15: Total Assets at 30 June 2021



Source: Education Directorate's 2020-21 Financial Statements.

Comparison to 2020-21 Budget and Prior Year Actual

At 30 June 2021, the Directorate's assets totalled \$2.25 billion, which was \$1.3 million or 0.1 per cent higher than the original budget, which is immaterial. The increase in intangible assets and capital works in progress have been partially offset by the annual depreciation expense of the Directorate's assets.

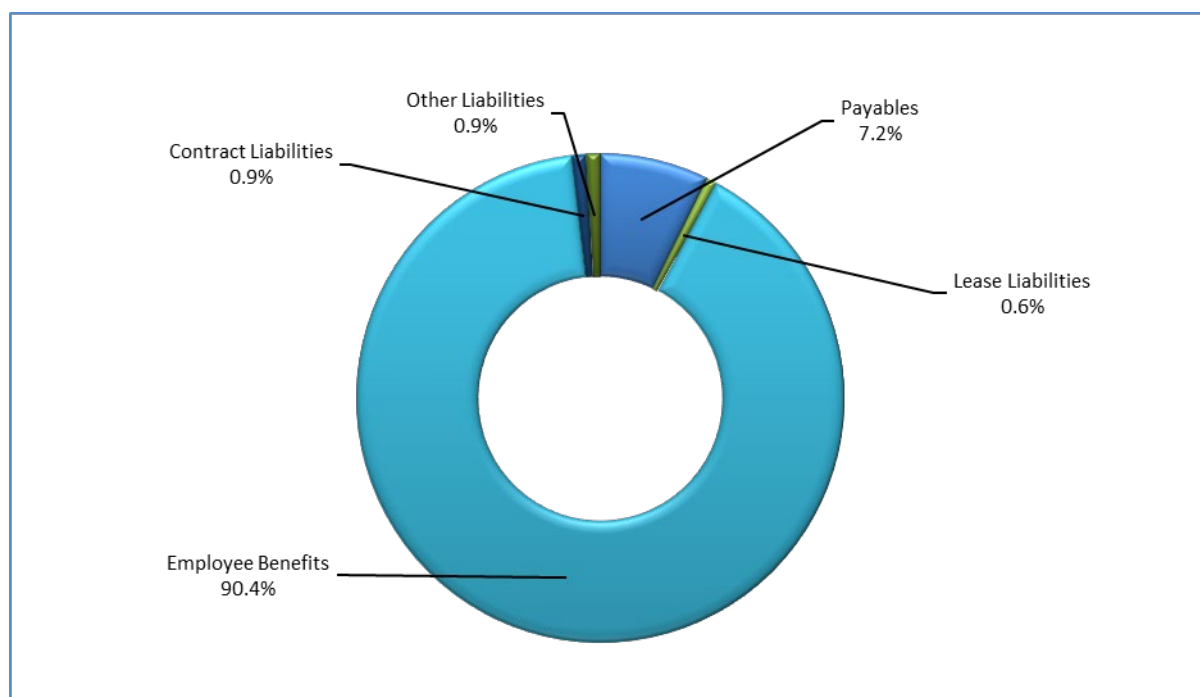
In comparison to 30 June 2020, total assets increased by \$69.6 million or 3.2 per cent primarily due to the increase in intangible assets related to increased capital works in progress, the implementation of the new Schools Administration System, partially offset by the annual depreciation expense of the Directorate's assets.

Financial Position

Components of Total Liabilities

The Education Directorate's liabilities comprised primarily employee benefits.

Figure 16: Total Liabilities at 30 June 2021



Source: Education Directorate's 2020-21 Financial Statements.

At 30 June 2021, the Directorate's liabilities totalled \$231.0 million. This was \$18.0 million or 8.4 per cent higher than the original budget of \$213.0 million. The variance is primarily due to lower than budgeted use of leave taken related to COVID-19 and leave accruals as explained previously, as well as higher payables at year-end mainly due to higher levels of accruals relating to capital works due to timing of work performed and invoicing, and lower levels of revenue received in advance from international students due to COVID-19 related travel restrictions.

In comparison to 30 June 2020, total liabilities increased by \$18.6 million or 8.8 per cent. Explanation of variances is similar to the explanations outlined above for 2020-21 actual results against the 2020-21 original budget.

Current Assets to Current Liabilities

At 30 June 2021, the Directorate's current assets (\$66.7 million) were lower than its current liabilities (\$210.7 million). The Directorate does not consider this as a liquidity risk as working capital needs are funded through appropriation from the ACT Government on a cash needs basis.

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 lower and can be met with 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 by seeking additional appropriation under Section 16A of the *Financial Management Act 1996*.

Table 57: Line item explanation of significant variances from the original budget - Balance Sheet

Variance from Budget	Actual 2020-21 \$m ⁽¹⁾	Original Budget 2020-21 \$m ⁽¹⁾	Variance \$m ⁽¹⁾
Current Assets			
Cash and Cash Equivalents	58.0	54.1	3.9
Receivables	5.5	5.2	0.3
Other Assets	3.2	1.3	1.9
Total Current Assets	66.7	60.6	6.1
Non-Current Assets			
Property, Plant and Equipment ²	2,092.6	2,111.6	(19.0)
Intangible Assets ³	10.4	2.1	8.3
Capital Works in Progress ⁴	80.3	74.4	5.9
Total Non-Current Assets	2,183.3	2,188.1	(4.8)
Total Assets	2,250.0	2,248.7	1.3
Current Liabilities			
Payables ⁵	16.4	11.0	5.4
Contract Liabilities	2.1	3.2	(1.1)
Lease Liabilities	0.6	0.4	0.2
Employee Benefits ⁶	191.2	179.8	11.4
Other Liabilities	0.4	-	0.4
Total Current Liabilities	210.7	194.4	16.3
Non-Current Liabilities			
Lease Liabilities	1.0	0.4	0.6
Employee Benefits	17.6	16.9	0.7
Other Liabilities	1.7	1.3	0.4
Total Non-Current Liabilities	20.3	18.6	1.7
Total Liabilities	231.0	213.0	18.0

1. Figures may not add due to rounding.
2. Decrease primarily relates to annual depreciation expense related to Directorate's assets.
3. Increase relates to the capitalisation of works related to the Schools Administration System.
4. Increase primarily relates to works for modular learning centres and other works associated with the Public Schools Infrastructure Upgrade program.

5. Increase primarily relates to higher capital works accruals.
6. Primarily due to a change in the present value factor applied to employee benefits for long service leave and the accrual impact of entitlements not taken during 2020-21.

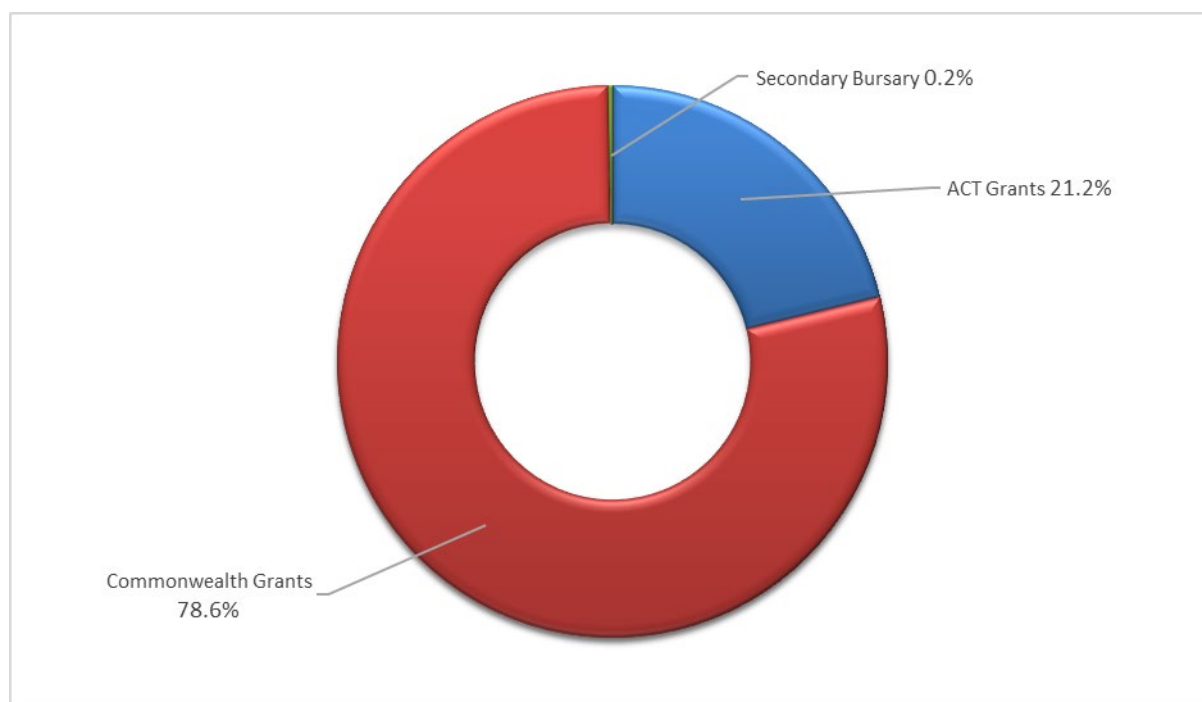
Source: Education Directorate's 2020-21 Financial Statements

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 17: Sources of Territorial revenue



Source: Education Directorate's 2020-21 Financial Statements.

Territorial revenue is mainly comprised of funding for non-government schools from the Commonwealth and ACT Government. It also included ACT Government funding for the Secondary Bursary Scheme.

Territorial revenue totalled \$320.2 million in 2020-21, which was \$0.5 million or 0.2 per cent lower than original budget of \$320.7 million which is in line with budget.

When compared to the same period last year, total revenue decreased by \$20.9 million or 6.1 per cent primarily related to decreased funding due to the Commonwealth pre-paying some non-government school grants in 2019-20 as well as the provision of special assistance school hygiene funding, due to the COVID-19 pandemic.

Territorial Expenses

Territorial expenses comprised of grant payments to non-government schools (\$319.4 million) and payments made under the Junior Bursary Scheme (\$0.8 million). Territorial expenses in 2020-21 were \$0.5 million or 0.2 per cent lower than the original budget, which is in line with budget

When compared to the same period last year, total expenditure decreased by \$20.9 million or 6.1 per cent primarily related to decreased funding due to the Commonwealth pre-paying some non-government school grants in 2019-20 as well as the provision of special assistance school hygiene funding also in 2019-20, due to the COVID-19 pandemic.

**Financial Statements
of
Education Directorate**

**For the Year Ended
30 June 2021**

Financial Statements



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Education Directorate (Directorate) for the year ended 30 June 2021 which comprise the:

- Controlled financial statements – operating statement, balance sheet, statement of changes in equity, statement of cash flows and controlled 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, statement of cash flows on behalf of the Territory and territorial statement of appropriation; and
- Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Directorate's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for the audit opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Directorate in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Directorate for the financial statements

The Director-General is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996*, and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Directorate to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Level 7, 5 Constitution Avenue Canberra ACT 2601

PO Box 275 Civic Square ACT 2608

T 02 6207 0833 F 02 6207 0826 E actauditorgeneral@act.gov.au W www.audit.act.gov.au

Auditor's responsibilities for the audit of the financial statements

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

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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



Michael Harris
Auditor-General
23 September 2021

**Education Directorate
Financial Statements
For the Year Ended 30 June 2021**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2021 and the financial position of the Directorate on that date.



Katy Haire
Director-General
Education Directorate
23 September 2021

**Education Directorate
Financial Statements
For the Year Ended 30 June 2021**

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, 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 2021 and the financial position of the Directorate on that date.



Peter Podnar
Chief Finance Officer
Education Directorate
22 September 2021

EDUCATION DIRECTORATE

CONTROLLED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2021

**Education Directorate
Operating Statement
For the Year Ended 30 June 2021**

	Note No.	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Income				
<i>Revenue</i>				
Controlled Recurrent Payments	4	832 854	822 888	772 491
Sales of Goods and Services from Contracts with Customers	5	24 110	23 931	14 984
Interest		585	1 396	800
Resources Received Free of Charge		7 625	8 156	6 701
Schools and Other Revenue	6	17 508	25 956	17 945
Total Revenue		882 682	882 327	812 921
<i>Gains</i>				
Other Gains	7	7 008	-	4 225
Total Gains		7 008	-	4 225
Total Income		889 690	882 327	817 146
Expenses				
Employee Expenses	8	654 208	633 733	609 425
Superannuation Expenses	9	101 370	97 230	91 401
Supplies and Services	10	79 048	79 070	80 895
Depreciation and Amortisation	11	74 824	77 018	72 574
Grants and Purchased Services		2 956	6 885	2 688
Borrowing Costs		53	480	539
School and Other Expenses	12	52 828	65 144	56 222
Total Expenses		965 287	959 560	913 744
Operating (Deficit)		(75 597)	(77 233)	(96 598)
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in Asset Revaluation Surplus		-	-	106 191
Reverse Asset Impairment		-	-	7 917
Total Other Comprehensive Income		-	-	114 108
Total Comprehensive (Deficit)/Income		(75 597)	(77 233)	17 510

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

**Education Directorate
Balance Sheet
As at 30 June 2021**

	Note No.	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Current Assets				
Cash and Cash Equivalents	13	58 030	54 089	54 448
Receivables	14	5 493	5 221	5 222
Other Assets		3 138	1 241	1 241
Total Current Assets		66 661	60 551	60 911
Non-Current Assets				
Property, Plant and Equipment	15	2 092 634	2 111 621	2 074 056
Intangible Assets	16	10 415	2 097	3 204
Capital Works in Progress	17	80 279	74 366	42 189
Total Non-Current Assets		2 183 328	2 188 084	2 119 449
Total Assets		2 249 989	2 248 635	2 180 360
Current Liabilities				
Payables	18	16 426	10 940	10 940
Contract Liabilities	19	2 109	3 234	3 187
Lease Liabilities	20	576	392	590
Employee Benefits	21	191 213	179 812	177 848
Other Liabilities	22	410	-	430
Total Current Liabilities		210 734	194 378	192 995
Non-Current Liabilities				
Lease Liabilities	20	997	334	572
Employee Benefits	21	17 576	16 916	16 751
Other Liabilities	22	1 676	1 319	2 092
Total Non-Current Liabilities		20 249	18 569	19 415
Total Liabilities		230 983	212 947	212 410
Net Assets		2 019 006	2 035 688	1 967 950
Equity				
Accumulated Funds		906 927	923 609	855 871
Asset Revaluation Surplus		1 112 079	1 112 079	1 112 079
Total Equity		2 019 006	2 035 688	1 967 950

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

**Education Directorate
Statement of Changes in Equity
For the Year Ended 30 June 2021**

	Accumulated Funds Actual 2021 \$'000	Asset Revaluation Surplus Actual 2021 \$'000	Total Equity Actual 2021 \$'000	Original Budget 2021 \$'000
Balance at 1 July 2020	855 871	1 112 079	1 967 950	1 967 950
Comprehensive Income				
Operating (Deficit)	(75 597)	-	(75 597)	(77 232) ¹
Total Comprehensive (Deficit)	(75 597)	-	(75 597)	(77 232)
Transactions Involving Owners Affecting Accumulated Funds				
Capital Injections	126 653	-	126 653	144 970
Total Transactions Involving Owners Affecting Accumulated Funds	126 653	-	126 653	144 970
Balance at 30 June 2021	906 927	1 112 079	2 019 006	2 035 688

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

1. The original budget for the 2020-21 operating deficit presented in the Statement of Changes in Equity includes a technical adjustment of one thousand dollars due to rounding and therefore does not reconcile to the original budget for the operating deficit presented in the Operating Statement.

**Education Directorate
Statement of Changes in Equity - Continued
For the Year Ended 30 June 2021**

	Accumulated Funds Actual 2020 Note No.	Asset Revaluation Surplus Actual 2020 \$'000	Total Equity Actual 2020 \$'000
Balance at 1 July 2019	852 171	997 971	1 850 142
Comprehensive Income			
Operating (Deficit)	(96 598)	-	(96 598)
Increase in Asset Revaluation Surplus	-	106 191	106 191
Reverse Asset Impairment	-	7 917	7 917
Total Comprehensive (Deficit)	(96 598)	114 108	17 510
Transactions Involving Owners Affecting Accumulated Funds			
Capital Injections	91 054	-	91 054
Net Assets Transferred in as part of an Administrative Restructure ¹	15 9 244	-	9 244
Total Transactions Involving Owners Affecting Accumulated Funds	100 298	-	100 298
Balance at 30 June 2020	855 871	1 112 079	1 967 950

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

1. The transfer in of assets in 2019-20 is for land to accommodate a new school at Denman Prospect.

**Education Directorate
Statement of Cash Flows
For the Year Ended 30 June 2021**

	Note No.	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		832 854	822 888	772 491
Sales of Goods and Services from Contracts with Customers		22 472	23 931	14 244
Interest Received		585	1 396	800
Schools and Other		17 973	25 956	17 872
Goods and Services Tax Received		19 584	20 004	17 799
Total Receipts from Operating Activities		893 468	894 175	823 206
Payments				
Employees		640 961	631 606	590 836
Superannuation		100 770	97 230	90 547
Supplies and Services		76 975	70 914	70 291
Grants and Purchased Services		2 956	6 885	2 690
Schools and Other		52 488	65 045	57 250
Borrowing Costs		53	407	21
Goods and Services Tax Paid		18 996	20 004	18 188
Total Payments from Operating Activities		893 199	892 091	829 823
Net Cash Inflows/(Outflows) from Operating Activities	27	269	2 084	(6 617)
Cash Flows from Investing Activities				
Receipts				
Proceeds from the Sale of Property, Plant and Equipment		8	-	13
Total Receipts from Investing Activities		8	-	13
Payments				
Purchase of Property, Plant and Equipment		122 325	146 185	102 665
Total Payment from Investing Activities		122 325	146 185	102 665
Net Cash (Outflows) from Investing Activities		(122 317)	(146 185)	(102 652)
Cash Flows from Financing Activities				
Receipts				
Capital Injections		126 653	144 970	91 054
Payments				
Repayment of Loan		415	772	715
Repayment of Lease Liabilities - Principal		608	456	420
Net Cash Inflows from Financing Activities		125 630	143 742	89 919
Net Increase/(Decrease) in Cash and Cash Equivalents Held		3 582	(359)	(19 350)
Cash and Cash Equivalents at the Beginning of the Reporting Period		54 448	54 448	73 798
Cash and Cash Equivalents at the End of the Reporting Period	27	58 030	54 089	54 448

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

**Education Directorate
Controlled Statement of Appropriation
For the Year Ended 30 June 2021**

	Note No.	Original Budget 2021 \$'000	Total Appropriated 2021 \$'000	Total Appropriation Drawn 2021 \$'000	Appropriation Drawn 2020 \$'000
Controlled					
Controlled Recurrent Payments	4	822 888	842 054	832 854	772 491
Capital Injections		144 970	144 970	126 653	91 054
Total Controlled Appropriation		967 858	987 024	959 507	863 545

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

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 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 the Cash Flow Statement.

Variations between 'Original Budget' and 'Total Appropriated'

Controlled Recurrent Payments

The difference between the original budget (\$822.888m) and total appropriated (\$842.054m) mainly related to a Treasurer's Advance for increased enrolments and COVID-19 Pandemic budget pressures (\$18.0m) and increased Commonwealth Government grants (\$1.166m).

Capital Injection

The difference between the original budget (\$144.970m) and total appropriated (\$144.970m) was nil.

Variations between 'Total Appropriated' and 'Appropriated Drawn'

Controlled Recurrent Payments

The difference between the total appropriated (\$842.054m) and appropriation drawn (\$832.854m) related to funds not drawn associated with Commonwealth Government grants and other savings (\$0.540m) and the transfer of funds into 2021-22 (\$8.660m) including schools for our growing city (\$2.649m), three-year-old preschool (\$1.450m), the National School Chaplaincy program (\$0.960m) and early childhood scholarships (\$0.850m).

Capital Injection

The difference between the total appropriated (\$144.970m) and the appropriation drawn (\$126.653m) was due to cash re-profiling of funding into forward years in the capital works program including expanding Franklin Early Childhood School (\$4.696m) and modular learning centres (\$4.204m).

**Education Directorate
Summary of Directorate Output Classes
For the Year Ended 30 June 2021**

	Output Class 1 \$'000	Output Class 2 \$'000	Total \$'000
2021			
Total Income	885 990	3 700	889 690
Total Expenses	(961 400)	(3 887)	(965 287)
Operating (Deficit)	(75 410)	(187)	(75 597)
2020			
Total Income	813 693	3 453	817 146
Total Expenses	(910 244)	(3 500)	(913 744)
Operating (Deficit)	(96 551)	(47)	(96 598)

The above Summary of Directorate Output Classes should be read in conjunction with pages 13 to 14.

Education Directorate
Operating Statement for Output Class 1 - Public School Education
For the Year Ended 30 June 2021

Description

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

	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Income			
<i>Revenue</i>			
Controlled Recurrent Payments	829 826	818 869	769 503
Sale of Goods and Services from Contracts with Customers	23 727	23 898	14 909
Interest	581	1 395	790
Resources Received Free of Charge	7 622	8 139	6 696
Schools and Other Revenue	17 226	25 530	17 570
<i>Total Revenue</i>	<u>878 982</u>	<u>877 831</u>	<u>809 468</u>
<i>Gains</i>			
Other Gains	7 008	-	4 225
<i>Total Gains</i>	<u>7 008</u>	<u>-</u>	<u>4 225</u>
Total Income	<u>885 990</u>	<u>877 831</u>	<u>813 693</u>
Expenses			
Employee Expenses	652 914	632 087	607 676
Superannuation Expenses	101 169	96 931	91 139
Supplies and Services	78 019	77 843	80 213
Depreciation and Amortisation	74 729	76 809	72 462
Grants and Purchased Services	1 914	5 567	2 167
Borrowing Costs	53	480	539
Schools and Other Expenses	52 602	65 144	56 048
Total Expenses	<u>961 400</u>	<u>954 861</u>	<u>910 244</u>
Operating (Deficit)	<u>(75 410)</u>	<u>(77 030)</u>	<u>(96 551)</u>

Education Directorate
Operating Statement for Output Class 2 - Non Government Education
For the Year Ended 30 June 2021

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	Original	
	2021	Budget	Actual
	\$'000	\$'000	2020
			\$'000
Income			
<i>Revenue</i>			
Controlled Recurrent Payments	3 028	4 019	2 988
Sale of Goods and Services from Contracts with Customers	383	33	75
Interest	4	1	10
Resources Received Free of Charge	3	17	5
Other Revenue	282	426	375
<i>Total Revenue</i>	<u>3 700</u>	<u>4 496</u>	<u>3 453</u>
Total Income	<u>3 700</u>	<u>4 496</u>	<u>3 453</u>
Expenses			
Employee Expenses	1 294	1 646	1 749
Superannuation Expenses	201	299	262
Supplies and Services	1 029	1 227	682
Depreciation and Amortisation	95	209	112
Grants and Purchased Services	1 042	1 318	521
Other Expenses	226	-	174
Total Expenses	<u>3 887</u>	<u>4 699</u>	<u>3 500</u>
Operating (Deficit)	<u>(187)</u>	<u>(203)</u>	<u>(47)</u>

**Education Directorate
Financial Statements
For the Year Ended 30 June 2021**

DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES

Year Ended 30 June 2021

	Output Class 1 \$'000	Output Class 2 \$'000	Unallocated \$'000	Total \$'000
Current Assets				
Cash and Cash Equivalents ¹	56 915	380	735	58 030
Receivables	5 410	83	-	5 493
Other Assets	3 112	26	-	3 138
Total Current Assets	65 437	489	735	66 661
Non-Current Assets				
Property, Plant and Equipment	2 089 963	2 671	-	2 092 634
Intangible Assets	10 215	200	-	10 415
Capital Works in Progress	80 177	102	-	80 279
Total Non-Current Assets	2 180 355	2 973	-	2 183 328
Total Assets	2 245 792	3 462	735	2 249 989
Current Liabilities				
Payables	16 401	25	-	16 426
Contract Liabilities	2 109	-	-	2 109
Finance Lease Liabilities	575	1	-	576
Employee Benefits	190 839	374	-	191 213
Other Liabilities	410	-	-	410
Total Current Liabilities	210 334	400	-	210 734
Non-Current Liabilities				
Finance Lease Liabilities	995	2	-	997
Employee Benefits	17 541	35	-	17 576
Other Liabilities	1 674	2	-	1 676
Total Non-Current Liabilities	20 210	39	-	20 249
Total Liabilities	230 544	439	-	230 983
Net Assets	2 015 248	3 023	735	2 019 006

1. Some cash and cash equivalents have been included in the 'Unallocated' column above as parts of the line item 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 Directorate
Financial Statements
For the Year Ended 30 June 2021**

DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES – CONTINUED

Year Ended 30 June 2020

	Output Class 1 \$'000	Output Class 2 \$'000	Unallocated \$'000	Total \$'000
Current Assets				
Cash and Cash Equivalents ¹	53 451	539	458	54 448
Receivables	5 170	52	-	5 222
Other Assets	1 235	6	-	1 241
Total Current Assets	59 856	597	458	60 911
Non-Current Assets				
Property, Plant and Equipment	2 071 880	2 176	-	2 074 056
Intangible Assets	3 034	170	-	3 204
Capital Works in Progress	42 145	44	-	42 189
Total Non-Current Assets	2 117 059	2 390	-	2 119 449
Total Assets	2 176 915	2 987	458	2 180 360
Current Liabilities				
Payables	10 759	181	-	10 940
Contract Liabilities	3 187	-	-	3 187
Finance Lease Liabilities	589	1	-	590
Employee Benefits	177 581	267	-	177 848
Other Liabilities	430	-	-	430
Total Current Liabilities	192 546	449	-	192 995
Non-Current Liabilities				
Finance Lease Liabilities	571	1	-	572
Employee Benefits	16 726	25	-	16 751
Other Liabilities	2 090	2	-	2 092
Total Non-Current Liabilities	19 387	28	-	19 415
Total Liabilities	211 933	477	-	212 410
Net Assets	1 964 982	2 510	458	1 967 950

1. Some cash and cash equivalents have been included in the 'Unallocated' column above as parts of the line item 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 DIRECTORATE CONTROLLED NOTE INDEX

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Note 2	Significant Accounting Policies (see Appendices A, B and C) <i>Appendix A - Basis of Preparation of the Financial Statements</i> <i>Appendix B - Significant Accounting Policies</i> <i>Appendix C - Impact of Accounting Standards Issued But yet to be Applied</i>
Note 3	Change in Accounting Policy and Accounting Estimates <i>Appendix D - Change in Accounting Policy and Accounting Estimates</i>

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Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 1. OBJECTIVES OF THE DIRECTORATE

Operations and Principal Activities

The Directorate is a not-for-profit ACT Government entity (as profit is not its principal objective) that delivers education services to the ACT community. The Directorate is a leading learning organisation where our people are valued and work together to deliver high quality early childhood education and public-school education in an accessible and inclusive environment.

The Directorate is dedicated to facilitating high quality and equitable education services across the ACT through:

- the provision of government learning institutions in the form of public preschools, primary, secondary and special schools and colleges;
- access to quality teaching, specialised learning programs and well-being supports for individual student needs;
- enrolment and support of international students; and
- the registration and regulation of home education, early childhood learning centres and non-government schools.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

- Appendix A – Basis of Preparation of the Financial Statements
- Appendix B – Significant Accounting Policies
- Appendix C – Impact of Accounting Standards Issued But Yet to be Applied

NOTE 3. CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES

Refer to Appendix D – Change in Accounting Policy and Accounting Estimates.

NOTE 4. CONTROLLED RECURRENT PAYMENTS

	2021 \$'000	2020 \$'000
Revenue from ACT Government		
Controlled Recurrent Payments ¹	832 854	772 491
Total Controlled Recurrent Payments	832 854	772 491

1. The increase primarily relates to additional funding for pay increases associated with teaching, administrative and other staff enterprise agreements and salary costs due to enrolment increases in ACT public schools, as well as costs associated with the COVID-19 Pandemic for the continuation of temporary and casual employees.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 5. SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

	2021	2020
	\$'000	\$'000
ACT Government Customers		
User Charges - ACT Government ¹	10 407	413
Total Sales of Goods and Services from ACT Government Customers	10 407	413
Non-ACT Government Customers		
International Private Students Program ²	6 003	7 455
Active Leisure Centre ³	2 452	1 704
Hire of Facilities and Recreational Activities	174	539
Commonwealth National Agreements	4 499	4 318
Commonwealth Own Purpose Payments (COPE) / Specific Projects	109	222
Other	466	333
Total Sales of Goods and Services from Non-ACT Government Customers	13 703	14 571
Total Sales of Goods and Services from Contracts with Customers	24 110	14 984

1. The increase relates to funding associated with the COVID-19 Pandemic. This comprises of ACT Government Jobs for Canberrans program and Commonwealth funding provided through the ACT Health Directorate for the COVID-19 Pandemic Cleaning Services National Partnership. This revenue relates to service provisions with specific performance obligations required to be met.
2. The decrease relates to lower international student numbers.
3. The increase relates to lower revenue received in 2019-20 due to the COVID-19 Pandemic.

NOTE 6. SCHOOLS AND OTHER REVENUE

Other Revenue is mainly comprised of schools' revenue from voluntary contributions, fund raising revenue and excursion funds.

School Revenue ¹	15 856	16 447
ACT Teacher Quality Institute	1 003	997
Other Revenue	649	501
Total Other Revenue from Non-ACT Government Entities	17 508	17 945
Total Other Revenue	17 508	17 945

1. The decrease mainly relates to lower transitory revenue associated with student excursions and activities due to the COVID-19 Pandemic.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 7. OTHER GAINS

Other gains are transactions that are not part of the Directorate's core activities. Other gains are distinct from other revenue, as other revenue arises from the core activities of the Directorate.

	2021	2020
	\$'000	\$'000
Gains from the Transfer of Assets ¹	7 008	4 225
Total Other Gains	7 008	4 225

1. Relates to the transfer of land from the ACT Government to accommodate the new Throsby Primary School. The 2019-20 amount relates to the transfer of land associated with the Franklin Primary School and building improvements at the Rowing Club at Lake Tuggeranong College.

NOTE 8. EMPLOYEE EXPENSES

Wages and Salaries ¹	629 480	577 211
Movement in Employee Benefits ²	10 401	21 784
Workers' Compensation Insurance Premium ³	14 327	10 430
Total Employee Expenses	654 208	609 425

1. The increase is mainly due to pay increases associated with teaching, administrative and other staff enterprise agreements and salary costs related to enrolment increases in ACT public schools. In addition, the Directorate incurred costs associated with the COVID-19 Pandemic including costs associated with the Jobs for Canberrans program and continuation of temporary and casual employees.
2. The decrease is primarily related to a reduction in the present value factor used to calculate employee benefits.
3. The increase is mainly due to an increase in the 2020-21 premium.

NOTE 9. SUPERANNUATION EXPENSES

Superannuation Contributions to the Territory Banking Account	41 993	41 887
Productivity Benefit	5 105	4 432
Superannuation to External Providers ¹	54 272	45 082
Total Superannuation Expenses	101 370	91 401

1. The increase is mainly due to increased employee costs associated with teaching, administrative and other staff enterprise agreements and salary costs related to enrolment increases in ACT public schools. In addition, the Directorate incurred costs associated with the COVID-19 Pandemic including costs associated with the Jobs for Canberrans program and continuation of temporary and casual employees.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 10. SUPPLIES AND SERVICES

	2021	2020
	\$'000	\$'000
Supplies and Services		
Property and Maintenance ¹	21 235	30 875
Materials and Services ²	46 610	39 756
Travel and Transport	366	722
Administrative ³	6 127	4 615
Financial ⁴	3 297	3 705
Audit Fees Paid to the ACT Audit Office	171	147
Lease Rental Payments	1 073	1 072
Write-Off Bad Debts	169	3
Total Supplies and Services	79 048	80 895

1. The decrease is mainly due additional works undertaken during 2019-20 as part of the ACT Government's Economic Survival Package in response to the COVID-19 Pandemic.
2. The increase is mainly associated with the phased implementation of three year-old preschool program services for vulnerable students and additional costs paid to Shared Services ACT for information communication technology services.
3. The increase is mainly due to legal settlement costs.
4. Financial expenses primarily include insurance fees and copyright expenses.

NOTE 11. DEPRECIATION AND AMORTISATION

Depreciation		
Buildings and improvements to Land ¹	62 916	59 783
Plant and Equipment	9 869	10 837
Right of Use Asset Plant and Equipment	581	404
Leasehold Improvements	40	13
Total Depreciation	73 406	71 037
Amortisation		
Intangible Assets	1 418	1 537
Total Amortisation	1 418	1 537
Total Depreciation and Amortisation	74 824	72 574

1. The increase is mainly due to the full year impact of depreciation associated with new works capitalised in 2019-20.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 12. SCHOOL AND OTHER EXPENSES

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

	2021	2020
	\$'000	\$'000
School Expenses ¹	52 552	54 646
Other Expenses	276	1 576
Total School and Other Expenses	52 828	56 222

1. The decrease primarily relates to a reduction in the number of school excursions and other activities caused by the COVID-19 Pandemic.

NOTE 13. 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.

Educational Support Office Bank Accounts	6 958	5 827
School Management Accounts ¹	49 991	47 258
ACT Teacher Quality Institute Bank Account	951	1 348
Other Operations Bank Accounts	117	9
Cash on Hand	13	6
Total Cash and Cash Equivalents	58 030	54 448

1. The minor increase mainly relates to lower discretionary expenditure in schools.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14. RECEIVABLES

	2021 \$'000	2020 \$'000
Current Receivables		
Trade Receivables	2 993	2 438
Less: Expected Credit Loss Allowance	(567)	(627)
	2 426	1 811
Other Trade Receivables	491	310
Less: Expected Credit Loss Allowance	-	-
	491	310
Accrued Revenue	237	175
Net Goods and Services Tax Receivable	2 339	2 926
Total Current Receivables	2 576	3 101
Total Receivables	5 493	5 222

Expected Credit Loss / Allowance For Losses Provision Matrix

Ageing of Receivables	Days Past Due				
	Total	Not Overdue	1-30 days	31 - 60 days	>61 days
	\$	\$	\$	\$	\$
30 June 2021					
Expected credit loss rate		0.0%	0.0%	0.0%	51.0%
Estimated total gross carrying amount at default	5 493	4 100	217	75	1 101
Expected credit losses	(567)	-	-	-	(567)
1 July 2020					
Expected credit loss rate		0.0%	0.0%	0.0%	66.0%
Estimated total gross carrying amount at default	5 222	4 130	36	104	952
Expected credit losses	(627)	-	-	-	(627)

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14. RECEIVABLES – CONTINUED

The allowance for expected credit losses of trade receivables is measured based on an assessment of each debtor. The majority of the Directorate's receivables relate to good and services tax owed from the Australian Taxation Office and receivables from the Commonwealth Government and other ACT Government agencies. Therefore any impact on credit losses as a result of the COVID-19 Pandemic is expected to be minimal.

	2021 \$'000	2020 \$'000
Reconciliation of the Allowance for Impairment Losses		
Allowance at the Beginning of the Reporting Period	627	451
Additional Allowance Recognised During the Reporting Period	85	326
Reduction in Allowance from Amounts Written-Off During the Reporting Period	(169)	(343)
Expected Credit Losses	24	193
Allowance for Losses at the End of the Reporting Period	567	627
Classification of ACT Government/Non-ACT Government Receivables		
Receivables from ACT Government Entities		
Net Trade Receivables	143	151
Net Other Trade Receivables ¹	341	163
Accrued Revenue	187	130
Total Receivables from ACT Government Entities	671	444
Receivables from Non-ACT Government Entities		
Net Trade Receivables	2 850	2 287
Net Other Trade Receivables ¹	150	147
Accrued Revenue	50	45
Net Goods and Services Tax Receivable	2 339	2 926
Less: Allowance for Impairment Losses	(567)	(627)
Total Receivables from Non-ACT Government Entities	4 822	4 778
Total Receivables	5 493	5 222

1. Mainly consists of receivables schools hold with other entities.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

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

	2021 \$'000	2020 \$'000
Land and Buildings		
Land at Fair Value	397 315	390 307
Total Land Assets at Fair Value¹	397 315	390 307
Buildings and Improvements to Land at Fair Value	1 721 634	1 651 447
Less: Accumulated Depreciation	(62 916)	-
Total Written-Down Value of Buildings and Improvements to Land^{2,3}	1 658 718	1 651 447
Total Land and Buildings and Improvements to Land	2 056 033	2 041 754
Leasehold Improvements		
Leasehold Improvements at Cost	5 908	5 892
Less: Accumulated Depreciation	(5 711)	(5 672)
Total Written-Down Value of Leasehold Improvements	197	220
Plant and Equipment		
Plant and Equipment at Cost	171 481	157 672
Less: Accumulated Depreciation	(136 617)	(126 748)
Total Written-Down Value of Plant and Equipment³	34 864	30 924
Right-of-Use Plant and Equipment at Cost	2 501	1 562
Less: Accumulated Depreciation	(961)	(404)
Total Written-Down Value of Right-of-Use Plant and Equipment	1 540	1 158
Total Plant and Equipment	36 404	32 082
Total Property, Plant and Equipment	2 092 634	2 074 056

1. The increase relates to land transferred from the ACT Government to accommodate the Throsby Primary School.
2. The increase mainly relates to the capitalisation of assets including the Evelyn Scott School in Denman Prospect partially offset by depreciation.
3. Property, Plant and Equipment capitalised during the year is capitalised at cost.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 15. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2020-2021.

	Land \$'000	Buildings and Improvements to Land \$'000	Leasehold Improvements \$'000	Right-of-Use Plant and Equipment \$'000	Plant and Equipment \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	390 307	1 651 447	220	1 158	30 924	2 074 056
Additions	-	70 187	17	1 039	13 809	85 052
Gains from the Transfer of Assets ¹	7 008	-	-	-	-	7 008
Depreciation	-	(62 916)	(40)	(581)	(9 869)	(73 406)
Write-offs/Other	-	-	-	(76)	-	(76)
Carrying Amount at the End of the Reporting Period	397 315	1 658 718	197	1 540	34 864	2 092 634

1. The increase relates to land transferred from the ACT Government to accommodate the Throsby Primary School.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 15. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2019-2020.

	Land \$'000	Buildings and Improvements to Land \$'000	Leasehold Improvements \$'000	Right -of- Use Plant and Equipment \$'000	Plant and Equipment \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	358 518	1 550 637	99	-	32 258	1 941 512
Recognition of Right-of-Use Assets on initial application of AASB 16 ¹	-	-	-	1 562	-	1 562
Additions	-	64 803	134	-	9 506	74 443
Revaluation Increment	18 519	87 672	-	-	-	106 191
Gains from the Transfer of Assets ²	13 270	200	-	-	-	13 470
Depreciation	-	(59 783)	(13)	(404)	(10 837)	(71 037)
Write Offs/Other ³	-	7 918	-	-	(3)	7 915
Carrying Amount at the End of the Reporting Period	390 307	1 651 447	220	1 158	30 924	2 074 056

- For 2019-20 reporting, right-of-use assets are required to be disclosed under the relevant class of Property, Plant and Equipment. Right-of-use assets for the Directorate relate to motor vehicles classified as assets under AASB 16 – Leases.
- Transfer in of assets includes 'Net Assets Transferred in as Part of an Administrative Restructure' for land to accommodate a new school at Denman Prospect (\$9.2m), additional land for Franklin Primary School and building improvements at the Rowing Club at Lake Tuggeranong College.
- Primarily relates to the reversal of impairments from prior years.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 15. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Fair Value Hierarchy

The Fair Value Hierarchy below 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 2021 are as follows:

2021

	Classification According to Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment at Fair Value				
Land	-	-	397 315	397 315
Buildings and Improvements to Land	-	-	1 658 718	1 658 718
	-	-	2 056 033	2 056 033

2020

	Classification According to Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment at Fair Value				
Land	-	-	390 307	390 307
Buildings and Improvements to Land	-	-	1 651 447	1 651 447
	-	-	2 041 754	2 041 754

Transfers Between Categories

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

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 15. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Valuation Techniques, inputs and processes

Level 3 Valuation Techniques and Significant Unobservable Inputs

Valuation Technique: Land where there is no active market or significant restrictions is valued through the market approach.

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

Valuation Technique: Buildings, and improvements to land were considered specialised assets by the valuers and measured using the cost approach.

Significant Unobservable Inputs: Estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. In determining the value of buildings and improvements to land regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required use of data internal to the Directorate.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 16. INTANGIBLE ASSETS

The Directorate has internally generated software and externally purchased software.

	2021	2020
	\$'000	\$'000
Information Communication Technology Software		
<i>Internally Generated/Externally Purchased Software</i>		
Software at Cost	16 025	7 396
Less: Accumulated Amortisation	(5 610)	(4 192)
Total Information Communication Technology Software¹	10 415	3 204

1. The movement primarily relates to capitalisation of assets associated with the School Administration System.

NOTE 17. CAPITAL WORKS IN PROGRESS

Capital works in progress relate to assets under construction include buildings, infrastructure assets and software.

Capital Works in Progress	80 279	42 189
Total Capital Works in Progress	80 279	42 189

Reconciliation of Capital Works in Progress¹

The following table shows the movement of Capital Works in Progress during the reporting periods.

Balance at the Beginning of the Reporting Period	42 189	12 485
Additions ²	128 691	98 996
Capitalised to Property, Plant and Equipment ³	(90 601)	(69 292)
Carrying Amount at the End of the Reporting Period	80 279	42 189

1. The reconciliation of capital works in 2020-21 has been prepared on a gross movement basis to reflect the full amount of capital works undertaken during the year.

2. The additions include capital works and intangibles and primarily relate to works associated with the Delivering Molonglo P-10 School (primary school component), 2020-21 Public School Infrastructure Upgrades program as well as the Support our School System - Improving ICT project.

3. The capitalisation primarily relates to the Delivering Molonglo P-10 School (primary school component), Better Infrastructure Fund program, School Administration System - Maze Upgrade and Support our School System - Improving ICT project.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 18. PAYABLES

	2021	2020
	\$'000	\$'000
Current Payables		
Payables	752	2 614
Accrued Expenses ¹	15 674	8 326
Total Current Payables	16 426	10 940
Payables are aged as followed		
Not Overdue	16 331	9 068
Overdue for Less than 30 Days	67	1 672
Overdue for 30 to 60 Days	2	26
Overdue for More than 60 Days	26	174
Total Payables	16 426	10 940
Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Payables	249	1 443
Accrued Expenses	1 279	1 178
Total Payables with ACT Government Entities	1 528	2 621
Payables with Non-ACT Government Entities		
Payables	503	1 171
Accrued Expenses	14 395	7 148
Total Payables with Non-ACT Government Entities	14 898	8 319
 Total Payables	 16 426	 10 940

1. The increase is mainly associated with higher capital works accruals including works for Campbell Primary School Modernisation and the Evelyn Scott School.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 19. CONTRACT LIABILITIES

	2021	2020
	\$'000	\$'000
Amounts Received Related to Contracts with Customers where the Performance Obligations has not yet been Satisfied	2 109	3 187
Total Contract Liabilities	2 109	3 187

1. The decrease in contract liabilities is primarily due to a decrease in international student enrolments.

Contract Liabilities Arising from Contracts with Customers

Contract liabilities relate primarily to consideration received in advance from customers in respect of educational services for international students. The balance of contract liabilities as at 30 June 2021 relates to performance obligations to be met by the Directorate to provide educational services to international students under Education Services for Overseas Students Act 2000 and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007.

Significant Changes in Contract Liability Balances

There have been no significant changes to contract liabilities during the financial year.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 20. FINANCE LEASE LIABILITIES

The Directorate has applied AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method, per ACT Accounting policy, and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

The Directorate has leases over a range of assets including land and buildings and IT equipment. In accordance with ACT Accounting policy, the Directorate has elected not to adopt AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and Conditions of Leases

Building leases office facilities	The Directorate has two office spaces through the ACT Property Group and Chief Minister Treasury and Economic Development Directorate. In line with the ACT Accounting policy these leases are recognized in the above agencies Financial Statements. The Directorate accounts for these leases in operating lease expenses.
IT and office equipment leases	The Directorate has numerous leases for equipment, including office and IT equipment. All these leases are low value and in accordance with AASB 16 – Leases has the exemption for leases of low value assets and accounts for the expense through the Operating Statement as incurred.
Motor Vehicles	The Directorate holds 53 motor vehicle leases. The terms vary from 1 year to 4 years. These leases allow for extensions, but have no terms of renewal, purchase options or escalation clauses.

Finance Lease Liabilities associated with Right-of-Use Assets

	Motor Vehicles	Total
	\$'000	\$'000
Balance at 1 July 2020	1 162	1 162
Depreciation Charge	(581)	(581)
Additions to Right-of-Use Assets	1 031	1 031
Changes in right-of-use assets due to changes in lease liability	(39)	(39)
Impairment of Right-of-Use Assets	-	-
Balance at 30 June 2021	1 573	1 573

Lease Liabilities

The maturity analysis of lease liabilities as at 30 June 2021 based on contractual undiscounted cash flows is shown in the table below.

< 1year (\$'000)	< 1 - 5 years	< 5 years	Total undiscounted lease liabilities	Lease liabilities included in the Balance Sheet
\$'000	\$'000	\$'000	\$'000	\$'000
576	997	-	1 643	1 573

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 21. EMPLOYEE BENEFITS

	2021	2020
	\$'000	\$'000
Current Employee Benefits		
Annual Leave ¹	51 607	45 524
Long Service Leave ²	125 201	121 709
Accrued Salaries ³	14 405	10 615
Total Current Employee Benefits	191 213	177 848
Non-Current Employee Benefits		
Long Service Leave ²	17 576	16 751
Total Non-Current Employee Benefits	17 576	16 751
Total Employee Benefits	208 789	194 599
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 months		
Annual Leave	41 834	35 763
Long Service Leave	7 010	6 511
Accrued Salaries	14 405	10 615
Total Employee Benefits Payable within 12 months	63 249	52 889
Estimated Amount Payable after 12 months		
Annual Leave	9 774	9 761
Long Service Leave	135 766	131 949
Total Employee Benefits Payable after 12 months	145 540	141 710
Total Employee Benefits	208 789	194 599

1. The increase is primarily due to pay increases and accrued entitlement impact.
2. The increase is mainly due to the impact of pay increases and accrued entitlement partially offset by a change in the present value factor used to calculate long service leave from 113.6% in 2019-20 to 108.7% in 2020-21.
3. The increase is primarily due to an additional accrual day in 2020-21.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 22. OTHER LIABILITIES

	2021 \$'000	2020 \$'000
Current Other Liabilities		
Revenue Received in Advance including Schools	10	47
Make Good Provision ¹	-	383
Capital Works Retention ²	400	-
Total Current Other Liabilities	410	430
Non-Current Other Liabilities		
Other Loans ³	1 540	1 956
Make Good Provision	136	136
Total Non-Current Other Liabilities	1 676	2 092
Total Other Liabilities	2 086	2 522

1. The reduction is due to vacating and terminating the lease at 220 Northbourne Avenue, Canberra.
2. Relates to retention held as part of construction contracts.
3. Relates to loans from the Environment, Planning and Sustainable Development Directorate for environmentally sustainable projects. The reduction in 2020-21 is due to the repayment of loans. The loans are interest free.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 23. FINANCIAL INSTRUMENTS

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Appendix B - 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 and receivables. As cash and cash equivalents 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 these.

The Directorate's financial liabilities are comprised of payables and finance leases. The Directorate's 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, the Directorate is not exposed to movements in interest rates in respect of these financial assets and liabilities.

There have been no changes in risk exposure or processes for managing risk since the last financial reporting period.

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 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 accounts are held with high credit quality financial institutions under whole-of-government banking arrangements. Cash at 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.

The majority of receivables consist of Goods and Services Tax (GST) refunds due from the Australian Taxation Office (ATO) and ACT Government Agencies which have a strong credit history. Credit risk for investments was 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 Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 23. FINANCIAL INSTRUMENTS – CONTINUED

There have been no significant changes to credit risk exposure since the last reporting period. Trade receivables are measured at lifetime expected credit losses (the simplified approach).

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 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 a cash pressure, access to additional appropriation from the Territory Bank Account can be obtained.

The Directorate's exposure to liquidity risk has not changed since the previous reporting period.

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 unit prices.

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.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 23. FINANCIAL INSTRUMENTS – CONTINUED

Fair Value of Financial Assets and Liabilities

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

	Note	Carrying	Fair	Carrying	Fair
	No.	Amount	Value	Amount	Value
		2021	2021	2020	2020
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and Cash Equivalents	13	58 030	58 030	54 448	54 448
Receivables ¹	14	3 154	3 154	2 296	2 296
Total Financial Assets		61 184	61 184	56 744	56 744
Financial Liabilities					
Payables	18	16 426	16 426	10 940	10 940
Lease Liabilities	20	1 573	1 573	1 162	1 162
Other Liabilities	22	1 540	1 540	1 956	1 956
Total Financial Liabilities		19 539	19 539	14 058	14 058

1. Receivables reported under Financial Instruments do not include receivables relating to goods and service tax.

Education Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 23. FINANCIAL INSTRUMENTS – CONTINUED

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 2021. 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.

As at 30 June 2021	Note No.	Weighted Average Interest Rate	Floating Interest Rate	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	13	0.74%	49 991	-	-	-	8 039	58 030
Receivables	14	-	-	-	-	-	3 154	3 154
Total			49 991	-	-	-	11 193	61 184
Financial Liabilities								
Payables	18	-	-	-	-	-	(16 426)	(16 426)
Lease Liabilities	20	2.56%	(1 643)	-	-	-	-	(1 643)
Other Liabilities	22	-	-	-	-	-	(1 540)	(1 540)
Total			(1 643)	-	-	-	(17 966)	(19 609)
Net Financial Assets			48 348	-	-	-	(6 773)	41 575

Education Directorate
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NOTE 23. FINANCIAL INSTRUMENTS – CONTINUED

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 2020. 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.

As at 30 June 2020	Note No.	Weighted Average Interest Rate	Floating Interest Rate	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	13	0.63%	47 258	-	-	-	7 190	54 448
Receivables	14		-	-	-	-	2 296	2 296
Total Financial Assets			47 258	-	-	-	9 486	56 744
Financial Liabilities								
Payables	18		-	-	-	-	(10 940)	(10 940)
Lease Liabilities	20	1.42%	(1 209)	-	-	-	-	(1 209)
Other Liabilities	22		-	-	-	-	(1 956)	(1 956)
Total Financial Liabilities			(1 209)	-	-	-	(12 896)	(14 105)
Net Financial Assets			46 049	-	-	-	(3 410)	42 639

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 23. FINANCIAL INSTRUMENTS - CONTINUED

	2021	2020
	\$'000	\$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Financial Assets at Amortised Cost	3 154	2 296
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	19 539	14 058

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.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 24. CAPITAL AND OTHER EXPENDITURE COMMITMENTS

Capital Commitments

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

	2021 \$'000	2020 \$'000
Capital Commitments - Property, Plant and Equipment		
Payable:		
Within one year	98 572	54 136
Later than one year but not later than five years	27 559	14 673
Later than five years	1 156	1 566
Total Capital Commitments - Property, Plant and Equipment¹	127 287	70 375

1. The increase mainly relates to construction contracts for the Throsby Primary School and Franklin School.

Other Commitments

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

Within one year	21 749	11 837
Later than one year but not later than five years	20 768	9 111
Later than five years	435	296
Total Other Commitments¹	42 952	21 244

1. The increase is mainly associated with information communication technology contracts and higher building lease commitments associated with the transition of accommodation for staff to the whole-of-government office block.
2. The Directorate has included commitments previously identified as operating lease commitments that are not recognised as a liability, in other commitments.

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

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

As at 30 June 2021 the Directorate had contingent liabilities in relation to known personal injury cases not settled of \$5.030 million. As at 30 June 2020 the liability was \$3.758 million. The liabilities will be offset by insurance and the final settlement amounts are unknown as at 30 June 2021.

NOTE 26. INTEREST IN A JOINT OPERATION

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.

	2021	2020
	\$'000	\$'000
Share of the Jointly Controlled Operation is as follows:		
Revenue	27	91
Expenses	(146)	(172)
Operating (Deficit)	(119)	(81)
Share of Asset in the Jointly Controlled Operation		
Current Assets	42	93
Non-Current Assets	3 408	3 325
Total Assets	3 450	3 418
Current Liabilities	2	4
Total Liabilities	2	4
Net Assets	3 448	3 414

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 27. CASH FLOW RECONCILIATION

	2021	2020
	\$'000	\$'000
(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting in the Cash Flow Statement to the Equivalent Items in the Balance Sheet		
Total Cash and Cash Equivalents Recorded in the Balance Sheet	58 030	54 448
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows	58 030	54 448
(b) Reconciliation of Operating (Deficit) to Net Cash Inflows from Operating Activities		
Operating (Deficit)	(75 597)	(96 598)
Add/(Less) Non-Cash Items		
Depreciation and Amortisation	74 824	72 574
Assets Written Off/Other Asset Adjustments	-	8
(Gain) from the Transfer of Assets	(7 008)	(4 225)
Add/(Less) Items Classified as Investing or Financing		
(Gain) from Sale of Assets	(8)	(13)
Cash Before Changes in Operating Assets and Liabilities	(7 789)	(28 254)
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(271)	997
(Increase)/Decrease in Prepayments	(1 897)	713
(Decrease)/Increase in Payables	(2 465)	1 414
Increase in Employee Benefits	14 190	19 473
(Decrease) in Contract and Other Liabilities	(1 499)	(960)
Net Changes in Operating Assets and Liabilities	8 058	21 637
Net Inflows/(Outflows) from Operating Activities	269	(6 617)

**Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021**

NOTE 28. RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Directorate, directly or indirectly.

KMP of the Directorate are the Portfolio Minister, Director-General and certain members of the Senior Management Team.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of Directorate.

This note does not include typical citizen transactions between the KMP and Directorate that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITY

The Directorate is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONNEL

B.1 Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2021.

Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister Treasury and Economic Development Directorate financial statements for the year ended 30 June 2021.

Compensation by the Directorate to KMP employed by the Directorate is set out below.

	2021	2020
	\$'000	\$'000
Short-term employee benefits	2 250	2 355
Post-employment benefit	318	336
Other long-term benefit	53	56
Total Compensation by the Education Directorate to KMP	2 621	2 747

- The total full time equivalent (FTE) staff identified as key management personnel in 2020-21 was 12. The total FTE key management personnel in 2019-20 was 11. The increase in 2020-21 relates to staff in temporary acting arrangements. The decrease in total remuneration is due to positions being vacant during 2020-21.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 28. RELATED PARTY DISCLOSURES – CONTINUED

B.2 Transactions with Key Management Personnel

There were no disclosures made with KMP that were material to the financial statements of the Directorate.

B.3 Transactions with parties related to Key Management Personnel

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statements of the Directorate.

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

All transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial Statements of the Directorate.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

Note 29. BUDGETARY REPORTING

Statement of Cash Flows Line	Actual 2020-21 \$'000	Original Budget ¹ 2020-21 \$'000	Variance \$'000	Variance %	Variance Explanation ²
Purchase of Property Plant and Equipment (capital works and intangibles)	122 477	146 185	(23 708)	(16)	The variance against budget is due to the ongoing Capital Works Projects and timing of payments to vendors.

1. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2020-21 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.
2. Explanations for variations in from budget for Controlled Recurrent Payments and Capital Injection are provided in the Statement of Appropriation.
3. Statement of Changes in Equity line items are covered in other financial statement sections.
4. Material variations only are included in this note.

EDUCATION DIRECTORATE

TERRITORIAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2021**

Education Directorate
Statement of Income and Expenses on Behalf of the Territory
For the Year Ended 30 June 2021

	Note No.	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Income				
<i>Revenue</i>				
Payments for Expenses on Behalf of the Territory	30	320 195	320 686	341 064
<i>Total Revenue</i>		<u>320 195</u>	<u>320 686</u>	<u>341 064</u>
Total Income		<u>320 195</u>	<u>320 686</u>	<u>341 064</u>
Expenses				
Grants and Purchased Services	31	320 195	320 686	341 064
Total Expenses		<u>320 195</u>	<u>320 686</u>	<u>341 064</u>
Operating Result		<u>-</u>	<u>-</u>	<u>-</u>

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

**Education Directorate
Statement of Assets and Liabilities on Behalf of the Territory
For the Year Ended 30 June 2021**

	Note No.	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Current Assets				
Cash and Cash Equivalents	32	604	254	254
Receivables	33	-	352	352
Total Current Assets		604	606	606
Total Assets		604	606	606
Current Liabilities				
Payables	34	604	606	606
Total Current Liabilities		604	606	606
Total Liabilities		604	606	606
Net Assets		-	-	-
Equity				
Accumulated Funds		-	-	-
Total		-	-	-

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 Directorate
Statement of Cash Flows on Behalf of the Territory
For the Year Ended 30 June 2021**

	Note No.	Actual 2021 \$'000	Original Budget 2021 \$'000	Actual 2020 \$'000
Cash Flows from Operating Activities				
Receipts				
Cash from Government for Expenses on Behalf of the Territory		320 192	320 686	341 076
Goods and Services Tax Received		7 268	7 145	6 991
Total Receipts from Operating Activities		327 460	327 831	348 067
Payments				
Grants and Purchased Services		320 195	320 686	341 004
Goods and Services Tax Paid		6 915	7 145	6 967
Total Payments from Operating Activities		327 110	327 831	347 971
Net Cash Inflows from Operating Activities	36	350	-	96
Net Increase in Cash and Cash Equivalents Held				
Cash and Cash Equivalents at the Beginning of the Reporting Period		350	-	96
		254	254	158
Cash and Cash Equivalents at the End of the Reporting Period	36	604	254	254

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

**Education Directorate
Territorial Statement of Appropriation
For the Year Ended 30 June 2021**

	Original Budget 2021 \$'000	Total Appropriated 2021 \$'000	Appropriation Drawn 2021 \$'000	Appropriation Drawn 2020 \$'000
Expenses on Behalf of the Territory	320 686	321 529	320 192	341 076
Total Territorial Appropriation	320 686	321 529	320 192	341 076

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

Column Heading Explanations

The *Original Budget* column shows the amounts that appear in the Statement of Cash Flows in the Budget Papers.

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 Statement of Cash Flows.

Variances between 'Original Budget' and 'Total Appropriated'

Expenses on Behalf of the Territory

The difference between the original budget and the total appropriated related to increased Commonwealth Government Quality Schools grants (\$0.843m) in line with the National School Reform Agreement: Australian Capital Territory Bilateral Agreement.

Variances between 'Total Appropriated' and 'Appropriation Drawn'

Expenses on Behalf of the Territory

The difference between the total appropriated and appropriation drawn mainly related to a minor transfer of funding to 2021-22 associated with ACT Government grants to non-government schools (\$1.337m).

**EDUCATION DIRECTORATE
TERRITORIAL NOTE INDEX
For the Year Ended 30 June 2021**

Note Territorial Note Index List

Income Notes

Note 30 Payment for Expenses on behalf of the Territory – Territorial

Expense Notes

Note 31 Grants and Purchased Services – Territorial

Assets Notes

Note 32 Cash and Cash Equivalents – Territorial

Note 33 Receivables – Territorial

Liabilities Notes

Note 34 Payables – Territorial

Other Notes

Note 35 Financial Instruments – Territorial

Note 36 Cash Flow Reconciliation – Territorial

Note 37 Budgetary Reporting – Territorial

Education Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2021

NOTE 30. PAYMENT FOR EXPENSES ON BEHALF OF THE TERRITORY – TERRITORIAL

Under the *Financial Management Act 1996*, 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 31 – Grants and Purchased Services – Territorial** for the details of the expenses.

	2021	2020
	\$'000	\$'000
Payment for Expenses on Behalf of the Territory	320 195	341 064
Total Payment for Expenses on Behalf of the Territory¹	320 195	341 064

1. The decrease from 2019-20 primarily relates to decreased funding due to the Commonwealth pre-paying some non-government school grants in 2019-20 as well as the provision of special assistance school hygiene funding, due to the COVID-19 Pandemic.

NOTE 31. GRANTS AND PURCHASED SERVICES – TERRITORIAL

	2021	2020
	\$'000	\$'000
Grants and Purchased Services		
<i>Payments for grants and subsidies were as follows:</i>		
Grants – Non-Government Schools ¹	319 416	340 354
Bursary Scheme	779	710
Total Grants and Purchased Services	320 195	341 064

1. The decrease from 2019-20 primarily relates to decreased funding due to the Commonwealth pre-paying some non-government school grants in 2019-20 as well as the provision of special assistance school hygiene funding, due to the COVID-19 Pandemic.

Education Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2021

NOTE 32. CASH AND CASH EQUIVALENTS – TERRITORIAL

	2021 \$'000	2020 \$'000
Cash at Bank ^{1,2}	604	254
Total Cash and Cash Equivalents	604	254

1. The Territorial accounts are programs administered by the Directorate on behalf of the Territory. Territorial accounts cannot generate an operating result and must hold nil equity balance. This means cash held at year-end is recorded as a payable owed to the Territory Banking Account. The increase in 2020-21 is due to the timing of Goods and Services Tax refund from the Australian Taxation Office.
2. Under whole-of-government banking arrangements interest is not earned on cash at bank held with the Territory Banking Account.

NOTE 33. RECEIVABLES – TERRITORIAL

All receivables at 30 June 2021 are current and not overdue.

Current Receivables

	2021 \$'000	2020 \$'000
Goods and Services Tax Receivable from the Australian Taxation Office ¹	-	352
Total Receivables	-	352

1. The decrease from 2019-20 is due to timing for Goods and Services Tax received into the bank account from the Australian Taxation Office.

NOTE 34. PAYABLES – TERRITORIAL

All payables at 30 June 2021 are current and not overdue.

Current Payables

	2021 \$'000	2020 \$'000
Payable to the Territory Banking Account ¹	604	606
Total Payables	604	606

1. The Territorial accounts are programs administered by the Directorate on behalf of the Territory. Territorial accounts cannot generate an operating result and must hold nil equity balance. This means cash held at year-end is recorded as a payable owed to the Territory Banking Account.

Education Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2021

NOTE 35. FINANCIAL INSTRUMENTS – TERRITORIAL

Terms, Conditions and Accounting Policies

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

The carrying amounts for all financial assets and liabilities reflect their fair-value and are non-interest bearing. The Directorate on behalf of the Territory has no exposure to interest rate, credit, liquidity or price risk.

Education Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2021

NOTE 36. CASH FLOW RECONCILIATION – TERRITORIAL

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

	2021 \$'000	2020 \$'000
Total Cash Disclosed on the Statement of Assets and Liabilities on Behalf of the Territory	604	254
Cash at the end of the Reporting Period as Recorded in the Statement of Cash Flows on Behalf of the Territory	604	254

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

Operating Result	-	-
Cash Before Changes in Operating Assets and Liabilities	-	-
Changes in Operating Assets and Liabilities		
Decrease in Receivables	352	84
(Decrease)/Increase in Payables	(2)	12
Net Changes in Operating Assets and Liabilities	350	96
Net Cash Inflows from Operating Activities	350	96

Education Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2021

NOTE 37. BUDGETARY REPORTING – TERRITORIAL

There are no material variances against the 2020-21 Budget.

Education Directorate
APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

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

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

- i. an Operating Statement for the year;
- ii. a Balance Sheet for the year;
- iii. a Statement of Changes in Equity for the year;
- iv. a Statement of Cash Flows for the year;
- v. a Statement of Appropriation for the year;
- vi. an Operating Statement for each class of output for the year;
- vii. significant accounting policies adopted for the year; and
- viii. 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:

- i. Australian Accounting Standards; and
- ii. ACT Accounting and Disclosure Policies.

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The financial statements have also been prepared according to the historical cost convention, except for non-current assets held 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.

CURRENCY

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

INDIVIDUAL NOT-FOR-PROFIT REPORTING ENTITY

The Directorate is an individual not-for-profit reporting entity.

Education Directorate
APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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.

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 preparation described applies to both Controlled and Territorial financial statements except where specified otherwise.

REPORTING PERIOD

These financial statements state the financial performance, changes in equity and cash flows of the Directorate for the year ended 30 June 2021 together with the financial position of the Directorate as at 30 June 2021.

COMPARATIVE FIGURES

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2020-21 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Statements.

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.

ROUNDING

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

GOING CONCERN

As at 30 June 2021, the Directorate's current assets are insufficient to meet its current liabilities. 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 agency bank accounts.

The Directorate's 2020-21 financial statements have been prepared on a going concern basis as the ongoing functions and activities of the Directorate have been funded in 2021-22 under section 7 of the *Financial Management Act 1996*.

Education Directorate
APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

GOING CONCERN - CONTINUED

The 2021-22 Budget, including forward estimates, for the Directorate, will be presented in the Legislative Assembly on 6 October 2021 and will be debated subsequent to the certification of these financial statements.

COVID – 19 PANDEMIC – IMPACT ON THE DIRECTORATE’S 2020-21 FINANCIAL STATEMENTS

The Directorate’s 2020-21 operations were impacted by the COVID-19 Pandemic. The Directorate incurred costs, from within existing resources, to provide additional support to schools and the community for increased cleaning and cleaning supplies and the continuation of temporary and casual staff.

The total impact on the Directorate’s financial performance was immaterial and has not significantly affected the 2020-21 financial statements. As the Directorate is primarily government funded through controlled recurrent payments, the COVID-19 Pandemic is not expected to have a material impact on future financial performance.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES

Appendix B – Significant Accounting Policies applies to both the Controlled and Territorial financial statements.

SIGNIFICANT ACCOUNTING POLICIES – INCOME

REVENUE RECOGNITION

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers where the contract is enforceable and contains sufficiently specific performance obligations, otherwise revenue is in the scope of AASB 1058 Income of not-for-Profit Entities.

AASB 15

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. identify the contract with the customer;
2. identify the performance obligations;
3. determine the transaction price;
4. allocate the transaction price; and
5. recognise revenue as or when control of the performance obligation is transferred to the customer.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Directorate have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations

AASB 1058

Where revenue streams are in the scope of AASB 1058, the Directorate recognises the asset received (generally cash or other financial asset) at fair value, recognises any related amount (e.g. liability or equity) in accordance with an accounting standard and recognises revenue as the residual between the fair value of the asset and the related amount on receipt of the asset.

NOTE 4 – CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments are recognised as revenues when the Directorate gains control over the funding. Control over appropriated funds is obtained upon the receipt of cash.

NOTE 5 – SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

Revenue from the sale of goods is recognised when the goods are physically passed to the customer as control is transferred at this point in time. Payments are generally required within 30 days of transfer of the goods.

The Directorate earns revenue from provision of education services.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – INCOME – CONTINUED

Revenue is recognised when the Directorate satisfies the performance obligations in the delivery of education services. Revenue is recognised in line with agreed terms or at a point in time when good and/or services are transferred to the customer.

A receivable in relation to these services is recognised when invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – REVENUE FROM CONTRACTS

The Directorate does not earn material revenue amounts from contracts with customers. The main source of revenue from contracts with customers for the Directorate is international students. The timing of satisfaction of performance obligations is based on the delivery of education services to students utilising term dates. Any revenue received in advance from international students at the end of the financial year is recognised as a contract liability.

NOTE 6 – SCHOOLS AND OTHER REVENUE

Where the Directorate receives an asset or services for significantly less than fair value then the transaction is in the scope of AASB 1058 and revenue is recognised on receipt of the asset / services.

Where services are received, the expense is recognised in the line item to which it relates.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES

NOTE 8 – EMPLOYEE EXPENSES

Employee benefits include:

- short-term employee benefits such as wages and salaries, annual leave loading, and applicable on cost 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.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual and long service leave.

(See Appendix B – Note 21 Employee Benefits for accrued wages and salaries, and annual and long service leave).

NOTE 9 – SUPERANNUATION EXPENSES

Employees of the Directorate will have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme the Directorate makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. The Directorate also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice) the Directorate makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

SUPERANNUATION LIABILITY RECOGNITION

For Directorate employees who are members of the defined benefit Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme, the employer superannuation liabilities for superannuation benefits payable upon retirement are recognised in the financial statements of the Superannuation Provision Account.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES – CONTINUED

NOTE 10 – SUPPLIES AND SERVICES

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.

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.

Rental Expenses

This covers payments for short-term leases (12-month term or less) and low-value leases (individual asset less than \$10,000) and standard non-specialised accommodation leases with ACT Property Group.

NOTE 11 – DEPRECIATION AND AMORTISATION

Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment.

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

Right-of-use leasehold improvements and plant and equipment under a finance lease are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

Depreciation or amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation/Amortisation	Useful Life (Years)
Buildings and Improvements to Land	Straight Line	50
Leasehold Improvements	Straight Line	5
Plant and Equipment	Straight Line	2-20
Internally Generated Intangibles	Straight Line	2-5

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

ASSETS – CURRENT AND NON-CURRENT

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

Significant Accounting Judgements and Estimates - Fair Value of Assets

The Directorate has made a significant estimate regarding the fair value of its assets. Land and buildings have been recorded at the market value of similar properties as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. Infrastructure assets and some community and heritage assets have been recorded at fair value based on current replacement cost as determined by an independent valuer. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

NOTE 13 – CASH AND CASH EQUIVALENTS

Cash includes cash at bank and cash on hand.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Directorate does not hold any investments.

NOTE 14 – RECEIVABLES

Accounts Receivables

Accounts receivable (including trade receivables, other receivables and loan receivables) are measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Impairment Losses – Receivables

The allowance for expected credit losses represents the amount of receivables that the Directorate estimates will not be repaid. The allowance for credit losses is based on objective evidence and a review of overdue balances. The Directorate measures expected credit losses of a financial instrument in a way that reflects:

- a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) the time value of money; and
- c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The amount of the expected credit loss is recognised in the Operating Statement. The allowance for credit losses are written off against the allowance account when the Directorate ceases action to collect the debt when the cost recover debt is more than the debt is worth.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – ASSETS – CONTINUED

The Directorate does not hold any material contract assets as at 30 June 2021.

For trade receivables the Directorate applied the simplified approach under AASB 9, which uses a lifetime expected loss for all trade receivables.

A provision matrix is used to calculate the expected credit loss.

Where the Directorate has no reasonable expectation of recovering an amount owed by a debtor and ceases action to collect the debt, as the cost to recover the debt is more than the debt is worth, the debt is written-off by directly reducing the receivable against the loss allowance.

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT

Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost.

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.

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, buildings and improvements to land are revalued every three years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. The most recent complete revaluation of the Directorate's land, buildings and improvements to land was performed as at 30 June 2020.

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 or the cost approach valuation techniques as appropriate that reflects the current cost to construct a comparable asset less accumulated depreciation. 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. Property, Plant and Equipment capitalised during the year is capitalised at cost.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – ASSETS – CONTINUED

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Right-of-use assets are initially measured at cost. After the commencement date, right of use assets are measured at cost less any accumulated depreciation and accumulated losses and adjusted for any re-measurement of the lease liability. Right-of-use assets are presented in the property, plant and equipment under the relevant asset class.

The Directorate considered the impact of future severe weather events such as bushfires and its impact on its Property, Plant and Equipment. The Directorate has insurance that provides sufficient coverage to repair or replace damaged assets in the event of severe weather. Therefore the impact of these events on the value of its assets is considered immaterial.

Significant Accounting Judgements and Estimates – Useful lives of Property Plant and Equipment (PPE)

The Directorate has made a significant estimate in determining the useful lives of its PPE. The estimation of useful lives of PPE is based on the historical experience of similar assets and in some cases has been based on valuations provided by the CIVAS (ACT) Pty Ltd as at 30 June 2020. The useful lives are assessed on an annual basis and adjustments are made when necessary.

Disclosures concerning assets useful life (see Appendix B – Note 11 Depreciation and Amortisation).

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.

Any resulting impairment losses for land, buildings and improvements to land are 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.

NOTE 16 – INTANGIBLE ASSETS

The Directorate's intangible assets are comprised of internally generated software and externally acquired software for internal use. Externally acquired software is recognised and capitalised when:

- a) it is probable that the expected future economic benefits attributable to the software will flow to the Directorate;
- b) the cost of the software can be measured reliably; and
- c) the acquisition cost is equal to or exceeds \$50,000.

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.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES

LIABILITIES – CURRENT AND NON-CURRENT

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Directorate does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities which do not fall within the current classification are classified as non-current.

NOTE 18 – PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Payables include Trade Payables, Accrued Expenses and Other Payables.

NOTE 19 – CONTRACT LIABILITIES

When an amount of consideration is received from a customer prior to the Directorate transferring a service to the customer, the balance of the consideration which has not been transferred is presented as a contract liability.

NOTE 21 – EMPLOYEE BENEFITS

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 within twelve months 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. This financial year the rate used to estimate the present value of future:

- Annual leave payment is 100.2% (100.9% in the previous financial year);
- Payments for long service leave is 108.7% (113.6% in the previous financial year).

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, the 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.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES – CONTINUED

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

NOTE 21 – EMPLOYEE BENEFITS – CONTINUED

Annual leave and long service leave 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

Significant Accounting Judgements and Estimates – 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 wage 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.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in April 2019. The next actuarial review is expected to be undertaken by early 2022.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES

NOTE 23 – FINANCIAL INSTRUMENTS

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- a) the business model for managing the financial assets; and
- b) the contractual cash flow characteristics of the financial assets.

Financial liabilities are measured at amortised cost

NOTE 26 - INTEREST IN A JOINT OPERATION

The Directorate is involved in a joint 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 11 'Joint Arrangements'. Please refer to Note 26 – Interest in a Joint Operation for details.

NOTE 29 – BUDGETARY REPORTING

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 5% of the budget for the financial statement line item and more than \$15 million.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

TERRITORIAL – SPECIFIC SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES – SPECIFIC TO TERRITORIAL – INCOME

NOTE 30 – PAYMENT FOR EXPENSES ON BEHALF OF THE TERRITORY – TERRITORIAL

The Payment for expenses on behalf of the Territory is recognised on an accrual basis. Due to the nature of territorial accounting, the Statement of Assets and Liabilities on Behalf of the Territory includes (as applicable) liabilities to, and receivables from, the Territory Banking Account.

TERRITORIAL NOTES REFERENCED TO CONTROLLED NOTES

NOTE 37 BUDGETARY REPORTING – TERRITORIAL: see Appendix B - Note 29 Budgetary Reporting.

Education Directorate
APPENDIX C - IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX C - IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

The information below applies to both the Controlled and Territorial financial statements.

IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

All Australian Accounting Standards and Interpretations issued but yet to be applied are either not relevant to the Directorate or have been assessed as having an immaterial financial impact on the Directorate.

Education Directorate
APPENDIX D - CHANGE IN ACCOUNTING ESTIMATES
FORMS PART OF NOTE 3 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX D - CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES

Appendix D the change in accounting estimates applies to both the Controlled and Territorial financial statements.

As disclosed in Note 21 – 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 from an assessment made by the Australian Government Actuary.

Last financial year the rate used to estimate the present value of future long service leave and annual leave payments was 113.6% for long service leave and 100.9% for annual leave. The rate for 2020-21 is 108.7% for long service leave and 100.2% for annual leave. As such the estimate of the long service leave and annual leave liabilities has changed. This change has resulted in a decrease in the estimate of the long service leave liability and expense in the current reporting period of approximately \$6.436 million and a decrease to the estimate of the annual leave liability and expense in the current reporting period of approximately \$0.340 million.

Capital Works

Infrastructure upgrades delivered in 2020-21

Public Schools Infrastructure Upgrade (PSIU) has delivered significant upgrades across the public school network with \$9.989 million expended in the 2020-21 financial year, including:

Upgrades	Schools	
Security fence installations	<ul style="list-style-type: none"> • Caroline Chisholm School; • UC Kaleen High School; • Kingsford Smith School – upgrade; 	<ul style="list-style-type: none"> • Majura Primary School – security fence to kindergarten area to improve safety; and • Red Hill Primary School – security fence to enclose oval.
School administration upgrades	<ul style="list-style-type: none"> • Aranda Primary School; • Belconnen High School; • Black Mountain School; • Caroline Chisholm School; • Chapman Primary School; • Giralang Primary School; 	<ul style="list-style-type: none"> • Maribyrnong Primary School; • Lanyon High School; • Monash Primary School; • Mount Rogers Primary School; and • Telopea Park School.
Learning area upgrades	<ul style="list-style-type: none"> • Alfred Deakin High School; • Arawang Primary School; • Black Mountain School; • Calwell High School; • Caroline Chisholm School; • Charles Conder Primary School; • Erindale College; • Hawker College; • Hughes Primary School; 	<ul style="list-style-type: none"> • Lanyon High School; • Lyneham Primary School; • Macquarie Primary School; • Maribyrnong Primary School; • Mount Rogers Primary School; • The Woden School; • Turner Primary School; • UC Lake Ginninderra College; and • Wanniasa High School.
External learning area upgrades	<ul style="list-style-type: none"> • Aranda Primary School; • Canberra High School; • Canberra College; • Caroline Chisholm School; • Evatt Primary School; • Forrest Primary School; • Fraser Primary School; • Garran Primary School; • Gilmore Primary School; • Gold Creek School; 	<ul style="list-style-type: none"> • Isabella Plains Early Childhood School; • Maribyrnong Primary School; • North Ainslie Primary School; • Red Hill Primary School; • Richardson Primary School; • The Woden School; • Torrens Primary School; • UC Kaleen High School; and • Weetangera Primary School.
Access upgrades and learning support upgrades	<ul style="list-style-type: none"> • Alfred Deakin High School; • Amaroo School; • Arawang Primary School; 	<ul style="list-style-type: none"> • Hawker Primary School; • Hawker College; • Hughes Primary School;

Upgrades	Schools
	<ul style="list-style-type: none"> • Black Mountain School; • Calwell High School; • Calwell Primary School; • Charnwood Dunlop School; • Caroline Chisholm School; • Cranleigh School; • Erindale College; • Evatt Primary School; • Farrer Primary School; • Giralang Primary School; • Gordon Primary School; • Gold Creek School; • Harrison School; • Kaleen Primary School; • Kingsford Smith School; • Margaret Hendry School; • Maribyrnong Primary School; • Miles Franklin School; • Monash Primary School; • Neville Bonner Primary School; • Palmerston Primary School; • Torrens Primary School; • UC Kaleen High School; • Wanniasa Hills Primary School; • Weetangera Primary School; and • The Woden School.
Toilet upgrades	<ul style="list-style-type: none"> • Calwell Primary School; • Canberra College; • Charnwood Dunlop School; • Evatt Primary School; • Farrer Primary School; • Gilmore Preschool; • Macquarie Primary School; • Melba Copland Secondary School; • Miles Franklin Primary School; • North Ainslie Primary School; • Torrens Primary School; • UC Kaleen High School; and • Weetangera Primary School.
Cleaning Room upgrades	<ul style="list-style-type: none"> • Canberra High School; • Hawker Primary School; • Hughes Primary School; • Mawson Primary School; • Melba Copland High School; • Melrose High School; • Monash Primary School; • Theodore Primary School; and • Yarralumla Primary School.

Stimulus Package

The Education Directorate received \$1.854 million funding in 2020-21 for a Stimulus Package. This package was expended to fund:

Upgrades	Schools
Security fence installation/upgrades	<ul style="list-style-type: none"> • Gordon Primary School; and • Namadgi School – upgrade.
School administration	<ul style="list-style-type: none"> • Garran Primary School; and • Calwell High School.
Learning area upgrades	<ul style="list-style-type: none"> • Black Mountain School; • Cranleigh School; • Evatt Primary School; • Fadden Primary School; • Florey Primary School; • Lanyon High School; • Malkara School; • Mawson Primary School; • Melrose High School; • Palmerston Primary School;

Upgrades	Schools	
	<ul style="list-style-type: none"> • Giralang Primary School; • Isabella Plains Early Childhood School; 	<ul style="list-style-type: none"> • Wanniasa Hills Primary School; and • Wanniasa School.
External learning area upgrades	<ul style="list-style-type: none"> • Aranda Primary School; • Arawang Primary School; • Black Mountain School; • Calwell Primary School; • Campbell Primary School; • Campbell High School; • Canberra High School; • Charnwood Dunlop Primary School; • Cranleigh School; • Dickson College; • Duffy Primary School; • Fadden Primary School; • Gilmore Primary School; • Giralang Primary School; • Hughes Primary School; 	<ul style="list-style-type: none"> • Isabella Plains Early Childhood School; • Kaleen Primary School; • Lake Tuggeranong College; • Macgregor Primary School; • Macquarie Primary School; • Miles Franklin Primary School; • Mount Rogers Primary School; • Narrabundah Early Childhood School; • Ngunnawal Primary School; • Richardson Primary School; • Taylor Primary School; • Turner Primary School; • Wanniasa School; • Weetangera Primary School; and • The Woden School.
Car park upgrades	<ul style="list-style-type: none"> • Gowrie Primary School; and 	<ul style="list-style-type: none"> • Namadgi School.
Installation of digital signs	<ul style="list-style-type: none"> • Calwell High School; • Mawson Primary School; 	<ul style="list-style-type: none"> • Wanniasa Primary School; and • Wanniasa High School.

Roof replacement program

The Education Directorate received \$17.960 million in the 2018-19 Budget for the Roof Replacement Program over four years. Construction was completed at Alfred Deakin High School, Calwell High School, North Ainslie Primary School and Telopea School with \$6.029 million expended in 2020-21. Works are currently ongoing at Wanniasa High School for a partial roof replacement.

Energy efficient heating renewal program

The Education Directorate received \$15.964 million in the 2019-20 Budget for the Delivering Energy Efficient Heating Upgrades for ACT public schools program over four years. Construction is completed at Hawker College and Latham Primary School with \$2.024 million expended in 2020-21 and procurement is ongoing for Telopea Park School.

Major Education Projects

The Education Directorate has delivered significant projects across the public school network with \$97.933 million expended in the 2020-21 financial year.

Projects were delivered to modernise facilities, provide new schools and better meet the learning needs of communities. For 2020-21 the projects included four new schools (work in progress); three school site upgrades; four permanent site expansions are underway which will provide additional capacity of up to 1450 students when completed, and transportable classrooms were delivered to accommodate up to 650 additional places.

Planning also commenced for future schools including major modernisation upgrades for three schools, major expansions for two schools and feasibility study and master planning for one new school.

School Upgrades

- Margaret Hendry School - internal learning upgrades to support small group programs as well as external learning and landscaping upgrades.
- Amaroo School – internal refurbishment and upgrades to accommodate increase in students for term 1, 2021.
- Campbell Primary School Modernisation - the modernisation works include construction of three new learning communities for 450 places, canteen, STEM Area, small group program facilities and landscaping. The new construction works are on program for completion by December 2021. This will allow the demolition of the old junior wing building during the school holiday period with completion due in mid-January 2022 and the school ready for operations at the beginning of the 2022 school year.

School Expansions

- Margaret Hendry School Expansion - Master planning design works are progressing, with head contractor tendering underway. Early expansion works have commenced to the Administration building to accommodate student growth at the beginning of the 2022 school year. Main works are targeting completion for the start of 2023.
- Amaroo School Senior Campus Expansion – 200-place expansion works includes construction of a new learning community with expanded general and specialist learning areas and refurbishment works to the existing science and technology block, The Onyx Theatre and marble terrace buildings. The new build is currently scheduled for delivery at the beginning of the 2022 school year and refurbishment works programmed for completion by mid-2022.
- Gold Creek Senior School expansion – 200-place expansion works includes demolition of existing internal ground floor spaces, refurbishment of existing spaces and an extension to the first floor to create seven new general learning spaces. The project was procured under the *Aboriginal and Torres Strait Islander Procurement Policy* (ATSIPP). Detail design was completed in April 2021 and construction has commenced with the demolition works completed. The expansion is scheduled for delivery by early 2022.
- Franklin School expansion - Construction work commenced in Quarter 4 2020 for the 450-place expansion. Refurbishment of the administration and library has been completed and handed over to the school for their use. Construction of a new learning community 1 building with capacity of up to 150 students is programmed to be completed by August 2021. Construction of learning communities 2 and 3 (a two-storey building) with capacity of up to 300 students is underway and programmed for completion prior to term 1, 2022.

New Schools

- Evelyn Scott School – Preschool to Year 6, including the double gymnasium and associated landscaping opened for the 2021 school year. Construction is progressing for the Years 7 to 10 buildings which will be operational in 2023;

- Construction of the new Preschool to Year 6 school in Throsby is progressing for completion at the start of the 2022 school year;
- East Gungahlin High School (in Kenny) – The head contractor has undertaken final design documentation and submitted the Development Application for the new high school scheduled to open in 2023; and
- North Gungahlin High School (in Taylor) – Master planning design works are progressing with head contractor tendering underway.

Transportable Classrooms

Transportable classrooms provide flexibility to respond to natural peaks in enrolments and medium-term transient enrolment growth. As suburbs progress through their life-cycle, student numbers tend to rise and fall. Active monitoring and management of unexpected local and short-term demand pressures is a key school planning function. There are currently 148 transportable units in place at 38 ACT public schools.

The provision of transportable classrooms enables the Education Directorate to respond quickly and flexibly to changes in enrolment demand. Transportable classrooms are a normal part of planning for growth, they provide flexibility both for schools that are experiencing temporary growth in enrolments and time to plan for and deliver permanent investment in capacity where it is needed for the long term.

Short-term increases in demand that are not expected to be sustained can be addressed by installing transportable classrooms at a significantly lower cost compared to that of an additional building. These are used in situations where a permanent built expansion of capacity may not be the best long term or cost-effective solution to expected demand pressures.

In addition, the provision of the transportable classrooms provides time for the Directorate to plan and deliver a more permanent response if sustained enrolment growth is anticipated.

Transportable classrooms are designed to be open, spacious, comfortable and inviting learning environments. They are modern, fully insulated, and designed to meet current energy targets with the same comforts and technical/IT infrastructure as a permanent learning space. They are planned and placed in areas that blend into the overall design and landscaping of the school. Transportable classrooms installed at schools today are built to the same standards (National Construction Code) as permanent structures.

Transportable classrooms are also used as interim accommodation while modernisation of schools is under way.

The installation of transportable classrooms provided an additional 650 places across twelve schools in the fastest growing regions of Gungahlin, Belconnen, the Inner North and Inner South. The 2020-21 program is nearing completion with the installation of transportables completed at the following school sites;

- Black Mountain School – 100 Places
- Forrest Primary School – 50 Places
- Fraser Primary School – 50 Places
- Garran Primary School – 100 Places
- Majura Primary School – 50 Places
- Mawson Primary School – 50 Places
- Mt Rogers Primary School – 50 Places
- North Ainslie Primary School – 50 Places

- Red Hill Primary School – 50 Places
- Taylor Primary School – 50 Places
- Telopea Park School – 50 Places

Due to COVID border restrictions, the supply and installation of the transportable at Yarralumla Primary School with an additional 50 places was delayed and is scheduled for September 2021.

Planning

- Narrabundah College modernisation – initial feasibility and concept master planning is underway which includes feedback received from previous community engagement and due diligence/site investigations;
- new Primary School in Strathnairn – initial feasibility and concept master planning is underway;
- planning for Woden Schools – initial feasibility and concept master planning for identified schools in the Woden network is underway; and
- planning for 2022 transportables is underway with reviews occurring across all school networks.

Table 58: Capital Works Management 2020-21

Project	Original Project Value \$'000	Revised Project Value \$'000	Prior Year Expenditure \$'000	Actual Expenditure 2020-21 \$'000	Total Expenditure to Date \$'000	Estimated/ Actual physical completion date
NEW CAPITAL WORKS						
Modular Learning Centres	17,082	17,082	0	13,700	13,700	Dec-21
Amaroo School Expansion	12,730	12,730	0	544	544	
Kenny High School	85,900	85,900	0	1,558	1,558	
Subtotal New Capital Works	115,712	115,712	0	15,803	15,803	
PUBLIC SCHOOL INFRASTRUCTURE UPGRADES						
School Learning Area Improvements	1,665	1,650	0	1,067	1,067	Jun-21
School Administration and Support Area Improvements	1,131	1100	0	1,595	1,595	Jun-21
Disability Access Compliance	2,398	2,000	0	2,713	2,713	Jun-21
School Infrastructure Revitalisation	2,456	2,398	0	1,387	1,387	Jun-21
School Security Improvements	204	200	0	592	592	Jun-21

Project	Original Project Value \$'000	Revised Project Value \$'000	Prior Year Expenditure \$'000	Actual Expenditure 2020-21 \$'000	Total Expenditure to Date \$'000	Estimated/ Actual physical completion date
School Safety Improvements	680	675	0	111	111	Jun-21
External Learning Environments	426	350	0	1,106	1,106	Jun-21
Environmentally Sustainable Initiatives	930	800	0	853	853	Jun-21
Joint Funding Works	697	700	0	565	565	Jun-21
Subtotal Public School's Infrastructure Upgrades	10,587	9,873	0	9,989	9,989	
Total New Works	129,299	129,585	0	26,142	26,142	
WORK IN PROGRESS						
Expanding Franklin Early Childhood School	29,447	29,447	2,032	11,450	13,482	Dec-21
Delivering a new primary school at Throsby	43,913	43,913	1,570	17,124	18,695	Feb-22
More places for students at Gold Creek School's senior campus	6,442	6,442	41	543	584	Feb-22
Expanded facilities for Gungahlin College	1,269	1,269	699	563	1,262	Dec-21
More places for students at northside schools	8,504	8,504	5,030	658	5,688	Feb-23
Planning for Canberra's future school needs	2,053	2,053	1,006	992	1,998	Jun-22
Delivering energy-efficient heating upgrades for ACT public schools	15,964	15,964	308	2,024	2,333	Jun-23

Project	Original Project Value \$'000	Revised Project Value \$'000	Prior Year Expenditure \$'000	Actual Expenditure 2020-21 \$'000	Total Expenditure to Date \$'000	Estimated/ Actual physical completion date
Delivering secure local jobs for school cleaners	1,610	1,610	1,004	314	1,318	Jun-22
More schools, better schools – More places at Gungahlin schools	19,830	19,830	16,918	950	17,867	Jun-22
More schools, better schools – Roof Replacement Program	17,960	17,960	8,729	6,029	14,759	Jun-22
Molonglo Schools – P-10 campus	41,858	70,000	15,761	42,134	57,895	Jun-23
Campbell Primary School Modernisation	18,819	18,819	654	4,938	5,593	Jun-22
Better schools for our kids – Expanding schools in Gungahlin	24,072	24,606	20,263	982	21,245	Jun-22
Schools for the Future – North Gungahlin and Molonglo	28,609	28,609	28,592	6	28,598	Dec-20
Total Capital Work in Progress	260,350	289,026	102,607	88,707	191,317	
Stimulus Package- Screwdriver Ready Projects						
Stimulus Package - Screwdriver Ready Projects	5,150	7,004	5,150	1,854	7,004	Jun-21
Total Screwdriver Ready projects	5,150	7,004	5,150	1,854	7,004	
PROJECTS - PHYSICALLY AND FINANCIALLY COMPLETED						
Better Schools for Our kids - Narrabundah College and Campbell Primary School - facilities upgrade	23,866	25,066	23,588	1,479	25,068	

Project	Original Project Value \$'000	Revised Project Value \$'000	Prior Year Expenditure \$'000	Actual Expenditure 2020-21 \$'000	Total Expenditure to Date \$'000	Estimated/ Actual physical completion date
Better Schools – Investment in Gungahlin school infrastructure	16,600	16,600	16,323	277	16,600	
Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning	5,896	5,696	5,463	34	5,496	
Total Projects Physically and Financially Completed	46,362	47,362	45,374	1,790	47,164	
GRAND TOTAL CAPITAL WORKS PROGRAM 2020-21	438,161	468,977	153,131	118,143	271,277	

Table 59: End of Financial Year Reconciliation Schedule 2020-21

Reconciliation of total current year financing	2020-21 \$'000
Total current year capital works financing	113,105
Add: Other capital initiatives financing	13,548
Capital Injection as per Cash flow statement	126,653
Reconciliation of Total Current Year Actual Expenditure - against financing	
Total current year capital works expenditure	118,201
Total current year capital initiatives expenditure	14,082
Less: Net Impact of accruals between financial years WITH movement in invoices	(4,724)
Less: Net Impact of Capital purchases expenditure funded outside of Capital Injections	(906)
Capital Injection (as per Cash flow statement)	126,653
Reconciliation of Total Current Year Actual Expenditure	
Total current year capital works expenditure	118,201
Total current year capital initiatives expenditure	14,083
Less: Expensed amount	(3,770)
Less: Net Impact of accruals between financial years WITHOUT movement in invoices	(8,365)
Add: Other asset purchases outside of capital works program and capital initiatives	2,176
Purchase of Property, Plant and Equipment (as per Cash Flow Statement)	122,324

Information, Communication and Technology Projects

In 2020-21, the Education Directorate completed critical milestones for Information, Communication and Technology (ICT) projects including:

- deploying over 3,300 devices to newly enrolled ACT public secondary students;
- a secondary student device refresh was completed by end of June 2021, refreshing 8,295 devices that were provided as part of the first rollout in 2018;
- analysing and reprioritising projects to align with required school outcomes, in particular during the COVID-19 pandemic remote learning response period; and
- delivering key projects aligned with the School Administration System deployment schedule. During this period including rolling out the Enrolments and Finance modules out to all schools.

Table 60: Information, Communication and Technology Projects 2020-21

Project	Original Project Value \$'000	Revised Project Value \$'000	Prior Year Expenditure \$'000	Actual Expenditure 2020-21 \$'000	Total Expenditure to Date \$'000	Estimated/ Actual physical completion date
WORK IN PROGRESS						
Better schools for our kids – Technology Enabled Learning	10,450	17,756	10,450	6,811	17,261	Jun-22
Better schools – IT Upgrade for School Administration System (SAS)	10,000	10,000	9,607	393	10,000	Nov-20
Supporting our School System – Improving ICT ¹	7,516	11,061	-	6,365	6,365	Jun- 22
Schools Staffing Integrated Management System	356	356	249	75	324	Jun-22
Total Work	28,322	39,173	20,307	13,644	33,950	

¹Given the nature of Supporting our School System – Improving ICT being an ongoing project, the original project and revised project values reflect the 2020-21 budget only.

Asset Management

Assets Managed

The Education Directorate is responsible for a large and diverse asset portfolio, with 89 schools located across more than 100 sites that cater for more than 50,000 students every day. The ACT education infrastructure portfolio has significant history, having grown in step with the Canberra region and modernised alongside education practice over many years. Over two-thirds of the ACT's 89 public schools were built before 1992, with the oldest of those opening its doors to students in 1923.

Investing in safe and fit-for-purpose educational infrastructure is integral to ensuring ACT public school students continue to have access to facilities that encourage learning and belonging within inclusive school environments.

The Education Directorate administers the annual capital works program and coordinates and manages statutory and high-risk maintenance activities in addition to providing technical support to schools for repairs and maintenance activities. There are three main infrastructure funding streams managed by the Directorate as capital works and recurrent funding:

- Major Projects – incorporates the construction of new schools and major works to existing sites such as large-scale expansions or modernisations to existing schools;
- Public Schools Infrastructure Upgrades – includes improvements and upgrades to schools such as classroom renovations, the installation of new fit-outs and safety and security improvements; and
- Repairs and Maintenance – comprises smaller activities to maintain existing facilities typically undertaken by schools.

Sustainable management of the Education Directorate's asset portfolio is guided by its Strategic Asset Management Plan (SAMP). This plan provides timely advice to government about risks and associated remediation options and has focused investment on core issues – such as the growth of the Territory and the impact on the Directorate's infrastructure.

The aim of the SAMP is to provide a secure, suitable, fit for purpose asset portfolio to enhance the ACT in providing a safe, healthy working environment for teaching and learning in the 21st century. The SAMP focuses on two key areas of the Directorate's expenditure - repairs and maintenance and capital upgrade works. The SAMP supports the Directorate in developing policy and understanding responsibilities and priorities in relation to ongoing school asset management.

The Education Directorate managed school infrastructure assets with a total value of \$2.056 million as at 30 June 2021.

Table 61: Assets and their values as at 30 June 2021

Asset Class	Value (\$ million)
Land and Buildings (including improvements) for schools and preschools	2,056.0
Leasehold improvements	0.2
Right of Use Vehicles	1.5
Property, plant and equipment	34.9
Intangible Assets	10.4
Total	2,103.0

During 2019-2020 the following assets were added to the asset register.

Table 62: Assets added to the Asset Register in 2020-21

Assets	Value (\$ million)
Capital Works (schools)	29.3
Capital Initiatives – ICT and other projects	21.3
Total	50.6

Surplus Assets

As at 30 June 2021 the Education Directorate did not have any properties which had been identified as potentially surplus.

Assets Maintenance and Upgrade

The Education Directorate undertakes planned and unforeseen repairs and maintenance works at ACT public schools and preschools as well as compliance programs. Funds are also allocated each year directly to ACT public schools for physical infrastructure costs covering minor repairs and maintenance works.

The centrally funded 2020-21 repairs and maintenance works included:

- specific works (for example, fire panel, security system and electrical switchboard upgrades, external painting and other school requested improvements);
- heating, ventilation and air conditioning maintenance and repairs;
- stormwater and sewer line inspections and rectification works;
- roof access safety system upgrades and certification;
- lifts and auto doors inspections and maintenance;
- emergency lighting inspections and maintenance;
- fire alarm system monitoring;
- gutter cleaning and ember zone maintenance;
- hazardous materials surveys and removal;
- building condition assessments including drone technology to streamline and improve the assessment of roof and roof components;

- work health and safety related works;
- tree works;
- play equipment audits and maintenance; and
- school security - including targeted patrols, static guarding where required and patrol response to security sensor alerts.

Expenditure on centrally managed repairs and maintenance was \$20.567 million which represented an increase of 9.3 per cent compared to last financial year.

Managing Hazardous Materials in ACT Public Schools

The Education Directorate manages public school buildings of varying age and condition across the Territory. 76 schools contain some amount of asbestos and/or lead paint. Every school with known hazardous materials has a Hazardous Materials Register and \$5.409 million was expended within the repairs and maintenance budget for the targeted management and removal of hazardous materials in ACT public schools during 2020-21.

In practice, the management of hazardous materials is often addressed and remedied during the process of implementing comfort and safety upgrades in schools, for example, replacing windows in an older school to improve energy efficiency and student comfort may also result in windows with lead paint being removed.

In December 2020 the Education Directorate set up an internal Taskforce to coordinate the management and removal of hazardous materials across school buildings, ensuring priority and focus is maintained on this important work. Chaired by the Deputy Director-General, the Taskforce is responsible for ensuring activities align with government policy settings and health and safety requirements, engaging with appropriate stakeholders and ensuring effective communication to schools and their community, and government.

The Taskforce is supported by an Expert Panel, established by the Education Directorate to provide expert advice and guidance on the Directorate's response to incidents involving hazardous materials and the ongoing management of hazardous materials in public schools. The skills and experience of the members of the Expert Panel ensures the response is informed by international best practice.

Table 63: Expert panel membership

Name	Background
Professor Mark Taylor	Professor of Environmental Science and Human Health at Macquarie University, Sydney specialising in environmental contamination and the risks it can pose
Professor Martyn Kirk	Professor of Applied Epidemiology and National Health and Medical Research Council (NHMRC) Fellow at the Australian National University
Director Workplace Protection	Nominated by Office of the Work Health and Safety Commissioner
Director, Environment and Radiation Safety	Nominated by Chief Health Officer, ACT Health Directorate

The panel first met in December 2020 and will continue to meet as the program for accelerated management and removal of hazardous materials progresses. Further to the establishment of the Taskforce and Expert Panel, during the reporting period the Directorate has taken additional steps to improve the management of hazardous materials, including:

- reviewing Hazardous Materials Registers in every ACT public school to ensure they remain current;
- assessing the condition of paint in every public school known to have lead paint;
- developing a triage model to systematically address instances of lead paint in ACT public school buildings; and
- during the 2020-21 summer school holidays, over 20 schools received upgrades and maintenance to manage the presence of hazardous materials.

On 17 March 2021, the Directorate published a range of material to its website about how hazardous materials are managed in ACT public schools.

Names of all public schools with a confirmed presence of lead paint and/or asbestos were published online alongside information about how these hazards are managed in schools as part of the Education Directorate's communications activities to increase community awareness of hazardous materials management.

Office Accommodation

There were 148 staff occupying office-based workstations as at 30 June 2021 (excluding the Office of the Board of Senior Secondary Studies), occupying a total of 6,181m². Details about the list of sites, staff numbers (head count) and space occupied are provided in the table following. These are the number of staff working in the office on that day - it does not reflect the total number of ESO staff.

Arrangements in place due to the COVID-19 pandemic meant that the majority of ESO staff were working from home on 30 June 2021, which was also during the school holiday period. Remaining staff were employed in school environments undertaking school-based activities, including teaching, student support, school leadership and school administration.

Office accommodation works undertaken during the reporting period included:

- relocation of staff from 220 Northbourne Avenue to 220 London Circuit. As there was approximately six months between the expiry of the lease at 220 Northbourne Avenue and the completion of the new Civic office block at 220 London Circuit, a number of key staff were temporarily based at Nature Conservation House in Belconnen, with the remainder working from home;
- relocation of an NSET Team from UC Kaleen High School to Melba Copland College;
- investigation, design and minor reconfiguration works to office workstation areas to support social distancing requirements for COVID-19 impacts across all ESO staff locations;
- ongoing room evaluation and updating signage identifying occupancy limits in accordance with COVID-19 spatial usage requirements;
- upgraded cleaning regimes to office areas in accordance with COVID-19 sanitisation requirements;
- conversion of the COVID-19 Incident Management Team accommodation at the Hedley Beare Centre for Teaching and Learning to additional staff accommodation; and

- conversion of meeting room facilities at the Hedley Beare Centre for Teaching and Learning into temporary overflow office accommodation due to COVID-19 social distancing requirements in existing work areas.

Table 64: Education Staff Office sites, staff numbers (headcount) and space occupied as at 30 June 2021

Building and location	Staff numbers ⁴	Approximate area occupied (m ²)	Average area occupied per employee (m ²)
220 London Circuit, Civic	34	1,496	44
Hedley Beare Centre for Teaching and Learning, Stirling ^{1, 3}	108	3,547	32.84
Gilmore Primary School, Melrose High School, Wanniasa School Senior Campus, Melba Copland College, Melba ²	1	534	534
Callum Offices, Philip	5	604	120.8
Total	148	6,181	41.76

¹Approximate area occupied at Hedley Beare Centre for Teaching and Learning does not include meeting rooms and training facilities (1,855m²) available for booking by other ACT Government Directorates and members of the public.

²School areas occupied by ESO staff are from the Network Student Engagement and Hearing & Vision Support Teams. UC Kaleen NSET Team (20 staff) relocated to Melba Copland College in February 2021.

³Staff numbers do not include 25 SSICT staff embedded in Hedley Beare Centre for Teaching and Learning.

⁴Staff numbers have been calculated based on occupied workstations at 30 June 2021. The staff numbers reflect COVID-19 restrictions and were counted during the school holiday period.

Government Contracting

Overview

The online ACT Government Contracts Register records contracts with suppliers of goods, services and works, with a value of \$25,000 or more.

A full search of the Education Directorate's contracts notified with an execution date from 1 July 2020 to 30 June 2021 can be made at <https://www.tenders.act.gov.au/contract/search>.

Secure Local Jobs Codes

Reporting entities must report on any exemptions from the Secure Local Jobs Code requirements under section 22G of the *Government Procurement Act 2001*.

There were no exemptions provided in the reporting period.

Aboriginal and Torres Strait Islander Procurement Policy

Reporting entities must report on the *Aboriginal and Torres Strait Islander Procurement Policy* (ATSIPP) three performance measures.

Table 65: Aboriginal and Torres Strait Islander Procurement Policy performance measures

Performance Measure	Result
The number of unique Aboriginal and Torres Strait Islander Enterprises that respond to the reporting entity's tender and quotation opportunities that were issued from the Approved Systems	9
The number of unique Aboriginal and Torres Strait Islander Enterprises attributed a value of addressable spend in the financial year	11
Percentage of the financial year's addressable spend which is spent with Aboriginal and Torres Strait Islander Enterprise	1.7%

Creative Services Panel

The Creative Services Panel is a whole of government arrangement for the purchase of creative services, including:

- advertising;
- marketing;
- communications and engagement;
- digital;
- graphic design;
- photography and video; and
- media buying.

During 2020-21, the Directorate spent a total of \$65,000 through the panel and includes staff recruitment activities undertaken during the year. Major purchases through this panel are published online on the ACT Government Contracts Register.

Statement of Performance



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Education Directorate (Directorate) for the year ended 30 June 2021.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2021 are not in agreement with the Directorate's records or do not fairly reflect, in all material respects, the performance of the Directorate, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

The Directorate's responsibilities for the statement of performance

The Director-General is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Directorate.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Directorate's records or do not fairly reflect, in all material respects, the performance of the Directorate, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Directorate, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Directorate.



Michael Harris
Auditor-General
23 September 2021

**Education Directorate
Statement of Performance
For the year ended 30 June 2021**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Directorate's records and fairly reflects the service performance of the Directorate for the year ended 30 June 2021 and also fairly reflects the judgements exercised in preparing it.



Katy Haire
Director-General

**Education Directorate
Statement of Performance
For the year ended 30 June 2021**

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 and additional support in mainstream classes.

	2020-21 Target	2020-21 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
Cost (\$'000)				
1.1 Public Primary School Education	490,178	491,900	0.4%	
1.2 Public High School Education	233,285	230,641	(1.1%)	
1.3 Public Secondary College Education	142,106	142,641	0.4%	
1.4 Disability Education in Public Schools	89,292	96,218	7.8%	Note 1
Total Output Class 1	954,861	961,400	0.7%	
Controlled Recurrent Payments (\$'000)				
1.1 Public Primary School Education	399,332	404,675	1.3%	
1.2 Public High School Education	202,402	205,110	1.3%	
1.3 Public Secondary College Education	128,638	130,359	1.3%	
1.4 Disability Education in Public Schools	88,497	89,682	1.3%	
Total Output Class 1	818,869	829,826	1.3%	

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

Cost and Controlled Recurrent Payments were not examined by the ACT Auditor-General's Office in accordance with the *Financial Management Act (Statement of Scrutiny) Guidelines 2019*.

Notes:

1. The increased result against the target is primarily due to increased complexity of need associated with students in specialist schools.

**Education Directorate
Statement of Performance
For the year ended 30 June 2021**

Output Class 1: Public School Education	2020-21 Target	2020-21 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
Accountability Indicators				
Early childhood education				
a. Number of enrolments in preschool in public schools	4,700	4,679	(0.4%)	
b. Number of enrolments of Aboriginal and Torres Strait Islander students in preschool in public schools	275	278	1.1%	
School participation				
a. Attendance rate of public school students in year 1 to year 10	92%	90%	(2.2%)	
Education and care services				
a. Assessment and ratings completed within legislated timeframes	100%	96%	(4%)	
b. Annual compliance audit is delivered in full	100%	100%	-	
Disability education				
a. Individual Learning Plans completed for students in special and mainstream schools who access special education services	100%	97%	(2.8%)	
Senior secondary education – note 1				
a. Percentage of year 10 students who proceed to public secondary college education	92%	92%	-	
b. Percentage of year 10 Aboriginal and Torres Strait Islander students who proceed to public secondary college education	85%	83%	(2.4%)	
c. Apparent retention of public school students (inc. Aboriginal and Torres Strait Islander students) from year 7 to year 12	100%	100%	-	
h. Percentage of all year 10 students who proceed to year 12 at an ACT public senior secondary college	85%	85%	-	
i. Percentage of year 10 Aboriginal and Torres Strait Islander public school students who proceed to year 12 at an ACT public senior secondary college	70%	66%	(5.7%)	
j. Percentage of all year 12 students who received an ACT Senior Secondary Certificate	90%	87%	(3.3%)	
k. Percentage of year 12 Aboriginal and Torres Strait Islander students who received an ACT Senior Secondary Certificate	69%	69%	-	
Average cost (\$) per student per annum in public:				
a. Preschool	8,292	8,038	(3.1%)	
b. Primary school	17,011	17,101	0.5%	
c. High school	21,016	20,685	(1.6%)	
d. Secondary college	22,382	22,543	0.7%	
e. Special school ²	71,642	77,398	8.0%	Note 2
f. Mainstream School student with a disability ³	29,670	28,473	(4.0%)	Note 3

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

Cost and Controlled Recurrent Payments were not examined by the ACT Auditor-General's Office in accordance with the *Financial Management Act (Statement of Scrutiny) Guidelines 2019*.

Notes:

1. Indicators d-g have been discontinued for 2020-21 onwards and 2019-20 was the last year of reporting against this indicator. The 2020-21 target and reporting against this indicator is not applicable.
2. The increased result against the target is primarily due to increased complexity of need associated with students in specialist schools.
3. The decreased result against the target is mainly due to an increase in student numbers funded at a lower average cost of support to meet their needs.

**Education Directorate
Statement of Performance
For the year ended 30 June 2021**

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.

	2020-21 Target	2020-21 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
Cost (\$'000)	4,699	3,887	(17.3%)	Note 1
Controlled Recurrent Payments (\$'000)	4,019	3,028	(24.7%)	Note 1
Accountability Indicators – note 2				
c. Grants paid within the required period of receiving funds from the Commonwealth Government	100%	100%	-	

The above Statement of Performance should be read in conjunction with the accompanying notes. Cost and Controlled Recurrent Payments were not examined by the ACT Auditor-General's Office in accordance with the *Financial Management Act (Statement of Scrutiny) Guidelines 2019*.

Notes:

1. The variance to target is primarily due to reduced Commonwealth funding for Money Smart and National Chaplaincy National Partnership and Commonwealth funding for Money Smart and National Chaplaincy National Partnership being rolled over to the 2021-22 financial year.
2. Indicators a and b have been discontinued for 2020-21 onwards and 2019-20 was the last year of reporting against this indicator. The 2020-21 target and reporting against this indicator is not applicable.